KS ENERGY LIMITED
An Integrated Energy Services Hub

**ENTRY INTO THE SUPPLEMENTAL DEED TO AMEND AND SUPPLEMENT THE ORIGINAL PARTICIPATING NOTE**

## 1. INTRODUCTION

1.1 The board of directors (the "**Board**" or the "**Directors**") of KS Energy Limited (the "**Company**", together with its subsidiaries, the "**Group**") refers to the announcement dated 19 October 2018 in relation to the proposed disposal of the entire issued share capital of KS Resources Pte Ltd and the concurrent entry into the Original Participating Note (*as defined below*) (the **"Previous Announcement**"). Capitalised terms used herein shall, unless otherwise defined, have the meanings ascribed to them in the Previous Announcement.

1.2 The Company and ACH Distribution Pte. Ltd. (collectively, the **"Parties**") had entered into a note instrument constituting the profit participation note issued by ACH Distribution Pte. Ltd. dated 19 October 2018 (the "**Original Participating Note**").

## 2. SUPPLEMENTAL DEED

2.1 On 10 December 2018, the Parties entered into a supplemental deed to amend and supplement the Original Participating Note (the "**Supplemental Deed**").

2.2 Pursuant to the Supplemental Deed, the amendments to the Original Participating Note are set out below. Underlined texts indicate additions to the various paragraphs/texts.

(a) Clause 4.1 of the Original Participating Note shall be deleted and replaced such that:

ACH Distribution Pte. Ltd. ("**ACH**") shall keep records of the proceeds (the "**Proceeds**") from the following:

(i) any sale or disposal by ACH of all (or any part) of its shareholding in KSR and/or KS Distribution Pte. Ltd. ("**KSD**"); and

(ii) any sale or disposal by KSR of all (or any part) of its shareholding or assets in KSD or the Target Group which results in a payment to ACH, which is capital in nature, including the dividends (in cash or kind) or repayment of equity (including capital reduction) to ACH.

(b) Clause 4.3 of the Original Participating Note shall be deleted and replaced such that:

ACH shall pay to the noteholder (i.e. KS Energy Limited) a participating sum (the "**Participating Sum**") on the portion of the Proceeds which exceeds S$79,500,000 (the "**Threshold Amount**") based on the following formula:

Participating Sum = Portion of Proceeds which exceeds S$79,500,000 X 50.00% X 55.35%
By way of illustration, and assuming that:

(i) all of KSD's shares were sold by KSR and ACH collectively for S$100,000,000; and
(ii) KSR proceeds to declare a dividend of the entire proceeds of sale it receives to ACH such that ACH is in receipt of the entire S$100,000,000,

the Participating Sum payable to the noteholder will be:

(S$100,000,000-S$79,500,000 (i.e. Threshold Amount) X 50.00% X 55.35%) = S$5,673,375.

## 3. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors have individually and collectively reviewed and approved the issue of this announcement, and have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement are fair and accurate in all material aspects and that no material facts have been omitted from this announcement which would make any statement in this announcement misleading, and they jointly and severally accept responsibility accordingly. Where any information contained in this announcement has been extracted from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from these sources.

## 4. TRADING CAUTION

Shareholders and potential investors of the Company are advised to read this announcement, the Previous Announcement, and any further announcements by the Company carefully. Shareholders of the Company are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

**BY ORDER OF THE BOARD**
**KS ENERGY LIMITED**

Lai Kuan Loong Victor
Company Secretary
11 December 2018

For more information on KS Energy Limited, please visit our website at www.ksenergy.com.sg