

**CIRCULAR DATED 13 MAY 2022**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

This Circular is issued by P5 Capital Holdings Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”). If you are in any doubt as to the course of action you should take, you should consult your bank manager, stockbroker, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of the Company held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Circular, the Notice of EGM (as defined herein) and the attached Proxy Form (as defined herein) to the purchaser or transferee, or to the bank, stockbroker or agent through whom the sale or the transfer was effected for onward transmission to the purchaser or transferee.

This Circular has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, RHT Capital Pte. Ltd. (“**Sponsor**”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

This Circular has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Ms Bao Qing - Registered Professional, 6 Raffles Quay, #24-02, Singapore 048580, sponsor@rhtgoc.com.

**P5**  
**P5 CAPITAL HOLDINGS LTD.**  
(Company Registration Number 199806046G)  
(Incorporated in the Republic of Singapore)

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO**

- A. PROPOSED ACQUISITION OF SHARES IN THE CAPITAL OF GASHUBUNITED UTILITY PRIVATE LIMITED (THE “PROPOSED ACQUISITION”) AS A MAJOR TRANSACTION UNDER CHAPTER 10 OF THE LISTING MANUAL SECTION B: RULES OF CATALIST OF THE SGX-ST (“CATALIST RULES”);**
- B. PROPOSED ACQUISITION (INCLUDING THE SHAREHOLDERS’ AGREEMENT) AS AN INTERESTED PERSON TRANSACTION UNDER CHAPTER 9 OF THE CATALIST RULES;**
- C. PROPOSED ALLOTMENT AND ISSUE OF 409,672,131 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (“CONSIDERATION SHARES”) AT THE ISSUE PRICE OF S\$0.0305 PER CONSIDERATION SHARE TO GASHUBUNITED HOLDING PRIVATE LIMITED (THE “VENDOR”), IN SATISFACTION OF THE PURCHASE CONSIDERATION FOR THE PROPOSED ACQUISITION; AND**
- D. PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER OF THE RIGHTS OF THE INDEPENDENT SHAREHOLDERS OF THE COMPANY TO RECEIVE A MANDATORY GENERAL OFFER FROM THE VENDOR AND ITS CONCERT PARTIES (INCLUDING MR LIM SHAO-LIN) FOR THE REMAINING ISSUED AND PAID-UP SHARES OF THE COMPANY NOT ALREADY OWNED, ACQUIRED OR AGREED TO BE ACQUIRED BY THE VENDOR AND ITS CONCERT PARTIES (INCLUDING MR LIM SHAO-LIN), AS A RESULT OF THE ISSUE OF CONSIDERATION SHARES PURSUANT TO THE PROPOSED ACQUISITION.**

**Independent Financial Adviser in relation to the Proposed Acquisition and the Proposed Whitewash Resolution**

 **PROVENANCECAPITAL**  
**Provenance Capital Pte. Ltd.**  
(Company Registration No. 200309056E)  
(Incorporated in the Republic of Singapore)

**IMPORTANT DATES AND TIMES**

Last date and time for lodgement of Proxy Form	:	27 May 2022 at 10:00 a.m.
Last date and time to pre-register online to participate at the Extraordinary General Meeting	:	27 May 2022 at 10.00 a.m.
Date and time of Extraordinary General Meeting	:	30 May 2022 at 10:00 a.m.
Place of Extraordinary General Meeting	:	The Extraordinary General Meeting will be held by way of electronic means.

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## DEFINITIONS

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In this Circular, the following definitions shall apply throughout unless the context otherwise requires or otherwise stated:

<i>“associate”</i>	: (a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: <ul style="list-style-type: none"><li>(i) his immediate family;</li><li>(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and</li><li>(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more,</li></ul> (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
<i>“Audit Committee”</i>	: The audit committee of the Company as at the Latest Practicable Date, comprising Mr Chia Soon Hin William, Mr Lau Ping Sum Pearce and Mr Rathakrishnan Vijandran
<i>“Board”</i>	: The board of Directors of the Company as at the Latest Practicable Date
<i>“Catalist”</i>	: The sponsor-supervised listing platform of the SGX-ST
<i>“Catalist Rules”</i>	: The Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended, modified or supplemented from time to time
<i>“CDP”</i>	: The Central Depository (Pte) Limited
<i>“Circular”</i>	: This circular to Shareholders dated 13 May 2022
<i>“CLA”</i>	: The convertible loan agreement dated 15 December 2021 entered into between the Target and the Investor, under which the Investor agreed to grant the Target the Loan
<i>“Companies Act”</i>	: The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
<i>“Company”</i>	: P5 Capital Holdings Ltd.
<i>“Completion”</i>	: Completion of the Proposed Acquisition
<i>“Completion Date”</i>	: The date on which Completion shall take place, to be scheduled by the Parties within fourteen (14) days after the fulfilment (or otherwise waiver) of the conditions precedent under the SPA

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## DEFINITIONS

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<i>“Consideration Share(s)”</i>	:	New Share(s) to be allotted and issued at the Issue Price (fractional entitlements to be disregarded) to the Vendor in satisfaction of the Purchase Consideration, free from all claims and encumbrances and with all rights, dividends, benefits and entitlements now or hereafter attaching to such Shares with effect from such date of issue
<i>“Control”</i>	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
<i>“Controlling Shareholder”</i>	:	A person (including a corporation) who: <ul style="list-style-type: none"> <li>(a) (unless otherwise determined by the SGX-ST) holds directly or indirectly 15% or more of the nominal amount of all voting Shares; or</li> <li>(b) in fact exercises Control over the Company</li> </ul>
<i>“Conversion”</i>	:	The conversion of the entire principal amount of the Loan into the Target Shares, on the terms and conditions of the CLA
<i>“CPF”</i>	:	The Central Provident Fund of Singapore
<i>“CPF Agent Banks”</i>	:	Agent banks included under the CPFIS
<i>“CPFIS”</i>	:	CPF Investment Scheme
<i>“CPFIS Investors”</i>	:	Investors who purchased Shares using their CPF savings under the CPFIS
<i>“Directors”</i>	:	The directors of the Company as at the Latest Practicable Date
<i>“EGM”</i>	:	The extraordinary general meeting of the Company to be held on 30 May 2022, notice of which is set out on pages N-1 to N-5 of this Circular
<i>“Final Valuation”</i>	:	The final valuation price for 100% of the Target Shares based on the base value set out in the Valuation Report, being S\$22,500,000
<i>“FY”</i>	:	Financial year of the Company ended or ending 31 March (as the case may be)
<i>“Group”</i>	:	The Company and its subsidiaries, collectively
<i>“HY”</i>	:	6-month financial period of the Company ended or ending 30 September (as the case may be)
<i>“IFA”</i>	:	Provenance Capital Pte. Ltd., being the independent financial adviser appointed by the Company in respect of the Proposed Acquisition (including the SHA) as an interested person transaction and the Proposed Whitewash Resolution
<i>“IFA Letter”</i>	:	The letter dated 13 May 2022 issued by the IFA setting out the IFA's advice to the Independent Directors in relation to the Proposed Acquisition (including the SHA) as an interested person transaction and the Proposed Whitewash Resolution, a copy of which is set out in Appendix B on pages B-1 to B-36 of this Circular

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## DEFINITIONS

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<i>“Independent Directors”</i>	: Mr Koh Beng Leong, Mr Lau Ping Sum Pearce, Mr Chia Soon Hin William and Mr Rathakrishnan Vijandran, who are considered independent in relation to the Proposed Transactions. With effect from 25 May 2022, Mr Rathakrishnan Vijandran will cease to be an independent director of the Company, and Mr Tay Shui Wen will be appointed as independent director of the Company. Upon his appointment as a Director, Mr Tay Shui Wen will be considered independent in relation to the Proposed Transactions.
	Further details in relation to the aforementioned cessation and appointment respectively are set out in the Company’s announcements dated 26 April 2022.
<i>“Independent Shareholders”</i>	: Shareholders other than the Vendor and its concert parties (including Mr Lim) and parties not independent of them, for the purposes of the Proposed Whitewash Resolution
<i>“Investor”</i>	: Direct Union Limited
<i>“Issue Price”</i>	: S\$0.0305 per Consideration Share, being the volume weighted average of the prices of the Shares traded on the SGX-ST during the three-month period preceding (but excluding) the date of the MOU
<i>“Latest Practicable Date”</i>	: 9 May 2022, being the latest practicable date prior to the printing of this Circular
<i>“LNG”</i>	: Liquefied natural gas
<i>“Loan”</i>	: The loan of a principal amount of S\$2 million, which the Investor has extended to the Target pursuant to the CLA
<i>“LPS”</i>	: Loss per Share
<i>“MOU”</i>	: The binding memorandum of understanding dated 10 November 2021 between the Company and the Vendor, setting out the key understandings relating to the Parties’ intention to explore the Proposed Acquisition
<i>“Mr Lim”</i>	: Mr Lim Shao-Lin, the Executive Director and Chief Executive Officer, and a controlling shareholder of the Company, as well as a director and shareholder of the Vendor holding 60.25% of the total shares in the capital of the Vendor
<i>“Ms Leow”</i>	: Ms Leow Sau Wan, an Executive Director of the Company and the spouse of Mr Lim
<i>“NAV”</i>	: Net asset value
<i>“Notice of EGM”</i>	: The notice of EGM set out on pages N-1 to N-5 of this Circular
<i>“NTA”</i>	: Net tangible assets
<i>“NTL”</i>	: Net tangible liabilities

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## DEFINITIONS

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<i>“Ordinary Resolutions”</i>	:	The ordinary resolutions to be passed by a simple majority of the Shareholders voting by proxy at the EGM to be convened for Shareholders to consider and approve the Proposed Transactions
<i>“Parties”</i>	:	The parties to the SPA, being the Company and the Vendor
<i>“Proposed Acquisition”</i>	:	The proposed acquisition by the Company of the Sale Shares from the Vendor at the Purchase Consideration
<i>“Proposed Issue of Consideration Shares”</i>	:	The proposed allotment and issue of such number of Consideration Shares at the Issue Price to the Vendor, in satisfaction of the Purchase Consideration for the Proposed Acquisition
<i>“Proposed Transactions”</i>	:	Has the meaning ascribed to it in Section 1.1 of this Circular
<i>“Proposed Whitewash Resolution”</i>	:	The proposed whitewash resolution for the waiver of the rights of the Independent Shareholders to receive a mandatory general offer from the Vendor and its concert parties (including Mr Lim) for the remaining issued and paid-up Shares not already owned, acquired or agreed to be acquired by the Vendor and its concert parties (including Mr Lim), as a result of the issue of Consideration Shares pursuant to the Proposed Acquisition
<i>“Proxy Form”</i>	:	The proxy form attached to this Circular
<i>“Purchase Consideration”</i>	:	The purchase consideration for the Sale Shares, which will be calculated by the percentage of the total enlarged number of Target Shares at Completion (assuming Conversion prior to Completion) represented by the Sale Shares multiplied by the sum of the Final Valuation and S\$2,000,000
<i>“Sale Shares”</i>	:	Such number of the Target Shares that are legally and beneficially owned by the Vendor as at the Completion Date, representing approximately (but not less than) 51% of the total enlarged number of the Target Shares at Completion, rounded up to the nearest whole share (assuming Conversion prior to Completion)
<i>“Securities Account”</i>	:	The securities account maintained by a Depositor with CDP (but does not include a securities sub-account maintained with a Depository Agent)
<i>“SFA”</i>	:	The Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“SHA”</i>	:	The shareholders’ agreement dated 30 March 2022 entered into between the Company, the Vendor, the Investor (who will become a shareholder of the Target following the Conversion) and the Target, to regulate the affairs of the Target and the relevant parties’ respective rights and obligations as shareholders of the Target with effect from Completion
<i>“Share(s)”</i>	:	Ordinary share(s) in the capital of the Company

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## DEFINITIONS

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<i>"Share Capital"</i>	:	The issued and paid-up share capital of the Company
<i>"Shareholders"</i>	:	The registered holders of the Shares in the register of members of the Company, except where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with such Shares
<i>"SIC"</i>	:	Securities Industry Council
<i>"SPA"</i>	:	The sale and purchase agreement dated 31 December 2021 entered into between the Company and the Vendor in relation to the Proposed Acquisition
<i>"Sponsor"</i>	:	RHT Capital Pte. Ltd.
<i>"SRS"</i>	:	Supplementary Retirement Scheme
<i>"SRS Investors"</i>	:	Investors who have purchased Shares using their respective SRS contributions and which Shares are held on their behalf by SRS Operators
<i>"SRS Operators"</i>	:	Approved agent banks for SRS Investors
<i>"Substantial Shareholder"</i>	:	A person (including a corporation) who holds directly or indirectly 5% or more of the total issued voting Shares
<i>"Takeover Code"</i>	:	The Singapore Code on Take-overs and Mergers, as may be amended, modified, or supplemented from time to time
<i>"Target"</i>	:	Gashubunited Utility Private Limited
<i>"Target Share(s)"</i>	:	The issued ordinary share(s) in the capital of the Target
<i>"Valuation Report"</i>	:	The formal valuation report dated 24 March 2022 in respect of the valuation on the Target issued by the Valuer
<i>"Valuation Summary Letter"</i>	:	The summary of the Valuation Report dated 24 March 2022 which is set out in Appendix A on pages A-1 to A-8 of this Circular
<i>"Valuer"</i>	:	Chay Corporate Advisory Pte. Ltd.
<i>"Vendor"</i>	:	Gashubunited Holding Private Limited
<i>"VWAP"</i>	:	Volume weighted average price
<i>"Whitewash Waiver"</i>	:	The whitewash waiver granted by the SIC to the Vendor, waiving its obligation to make a mandatory general offer for the remaining issued and paid-up Shares not already owned, acquired or agreed to be acquired by the Vendor and its concert parties (including Mr Lim), under Rule 14 of the Takeover Code if the Vendor's, taken together with their concert parties' (including Mr Lim), voting rights in the Company will increase to 30% or more based on the total enlarged number of Shares as a result of the allotment and issue of Consideration Shares pursuant to the Proposed Acquisition, subject to the terms and conditions set out in Section 12.2 of this Circular

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## DEFINITIONS

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### Currencies, Units and Others

“%” : Per centum or percentage

“S\$” or “cents” : Singapore dollars and cents, respectively

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the same meanings ascribed to them respectively in Section 81SF of the SFA. The term “**subsidiary**” shall have the same meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word or term defined under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof and used in this Circular shall, where applicable, have the same meaning ascribed to it under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof, as the case may be, unless otherwise provided.

Any reference in this Circular to shares being allotted to a person includes allotment to CDP for the account of that person.

Any reference to a time of day and to dates in this Circular shall be a reference to Singapore time and dates, unless otherwise stated.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any discrepancies in this Circular between the sum of the figures stated and the total thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures which precede them.

Opal Lawyers LLC has been appointed as the legal adviser to the Company as to Singapore law in relation to this Circular.



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## LETTER TO SHAREHOLDERS

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### P5 CAPITAL HOLDINGS LTD.

(Company Registration Number 199806046G)  
(Incorporated in the Republic of Singapore)

#### Board of Directors

Lau Ping Sum Pearce (Chairman of the Board, Independent Director)  
Lim Shao-Lin (Executive Director, Chief Executive Officer)  
Koh Beng Leong (Executive Director – Finance)  
Leow Sau Wan (Executive Director)  
Chia Soon Hin William (Independent Director)  
Rathakrishnan Vijandran (Independent Director)

#### Registered Office

39 Kaki Bukit Place  
Eunos Techpark  
Singapore 416217

13 May 2022

To: The Shareholders of P5 Capital Holdings Ltd.

Dear Sir/Madam

- A. **PROPOSED ACQUISITION OF SHARES IN THE CAPITAL OF GASHUBUNITED UTILITY PRIVATE LIMITED (THE “PROPOSED ACQUISITION”) AS A MAJOR TRANSACTION UNDER CHAPTER 10 OF THE CATALIST RULES;**
- B. **PROPOSED ACQUISITION (INCLUDING THE SHAREHOLDERS’ AGREEMENT) AS AN INTERESTED PERSON TRANSACTION UNDER CHAPTER 9 OF THE CATALIST RULES;**
- C. **PROPOSED ALLOTMENT AND ISSUE OF 409,672,131 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (“CONSIDERATION SHARES”) AT THE ISSUE PRICE OF S\$0.0305 PER CONSIDERATION SHARE TO GASHUBUNITED HOLDING PRIVATE LIMITED (THE “VENDOR”), IN SATISFACTION OF THE PURCHASE CONSIDERATION FOR THE PROPOSED ACQUISITION; AND**
- D. **PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER OF THE RIGHTS OF THE INDEPENDENT SHAREHOLDERS OF THE COMPANY TO RECEIVE A MANDATORY GENERAL OFFER FROM THE VENDOR AND ITS CONCERT PARTIES (INCLUDING MR LIM SHAO-LIN) FOR THE REMAINING ISSUED AND PAID-UP SHARES OF THE COMPANY NOT ALREADY OWNED, ACQUIRED OR AGREED TO BE ACQUIRED BY THE VENDOR AND ITS CONCERT PARTIES (INCLUDING MR LIM SHAO-LIN), AS A RESULT OF THE ISSUE OF CONSIDERATION SHARES PURSUANT TO THE PROPOSED ACQUISITION.**

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#### 1. INTRODUCTION

- 1.1 The Directors are convening an EGM to be held on Monday, 30 May 2022 at 10.00 a.m. to seek the approval of Shareholders for the following proposals:
  - (i) Proposed Acquisition as a major transaction under Chapter 10 of the Catalist Rules;
  - (ii) Proposed Acquisition (including the SHA) as an interested person transaction under Chapter 9 of the Catalist Rules;
  - (iii) Proposed Issue of Consideration Shares; and
  - (iv) Proposed Whitewash Resolution,(collectively, the “**Proposed Transactions**”).

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## LETTER TO SHAREHOLDERS

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- 1.2 The purpose of this Circular is to provide Shareholders with information relating to the Proposed Transactions, and the rationale thereof, and to seek Shareholders' approval at the EGM for the Ordinary Resolutions in respect of the Proposed Transactions respectively as set out in the Notice of EGM.
- 1.3 Shareholders should note that the approval of Ordinary Resolution 1 relating to the Proposed Acquisition as a major transaction under Chapter 10 of the Catalist Rules, Ordinary Resolution 2 relating to the Proposed Acquisition (including the SHA) as an interested person transaction under Chapter 9 of the Catalist Rules, Ordinary Resolution 3 relating to the Proposed Issue of Consideration Shares and Ordinary Resolution 4 relating to the Proposed Whitewash Resolution are inter-conditional. As such, if any of the Ordinary Resolutions 1, 2, 3 or 4 are not carried, all of Ordinary Resolutions 1, 2, 3 and 4 will not be carried.
- 1.4 The SGX-ST assumes no responsibility for the accuracy of any statements or opinions made or reports contained in this Circular. If a Shareholder is in any doubt as to the course of action he should take, he should consult his bank manager, stockbroker, solicitor, accountant, tax adviser or other professional adviser(s) immediately.

## 2. PROPOSED ACQUISITION

### 2.1 Background

On 10 November 2021, the Company announced that it had entered into the MOU with the Vendor, to set out the key understandings relating to the Parties' intention to explore the Company's proposed acquisition of such number of shares held by the Vendor in the Target as at the date of Completion, representing approximately 51.0% of the total Target Shares as at the date of Completion.

Following negotiations between the Parties, the Company has on 31 December 2021 entered into the SPA with the Vendor, in relation to the Proposed Acquisition by the Company of the Sale Shares, being such number of the Target Shares representing approximately (but not less than) 51% of the total enlarged number of the Target Shares at Completion, rounded up to the nearest whole Target Share (assuming Conversion prior to Completion) from the Vendor.

Upon Completion, the Target will become a 51%-owned subsidiary of the Group.

### 2.2 Information on the Target and the Vendor

#### 2.2.1 Information on the Target

The Target is a private company incorporated in Singapore on 1 April 2017. The Target 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. The Target 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 Latest Practicable Date, the Target has an issued and paid-up share capital of S\$6,937,294 divided into 6,937,294 Target Shares.

#### 2.2.2 Information on the Vendor

As at the Latest Practicable Date, the Target is a wholly-owned subsidiary of the Vendor.

The Vendor is a private company incorporated in Singapore on 3 March 2016. The Vendor 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. The Vendor'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.

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## LETTER TO SHAREHOLDERS

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The Target's focus is complemented by the technical expertise and existing customer relationships of the Vendor and its group of subsidiaries.

### 2.2.3 Trend of the LNG Industry

Natural gas remains in abundant supply and, coupled with a growing global demand for natural gas, represented 24.7% of the global energy demand in 2020<sup>(1)</sup>. Meanwhile, innovation in natural gas extraction technology has resulted in a significant decrease in natural gas prices<sup>(1)</sup>. The demand for natural gas is bolstered by governmental policy support, such as the Paris Agreement<sup>(2)</sup>, which was adopted by several other countries, setting out a global framework on climate change, and China's target to become carbon neutral by 2060<sup>(3)</sup>, which is anticipated to continue driving the demand for natural gas as a cleaner alternative. As a cleaner and more efficient fuel, natural gas plays a critical role in the global energy transition towards a lower-carbon future.

Notwithstanding the growing global demand and abundant supply of natural gas, much of the world's natural gas reserves are not connected directly via pipeline to potential end-users. Hence, a means to deliver natural gas to end-users would be to convert natural gas to LNG via a process, which involves treating natural gas to remove impurities then cooling it to a liquid form.

The Target is principally engaged in the distribution of LNG through a virtual pipeline approach, being the transportation of LNG via ISO tanks and cylinders. With its focus on LNG, the Target is well-positioned to support its customers in the transition towards a lower-carbon energy future.

#### Notes:

- (1) This information was extracted from the report titled "bp Statistical Review of World Energy 2021" published by BP p.l.c. in 2021. (<https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/energy-economics/statistical-review/bp-stats-review-2021-full-report.pdf>)
- (2) This information was extracted from the internet website of the United Nations Treaty Collection, Chapter XXVII 7.d Paris Agreement. ([https://treaties.un.org/Pages/ViewDetails.aspx?src=TREATY&mtdsg\\_no=XXVII-7-d&chapter=27&clang=\\_en](https://treaties.un.org/Pages/ViewDetails.aspx?src=TREATY&mtdsg_no=XXVII-7-d&chapter=27&clang=_en))
- (3) This information was extracted from the article titled "How China Plans to Become Carbon-Neutral by 2060" published by Bloomberg News on 11 August 2021. (<https://www.bloomberg.com/news/articles/2021-08-10/how-china-plans-to-become-carbon-neutral-by-2060-quicktake>)

### 2.2.4 Relationship between the Vendor and its beneficial owners, and the Group, the Directors and Controlling Shareholders, and their respective associates

Mr Lim Shao-Lin ("**Mr Lim**") is a director and shareholder of the Vendor holding 60.25% of the total shares in the capital of the Vendor. He is also the Executive Director and Chief Executive Officer, and a controlling shareholder of the Company, with a direct interest of 163,699,808 Shares (representing 23.74% of the total Shares). Ms Leow Sau Wan ("**Ms Leow**"), an Executive Director of the Company, is the spouse of Mr Lim. Ms Leow does not hold any shares in the capital of the Vendor.

Of the remaining shares in the Vendor, 0.79% of the total shares in the capital of the Vendor is held by Mr Lim's brother, Mr Lim Wen Jie, and the remaining 38.96% of the total shares in the capital of the Vendor are held by unrelated parties.

## LETTER TO SHAREHOLDERS

As at the Latest Practicable Date, the following shareholders of the Vendor are also Shareholders of the Company:

No.	Name	Shareholding Interest	
		As at the Latest Practicable Date <sup>(1)(3)</sup>	After Completion <sup>(2)(3)</sup>
1	Tan Kheng Chai	2.72%	1.71%
2	Sim Siew Tin Carol (Shen Xiuzhen Carol)	2.50%	1.57%
3	Lim Guan Guan	0.65%	0.41%

**Notes:**

- (1) Based on the total number of existing Shares (excluding treasury shares and subsidiary holdings) of 689,524,443 Shares as at the Latest Practicable Date.
- (2) Based on the total enlarged number of Shares (excluding treasury shares and subsidiary holdings) after the Completion, of 1,099,196,574 Shares.
- (3) Including both direct and deemed interests.

Save for Mr Lim and the abovementioned individuals, the remaining shareholders of the Vendor do not hold any Shares as at the Latest Practicable Date. For the avoidance of doubt, notwithstanding that the abovementioned individuals are Shareholders, they are not deemed to be Mr Lim's associate or acting in concert with Mr Lim with respect to the Proposed Acquisition and the Proposed Whitewash Resolution.

As at the Latest Practicable Date, save as disclosed above, the Vendor and its shareholders are not related to the Group, the Directors and Controlling Shareholders, and their respective associates.

### 2.2.5 Information on the CLA between the Target and the Investor

Following the MOU, the Target entered into a convertible loan agreement ("**CLA**") with the Investor, Direct Union Limited, under which the Investor agreed to grant the Target the Loan of a principal amount of S\$2 million.

The Company is informed that the Target has drawn down on the Loan on 20 December 2021. Under the CLA, the entire principal amount of the Loan will be converted into the Target Shares simultaneously with the Completion, at such conversion price based on the Final Valuation to be applied to the Proposed Acquisition.

(i) Information on the Investor

The Investor, a company incorporated in the British Virgin Islands, is principally engaged in investments holding.

The Company is informed that an associate of the Investor, Lippo North Asia Limited, is a 6.3%-shareholder of the Vendor. Save as disclosed, this associate is not related to the Company and any of the interested persons of the Company.

(ii) Salient terms of the CLA

The salient terms of the CLA are as follows:

- (a) The Target may draw down on the Loan in one lump sum from the date of the CLA up to 30 December 2021;

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## LETTER TO SHAREHOLDERS

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- (b) The Loan will mature on the earlier of (1) the second anniversary of the abovementioned drawdown date or (2) the occurrence of any specified event, including the insolvency or bankruptcy of the Target, any unremedied breach of the CLA by the Target, or where (i) the Vendor (or following the Completion, the Company) holds less than 51% shareholding in the Target, (ii) Mr Lim's direct or indirect shareholding in the Target falls below 30%, or (iii) Mr Lim ceases to be on the Target's management team;
- (c) Unless Conversion takes place, the Loan (together with interest accrued thereon) will be repayable to the Investor on the maturity date;
- (d) The Loan will bear interest at 5% per annum, which will be payable on the maturity date or the conversion date of the Loan (as the case may be. Any interest accrued is repayable: (1) where Conversion occurs simultaneously with the Completion, by way of cash; or (2) where the Proposed Acquisition is terminated or the Company acquires less than 51% shareholding interest in the Target at Completion ("**Termination or Partial Completion**"), by way of cash or convertible into the Target Shares at the Conversion Price, at the Investor's option;
- (e) The Investor will convert the entire outstanding principal amount of the Loan into new Target Shares ("**Conversion Shares**") simultaneously with the Completion where the Company acquires at least 51% shareholding in the Target at Completion, at a conversion price ("**Conversion Price**") based on the indicative valuation of 100% of the Target shares at S\$26,250,000. If the indicative valuation is higher than the Final Valuation for the Proposed Acquisition, the number of Conversion Shares to be issued to the Investor shall be adjusted as follows:

$$A = L / (NV / S)$$

Where:

- "A" = the number of Conversion Shares to be issued to the Lender, rounded down to the nearest whole number;
- "L" = the principal amount of the Loan to be converted;
- "NV" = the Final Valuation; and
- "S" = the total number of the Target Shares immediately prior to the issue of Conversion Shares;

- (f) In the event of the Termination or Partial Completion, the Investor may opt to convert all or part of the outstanding principal amount of the Loan and accrued interest thereon into Conversion Shares any time from the Termination or Partial Completion up to seven (7) business days prior to the maturity of the Loan;
- (g) In the event of the Termination or Partial Completion, the Investor is entitled to receive 6.5% of the net profit after tax from such date of Termination or Partial Completion to the maturity date or the conversion date of the Loan (as the case may be). If any part of the Loan is converted into Conversion Shares, the rate of 6.5% shall be reduced proportionally from such conversion date based on the reduction of amount of Loan;
- (h) If (a) the Termination or Partial Completion occurs, and (b) the Target issues, allots and/or sells its equity at a price lower than the Conversion Price within twelve (12) months after such conversion, the Target will issue such number of additional shares to the Investor as if the relevant amount of Loan (and any accrued but unpaid interest) had been converted into Conversion Shares at such lower share price, for a nominal consideration of S\$1; and

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- (i) Under the CLA, the Target undertakes to the Investor that, so long as any amounts remain unpaid, the Target shall, *inter alia*, not, without the prior consent of the Investor (a) effect any diversification or material change to the Target's business, (b) incur any borrowings, guarantee, indemnity or other forms of indebtedness in excess of S\$2 million, and (c) split, consolidate, issue any new shares, options, warrants or other forms of convertible securities.

### 2.2.6 Resultant shareholdings in the Target following the Completion (assuming Conversion prior to Completion)

Based on the Final Valuation of S\$22,500,000, the resultant shareholding in the Target following the Completion (assuming Conversion prior to Completion) will be as follows:

Target's shareholders	Existing number of Target Shares held	Existing shareholding interest in the Target <sup>(1)</sup>	Number of Target Shares held after Completion	Shareholding interest in the Target after Completion <sup>(2)</sup>
The Vendor	6,937,294	100%	3,084,783	40.84%
The Company	—	—	3,852,511	51.0%
The Investor	—	—	616,648	8.16%
<b>Total</b>	<b>6,937,294</b>	<b>100%</b>	<b>7,553,942</b>	<b>100%</b>

**Notes:**

- (1) Based on the total number of existing Target Shares of 6,937,294 as at the Latest Practicable Date.
- (2) Based on the total enlarged number of Target Shares after the Completion (assuming Conversion prior to Completion) of 7,553,942.

## 2.3 Material Terms of the Proposed Acquisition

### 2.3.1 Purchase Consideration

#### (i) Amount of Purchase Consideration

The Purchase Consideration will be calculated by the percentage of the total enlarged number of the Target Shares at Completion (assuming Conversion prior to Completion) represented by the Sale Shares multiplied by the sum of the Final Valuation and S\$2,000,000. The Purchase Consideration has assumed the Conversion of the entire Loan into Shares.

The Purchase Consideration was arrived at on a willing buyer and willing seller basis, and under the SPA, makes reference to S\$22,500,000 as the indicative valuation price of the base value for 100% of the Target Shares as at the date of the SPA.

Under the SPA, the Parties agreed that, within three (3) months from the date of SPA, the Valuer will determine the final valuation price for 100% of the Target's Shares based on the base value set out in its formal valuation report ("**Final Valuation**"), and:

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

$$P = A\% \times (NV + S\$2,000,000),$$

Where:

"P" = final Purchase Consideration;

"A%" = the shareholding interest of the Sale Shares, based on the total number of issued Shares as at Completion; and

"NV" = the Final Valuation;



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## LETTER TO SHAREHOLDERS

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- (b) Where the Final Valuation is equal to or higher than S\$26,250,000, there shall be no adjustment to the Purchase Consideration; and
- (c) Where the Final Valuation is lower than S\$20,000,000, the SPA will cease and determine and no Party will have any claim against the other Party for costs, damages, compensation or otherwise.

Based on the Final Valuation of S\$22,500,000, the Purchase Consideration will be S\$12,495,000.

(ii) Satisfaction of Purchase Consideration via allotment and issue of Consideration Shares

Under the SPA, the Purchase Consideration will be satisfied by the Company by way of the allotment and issue of the Consideration Shares to the Vendor, at the issue price of S\$0.0305 per Consideration Share, being the volume weighted average of the prices of the Shares traded on the SGX-ST during the three-month period preceding (but excluding) the date of the MOU ("**Issue Price**") (fractional entitlements to be disregarded), against the fulfilment of the Vendor's obligations under the SPA at the Completion Date.

The Issue Price represents a premium of 8.9% to the VWAP of the Shares of S\$0.028 on 30 December 2021, which is the last full market day on which the P5 Shares were traded prior to the date of the SPA. The Issue Price, being the daily volume weighted average price of the Shares for trades done on the SGX-ST for the period of three (3) months ending on the full market day immediately prior to the execution of the MOU, was arrived at after arm's length negotiations between the Parties after taking into consideration, *inter alia*, the prevailing share price of the Company at the date of entry into the MOU in relation to the Proposed Acquisition. The allotment and issue of Consideration Shares would help in conserving cash for the Group for working capital purposes and for future acquisition opportunities and further align the interests of the Vendor and the Company moving forward.

The Consideration Shares shall be free from all claims and encumbrances and with all rights, dividends, benefits and entitlements now or hereafter attaching to the Consideration Shares with effect from such date of issue.

Based on the Purchase Consideration of S\$12,495,000, the Company will issue 409,672,131 Consideration Shares to the Vendor, representing approximately 59.41% of the existing issued and paid-up Shares of 689,524,443 Shares (excluding treasury shares and subsidiary holdings) and approximately 37.27% of the enlarged issued and paid-up Shares of 1,099,196,574 Shares (excluding treasury shares and subsidiary holdings) following Completion.

### 2.3.2 Sale Shares

The Sale Shares will represent approximately (but not less than) 51% of the total enlarged number of Target Shares as at Completion (assuming Conversion prior to Completion), rounded up to the nearest whole Share.

The Company is not obliged (but is entitled) to complete the Proposed Acquisition unless the purchase of all Sale Shares is completed simultaneously.

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### 2.3.3 Conditions Precedent

Completion is conditional upon, *inter alia*, the fulfilment (or otherwise waiver at the sole and absolute discretion of the Company, if capable of being waived) of certain conditions precedent including, *inter alia*:

- (i) the issue of the Valuation Report by the Valuer within three (3) months from the date of SPA;
- (ii) the issue of the opinion of the Audit Committee and the opinion of the IFA that the Proposed Acquisition (including the SHA), being deemed as an interested person transaction under Chapter 9 of the Catalist Rules, is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders;
- (iii) the Company being satisfied with the results of the due diligence investigations (whether legal, financial, contractual, tax or otherwise) carried out by the Company in respect of the Target, including but not limited to the affairs, business, assets, liabilities, operations, records, financial position, financial performance, tax liabilities, accounts, results and prospects of the Target;
- (iv) all consents, approvals and authorisations of the bankers, financial institutions, landlords of leases, any other relevant third parties, government or regulatory authorities which are necessary in connection with the transfer of the Sale Shares from the Vendor to the Company and the Company obtaining legal and beneficial title to the Sale Shares and other transactions contemplated under the SPA, including listing requirements and compliances required by the SGX-ST and if subject to conditions, on such conditions acceptable to the Company, and such consents, approvals and authorisation remaining in full force and effect and not being revoked prior to the Completion Date;
- (v) the Whitewash Waiver being granted by the SIC to the Vendor, Mr Lim and their respective concert parties (if any) from the requirement to make a mandatory offer for the Shares under Rule 14 of the Takeover Code if the Vendor's and Mr Lim's, taken together with their concert parties' (if any), voting rights in the Company will increase to 30% or more based on the enlarged share capital of the Company as a result of the allotment and issue of Consideration Shares, subject to any conditions that the SIC may impose which are reasonably acceptable to the Vendor, including the approval by Shareholders at EGM on the Whitewash Resolution and the opinion of the IFA that the terms of the SPA are fair and reasonable and the Whitewash Resolution, when considered in the context of the transaction, is not prejudicial to the interest of the Independent Shareholders;
- (vi) the approval of the Shareholders in an EGM being obtained for the Proposed Acquisition (being an interested person transaction) contemplated in the SPA upon the terms and conditions set out in the SPA, including, *inter alia*, the Proposed Acquisition, the allotment and issue of the Consideration Shares and the Whitewash Resolution (if the Whitewash Waiver is obtained), and the approval and such other compliance requirements of the relevant authorities in Singapore (including the listing and quotation notice from the SGX-ST for the admission to and listing and quotation of the Consideration Shares on the Catalist);
- (vii) the execution of the SHA by the Parties, the Target and the Investor (who will become a shareholder of the Target following the Conversion), on terms to be mutually agreed between such parties, which will include (i) the Company's entitlement to appoint majority of the directors on the Target's board, (ii) board reserved matters, (iii) the management of day-to-day operations of the Target, (iv) the shareholders' rights to access of information of the Target, such as operating reports and financial statements, and (v) the Company's right of first refusal to participate in future issue of Shares by the Target; and



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- (viii) there being no material adverse change (as reasonably determined by the Company in its absolute discretion) in the corporate structure, management team, principal activities, prospects, operations, assets, business, profits, financial condition of the Target occurring on or before the Completion Date.

If any of the conditions precedent set out in the SPA is not fulfilled by the respective party, or otherwise waived by the Company at its sole and absolute discretion, within nine (9) months from the date of the SPA or such later date as agreed in writing by the Parties, the SPA shall cease and determine at the sole option of the Company.

### 2.3.4 Moratorium over Consideration Shares

Under the SPA, the Vendor agrees and undertakes not to directly or indirectly sell, contract to sell, offer, realise, transfer, assign, pledge, grant any option to purchase, grant any security over, encumber or otherwise dispose or sell or agree to sell any or all of the Consideration Shares issued to it for a period of six (6) months from the date of allotment and issue of the Consideration Shares, unless agreed otherwise by the Company in writing.

### 2.3.5 Completion

Subject to the satisfaction or waiver (as the case may be) of the conditions precedent under the SPA, the Completion shall take place on the Completion Date, to be scheduled by the Parties within fourteen (14) days after the fulfilment (or waiver by the Company at its discretion) of the conditions precedent under the SPA.

If Completion does not take place due to failure to satisfy any or all of the conditions precedent under the SPA (unless otherwise waived by the Company) or the occurrence of any event which is beyond the reasonable control of the Company or the Vendor, the SPA will cease and determine at the sole option of the Company and the Parties will have no claims against each other save for antecedent breaches of the terms in the SPA and the Company's rights under the SPA.

### 2.3.6 Transfer and Assignment of Intellectual Property Rights

Under the SPA, the Vendor agrees and undertakes to the Company that it will, prior to Completion, transfer and assign (and procure the same) the ownership of all existing and future intellectual property rights which are registered (or to be registered) in its name (or the name of any third party) at the date of the SPA, which are required in the business of the Target, to the Target ("**IP Assignment**"), provided that such obligation to transfer and assign intellectual property rights will cease upon the Vendor (or any of its subsidiaries or related companies) ceasing to be a shareholder of the Target. The Target and the Vendor will enter into a separate agreement to provide for the IP Assignment and the assignment of any future intellectual property rights which are registered in the Vendor's name to the Target, with no further consideration payable by the Target.

As at the date of the SPA, the existing intellectual property rights and ongoing applications for patents required in the business of the Target have been transferred to the Target.

## 2.4 **Financing for the Proposed Acquisition**

The Purchase Consideration will be fully funded by the allotment and issue of the Consideration Shares by the Company to the Vendor.

Please refer to Section 2.3.1 of this Circular for further details in relation to the allotment and issue of the Consideration Shares.

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### 2.5 Rationale for the Proposed Acquisition

The rationale for and benefits of the Proposed Acquisition are, *inter alia*, as follows:

- (i) In line with the Group's business diversification strategy to enhance the Group's business performance and Shareholders' value by unlocking additional streams of income, the Proposed Acquisition will provide the Group with the opportunity to further grow the Group's energy business and provide recurring revenue streams;
- (ii) The Proposed Acquisition presents an opportunity for the Group to further grow and venture into the energy and natural gas related business, a growing sector with increasing demand in the region, on a domestic and international scale, by tapping on the resources of the Target; and
- (iii) The Proposed Acquisition creates various future business opportunities by capitalising on the synergy from both the businesses of the Target and the energy division of the Group.

As such, the Company is of the view that the Proposed Acquisition will enhance shareholders' value for the Company.

### 3. VALUE OF THE SALE SHARES AND THE TARGET

The unaudited net tangible liabilities ("NTL") of the Target for the 9 months ended 30 September 2021 was S\$2,825,493, and the net liabilities of the Target for the 9 months ended 30 September 2021 was S\$2,825,493. The unaudited loss before tax of the Target for the latest 9 months period ended 30 September 2021 was S\$1,296,196. The unaudited net tangible liabilities ("NTL") of the Sale Shares for the 9 months ended 30 September 2021 was S\$1,441,001, and the net liabilities of the Sale Shares for the 9 months ended 30 September 2021 was S\$1,441,001.

For completeness, after 30 September 2021, the Target has capitalised loans (from Mr Lim, the Vendor and its related companies) amounting to approximately S\$5 million. Accordingly, the Target is in a net tangible assets position as at the Latest Practicable Date.

The Company has engaged the Valuer, Chay Corporate Advisory Pte. Ltd., as an independent professional valuer to carry out a valuation on 100% of the Target Shares as at 30 September 2021 in accordance with the International Valuation Standards as prescribed by the International Valuation Standards Council. The valuation on the Target was performed by Mr Chay Yiwmin. Chay Corporate Advisory Pte. Ltd. is a boutique corporate advisory house which provides corporate advisory services in the areas of business services outsourcing, merger and acquisition, corporate restructuring, financial modelling, financial instrument and business valuation, financial and operational due diligence, accounting advisory, and litigation support to a diverse clientele across a broad array of industry sectors, ranging from multinational corporations and public listed companies, to private businesses, entrepreneurs and individuals.

Based on a preliminary valuation conducted by the Valuer as disclosed in the Company's announcement dated 31 December 2021, the indicative market value of 100% of the equity interest in the Target is approximately S\$22,500,000 as at 30 September 2021. The valuation is based on a discounted cash flow approach.

Based on the Valuation Summary Letter set out in Appendix A to this Circular, the market value of 100% of the equity interest in the Target ranges from S\$19.1 million to S\$27.0 million, with a base value of S\$22.5 million as at 30 September 2021. The Valuer has made reference to the market value as the basis of the valuation and adopted the discounted cash flow approach as the primary valuation methodology, taking into consideration, *inter alia*, the Target's present financial and operational circumstances and the Loan pursuant to the CLA. Based on the Valuation Report dated 24 March 2022 issued by the Valuer, the market value of 100% of the equity interest in the Target remains the same as the indicative valuation, ranging from S\$19.1 million to S\$27.0 million, with a base value of S\$22.5 million as at 30 September 2021.

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The Board is of the view that the key assumptions used by the Valuer in the valuation of the Target are reasonable, and the key limitations as disclosed in the Valuation Report are acceptable.

Assuming the Conversion prior to Completion, the Loan amounting to S\$2,000,000 will be capitalised and the abovementioned base value of 100% of the equity interest in the Target would increase by S\$2,000,000 to S\$24,500,000. Please refer to Section 2.3.1 of this Circular for further details on the determination of the Purchase Consideration.

#### 4. SHAREHOLDERS' AGREEMENT

4.1 Pursuant to the SPA, the Company, the Vendor, the Target and the Investor (who will become a shareholder of the Target following the Conversion) have on 30 March 2022 entered into the SHA to regulate the affairs of the Target and the relevant parties' respective rights and obligations as shareholders of the Target with effect from the Completion.

4.2 The salient terms of the SHA include, *inter alia*:

- (i) The SHA will take effect from, and subject to, the date of the Completion and the Conversion, which will take place simultaneously.
- (ii) The Target's board will comprise 3 directors, unless its shareholders unanimously agree otherwise, of which the Company may appoint 2 directors and the Vendor may appoint 1 director. The Company will be entitled to appoint a majority of directors on the Target's board, if it holds more than 50% shareholding interest in the Target.
- (iii) Certain board reserved matters prescribed in the SHA will not be undertaken unless approved by a majority of directors (including at least 1 director nominated by the Company, if it holds at least 50% shareholding interest in the Target), such as the approval of the budget or business plan of the Target, an acquisition or disposal of interest in a subsidiary or other entity, and capital expenditure over a certain amount.
- (iv) The Target's board will appoint a management committee to manage the business and day-to-day operations of the Target in accordance with the board's directions.
- (v) Shareholders' rights to access of information of the Target, such as the monthly accounts, quarterly and annual financial statements of the Target (and its future subsidiaries, if any), the operating budget forecast, and any information of the Target (and its future subsidiaries, if any) as reasonably requested.
- (vi) All new shares to be issued by the Target will first be offered to all shareholders on a *pro rata* ratio based on their respective shareholding interest. Where any shareholder declines, the Target may then issue such shares to the other shareholders, or if such other shareholders decline, to third parties (at an issue price no lower than that offered to its shareholders).
- (vii) Restrictions on transfer of shares, save for transfer to any affiliate of such shareholder, including the right of first refusal for the purchase of any sale shares, drag-along right and tag-along right.
- (viii) Non-competition and non-solicitation undertakings by significant shareholders, being shareholders holding at least 25% shareholding interest in the Target.

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### 5. PROPOSED ACQUISITION AS A MAJOR TRANSACTION UNDER CHAPTER 10 OF THE CATALIST RULES

#### 5.1 Relative Figures computed based on Rule 1006 of the Catalyst Rules

Based on the latest announced unaudited consolidated financial statements of the Group for the half year ended 30 September 2021 (“HY2022”), the relative figures of the Proposed Acquisition (based on the Final Valuation of S\$22,500,000 and the Purchase Consideration of S\$12,495,000) as computed on the relevant bases set out in Rule 1006 of the Catalyst Rules are as follows:

Rule		Relative Figures (%)
1006 (a)	Net asset value of the assets to be disposed of, compared with the group's net asset value	Not applicable
1006 (b)	Net loss attributable to the assets acquired or disposed of, compared with the group's net loss	31.98 <sup>(1)</sup>
1006 (c)	Aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares	64.72 <sup>(2)(3)</sup>
1006 (d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	59.41 <sup>(4)</sup>
1006 (e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable

#### Notes:

- (1) Based on the unaudited loss before income tax and non-controlling interests of S\$520,638 attributable to the Sale Shares for HY2022, and the Group's unaudited loss before income tax and non-controlling interests of S\$1,627,814 for HY2022.
- (2) Pursuant to Rule 1003(3) of the Catalyst Rules, where the consideration is in the form of shares, the value of the consideration shall be determined by reference either to the market value of such shares or the net asset value (“NAV”) represented by such shares, whichever is higher. In this instance, (a) the Purchase Consideration under the SPA is S\$12,495,000; (b) the market value of the 409,672,131 Consideration Shares is S\$11,470,820 based on VWAP of S\$0.028 on 30 December 2021, which is the last full market day on which the P5 Shares were traded prior to the date of the SPA; and (c) the NAV represented by such shares of the Group of S\$7,201,672 as at 30 September 2021. Based on the above, the relative figure has been computed based on S\$12,495,000, being the highest of (a) to (c).
- (3) The Company's market capitalisation of S\$19,306,684 is based on the Company's issued ordinary shares (excluding treasury shares and subsidiary holdings) of 689,524,443 shares and VWAP of S\$0.028 on 30 December 2021, which is the last full market day on which the P5 Shares were traded prior to the date of the SPA.
- (4) Based on 409,672,131 Consideration Shares (assuming no adjustment to the Purchase Consideration under the SPA) and the Company's issued ordinary shares (excluding treasury shares and subsidiary holdings) of 689,524,443 shares.

#### 5.2 Shareholders' approval for the Proposed Acquisition as a major transaction

As the relative figure(s) calculated under Rule 1006(b), (c) and (d) of the Catalyst Rules exceeds 5% but does not exceed 75%, the Proposed Acquisition constitutes a “discloseable transaction” within the meaning of Chapter 10 of the Catalyst Rules, and is not subject to the approval of the Company's shareholders at a general meeting.

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However, as the components of the relative figure computed on the bases set out in Rule 1006(b) of the Catalyst Rules is negative, the Proposed Acquisition does not fall within the relevant scenarios provided for in paragraphs 4.3 and 4.4 of Practice Note 10A of the Catalyst Rules. Accordingly, pursuant to paragraph 4.6 of Practice Note 10A of the Catalyst Rules, the Company will be seeking the approval of Shareholders for the Proposed Acquisition as a “major transaction” under Chapter 10 of the Catalyst Rules.

### **6. PROPOSED ACQUISITION (INCLUDING THE SHA) AS AN INTERESTED PERSON TRANSACTION UNDER CHAPTER 9 OF THE CATALIST RULES**

#### **6.1 The Vendor as an Interested Person under Chapter 9 of the Catalyst Rules**

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 the Vendor holding 60.25% shareholding interest in the Vendor. Of the remaining shares in the Vendor, 0.79% of the total shares in the capital of the Vendor is held by Mr Lim’s brother, Mr Lim Wen Jie. Ms Leow, an Executive Director of the Company, is the spouse of Mr Lim. Ms Leow does not hold any shares in the capital of the Vendor.

Accordingly, the Vendor is an “interested person” within the meaning defined in Chapter 9 of the Catalyst Rules and the Proposed Acquisition (including the SHA) is an interested person transaction.

#### **6.2 Thresholds under Chapter 9 of the Catalyst Rules**

Pursuant to Rule 905 of the Catalyst Rules, where the value of a transaction with an interested person singly, or, in aggregation with the values of other transactions entered into with the same interested person during the same financial year, equals or exceeds 3.0% of the Group’s latest audited NTA, an immediate announcement shall be made regarding that transaction.

Pursuant to Rule 906 of the Catalyst Rules, where the value of a transaction with an interested person singly, or, in aggregation with the values of other transactions entered into with the same interested person during the same financial year, equals or exceeds 5.0% of the Group’s latest audited NTA, that transaction shall be subject to the approval of the Shareholders.

#### **6.3 Value of Interested Person Transaction**

Based on the audited consolidated financial statements of the Group for the financial year ended 31 March 2021 (“FY2021”), the Group’s audited NTA as at 31 March 2021 was approximately S\$12,973,367. Pursuant to Catalyst Rule 905(2), the aggregate value of all interested person transactions with Mr Lim and his associates (including the Vendor) for the financial year ended 31 March 2022 (“FY2022”) is S\$13,140,055, representing approximately 101.28% of the Group’s latest audited NTA as at 31 March 2021.

For completeness, the aggregate value of all interested person transactions of S\$13,140,055 consists of (a) S\$12,495,000, being the Purchase Consideration for the Proposed Acquisition (assuming the Final Valuation of S\$22,500,000), and (b) S\$645,055, being the total value of all interested person transactions (including transactions less than S\$100,000) with Mr Lim and his associates (including the Vendor) for FY2022. For FY2022, the value of interested person transactions (excluding transactions less than S\$100,000 and the Proposed Acquisition) with Mr Lim and his associates (including the Vendor) is S\$472,920. This amounts to approximately 3.64% of the Group’s latest audited NTA as at 31 March 2021. Further details in relation to the interested person transactions with Mr Lim and his associates are set out in the Company’s announcement dated 8 April 2022.

Accordingly, the Company will be seeking the approval of Shareholders for the Proposed Acquisition (including the SHA) as an interested person transaction. The value-at-risk of the Proposed Acquisition (including the SHA) would amount to S\$12,495,000 (based on the Final Valuation of S\$22,500,000 and the Purchase Consideration of S\$12,495,000), representing approximately 96.32% of the Group’s latest audited NTA as at 31 March 2021.

## LETTER TO SHAREHOLDERS

Pursuant to Rule 919 of the Catalist Rules, Mr Lim, the Vendor and its associates, and Ms Leow (being the spouse of Mr Lim) shall abstain from exercising their voting rights in respect of all existing Shares held by them, and shall not accept appointments as proxies unless specific instructions as to voting are given, in respect of the resolutions to approve the Proposed Acquisition.

### 6.4 Total Amount of Interested Person Transactions

For FY2022, the value of interested person transactions (excluding transactions less than S\$100,000 and the Proposed Acquisition) involving Mr Lim and his associates is S\$472,920. The details of such interested person transactions (excluding transactions which are less than S\$100,000 and the Proposed Acquisition) are set out below:

Name of Interested Person	Particulars of IPT	Amount at Risk	% of Group's latest audited NTA as at 31 March 2021
The Target <sup>(1)</sup>	Management fees which have been charged to the Target for project management during FY2022 <sup>(2)</sup>	S\$346,920	2.67%
Gashubin Engineering Private Limited ("GEPL") <sup>(1)</sup>	Fees incurred under the Service Agreement for the supply of labour, material and equipment by GEPL to Green Energy Investment Holding Private Limited, a wholly-owned subsidiary of the Company, in relation to the fabrication of a biofuel plant with instruments	S\$126,000	0.97%
<b>Total</b>		<b>S\$472,920</b>	<b>3.64%</b>

#### Notes:

- (1) Both the Target and GEPL are wholly-owned subsidiaries of the Vendor, being "interested persons" within the meaning defined in Chapter 9 of the Catalist Rules.
- (2) As disclosed in the Company's announcement dated 15 December 2020, the Company had entered into a project investment agreement with the Target and the Vendor in relation to the proposed investment of S\$500,000 by the Company in a project undertaken by the Target. The interested person transaction value of S\$346,920 pertains to management fees which have been charged to the Target for project management during FY2022.

Further details in relation to the interested person transactions with Mr Lim and his associates for FY2022 are set out in the Company's announcement dated 8 April 2022.

Save for the Proposed Acquisition and as disclosed herein, there were no other interested person transactions (excluding transactions less than S\$100,000) entered into by the Group with Mr Lim and his associates (including the Vendor) for FY2022.

For completeness, the total value of all interested person transactions (including transactions less than S\$100,000) with Mr Lim and his associates (including the Vendor) for FY2022 is S\$645,055. As the Company will be seeking the approval of Shareholders for the Proposed Acquisition (including the SHA) as an interested person transaction, the aforesaid total value of interested person transactions does not include the Proposed Acquisition.

Save as disclosed herein, as at the Latest Practicable Date, there were no other interested person transactions entered into by the Group for FY2022.



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## LETTER TO SHAREHOLDERS

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### **7. PROPOSED ISSUE OF CONSIDERATION SHARES PURSUANT TO CHAPTER 8 OF THE CATALIST RULES**

#### **7.1 Rule 804 and Rule 812 of the Catalist Rules**

Rule 804 of the Catalist Rules provides, among others, that except in the case of an issue made on a *pro rata* basis to shareholders or a scheme referred to in Part VIII of Chapter 8 of the Catalist Rules, no director of an issuer, or associate of the director, may participate directly or indirectly in an issue of equity securities or convertible securities unless shareholders in general meeting have approved the specific allotment. Such directors and associates must abstain from exercising any voting rights on the matter.

In addition, Rule 812(1) and Rule 812(2) of the Catalist Rules provide that an issue of shares must not be placed to corporations in whose shares an issuer's directors and substantial shareholders have an aggregate interest of at least 10%, unless specific shareholders' approval has been obtained for such placement, and the person and its associates must abstain from voting on the resolution approving the placement.

As Consideration Shares will be allotted and issued to the Vendor (in which 60.25% shareholding interest is held by Mr Lim, the Executive Director and Chief Executive Officer, and a controlling shareholder of the Company), Shareholders' approval is required to be obtained in connection thereto pursuant to Rule 804 and Rule 812(2) of the Catalist Rules.

Pursuant to Rule 804 and Rule 812 of the Catalist Rules, Mr Lim, the Vendor and its associates, and Ms Leow (being the spouse of Mr Lim) shall abstain, and procure that their respective associates abstain, from exercising their voting rights in respect of all existing Shares held by them, and shall not accept appointments as proxies unless specific instructions as to voting are given, in respect of the Ordinary Resolution to approve the Proposed Issue of Consideration Shares to the Vendor.

#### **7.2 Rule 805(1) of the Catalist Rules**

Section 161 of the Companies Act and Rule 805(1) of the Catalist Rules provide, among others, that an issuer must obtain the prior approval of shareholders in general meeting for the issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer unless the issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer is made pursuant to a general mandate previously obtained from shareholders of the issuer at a general meeting as provided in Rule 806 of the Catalist Rules.

The allotment and issue of the Consideration Shares, pursuant to the SPA, will be made pursuant to a specific mandate and the Company is seeking specific Shareholders' approval for the Proposed Issue of Consideration Shares in accordance with Section 161 of the Companies Act and Rule 805(1) of the Catalist Rules.

The Consideration Shares will not be issued pursuant to the general share issuance mandate granted by Shareholders during the annual general meeting of the Company held on 28 July 2021.

#### **7.3 No transfer of controlling interest pursuant to Rule 803 of the Catalist Rules**

Rule 803 of the Catalist Rules provides that an issuer must not issue securities to transfer a controlling interest without prior approval of shareholders in general meeting.

## LETTER TO SHAREHOLDERS

The details of the Vendor's and Mr Lim's shareholding interest in the Company before and after the allotment and issue of the Consideration Shares pursuant to the Proposed Acquisition (based on the Final Valuation of S\$22,500,000 and the Purchase Consideration of S\$12,495,000) are as follows:

Parties	Before the Proposed Acquisition		After the Proposed Acquisition	
	Existing number of Shares held	Shareholding percentage <sup>(1)</sup>	Total number of Shares held	Total number of Shares held as a percentage of the total enlarged number of Shares <sup>(2)</sup>
The Vendor	–	–	409,672,131	37.27%
Mr Lim <sup>(3)</sup>	163,699,808	23.74%	Direct: 163,699,808, Deemed: 409,672,131	52.16% (comprising 14.89% direct interest and 37.27% deemed interest)

**Notes:**

- (1) Based on the total number of existing Shares (excluding treasury shares and subsidiary holdings) of 689,524,443 Shares before the Proposed Acquisition.
- (2) Based on the total enlarged number of Shares (excluding treasury shares and subsidiary holdings) of 1,099,196,574 Shares after the Proposed Acquisition.
- (3) Mr Lim will be deemed to be interested in all the 409,672,131 Shares held by the Vendor under Section 7 of the Companies Act and Section 4 of the SFA, as he holds 60.25% shareholding interest in the Vendor.

As the allotment and issue of the Consideration Shares to the Vendor pursuant to the Proposed Acquisition will not result in a change of the controlling shareholder of the Company, hence the prior specific approval of the Shareholders in respect of any transfer of controlling interest is not required under Rule 803 of the Catalist Rules.

### 8. LISTING AND QUOTATION NOTICE

As disclosed in the Company's announcement dated 12 April 2022, the Company has, through the Sponsor, made an application to the SGX-ST for the listing of and quotation for the 409,672,131 Consideration Shares to be allotted and issued to the Vendor at the Issue Price on the Catalist. The SGX-ST has on 12 April 2022 issued a listing and quotation notice (the "LQN") in respect of the listing of and quotation for the 409,672,131 Consideration Shares on the Catalist.

The LQN is subject to:

- (i) Compliance with the SGX-ST's listing requirements; and
- (ii) Shareholders' approval to be obtained at a general meeting to be convened in relation to the Proposed Acquisition.

The LQN issued by the SGX-ST is not to be taken as an indication of the merits of the Consideration Shares, the Proposed Acquisition, the Proposed Transactions, the Company, its subsidiaries and their securities.

The SGX-ST has also highlighted, in the LQN, that in the event that the Company acquires any asset and/or business from the Vendor and/or its related parties or associates, the SGX-ST reserves the right to aggregate the acquisitions and deem the subsequent asset injections as a very substantial acquisition or reverse takeover under Rule 1015 of the Catalist Rules.



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## LETTER TO SHAREHOLDERS

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### 9. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The tables illustrating the financial effects of the Proposed Acquisition (based on the Final Valuation of S\$22,500,000 and the Purchase Consideration of S\$12,495,000) on (i) the NTA per share of the Group (assuming the Proposed Acquisition had been completed at the end of that financial year); and (ii) the loss per share (“LPS”) of the Group (assuming that the Proposed Acquisition had been completed at the beginning of that financial year), based on the latest audited consolidated financial statements of the Group for the FY2021 are set out below.

For the avoidance of doubt, the financial effects of the Proposed Acquisition on the Group are for illustrative purposes only and are, therefore, not indicative of the actual financial performance or position of the Group after the Completion. These financial effects do not take into account (i) any other corporate actions announced and undertaken by the Group; and (ii) any issuance of new Shares, on or after 1 April 2021. The financial effects also do not take into account any fees and expenses to be incurred in relation to the Proposed Acquisition.

#### 9.1 Share Capital

For illustrative purposes only, the effects of the Proposed Acquisition (assuming the Completion of the Proposed Acquisition and the completion of the Proposed Issue of Consideration Shares) on the Share Capital as at the Latest Practicable Date are set out below:

	Before the Proposed Acquisition	After the Proposed Acquisition
Share Capital (S\$)	22,798,553	35,293,553
Number of Shares	689,524,443	1,099,196,574

#### 9.2 NTA per Share of the Group

Assuming the Proposed Acquisition (and the Proposed Issue of Consideration Shares) had been completed on 31 March 2021, the financial effects on the NTA per share of the Group as at 31 March 2021 are as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition <sup>(2)</sup>
NTA attributable to equity holders of the Company (S\$'000) <sup>(1)</sup>	12,973	15,630
Number of Shares	689,524,443	1,099,196,574
NTA per share (S\$ cents)	1.88	1.42

**Notes:**

(1) NTA refers to net assets value of the Group less intangible assets and goodwill.

(2) NTA attributable to equity holders of the company after the Proposed Acquisition takes into consideration the Target's capitalisation of liabilities to equity in November 2021 and the Completion and the Conversion, which will take place simultaneously.

## LETTER TO SHAREHOLDERS

### 9.3 LPS of the Group

Assuming the Proposed Acquisition (and the Proposed Issue of Consideration Shares) had been completed on 1 April 2020, the financial effect on the LPS of the Group for FY2021 are as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
Net loss attributable to equity holders of the Company (S\$'000)	3,175	3,832
Weighted average number of Shares	577,414,854	987,086,985
LPS (S\$ cents)	0.55	0.39

### 9.4 Gearing of the Group

The effects of the Proposed Acquisition on the gearing of the Group for FY2021, assuming that the Proposed Acquisition (and the Proposed Issue of Consideration Shares) had been effected at the end of FY2021 are as follows:

FY2021	Before the Proposed Acquisition	After the Proposed Acquisition
Total Borrowings (S\$'000) <sup>(1)</sup>	3,757	4,431
Shareholders' funds (S\$'000) <sup>(2)</sup>	13,639	27,770
Gearing ratio (times) <sup>(3)</sup>	0.28	0.16

**Notes:**

- (1) Total borrowings is a summation of borrowings from financial and non-financial institutions, finance lease liabilities as at 31 March 2021.
- (2) Shareholders' funds means the aggregate amount of share capital, reserve and accumulated losses, excluding non-controlling interest.
- (3) Gearing ratio is computed using total borrowings divided by Shareholders' funds.

## 10. SERVICE CONTRACT

No person is proposed to be appointed as a Director in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into in connection with the Proposed Acquisition.

11. CHANGES IN SHAREHOLDINGS IN THE COMPANY

Based on the shareholdings in the Company as at the Latest Practicable Date, the effects of the Proposed Acquisition (and the Proposed Issue of Consideration Shares) on the shareholdings of the Directors, Substantial Shareholders and existing public Shareholders are as follows:

	As at the Latest Practicable Date			After the Proposed Acquisition (and the Proposed Issue of Consideration Shares)		
	Direct Interest Number of Shares	% <sup>(1)</sup>	Deemed Interest Number of Shares	Direct Interest Number of Shares	Deemed Interest Number of Shares	% <sup>(2)</sup>
<b>Directors</b>						
Lim Shao-Lin <sup>(3)</sup>	163,699,808	23.74	–	163,699,808	409,672,131	37.27
Koh Beng Leong	–	–	–	–	–	–
Leow Sau Wan	–	–	–	–	–	–
Lau Ping Sum Pearce	–	–	–	–	–	–
Chia Soon Hin William	–	–	–	–	–	–
Rathakrishnan Vijandran	–	–	–	–	–	–
<b>Substantial Shareholders (other than Directors)</b>						
Vendor	–	–	–	409,672,131	–	–
<b>Existing Public Shareholders</b>	525,824,635	76.26	–	525,824,635	–	–
<b>Total</b>	<u>689,524,443</u>	<u>100.00</u>	<u>–</u>	<u>1,099,196,574</u>	<u>100.00</u>	<u>–</u>

**Notes:**

- (1) Based on the total number of existing Shares (excluding treasury shares and subsidiary holdings) of 689,524,443 Shares as at the Latest Practicable Date.
- (2) Based on the total enlarged number of Shares (excluding treasury shares and subsidiary holdings) of 1,099,196,574 Shares after the Proposed Acquisition (and the Proposed Issue of Consideration Shares).
- (3) Mr Lim will be deemed to be interested in all the 409,672,131 Shares held by the Vendor under Section 7 of the Companies Act and Section 4 of the SFA, as he holds 60.25% shareholding interest in the Vendor.

## LETTER TO SHAREHOLDERS

Assuming (a) no change in the total number of existing Shares (excluding treasury shares and subsidiary holdings); and (b) no change in the number of Shares held by non-public Shareholders from the Latest Practicable Date up to the date of Completion of the Proposed Acquisition (and the Proposed Issue of Consideration Shares), approximately 47.84% of the Shares will be held in the hands of the public based on the total enlarged number of Shares (excluding treasury shares and subsidiary holdings) following the Proposed Acquisition (and the Proposed Issue of Consideration Shares). Accordingly, the Company would be in compliance with Rule 723 of the Catalist Rules.

As at the Latest Practicable Date, the Company has not granted any options or issued any rights, warrants or other securities convertible into, exercisable for or redeemable into any Shares.

Save as disclosed herein, none of the Directors or Controlling Shareholders and their respective associates has any interest, direct or indirect, in the Proposed Acquisition and the Proposed Issue of Consideration Shares, other than through their respective shareholdings (if any) in the Company.

## 12. PROPOSED WHITEWASH RESOLUTION

### 12.1 Mandatory General Offer Requirement under the Takeover Code

Under Rule 14 of the Takeover Code, except with the consent of the SIC, where any person acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights of a company, such person must extend offers immediately, on the basis set out in Rule 14 of the Takeover Code, to the holders of any class of share capital of a company which carries votes and in which such person, or persons acting in concert with him, hold shares. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

As at the Latest Practicable Date, Mr Lim holds 163,699,808 Shares, representing approximately 23.74% of the total number of issued Shares in the Company, and does not hold any instruments convertible into rights to subscribe for and options in respect of Shares. The Vendor does not hold (nor is deemed to be interested in) any Shares or instruments convertible into rights to subscribe for and options in respect of Shares. Both the Vendor and Mr Lim confirm that they are not acting in concert with any other party in respect of the Proposed Acquisition. Both the Vendor and Mr Lim are also not presumed to be acting in concert with any other party in respect of the Proposed Acquisition for the purposes of the Takeover Code.

The details of the Vendor's and Mr Lim's shareholding interest in the Company before and after the allotment and issue of the Consideration Shares pursuant to the Proposed Acquisition (based on the Final Valuation of S\$22,500,000 and the Purchase Consideration of S\$12,495,000) are as follows:

Parties	Before the Proposed Acquisition		After the Proposed Acquisition	
	Existing number of Shares held	Shareholding percentage <sup>(1)</sup>	Total number of Shares held	Total number of Shares held as a percentage of the total enlarged number of Shares <sup>(2)</sup>
The Vendor	–	–	409,672,131	37.27%
Mr Lim <sup>(3)</sup>	163,699,808	23.74%	Direct: 163,699,808, Deemed: 409,672,131	52.16% (comprising 14.89% direct interest and 37.27% deemed interest)

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## LETTER TO SHAREHOLDERS

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**Notes:**

- (1) Based on the total number of existing Shares (excluding treasury shares and subsidiary holdings) of 689,524,443 Shares before the Proposed Acquisition.
- (2) Based on the total enlarged number of Shares (excluding treasury shares and subsidiary holdings) of 1,099,196,574 Shares after the Proposed Acquisition.
- (3) Mr Lim will be deemed to be interested in all the 409,672,131 Shares held by the Vendor under Section 7 of the Companies Act and Section 4 of the SFA, as he holds 60.25% shareholding interest in the Vendor.

Accordingly, the Vendor and Mr Lim would thereby acquire 30.0% or more voting rights of the Company as a result of the allotment and issue of the Consideration Shares pursuant to the Proposed Acquisition. In such an event, the Vendor, Mr Lim and their respective concert parties (if any) would incur an obligation to make a mandatory general offer for the Company under Rule 14 of the Takeover Code.

### 12.2 Whitewash Waiver

The Vendor and Mr Lim have sought the Whitewash Waiver from the SIC and SIC has, on 9 March 2022, granted the Whitewash Waiver, waiving the obligation for the Vendor to make a mandatory general offer under Rule 14 of the Takeover Code for the Company in the event that the Vendor incurs an obligation to do so as a result of acquiring the Consideration Shares pursuant to the Proposed Acquisition, subject to the following conditions:

- (a) A majority of holders of voting rights of the Company approving at a general meeting, before the issue of the Consideration Shares, by way of a poll to waive their rights to receive a general offer from the Vendor;
- (b) The Proposed Whitewash Resolution is separate from other resolutions;
- (c) The Vendor, persons acting in concert with it, as well as parties not independent of them abstain from voting on the Proposed Whitewash Resolution;
- (d) The Vendor and persons acting in concert with it did not acquire and are not to acquire any Shares or instruments convertible into and options in respect of Shares (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new Shares which have been disclosed in this Circular):
  - (i) during the period between the date of the Company's announcement dated 10 November 2021 regarding the MOU relating to the Proposed Acquisition and the date on which Shareholders' approval is obtained for the Proposed Whitewash Resolution; and
  - (ii) in the six (6) months prior to the date of the Company's announcement dated 10 November 2021 regarding the MOU relating to the Proposed Acquisition, but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors in relation to the Proposed Acquisition;
- (e) The Company appoints an independent financial adviser to advise its Shareholders on the Proposed Whitewash Resolution;
- (f) The Company sets out clearly in this Circular:
  - (i) details of the Proposed Acquisition;
  - (ii) the dilution effect to existing holders of voting rights upon the Vendor acquiring the Consideration Shares;

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## LETTER TO SHAREHOLDERS

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- (iii) the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and options in respect of Shares held by the Vendor and persons acting in concert with it as at the Latest Practicable Date;
  - (iv) the number and percentage of voting rights to be issued to the Vendor as a result of the Vendor acquiring the Consideration Shares;
  - (v) that the acquisition of the Consideration Shares by the Vendor would result in the Vendor and its concert parties holding Shares carrying over 49% of the voting rights of the Company, and the fact that the Vendor and its concert parties will be free to acquire further Shares without incurring any obligation under Rule 14 of the Takeover Code to make a general offer. Specific and prominent reference should be made to this; and
  - (vi) that Shareholders, by voting for the Proposed Whitewash Resolution, are waiving their rights to a general offer from the Vendor at the highest price paid by the Vendor and its concert parties for the Shares in the past six (6) months preceding the offer. Specific and prominent reference should be made to this;
- (g) This Circular stating that the Whitewash Waiver granted by the SIC is subject to the conditions stated in (a) to (f) above;
- (h) The Vendor obtaining the SIC's approval in advance for those parts of the Circular that refer to the Proposed Whitewash Resolution; and
- (i) To rely on the Proposed Whitewash Resolution, the approval of the Proposed Whitewash Resolution must be obtained within three (3) months from 9 March 2022 and the acquisition of the Consideration Shares by the Vendor must be completed within three (3) months of the date of the approval of the Proposed Whitewash Resolution.

As at the Latest Practicable Date, save for conditions set out under Sections 12.2(a), 12.2(c), 12.2(d)(i) and 12.2(i) of this Circular which are expected to be satisfied only at or after the EGM, all other conditions imposed by the SIC set out above have been satisfied.

Independent Shareholders are therefore asked to vote, on a poll, on the Proposed Whitewash Resolution as set out as Ordinary Resolution 4 in the Notice of EGM on page N-2 of this Circular.

The Directors have, on behalf of the Company, appointed the IFA to advise the Independent Directors as to whether the financial terms of the Proposed Acquisition, being the subject of the Proposed Whitewash Resolution, are fair and reasonable and the Proposed Whitewash Resolution, when considered in the context of the Proposed Acquisition, is not prejudicial to the interest of the Independent Shareholders. The recommendation of the IFA is outlined in Section 13 of this Circular. The IFA Letter, setting out the IFA's advice to the Independent Directors on the Proposed Whitewash Resolution, is set out in Appendix B to this Circular.

In connection with the Proposed Whitewash Resolution, both the Vendor and Mr Lim have confirmed that the Vendor and its concert parties (including Mr Lim) have not purchased or acquired any Shares or instruments convertible into and options in respect of Shares for the period of six (6) months prior to the release of the Company's announcement dated 10 November 2021 regarding the MOU relating to the Proposed Acquisition, and the Vendor and its concert parties (including Mr Lim) have not purchased or acquired any Shares during the period between the date of the Company's announcement dated 10 November 2021 regarding the MOU relating to the Proposed Acquisition and the Latest Practicable Date. The Vendor and Mr Lim have further undertaken not to (and to procure their respective concert parties (if any) not to) purchase or acquire any Shares or instruments convertible into and options in respect of Shares from the Latest Practicable Date to the date of the EGM of the Company convened for the approval of the Proposed Acquisition.

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## LETTER TO SHAREHOLDERS

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BY VOTING IN FAVOUR OF THE PROPOSED WHITEWASH RESOLUTION, INDEPENDENT SHAREHOLDERS SHOULD NOTE THAT THEY ARE WAIVING THEIR RIGHTS TO RECEIVE A MANDATORY GENERAL OFFER UNDER RULE 14 OF THE TAKEOVER CODE FROM THE VENDOR AND ITS CONCERT PARTIES (INCLUDING MR LIM) FOR THE REMAINING ISSUED AND PAID-UP SHARES NOT ALREADY OWNED, ACQUIRED OR AGREED TO BE ACQUIRED BY THE VENDOR AND ITS CONCERT PARTIES (INCLUDING MR LIM) FOLLOWING THE COMPLETION OF THE PROPOSED ACQUISITION, WHICH THE VENDOR AND ITS CONCERT PARTIES (INCLUDING MR LIM) WOULD OTHERWISE HAVE BEEN OBLIGED TO MAKE AT THE HIGHEST PRICE PAID OR AGREED TO BE PAID BY THE VENDOR AND ITS CONCERT PARTIES (INCLUDING MR LIM) FOR THE SHARES IN THE 6 MONTHS PRECEDING THE COMPANY'S ANNOUNCEMENT DATED 31 DECEMBER 2021.

**13. ADVICE OF THE IFA IN RELATION TO THE PROPOSED ACQUISITION (INCLUDING THE SHA) AS AN INTERESTED PERSON TRANSACTION AND THE PROPOSED WHITEWASH RESOLUTION**

Provenance Capital Pte. Ltd. has been appointed as the IFA to advise the Independent Directors as to whether:

- (i) the Proposed Acquisition (including the SHA) as an interested person transaction, is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders; and
- (ii) the financial terms of the Proposed Acquisition, being the subject of the Proposed Whitewash Resolution, are fair and reasonable, and the Proposed Whitewash Resolution, when considered in the context of the Proposed Acquisition, is not prejudicial to the interest of the Independent Shareholders.

A copy of the IFA Letter is set out in Appendix B to this Circular. **Shareholders are advised to read the IFA Letter in its entirety carefully and consider the recommendation of the Independent Directors for the Proposed Acquisition (including the SHA) and the Proposed Whitewash Resolution as set out in Section 15 of this Circular before deciding on whether to approve the Proposed Acquisition (including the SHA) and the Proposed Whitewash Resolution.**

The advice of the IFA to the Independent Directors in relation to the Proposed Acquisition (including the SHA) and the Proposed Whitewash Resolution has been extracted from the IFA Letter and is reproduced in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter, unless otherwise stated.

*"In arriving at our opinion in respect of the Proposed Acquisition (including the SHA) as an IPT and the Proposed Whitewash Resolution, we have reviewed and deliberated on the following key considerations which we consider to be pertinent in our assessment:*

- (i) rationale for the Proposed Acquisition (including the SHA);*
- (ii) assessment of the Purchase Consideration;*
- (iii) comparison with comparable SGX-ST listed company and precedent sale transaction;*
- (iv) assessment of the Issue Price of the Consideration Shares;*
- (v) the Proposed Whitewash Resolution and the dilution impact of the Consideration Shares on the Independent Shareholders;*
- (vi) assessment of the key terms of the SHA; and*
- (vii) financial effects of the Proposed Acquisition on the Group.*



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## LETTER TO SHAREHOLDERS

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***Overall, based on our analysis and after having considered carefully the information available to us, we are of the opinion that the Proposed Acquisition (including the SHA) as an IPT is on normal commercial terms and not prejudicial to the interests of the Company and its Minority Shareholders.***

***In addition, we are of the view that the financial terms of the Proposed Acquisition, being the subject of the Proposed Whitewash Resolution, are fair and reasonable, and the Proposed Whitewash Resolution, when considered in the context of the Proposed Acquisition, is not prejudicial to the interest of the Independent Shareholders.***

***Our opinion in relation to the Proposed Acquisition (including the SHA) as an IPT and the Proposed Whitewash Resolution should be considered in the context of the entirety of this Letter and the Circular.”***

### **14. STATEMENT OF THE AUDIT COMMITTEE**

Pursuant to Rules 917(4)(a) of the Catalist Rules, a statement (i) whether or not the audit committee of the issuer is of the view that the transaction is on normal commercial terms, and is not prejudicial to the interests of the issuer and its minority shareholders; or (ii) that the audit committee is obtaining an opinion from an IFA before forming its view, which will be announced subsequently, is required to be disclosed in this Circular.

The Audit Committee having reviewed, *inter alia*, the rationale for, the terms and conditions and the financial effects of the Proposed Acquisition and having considered the advice of the IFA in relation to the Proposed Acquisition (including the SHA) and the Proposed Whitewash Resolution, is of the opinion that the Proposed Acquisition (including the SHA), being deemed as an interested person transaction under Chapter 9 of the Catalist Rules, is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

### **15. DIRECTORS' RECOMMENDATIONS**

- 15.1 Having considered and reviewed, *inter alia*, the rationale for, the terms and conditions of the Proposed Acquisition and all other relevant facts set out in this Circular, the Independent Directors are collectively of the view that the Proposed Acquisition and the Proposed Issue of Consideration Shares are in the best interests of the Company, and therefore recommend that Shareholders vote in favour of the Ordinary Resolution 1 in relation to the Proposed Acquisition as a major transaction under Chapter 10 of the Catalist Rules, Ordinary Resolution 2 in relation to the Proposed Acquisition (including the SHA) as an interested person transaction under Chapter 9 of the Catalist Rules, and Ordinary Resolution 3 in relation to the Proposed Issue of Consideration Shares at the EGM to be convened.
- 15.2 The Independent Directors have also considered, *inter alia*, the rationale for the Proposed Acquisition and the Proposed Whitewash Resolution, and concur with the advice of the IFA in relation to the Proposed Whitewash Resolution. The Independent Directors are collectively of the view that the Proposed Whitewash Resolution is in the best interests of the Company, and therefore recommend that Independent Shareholders vote in favour of the Ordinary Resolution 4 in relation to the Proposed Whitewash Resolution at the EGM to be convened.
- 15.3 Mr Lim and Ms Leow, who are deemed to be interested in the Proposed Transactions, have abstained from the deliberation, decision and voting on any resolution in respect of the Proposed Transactions, as well as making any recommendations on the Ordinary Resolutions at the EGM to be convened.



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## LETTER TO SHAREHOLDERS

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Shareholders are advised to read this Circular in its entirety, in particular the rationale for, and the financial effects of (as the case may be), the Proposed Transactions and for those who may require advice in the context of his specific investment, to consult his bank manager, stockbroker, solicitor, accountant, tax adviser or other professional adviser.

### 16. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-5 of this Circular, will be held by way of electronic means on 30 May 2022 at 10:00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolutions in relation to the Proposed Transactions set out in the Notice of EGM.

### 17. ABSTENTION FROM VOTING

- 17.1 Mr Lim, the Vendor and its associates, and Ms Leow (being the spouse of Mr Lim) will abstain, and will procure that their respective associates abstain, from voting on the Ordinary Resolutions 1, 2 and 3 set out in the Notice of EGM in relation to the Proposed Acquisition as a major transaction under Chapter 10 of the Catalist Rules, the Proposed Acquisition (including the SHA) as an interested person transaction under Chapter 9 of the Catalist Rules, and the Proposed Issue of Consideration Shares respectively. They will also not accept any nominations to act as proxy for any Shareholder in voting on the Ordinary Resolutions 1, 2 and 3 unless specific instruction has been given in the Proxy Form as to the manner in which votes are to be cast in respect of the Ordinary Resolutions 1, 2 and 3. Accordingly, the Company will disregard any votes cast on the Ordinary Resolutions 1, 2 and 3 (as the case may be) by such persons required to abstain from voting in respect of the respective resolutions.
- 17.2 Pursuant to the conditions by the SIC as set out in Section 12.2 above, the Vendor and its concert parties (including Mr Lim), as well as parties not independent of them (if any), will abstain from voting on the Ordinary Resolution 4 set out in the Notice of EGM relating to the Proposed Whitewash Resolution. They will also decline to accept appointment as proxies for any Shareholder to vote in respect of the Ordinary Resolution 4, unless specific instruction has been given in the Proxy Form as to the manner in which votes are to be cast in respect of the Ordinary Resolution 4. Accordingly, the Company will disregard any votes cast on the Ordinary Resolution 4 by such persons required to abstain from voting in respect of the Ordinary Resolution 4.

### 18. ACTIONS TO BE TAKEN BY SHAREHOLDERS

To minimise physical interactions and COVID-19 transmission risks, Shareholders will NOT be allowed to attend the EGM in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by:

- (a) observing and/or listening to the EGM proceedings via “live” audio-visual webcast or “live” audio-only stream;
- (b) submitting questions to the Chairman of the EGM in advance of, or “live” at, the EGM; and/or
- (c) voting at the EGM (i) “live” by the Shareholders themselves or their duly appointed proxy(ies) (other than the Chairman of the EGM) via electronic means; or (ii) by appointing the Chairman of the EGM as proxy to vote on their behalf at the EGM.

Details of the steps for pre-registration, submission of questions and voting at the EGM by Shareholders, including persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act), including the CPFIS Investors and SRS Investors, are set out below.

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## LETTER TO SHAREHOLDERS

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In particular, CPFIS Investors and SRS Investors<sup>1</sup> should note that they (i) may vote “live” via electronic means at the EGM if they are appointed as proxies by their respective CPF Agent Banks and/or SRS Operators (as the case may be), and should contact their respective CPF Agent Banks and/or SRS Operators (as the case may be) if they have any queries regarding their appointment as proxies; or (ii) may appoint the Chairman of the EGM as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks and/or SRS Operators (as the case may be) to submit their votes at least seven (7) business days before the EGM (i.e. by 10.00 a.m. on 19 May 2022).

Persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act), other than CPFIS Investors and SRS Investors, and who wish to participate in the EGM by:

- (a) observing and/or listening to the EGM proceedings via “live” audio-visual webcast or “live” audio-only stream;
- (b) submitting questions to the Chairman of the EGM in advance of, or “live” at, the EGM; and/or
- (c) voting at the EGM (i) “live” by the Shareholders themselves or their duly appointed proxies (other than the Chairman of the EGM) via electronic means; or (ii) by appointing the Chairman of the EGM as proxy to vote on their behalf at the EGM,

should contact the relevant intermediaries through which they hold such Shares as soon as possible in order for the necessary arrangements to be made for their participation in the EGM.

### 18.1 Pre-registration

Shareholders will be able to observe and/or listen to the EGM proceedings through a “live” audio-visual webcast or “live” audio-only stream via their mobile phones, tablets or computers, submit questions in advance of, or “live” at, the EGM and vote at the EGM (i) “live” by the Shareholders themselves or their duly appointed proxies (other than the Chairman of the EGM) via electronic means; or (ii) by appointing the Chairman of the EGM as proxy to vote on their behalf at the EGM. To do so, they will need to complete the following steps.

Shareholders (including, where applicable, their appointed proxies), CPFIS Investors and SRS Investors who wish to follow the proceedings of the EGM must pre-register for access to the “live” audio-visual webcast or “live” audio-only stream of the EGM proceedings at the pre-registration website at the URL <https://conveneagm.sg/P5CapitalEGM> from 13 May 2022 onwards to no later than 10.00 a.m. on 27 May 2022 to enable the Company to verify their status.

Following the verification, authenticated Shareholders (including CPFIS Investors and SRS Investors) and, where applicable, appointed proxies, who have pre-registered via the pre-registration website will receive a confirmation email by 10.00 a.m. on 29 May 2022, via the e-mail address provided during pre-registration or as indicated in the Proxy Form.

Shareholders will be able to access the “live” audio-visual webcast or “live” audio-only stream of the EGM proceedings by signing in to the pre-registration website with their account credentials created during pre-registration. Shareholders must not share their login credentials to other persons who are not Shareholders and who are not entitled to attend the EGM. This is also to avoid any technical disruptions or overload to the “live” audio-visual webcast of the EGM proceedings. Shareholders (including CPFIS Investors and SRS Investors) and, where applicable, appointed proxies, who do not receive the confirmation email by 10.00 a.m. on 29 May 2022, but have registered by 10.00 a.m. on 27 May 2022, may contact the Company’s webcast vendor by email at [support@conveneagm.com](mailto:support@conveneagm.com) for assistance.

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<sup>1</sup> For the avoidance of doubt, CPFIS Investors and SRS Investors will not be able to appoint third party proxy(ies) (i.e. persons other than the Chairman of the EGM) to vote “live” at the EGM on their behalf.

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## LETTER TO SHAREHOLDERS

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### 18.2 Questions

Shareholders, including CPFIS Investors and SRS Investors, can submit questions in advance of, or “live” at, the EGM.

Submission of substantial and relevant questions in advance of the EGM:

Shareholders, including CPFIS Investors and SRS Investors, can submit substantial and relevant questions related to the resolutions to be tabled for approval at the EGM to the Chairman of the EGM, in advance of the EGM, in the following manner:

- (a) Shareholders who pre-register to observe and/or listen to the EGM proceedings may submit their questions via the pre-registration website at the URL <https://conveneagm.sg/P5CapitalEGM>;
- (b) Shareholders may submit their questions via email to [ir@p5.com.sg](mailto:ir@p5.com.sg); or
- (c) Shareholders may submit their questions by post to the Company's registered office at 39 Kaki Bukit Place Eunos Techpark Singapore 416217.

When sending in questions via email or by post, please also provide the following details: (a) full name; (b) address; and (c) the manner in which the Shares are held (e.g. via CDP, CPFIS, SRS and/or scrip).

All questions submitted in advance of the EGM via any of the above channels must be received by 10.00 a.m. on 20 May 2022.

Shareholders (including CPFIS Investors and SRS Investors) and, where applicable, appointed proxies, can also ask the Chairman of the EGM substantial and relevant questions related to the resolutions to be tabled for approval at the EGM, “live” at the EGM, by typing in and submitting their questions via the online platform hosting the audio-visual webcast and audio-only stream. Shareholders (including CPFIS Investors and SRS Investors) and, where applicable, appointed proxies, who wish to ask questions “live” at the EGM must first pre-register at the pre-registration website at the URL <https://conveneagm.sg/P5CapitalEGM> by 10.00 a.m. on 27 May 2022.

The Company will endeavour to address all substantial and relevant questions received from Shareholders prior to the EGM by publishing the responses to such questions on the SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website at [www.p5capital.com.sg](http://www.p5capital.com.sg) before 10.00 a.m. on 25 May 2022. The Company will address those substantial and relevant questions which have not already been addressed, as well as those received “live” at the EGM itself, during the EGM through the “live” audio-visual webcast and “live” audio-only stream of the EGM proceedings. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

The Company will publish the minutes of the EGM on the SGXNet and the Company's website within one (1) month from the date of EGM, and the minutes will include the responses to substantial and relevant questions from Shareholders which are addressed during the EGM.

### 18.3 Voting

Shareholders who wish to exercise their voting rights at the EGM may:

- (a) (where such Shareholders are individuals) vote “live” via electronic means at the EGM or (where such Shareholders are individuals or corporates) appoint proxies (other than the Chairman of the EGM) to vote “live” via electronic means at the EGM on their behalf; or
- (b) (where such Shareholders are individuals or corporates) appoint the Chairman of the EGM as their proxy to vote on their behalf at the EGM.

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## LETTER TO SHAREHOLDERS

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Shareholders (including CPFIS Investors and SRS Investors) and, where applicable, appointed proxies, who wish to vote “live” at the EGM must first pre-register at the pre-registration website at the URL <https://conveneagm.sg/P5CapitalEGM> from 13 May 2022 onwards to no later than 10.00 a.m. on 27 May 2022.

Shareholders who wish to submit Proxy Forms must do so in the following manner:

- (a) by post to the office of the Company’s share registrar, M&C Services Private Limited at 112 Robinson Road #05-01, Singapore 068902; or
- (b) via email to [gpb@mncsingapore.com](mailto:gpb@mncsingapore.com),

in each case, by 10.00 a.m. on 27 May 2022 (not less than 72 hours before the time appointed for holding the EGM).

A Shareholder who wishes to submit a Proxy Form appointing a proxy(ies) by post or via email can download a copy of the Proxy Form from the SGXNet or the Company’s website, and complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

Appointed proxies (other than the Chairman of the EGM) will be prompted via email (within two (2) business days after the Company’s receipt of the validly completed and submitted Proxy Forms) to pre-register at the pre-registration website at the URL <https://conveneagm.sg/P5CapitalEGM> in order to access the “live” audio-visual webcast or “live” audio-only stream of the EGM proceedings. Shareholders who wish to appoint third party proxies are encouraged to submit their Proxy Forms early, and should request their proxies to pre-register by 10.00 a.m. on 27 May 2022, failing which the appointment shall be invalid.

CPFIS Investors and SRS Investors:

- (a) may vote “live” via electronic means at the EGM if they are appointed as proxies by their respective CPF Agent Banks and/or SRS Operators (as the case may be), and should contact their respective CPF Agent Banks and/or SRS Operators (as the case may be) if they have any queries regarding their appointment as proxies; or
- (b) may appoint the Chairman of the EGM as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks and/or SRS Operators (as the case may be) to submit their votes at least seven (7) business days before the EGM (i.e. by 10.00 a.m. on 19 May 2022).

If no specific direction as to voting is given, in respect of a resolution, the appointed proxy/proxies will vote or abstain from voting at his/her/their discretion. If the appointor is a corporate, the Proxy Form must be executed under seal or the hand of its duly authorised officer or attorney.

The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of Shares entered in the Depository Register, the Company may reject a Proxy Form if the Shareholder, being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the EGM as certified by CDP to the Company.

### 18.4 Documents

This Circular, the Notice of EGM and the Proxy Form will be sent to the Shareholders solely by electronic means via publication on the SGXNet and the Company’s website. Printed copies of these documents will not be sent to Shareholders. Please refer to the SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and the Company’s website at [www.p5capital.com.sg](http://www.p5capital.com.sg) for the (a) Circular; (b) Notice of EGM; and (c) Proxy Form.

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## LETTER TO SHAREHOLDERS

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As the COVID-19 pandemic continues to evolve, further measures and/or changes to the EGM arrangements may be made on short notice in the ensuing days, even up to the day of the EGM. Shareholders are advised to closely monitor announcements made on SGXNet and the Company's website for updates on the EGM.

### **19. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Transactions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

### **20. CONSENTS**

- 20.1 The Valuer has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name herein and the Valuation Summary Letter set out in Appendix A of this Circular and all references to its name in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.
- 20.2 The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name herein and the IFA Letter set out in Appendix B of this Circular and all references to its name in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.
- 20.3 The legal adviser to the Company as to the Proposed Transactions, Opal Lawyers LLC, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name herein and all references thereto in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

### **21. DOCUMENTS FOR INSPECTION**

The following documents are available for inspection by Shareholders at the registered office of the Company at 39 Kaki Bukit Place Eunos Techpark Singapore 416217 during normal business hours from the date of this Circular up to and including the date of the EGM:

- (i) the constitution of the Company;
- (ii) the annual report of the Company for FY2021;
- (iii) the SPA;
- (iv) the Valuation Report;
- (v) the Valuation Summary Letter set out in Appendix A of this Circular;
- (vi) the IFA Letter set out in Appendix B to this Circular; and
- (vii) the consent letters referred to in Section 20 above.

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## LETTER TO SHAREHOLDERS

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Shareholders who wish to inspect the above documents shall make an appointment via the following email address [ir@p5.com.sg](mailto:ir@p5.com.sg), so that the relevant arrangements can be made in compliance with the Singapore Government's directives in relation to the ongoing COVID-19 outbreak.

Yours faithfully  
For and on behalf of the Board  
**P5 CAPITAL HOLDINGS LTD.**

Koh Beng Leong  
Executive Director – Finance

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## APPENDIX A

### VALUATION SUMMARY LETTER

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C O R P O R A T E   A D V I S O R Y  
531 Upper Cross Street #02-05  
Hong Lim Complex Singapore 050531

#### Valuation Summary Letter

24 March 2022

The Board of Directors  
P5 Capital Holdings Ltd.  
39 Kaki Bukit Place  
Eunos Techpark  
Singapore 416217

#### Business Valuation of GasHubUnited Utility Private Limited

Dear Sirs,

#### 1. Introduction

Chay Corporate Advisory Pte Ltd (“CCA”) has been appointed by P5 Capital Holdings Ltd. (“P5 Capital”) to perform a business valuation of the market value of 100% equity interest in GasHubUnited Utility Private Limited (“GHU Utility” or the “Company”) as at 30 September 2021 (“Valuation Date”).

This letter has been prepared for the purpose of disclosure as an appendix to the Circular to be issued in relation to, inter alia, the proposed acquisition by P5 Capital of 51% interest in the Company (the “Proposed Acquisition”) as announced on 10 November 2021.

The letter is a summary containing information from our valuation report dated 24 March 2022 (the “Valuation Report”). Accordingly, this letter and its contents should be read in conjunction with the full text in the full Valuation Report.

#### 2. Terms of reference

- i) The objective of the Valuation Report is to provide an independent view of the market value of 100% equity interest in GHU Utility as at 30 September 2021 in accordance with the International Valuation Standards (“IVS”) as prescribed by the International Valuation Standards Council (“IVSC”).
- ii) We have not undertaken any due diligence or audit of the financial information provided to us. The accuracy of such information is the sole responsibility of the management of the Company (“Management”).



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### VALUATION SUMMARY LETTER

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- iii) Our estimation of the indicative valuation of the Company is based on its existing operations and likely future expansion plans only, and does not take into account of any fundamentally different business that Management may pursue in the foreseeable future.
- iv) We are not expressing an opinion on the commercial merits and structure on the transaction of the Company and accordingly, this valuation report does not purport to contain all the information that may be necessary to fully evaluate the commercial or investment merits of the transaction of the Company. The assessment of the commercial and investment merits of this transaction is solely the responsibility of both the P5 Capital and the Management. In addition, our work should not be constructed as an investment advice to the current or prospective shareholders/ investors of the Company.
- v) We have not conducted a comprehensive review of the business, operation or financial conditions of the Company nor any work in relation to the feasibility or tax efficiency of the Company's business operation, and accordingly our Valuation Report will not make any representation or warranty, expressed or implied in this regard.
- vi) Our scope in this engagement does not require us to express, and we do not express a view on the future prospects of the Company, or any views on the future trading process of the shares or the financial condition of the Company.
- vii) Our terms of reference do not require us to provide advice on legal, regulatory, accounting or taxation matters made available to us if the Company has obtained specialist advice, and where we will consider, and where appropriate, relied upon such advice.
- viii) The information used by us in preparing the Valuation Report has been obtained from a variety of sources as indicated within the Valuation Report. While our work has involved an analysis of the financial information and accounting records, it has not included an audit in accordance with generally accepted auditing standards. Accordingly, we assume no responsibility and make no representation with respect to the accuracy or completeness of any information provided to us by and on the behalf of the Company.
- ix) Budgets / forecasts / projections relate to future events and are based on assumptions which may not remain valid for the whole of the relevant period. Consequently, they cannot be relied upon to the same extent as information derived from audited accounts for completed accounting periods. For these reasons, we express no opinion as to how closely the actual results achieved will correspond to those budgeted / forecasted / projected. Instead, our work is in nature of a review of the information provided to us, and discussions with members of the Management.



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## APPENDIX A

### VALUATION SUMMARY LETTER

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#### **3. Use of Valuation Report and Valuation Summary Letter**

Our work will be carried out solely for the use of P5 Capital. This valuation report resulting from our work may not be used for any other purpose or by any other person, referred to in any document or made available to any party (other than your professional advisors acting in that capacity) without our prior written consent (including without limitation, the shareholders of P5 Capital), except for the purpose of any matter relating to the Proposed Acquisition (including making references to and reproduction in the shareholders' circular and being made available for inspection). Any recommendation made by the Directors to the shareholders of P5 Capital shall remain the responsibility of such Directors.

#### **4. Reliance on available information and representation from the Management**

In the course of our work, we have held discussions with the Management. We have also examined and relied on information provided by the Company, and reviewed other relevant publicly available information. We have not independently verified all such information provided or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not warrant or accept responsibility for the accuracy or completeness of such information, representation or assurance, but have made such reasonable enquiries and used our judgment as we deemed necessary on the reasonable use of such information and have no reason to doubt the accuracy or reliability of the information.

However, we have a duty to exercise reasonable professional skill and care in performing our work in accordance with the terms of this engagement and have made reasonable enquires and exercised our judgment on the reasonable use of such information. Our work will, where appropriate, be conducted in accordance with applicable professional guidance.

The Management have confirmed to us, upon making all reasonable enquiries and to their best knowledge and belief, that the information provided to us constitute full and true disclosure, in all material respects and facts relating to the Company as required for the purposes of our valuation.

In no circumstances shall we be liable, other than in the event of our bad faith, willful default for any loss or damage, of whatsoever nature arising from information material to our work being withheld or concealed from us or misrepresented to us by the Management and the Directors, employees or staffs of the Company or any other person of whom we have made inquiries of during the course of our work.

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### VALUATION SUMMARY LETTER

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#### 5. Valuation methodology

The basis of the valuation will be made by reference to the market value. Market value is defined as the amount at which the shares would change hands between a knowledgeable willing buyer and a knowledgeable willing seller, neither being under a compulsion to buy or sell. Market value, as defined above, is a concept of value which may or may not equal the “purchase / sale price” that could be obtained if the shares were sold to a special purchaser in an actual transaction in the open market.

Special purchasers may be willing to pay higher prices to gain control or obtain the capacity to reduce or eliminate competition, ensure a source of material supply or sales, achieve cost savings arising on business combinations following acquisition, or any other synergies which may be enjoyed by the purchaser. Our valuation will not be premised on the existence of a special purchase.

Having taken into consideration of the convertible loan of SGD 2 million entered into by the Company on 15 December 2021 and drawn down on 20 December 2021 for the purpose of investing in the Company’s capital asset requirements, the indicative valuation has taken into consideration of the values implied by a discounted cash flow (“DCF”) analysis. The discounted cash flow analysis is premised on the principle that the value of a company, division, business, or collection of assets can be derived based on the present value of its projected free cash flow.

In valuing the Company, we have adopted the DCF approach as the primary valuation methodology for the following reasons:

- i) The DCF approach reflects the future plans and growth of the Company. This approach is less influenced by volatile external factors because it is an inward-looking process which relies more heavily on the fundamental expectations of the business and explicit estimates of the value drivers;
- ii) The asset-based approach does not take into account of the future changes in sales or income; and
- iii) The scarcity of information available on precedent transactions performed in the recent past of firms with similar characteristics as the Company.

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### VALUATION SUMMARY LETTER

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Under this approach and methodology and given GHU Utility's present financial and operational circumstances, we have discounted the projected free cash flows of the Company with discount rates corresponding to the venture capitalist required rate of return in the estimation of the weighted average cost of capital ("WACC") based on the following factors:

- i) GHU Utility was incorporated in 2017 and was loss-making from FY 2017 to FY 2020;
- ii) GHU Utility has secured all the necessary licenses and approvals for business operations;
- iii) GHU Utility has commenced business operations as at the Valuation Date and has secured a number of LNG supply contracts with customers; and
- iv) GHU Utility will require additional financing for business growth,

Having taken into consideration of the above factors and GHU Utility having entered into a convertible loan arrangement of SGD 2 million on 15 December 2021 and drawn down on 20 December 2021 being the final fund raising stage (excluding bank borrowings), we have assessed GHU Utility to fall within the Bridge stage corresponding to a discount rate / required rate of return range of between 20.0% and 25.0%.

Our valuation is based on various assumptions with respect to the Company, including their respective present and future financial conditions, business strategies and the environment in which they operate. These assumptions are based on the information that we have been provided and discussions with the Company and Management reflecting current expectations on current and future events.

Among other assumptions that are stated in the Valuation Report, the key assumptions are as follows:

- i) The Company's forecast for the three-month financial period from 1 October to 31 December 2021 and the subsequent five financial years from FY 2022 to FY 2026 as prepared by the Management and the trend of the industry as disclosed in the circular have been considered.
- ii) The Company will continue as a going concern without any changes in its key Management and shareholding structure subsequent to the completion of the proposed acquisition;
- iii) The future operations of the Company will not be adversely affected by changes to its key personnel, Management team and Company's shareholding subsequent to the completion of the proposed acquisition;
- iv) No audit or review has been carried out on the forecasted period;

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**APPENDIX A**  
**VALUATION SUMMARY LETTER**

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- v) All contracts entered into by the Company will continue to be in effect for the foreseeable future;
- vi) The information provided to us by the Management reflects the financial positions of the Company for the respective financial years/period;
- vii) The Company has the legal titles to all assets and licences as mentioned in the financial information provided to us by the Management. All assets, which are physically in existence, are in good working condition;
- viii) There are no risks that any of these assets will be subject to compulsory acquisition by any third party or government body;
- ix) There will be no major changes in the corporate taxation basis or rates applicable to the Company;
- x) Related party transactions, if any, are carried out on an arm's length basis and will continue to be so for the foreseeable future even if there are any changes in the shareholding structure;
- xi) There are no subsequent events after the date of the report which will have material effect on the unaudited management accounts for the financial period from 1 January to 30 September 2021, other than the potential conversion of the convertible loan of SGD 2 million entered into by the Company on 15 December 2021 and drawn down on 20 December 2021;
- xii) Revenue and the corresponding cost of sales are generated from the sale of LNG. Management expects the Company to achieve approximately 20% market share by FY 2026 based on the commercial & industrial market size of Town Gas and LPG in Singapore. Accordingly, revenue is projected to increase in line with the increase in market penetration. On a more conservative note, and having taken into consideration of the convertible loan of SGD 2 million entered into by the Company on 15 December 2021 and drawn down on 20 December 2021 for the purpose of investing in the Company's capital asset requirements, coupled with having a number of LNG supply contracts with customers, the base case financial projection was adjusted on the assumption that the Company will achieve approximately 10% market penetration by FY 2026;
- xiii) The Management has estimated the selling price of LNG based on a discount of 25% and 30% to the price of Town Gas and LPG respectively. The price of Town Gas and LPG were estimated based on the historical price adjusted by inflation of 2.5% per annum;

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## APPENDIX A

### VALUATION SUMMARY LETTER

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- xiv) The cost of sales mainly consists of LNG purchase cost, which has been based on the LNG agreement entered by the Company. After the expiry date of the existing LNG agreement of 31 October 2023, Management has estimated the LNG purchase cost based on a formula which assumes that the Company will be able to renew the LNG contract at a more favourable rate and a flat Brent crude oil price of USD 80 per barrel;
- xv) It is also to be noted that the realisation of the above estimate is subject to prevailing market conditions in 2023;
- xvi) The Company is expected to be loss making for FY 2021 and maintain an EBITDA margin of between 23% and 35% over the forecasted period;
- xvii) The range of WACC from 20.0% to 25.0% with a base WACC of 22.5% was considered;
- xviii) The range of long-term growth rate from 1.0% to 2.0% with a base long-term growth rate of 1.5% corresponding to the forecasted long-term Singapore inflation rate was considered;
- xix) Management has projected the depreciation and capital expenditure based on the Company's capital asset requirements to support the generation of cashflow; and
- xx) Corporate income tax is expected to be based on Singapore's corporate tax rate of 17%.

Notwithstanding that no independent assessment of the assumptions was conducted, as part of the terms of reference, CCA has made such reasonable enquiries and used judgment as would have been deemed necessary on the reasonable use of such information and/or representations provided by the Management and have no reason to doubt its accuracy or reliability.

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## APPENDIX A

### VALUATION SUMMARY LETTER

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#### 6. Conclusion

In summary and as detailed in the Valuation Report, the range of market value corresponding to the implied equity values for the Company is between SGD 19.1 million to SGD 27.0 million, with a base value of SGD 22.5 million as at the Valuation Date.

Our views are based on the current economic, market, industry, regulatory, monetary and other conditions and on the information made available to us as of the date of this letter and the Valuation Report. Such conditions may change significantly over a relatively short period and we assume no responsibility and are not required to update, revise or reaffirm our conclusion set out in this letter to reflect events or developments subsequent to the date of this letter and the Valuation Report.

Yours faithfully,

A handwritten signature in dark ink, appearing to read "Chay Corporate Advisory Pte Ltd", is written over a light blue horizontal line.

Chay Corporate Advisory Pte. Ltd.



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## APPENDIX B

### IFA LETTER

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#### PROVENANCE CAPITAL PTE. LTD.

(Company Registration Number: 200309056E)  
(Incorporated in the Republic of Singapore)  
96 Robinson Road #13-01 SIF Building  
Singapore 068899

13 May 2022

To: The Independent Directors of P5 Capital Holdings Ltd.  
(who are deemed independent in respect of the Proposed Acquisition and the Proposed Whitewash Resolution)

Mr Lau Ping Sum Pearce (Non-Executive Chairman and Independent Director)  
Mr Koh Beng Leong (Executive Director – Finance)  
Mr Chia Soon Hin William (Independent Director)  
Mr Rathakrishnan Vijandran (Independent Director)\*

\* Please see further details as set out in Section 1.3 of this Letter.

Dear Sirs,

#### PROPOSED ACQUISITION OF 51% EQUITY INTEREST IN GASHUBUNITED UTILITY PRIVATE LIMITED AS AN INTERESTED PERSON TRANSACTION, AND THE PROPOSED WHITEWASH RESOLUTION

*Unless otherwise defined or the context otherwise requires, all terms used in this letter (“**Letter**”) have the same meanings as defined in the Circular to shareholders of P5 Capital Holdings Ltd. (“**Shareholders**”) dated 13 May 2022 (“**Circular**”). For the purposes of this Letter, the Latest Practicable Date is 9 May 2022 as defined in the Circular.*

### 1. INTRODUCTION

#### 1.1 Proposed Acquisition

On 10 November 2021 (“**MOU Announcement Date**”), P5 Capital Holdings Ltd. (“**Company**”) and together with its subsidiaries, “**Group**”) announced that it had, on that day, entered into a binding memorandum of understanding (“**MOU**”) with Gashubunited Holding Private Limited (“**GHPL**”) to explore the Company’s proposed acquisition from GHPL of its 51% equity interest in Gashubunited Utility Private Limited (“**GUPL**”) based on certain salient terms as set out in the MOU (“**Proposed Acquisition**”). GHPL then had a 100% equity interest in GUPL.

GUPL is principally engaged in the distribution of liquefied natural gas (“**LNG**”) through the transportation of LNG via ISO tanks and cylinders.

As an update, the Company had on 16 December 2021 announced that subsequent to the MOU, GUPL had entered into a convertible loan agreement (“**CLA**”) with an investor (“**Investor**”), under which the Investor has agreed to grant GUPL a loan of S\$2 million (“**Loan**”) on the terms and conditions of the CLA. The Loan is convertible into new ordinary shares of GUPL (“**GUPL Shares**”).

GUPL had informed the Company that it had fully drawn down the Loan on 20 December 2021.

On 31 December 2021 (“**SPA Announcement Date**”), the Company announced that it had, on that day, entered into a sale and purchase agreement (“**SPA**”) with GHPL in relation to the

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Proposed Acquisition by the Company of such number of GUPL Shares that will represent approximately (but not less than) 51% of the total enlarged number of GUPL Shares ("**Sale Shares**") at completion of the Proposed Acquisition ("**Completion**") and assuming the Loan is converted into new GUPL Shares simultaneously at Completion ("**Conversion**").

Upon Completion, GUPL will become a 51%-owned subsidiary of the Group.

The purchase consideration for the Proposed Acquisition ("**Purchase Consideration**") is to be determined based on the base value of the independent business valuation of GUPL and after taking into consideration the Conversion ("**Post-Money Valuation**"), as under the CLA, the entire principal amount of the Loan will be converted into the new GUPL Shares (based on the above valuation) simultaneously with the Completion.

The Company had commissioned Chay Corporate Advisory Pte. Ltd. as the independent valuer ("**Valuer**") to carry out a business valuation of GUPL as at 30 September 2021 ("**Valuation Date**"). Subsequent to the SPA Announcement Date, the Valuer had determined the base value of GUPL to be S\$22.5 million as at the Valuation Date as set out in its Valuation Summary Letter dated 24 March 2022, a copy of which is attached as Appendix A to the Circular.

Accordingly, the Purchase Consideration is determined to be S\$12,495,000, being 51% of the Post-Money Valuation comprising the sum of S\$22.5 million and S\$2 million.

Pursuant to the terms of the MOU and SPA, the Company will issue 409,672,131 new ordinary shares in the Company ("**Consideration Shares**") to GHPL at the issue price of S\$0.0305 ("**Issue Price**") for each ordinary share of the Company ("**P5 Share**"), in full satisfaction of the Purchase Consideration. The Issue Price is based on the volume weighted average price ("**VWAP**") of the P5 Shares for the 3-month period prior to (and excluding) the MOU Announcement Date.

As a result, the issued share capital of the Company will increase from 689,524,443 P5 Shares as at the Latest Practicable Date to 1,099,196,574 P5 Shares upon Completion. The Consideration Shares represent approximately 37.27% of the enlarged number of P5 Shares after Completion.

#### 1.2 Shareholders' approvals for the Proposed Acquisition and the Proposed Whitewash Resolution

Mr Lim Shao-Lin ("**Mr Lim**"), who is Executive Director and Chief Executive Officer ("**CEO**") of the Company, and the controlling Shareholder with a direct interest of 163,699,808 P5 Shares (representing 23.74% of the total P5 Shares), is also a director and major shareholder of GHPL. Mr Lim holds 60.25% shareholding interest in GHPL and his brother holds 0.79% shareholding interest in GHPL. Mr Lim's spouse, Ms Leow Sau Wan ("**Ms Leow**"), who is Executive Director of the Company, does not hold any shares in the Company and GHPL.

The issuance of 409,672,131 Consideration Shares to GHPL in satisfaction of the Purchase Consideration will result in GHPL holding a direct interest in approximately 37.27% of the total enlarged number of P5 Shares of 1,099,196,574 following Completion ("**Enlarged P5 Shares**"). Mr Lim will be deemed to be interested in all the 409,672,131 P5 Shares held by GHPL under Section 7 of the Companies Act, Chapter 50 of Singapore ("**Companies Act**") and Section 4 of the Securities and Futures Act (Chapter 289) of Singapore ("**SFA**"), as he holds approximately 60.25% shareholding interest in GHPL. Accordingly, Mr Lim's total shareholding interest in the Company will be increased from approximately 23.74% based on the existing total number of P5 Shares to approximately 52.16% (comprising direct interest of 14.89% and deemed interest of 37.27%) based on the Enlarged P5 Shares.

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Accordingly, the Proposed Acquisition is subject to *inter alia* (a) Shareholders' approval as an interested person transaction ("**IPT**") at an extraordinary general meeting ("**EGM**") under Chapter 9 of the listing manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), Section B: Rules of Catalyst ("**Catalist Rules**"); and (b) Shareholders' approval for the proposed whitewash resolution for the waiver of the rights of the independent shareholders of the Company to receive a mandatory general offer under Rule 14 of the Singapore Code on Take-overs and Mergers ("**Code**") from GHPL for the remaining P5 Shares not already owned, acquired or agreed to be acquired by GHPL, Mr Lim and parties acting in concert with them respectively ("**Lim Concert Party Group**"), arising from the issuance of the Consideration Shares to GHPL, subject to the grant of the whitewash waiver by the Securities Industry Council ("**SIC**"), as explained below.

#### IPT

The Purchase Consideration represents 96.3% of the net tangible assets ("**NTA**") of the Group of S\$12.97 million as at 31 March 2021, based on the latest audited financial statements of the Group for the financial year ended 31 March 2021 ("**FY2021**"). Pursuant to Catalist Rule 906(1), as the value of the IPT exceeds 5% of the Group's latest audited NTA, the Proposed Acquisition is subject to Shareholders' approval at the forthcoming EGM.

Under Catalist Rule 921(4), the opinion of an independent financial adviser ("**IFA**") is required on whether the Proposed Acquisition is on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders ("**Minority Shareholders**").

The Completion is conditional upon *inter alia* the Company, GHPL, GUPL and the Investor (who will become a shareholder of GUPL upon Conversion) entering into a shareholders' agreement in respect of GUPL ("**SHA**") to regulate the affairs of GUPL and their respective rights and obligations as shareholders of GUPL with effect from Completion. As the SHA is part of the Proposed Acquisition as an IPT, the opinion of the IFA on the Proposed Acquisition also includes the assessment of the key terms of the proposed SHA to be executed at Completion. Details of the proposed SHA to be executed at Completion are set out in Section 4 of the Circular.

#### Proposed Whitewash Resolution

The issuance of 409,672,131 Consideration Shares to GHPL pursuant to the Proposed Acquisition will result in GHPL holding a direct interest in approximately 37.27% of the Enlarged P5 Shares, and Mr Lim increasing his total shareholding interests in the Company from approximately 23.74% based on the existing total number of P5 Shares to approximately 52.16% (comprising direct interest of 14.89% and deemed interest of 37.27%) based on the Enlarged P5 Shares, thereby triggering the mandatory general offer threshold under Rule 14 of the Code as the Lim Concert Party Group would acquire 30% or more of the voting rights in the Company. In such an event, the Lim Concert Party Group would incur an obligation to make a mandatory general offer ("**Mandatory Offer**") for the remaining P5 Shares not already owned or controlled by them pursuant to Rule 14.1(a) of the Code, unless such an obligation is waived by the SIC in accordance with the Code.

As it is not the intention of the Lim Concert Party Group to make a Mandatory Offer for the remaining P5 Shares, an application was made to seek a waiver from the SIC in respect of the obligation of the Lim Concert Party Group to make the Mandatory Offer as a result of the issuance of the Consideration Shares to GHPL under the Proposed Acquisition ("**Whitewash Waiver**").

On 9 March 2022, the SIC had granted the Whitewash Waiver to GHPL, subject to the satisfaction of certain conditions, including *inter alia*, the approval of the proposed whitewash

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resolution (“**Proposed Whitewash Resolution**”) by the majority of the independent Shareholders (“**Independent Shareholders**”) present and voting at the EGM, by way of a poll, to waive their rights to receive a Mandatory Offer from GHPL, and the appointment of an IFA to advise the Independent Shareholders on the Proposed Whitewash Resolution.

#### 1.3 Directors deemed independent of the Proposed Acquisition and the Proposed Whitewash Resolution

As at the Latest Practicable Date, the directors of the Company (“**Directors**”) are:

- (i) Mr Lau Ping Sum Pearce, Non-Executive Chairman and Independent Director;
- (ii) Mr Lim, Executive Director and CEO;
- (iii) Mr Koh Beng Leong, Executive Director – Finance;
- (iv) Ms Leow, Executive Director;
- (v) Mr Chia Soon Hin William, Independent Director; and
- (vi) Mr Rathakrishnan Vijandran, Independent Director\*.

\* Mr Rathakrishnan Vijandran will cease as a Director on 25 May 2022 and in his place, Mr Tay Shui Wen will become a Director on the same date, pursuant to the Company’s announcements on 26 April 2022.

With respect to the Proposed Acquisition (including the SHA) as an IPT and the Proposed Whitewash Resolution, Mr Lim and Ms Leow are not deemed independent. Accordingly, they will abstain from making any recommendation as Directors in respect of the Proposed Acquisition (including the SHA) and the Proposed Whitewash Resolution, and they will also abstain from voting on their P5 Shares, and will ensure that their associates abstain from voting on their P5 Shares, if any, on the ordinary resolutions pertaining to the Proposed Acquisition (including the SHA) as an IPT and the Proposed Whitewash Resolution at the EGM.

The Company confirmed that the remaining 4 Directors, namely, Messrs Lau Ping Sum Pearce, Chia Soon Hin William, Rathakrishnan Vijandran and Koh Beng Leong, are considered independent for the purposes of making the recommendation to the Minority Shareholders in relation to the Proposed Acquisition (including the SHA) and the Independent Shareholders in relation to the Proposed Whitewash Resolution (“**Independent Directors**”). The Company also confirmed that Mr Tay Shui Wen is considered an Independent Director for the purposes of the Proposed Acquisition (including the SHA) and the Proposed Whitewash Resolution upon his becoming a Director on 25 May 2022.

The Minority Shareholders in respect of the Proposed Acquisition are similar to the Independent Shareholders in respect of the Proposed Whitewash Resolution, as the conflicted Shareholder(s) for the purposes of the Proposed Acquisition (including the SHA) and the Proposed Whitewash Resolution is only Mr Lim, as the associates and parties deemed acting in concert with Mr Lim do not hold any Shares, as disclosed in Section 12.1 of the Circular.

#### 1.4 IFA

Provenance Capital Pte. Ltd. (“**Provenance Capital**”) has been appointed as the IFA pursuant to Catalist Rule 921(4)(a) as well as to advise the Independent Directors in respect of the Proposed Acquisition as an IPT and the Proposed Whitewash Resolution.

This Letter is therefore issued pursuant to Catalist Rule 921(4)(a) as well as addressed to the Independent Directors and sets out, *inter alia*, our evaluation and opinion on the Proposed Acquisition (including the SHA) as an IPT and the Proposed Whitewash Resolution. This Letter forms part of the Circular which provides, *inter alia*, the details of the Proposed Acquisition (including the SHA) and the Proposed Whitewash Resolution, and the recommendation of the Independent Directors to the Minority Shareholders/Independent Shareholders.

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#### 2. TERMS OF REFERENCE

Provenance Capital has been appointed as the IFA as required under Catalist Rule 921(4)(a) as well as to advise the Independent Directors in respect of the Proposed Acquisition (including the SHA) as an IPT and in respect of the Proposed Whitewash Resolution.

We are not and were not involved in or responsible for, in any aspect, the discussions in relation to the Proposed Acquisition (including the SHA) and the Proposed Whitewash Resolution, nor were we involved in the deliberations leading up to the decision on the part of the Directors to propose the Proposed Acquisition (including the SHA) and the Proposed Whitewash Resolution or to obtain the approval of the Shareholders for the Proposed Acquisition (including the SHA) and the Proposed Whitewash Resolution, and we do not, by this Letter, warrant the merits of the Proposed Acquisition (including the SHA) and the Proposed Whitewash Resolution, other than to express an opinion on whether (a) the Proposed Acquisition (including the SHA) as an IPT is on normal commercial terms and is not prejudicial to the interests of the Company and its Minority Shareholders; and (b) whether the financial terms of the Proposed Acquisition, being the subject of the Proposed Whitewash Resolution, are fair and reasonable, and the Proposed Whitewash Resolution, when considered in the context of the Proposed Acquisition, is not prejudicial to the interest of the Independent Shareholders.

It is not within our terms of reference to evaluate or comment on the legal, strategic, commercial and financial merits and/or risks of the Proposed Acquisition (including the SHA) and the Proposed Whitewash Resolution or to compare their relative merits vis-à-vis alternative transactions previously considered by the Company (if any) or that may otherwise be available to the Company currently or in the future, and we have not made such evaluation or comments. Such evaluation or comments, if any, remains the responsibility of the Directors and/or the management of the Company ("**Management**") although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this Letter.

In the course of our evaluation, we have held discussions with the Directors, Management and/or their professional advisers (where applicable) and have examined and relied to a considerable extent on the information set out in the Circular, other publicly available information collated by us and the information, representations, opinions, facts and statements provided to us, whether written or verbal, by the Directors, the Management and/or the professional advisers (where applicable). Whilst care has been exercised in reviewing the information which we have relied upon, we have not independently verified such information or representations, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information or representations. We have nevertheless made such reasonable enquiries and judgment on the reasonable use of such information, as were deemed necessary, and have found no reason to doubt the accuracy or reliability of the information and representations.

We have not independently verified and have assumed that all statements of fact, belief, opinion and intention made by the Directors in the Circular in relation to the Proposed Acquisition (including the SHA) and the Proposed Whitewash Resolution have been reasonably made after due and careful enquiry. Whilst care has been exercised in reviewing the information which we have relied on, we have not independently verified the information but nevertheless have made reasonable enquiries and exercised judgment on the reasonable use of such information, as were deemed necessary, and have found no reason to doubt the accuracy or reliability of the information and representations.

Save as disclosed, we would like to highlight that all information relating to the Company, the Group and GUPL which we have relied upon in arriving at our opinion has been obtained from publicly available information and/or from the Directors and Management and the professional



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advisers (where applicable). We have not independently assessed and do not warrant or accept any responsibility as to whether the aforesaid information adequately represents a true and fair position of the financial, operational and business affairs of the Company, the Group or GUPL at any time or as at the Latest Practicable Date.

The scope of our appointment does not require us to conduct a comprehensive independent review of the business, operations or financial condition of the Company, the Group and/or GUPL, or to express, and we do not express, a view on the future growth prospects, value and earnings potential of the Company and/or the Group after the Proposed Acquisition (including the SHA) and the Proposed Whitewash Resolution. Such review or comments, if any, remain the responsibility of the Directors and Management, although we may draw upon their views or make such comments in respect thereof (to the extent required by the Listing Manual and/or deemed necessary or appropriate by us) in arriving at our opinion as set out in this Letter. We have not obtained from the Company and/or the Group, any projection of the future performance including financial performance of the Company and/or the Group, and we did not conduct discussions with the Directors and Management on, and did not have access to, any business plan and financial projections of the Company and/or the Group. In addition, we are not expressing any view as to the prices at which the shares of the Company may trade or the future value, financial performance or condition of the Company and/or the Group, upon or after the completion of the Proposed Acquisition (including the SHA).

We have not made an independent evaluation or appraisal of the assets and liabilities of the Company, the Group and/or GUPL (including without limitation, property, plant and equipment).

In connection with the Proposed Acquisition, the Company had commissioned Chay Corporate Advisory Pte. Ltd. as the Valuer to carry out an independent business valuation of GUPL as at 30 September 2021, being the Valuation Date. A copy of the full valuation report dated 24 March 2022 ("**Valuation Report**") is available as a document for inspection and the Valuation Summary Letter is attached as Appendix A to the Circular.

We are not experts in the evaluation or appraisal of the assets concerned, and for the purposes of evaluating and assessing the Proposed Acquisition as an IPT and the Proposed Whitewash Resolution, we have taken into account, *inter alia*, the independent valuation by the Valuer for such appraisal and we have not made any independent verification of the content thereof.

Our opinion as set out in this Letter is based on market, economic, industry, monetary and other conditions (if applicable) prevailing as at the Latest Practicable Date and the information and representations provided to us as at the Latest Practicable Date. In arriving at our opinion, with the consent of the Directors and the Company, we have taken into account certain other factors and have made certain assumptions as set out in this Letter. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should take note of any announcement, relevant to the Proposed Acquisition (including the SHA) and the Proposed Whitewash Resolution, which may be released by the Company after the Latest Practicable Date.

In rendering our advice and giving our recommendation, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Shareholder or any specific group of Shareholders. As each Shareholder may have different investment objectives and profiles, we recommend that any individual Shareholder or group of Shareholders who may require specific advice in relation to his or their investment portfolio(s) or objective(s) consult his or their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

The Company has been separately advised by its own professional advisers in the preparation of the Circular (other than this Letter). We have had no role or involvement and have not and will not provide any advice (financial or otherwise) in the preparation, review and verification of

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the Circular (other than this Letter). Accordingly, we take no responsibility for and express no view, whether express or implied, on the contents of the Circular (other than this Letter and the extract of our opinion in the Circular).

Whilst a copy of this Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this Letter (or any part thereof) for any other purposes, other than for the purposes of the EGM in relation to the Proposed Acquisition (including the SHA) and the Proposed Whitewash Resolution, at any time and in any manner without the prior written consent of Provenance Capital in each specific case.

We have prepared this Letter as required under Catalist Rule 921(4)(a) as well as addressed to the Independent Directors for their benefit and for the purpose of their consideration of the Proposed Acquisition (including the SHA) as an IPT and the Proposed Whitewash Resolution. The recommendation made by the Independent Directors to the Minority Shareholders in relation to the Proposed Acquisition (including the SHA) and the Independent Shareholders in relation to the Proposed Whitewash Resolution shall remain the responsibility of the Independent Directors.

**Our opinion in relation to the Proposed Acquisition (including the SHA) as an IPT and the Proposed Whitewash Resolution should be considered in the context of the entirety of this Letter and the Circular.**

#### *Responsibility Statement by the Directors*

The Directors have confirmed that, having made all reasonable enquiries and to the best of their respective knowledge and belief, information and representations provided to us by the Company are accurate. They have also confirmed that, upon making all reasonable enquiries and to their best knowledge and belief, all material information available to them in connection with the Proposed Acquisition (including the SHA) and the Proposed Whitewash Resolution, the Company and/or the Group have been disclosed to us, that such information is true, complete and accurate in all material respects and that there is no other material information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to the Proposed Acquisition (including the SHA) and the Proposed Whitewash Resolution, the Company and/or the Group stated in the Circular to be inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted full responsibility for such information described herein.

### **3. SALIENT INFORMATION ON THE COMPANY AND THE GROUP**

#### **3.1** The Company is incorporated and domiciled in Singapore, and is listed on the Catalist Board of the SGX-ST. Formerly known as Sunlight Group Hldg Ltd, the Company assumed its present name on 11 October 2017.

Mr Lim became the single largest and controlling shareholder of the Company in January 2020 following the completion of his acquisition of P5 Shares in tranches from the former substantial Shareholders. Mr Lim was appointed as Executive Director of the Company in July 2019 and CEO in November 2019.

On 19 January 2021, the Company announced a proposed placement of an aggregate of 132 million new P5 Shares to 13 subscribers at the issue price of S\$0.027 each to raise cash proceeds of approximately S\$3.5 million ("**Placement**"). The Placement was completed on 4 February 2021.



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The Company had disclosed that it has an issued and paid-up share capital comprising 689,524,443 P5 Shares (excluding treasury shares) as at the Latest Practicable Date. The Company confirmed that it has no treasury shares and no outstanding instruments convertible into, rights to subscribe for, and options in respect of, the P5 Shares or securities which carry voting rights in the Company, as at the Latest Practicable Date.

Mr Lim presently holds 163,699,808 P5 Shares, which represent 23.74% shareholding interest in the Company as at the Latest Practicable Date.

Based on the last done price of S\$0.025 on the P5 Shares as at the Latest Practicable Date, the market capitalisation of the Company is approximately S\$17.2 million.

The issued share capital of the Company and the number of issued P5 Shares will increase substantially following the issuance of the Consideration Shares to GHPL in satisfaction of the Purchase Consideration for the Proposed Acquisition upon Completion. As a result, Mr Lim's shareholding interest in the Company will increase from 23.74% to 52.16% upon Completion.

### 3.2 As at the Latest Practicable Date, the Directors are:

- (i) Mr Lau Ping Sum Pearce, Non-Executive Chairman and Independent Director;
- (ii) Mr Lim, Executive Director and CEO;
- (iii) Mr Koh Beng Leong, Executive Director – Finance;
- (iv) Ms Leow, Executive Director;
- (v) Mr Chia Soon Hin William, Independent Director; and
- (vi) Mr Rathakrishnan Vijandran, Independent Director\*.

\* Mr Rathakrishnan Vijandran will cease as a Director on 25 May 2022 and in his place, Mr Tay Shui Wen will become a Director on the same date, pursuant to the Company's announcements on 26 April 2022.

With respect to the Proposed Acquisition (including the SHA) as an IPT and the Proposed Whitewash Resolution, Mr Lim and Ms Leow are not deemed independent. Accordingly, they will abstain from making any recommendation as Directors in respect of the Proposed Acquisition (including the SHA) and the Proposed Whitewash Resolution, and they will also abstain from voting on their P5 Shares, and will ensure that their respective associates abstain from voting on their P5 Shares, if any, on the ordinary resolutions pertaining to the Proposed Acquisition (including the SHA) and the Proposed Whitewash Resolution at the EGM.

The Company had confirmed that the remaining 4 Directors, namely, Messrs Lau Ping Sum Pearce, Chia Soon Hin William, Rathakrishnan Vijandran and Koh Beng Leong, are considered as Independent Directors for the purposes of making the recommendation to the Minority Shareholders in relation to the Proposed Acquisition (including the SHA) and the Independent Shareholders in relation to the Proposed Whitewash Resolution. The Company also confirmed that Mr Tay Shui Wen is considered an Independent Director for the purposes of the Proposed Acquisition (including the SHA) and the Proposed Whitewash Resolution upon his becoming a Director on 25 May 2022.

Save for Mr Lim and Ms Leow (through her deemed interest in Mr Lim's shareholding interest in the P5 Shares), none of the Directors have any interest in the P5 Shares.

### 3.3 The Group operates in both the lifestyle ("**Lifestyle Business**"), and the renewable and sustainable energy segments ("**Energy Business**").

**Lifestyle Business** - comprises the distribution and retail of a comprehensive collection of mid-range and high-end European brands of furniture, lighting and accessories, serving both business-to-business and business-to-consumer customer types across the retail, commercial and hospitality sectors. The Group has 3 retail showrooms and an online store.

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The Group had organised the Lifestyle Business into the following 3 business segments:

- High-end Furniture – sales and distribution of high-end furniture, kitchen and wardrobe systems and decorative lighting;
- Lighting – sales and distribution of lightings; and
- Mid-range Furniture – supply of mid-range contract furniture.

**Energy Business** – presently comprises early-stage investments in companies which are involved in the production and sale of advanced biodiesel and activated carbon, as well as within the LNG value chain.

The Energy Business is a relatively new core business of the Group after Mr Lim became the controlling Shareholder, Executive Director and CEO of the Company. On 29 September 2020, the Company obtained Shareholders' approval at the EGM to diversify the Group's core business to include the Energy Business. The Group is committed to lay the foundation for long-term transformation and growth in the Energy Business through its involvement in alternative sources of clean energy.

- 3.4** A summary of the Group's financial performance for the last 2 financial years ended 31 March 2020 ("**FY2020**") and FY2021, and for the latest interim results for the half year ended 30 September 2021 ("**1H2022**") compared to the previous corresponding half year ended 30 September 2020 ("**1H2021**") is shown below:

(S\$'000)	Audited FY2020	Audited FY2021	Unaudited 1H2021	Unaudited 1H2022
Revenue	7,707	4,748	1,352	2,712
(Loss) for the year/period	(764)	(3,175)	(1,724)	(1,628)

**Source:** Company's annual report for FY2021 and results announcement for 1H2022

#### FY2021 vs FY2020

Turnover of the Group decreased by 38.4% from S\$7.7 million in FY2020 to S\$4.7 million in FY2021 due mainly to lower sales of furniture and lighting products as a result of the circuit breaker measures imposed by the Government from April 2020 to 1 June 2020 during the height of the COVID-19 pandemic, and the continuing impact on the Group's business thereafter.

Overall, the Group incurred a higher loss of S\$3.2 million for FY2021 compared to a loss of S\$0.7 million for FY2020 due mainly to lower revenue, higher operating expenses and impairment loss on property, plant and equipment, offset partially by government grants and rental rebates received.

On 13 November 2019, the Group acquired 100% interests in Green Energy Investment Holding Private Limited and Green Waste Recycling Company Private Limited from Mr Lim for a sum of S\$51,381. The above acquisitions were to start the Group's diversification into the renewable and sustainable energy industry by investing in the production of advanced biodiesel and activated carbon, including the provision of plant maintenance services. However, the prolonged effects of the COVID-19 pandemic had disrupted the Group's entry into the green energy industry during FY2021.

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Based on the reportable segments of the Group as disclosed in the Company's annual report for FY2021, the Lifestyle Business had contributed to almost all of the revenue of the Group of S\$4.5 million and incurred a loss before tax of S\$0.8 million for FY2021, while the Energy Business had reported revenue of S\$1,278 and incurred a loss before tax of S\$0.6 million.

During FY2021, the Company completed the Placement on 4 February 2021 to raise S\$3.5 million.

Subsequent to the financial year end of FY2021, on 14 May 2021, the Group completed the acquisition of the 5-storey leasehold industrial property ("**Property**") at 39 Kaki Bukit Place, Singapore 416217 for a total consideration of S\$4.3 million. The Group's corporate office and main place of business is presently housed within the Property.

#### 1H2022 vs 1H2021

The Group reported higher revenue of S\$2.7 million in 1H2022 compared to S\$1.4 million in 1H2021 due mainly to contributions from the Lifestyle Business which represented 90% of the Group's revenue.

Anticipated revenue from the Energy Business in 1H2022 was adversely affected by the aftermath and impact of the COVID-19 pandemic, disruptions in the demand and supply of the LNG business, and certification issue for the Group's LNG distribution site which was resolved subsequently in August 2021.

Overall, the Group incurred a loss of S\$1.6 million in 1H2022 compared to a loss of S\$1.7 million in 1H2021.

On 8 June 2021, the Company announced the entry into a MOU with Mr Lim, to acquire his 60.25% shareholding interest in GHPL.

The Company had disclosed in its results announcement for 1H2022 (released on 9 November 2021) that the LNG Bottling Station (see further details in Section 3.5 below) which was undertaken by GUPL and which the Company had invested in, was coming into full commercialisation, and GUPL was one of the top 15 finalists for the Emerging Enterprise Award 2021.

On 10 November 2021, the Company announced the entry into the MOU with GHPL in relation to the Proposed Acquisition and that the MOU in relation to the acquisition of 60.25% interest in GHPL which the Company had entered into with Mr Lim as announced on 8 June 2021 was mutually agreed to be terminated. The Company's rationale for the above was to focus on the LNG distribution business of GUPL which had outperformed the other business segments of GHPL and its subsidiaries ("**GHPL Group**").

On 31 December 2021, the Company announced the entry into the SPA with GHPL in relation to the Proposed Acquisition.

- 3.5** The statement of financial position of the Group as at 30 September 2021 based on the Company's latest unaudited results announcement for 1H2022 is set out below:

S\$'000	Unaudited as at 30 September 2021
<u>Non-current assets</u>	
Property, plant and equipment	3,533
Right-of-use assets	6,618
Intangible assets	665

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S\$'000	Unaudited as at 30 September 2021
Other investment	525
	<b>11,341</b>
<u>Current assets</u>	
Inventories	3,059
Trade and other receivables	2,318
Contract assets	108
Cash and cash held with financial institutions	6,193
	<b>11,678</b>
<b>Total assets</b>	<b>23,019</b>
<u>Non-current liabilities</u>	
Deferred tax liabilities	100
Loans and borrowings	3,890
Lease liabilities	1,342
	<b>5,332</b>
<u>Current liabilities</u>	
Trade and other payables	892
Contract liabilities	3,330
Loans and borrowings	337
Lease liabilities	1,007
	<b>5,566</b>
<b>Total liabilities</b>	<b>10,898</b>
<u>Equity</u>	
Share capital	22,798
Reserves	125
Accumulated losses	(10,802)
<b>Total equity</b>	<b>12,121</b>

**Source:** Company's results announcement for 1H2022

<b>As at 30 September 2021:</b>	
Net asset value ("NAV") of the Group	S\$12,121,000
NTA of the Group	S\$11,456,000
Number of outstanding P5 Shares	689,524,443
NAV per P5 Share	S\$0.0176
NTA per P5 Share	S\$0.0166

### Assets

The main assets of the Group as at 30 September 2021 were:

- (a) right-of-use assets of S\$6.6 million which relate mainly to the Property acquired by the Group in May 2021; and

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- (b) cash balances of S\$6.2 million which had included the funds raised from the Placement of S\$3.5 million in February 2021.

#### ***Other investment in and project management services to GUPL***

As at 30 September 2021, the Group had other investment amounting to S\$525,000 which is described in the financial statement as a “debt investment – mandatorily at fair value through profit or loss”.

The above is in relation to the Company’s project investment agreement dated 15 December 2020 with GUPL and GHPL wherein the Company had invested an amount of S\$500,000 to fund the construction of the LNG bottling station (“**LNG Bottling Station**”) in Jurong Island, to be undertaken by GUPL. GUPL is a wholly-owned subsidiary of GHPL. Mr Lim was then the sole director of GUPL and held a 55.72% stake in GHPL. As at the Latest Practicable Date, Mr Lim is no longer a director of GUPL and holds a 60.25% shareholding interest in GHPL. Mr Lim’s brother holds a 0.79% shareholding interest in GHPL.

The GHPL Group is principally engaged in the business of providing LNG based integrated energy solutions and natural gas related services which include gas piping installation and efficient energy solutions, through its 3 subsidiaries, Gashubin Engineering Private Limited, Gashub Technology Private Limited and GUPL.

GUPL is principally engaged in the distribution of LNG through the transportation of LNG via ISO tanks and cylinders.

The LNG Bottling Station is to provide clean low cost natural gas and natural gas solutions to customers via a greener and more sustainable business model, and will enable GUPL to expand its market share to industrial, commercial and residential consumers.

The above investment amount of S\$500,000 is for a period of 2 years (unless ended earlier by GHPL at its discretion by giving written notice to the Company) and the Company is entitled to receive 7% per annum on the investment amount plus a 6.5% share of the net profit after tax attributable to the operations of the LNG Bottling Station, payable after the expiry of the investment period. If the investment period is less than 2 years, the Company will also be entitled to an additional sum of S\$10,000, being 2% of the investment amount.

As set out in Section 3.4 above, the Company had disclosed in its results announcement for 1H2022 (released on 9 November 2021) that the LNG Bottling Station was coming into full commercialisation, and GUPL was one of the top 15 finalists for the Emerging Enterprise Award 2021. GUPL had confirmed to the Company that GUPL had obtained all licences and certifications for its operations by the end of September 2021 and had since started to provide LNG distribution solutions for its customers in the industrial and commercial sectors in Singapore.

In addition, the Company had charged management fees amounting to S\$346,920 for project management services provided to GUPL for the financial year ending 31 March 2022 (“**FY2022**”). Further details on the above are set out in Section 6.4 of the Circular.

Following the Completion of the Proposed Acquisition, the Company envisages that:

- (a) its investment in the LNG Bottling Station will continue until its expiry date (December 2022) unless notified by GUPL otherwise; and
- (b) the project management services that the Company provides to GUPL may be minimized.

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We have noted in our evaluation in Section 7.6.3 of this Letter and which the Company had acknowledged that post-Completion, proposed transactions between the Group and GUPL (as an interested person), and proposed transactions between GUPL (as an entity-at-risk of the Group) and GHPL Group will be deemed as interested person transactions under the Catalyst Rules, and accordingly, the Company will seek to comply with the relevant rules under Chapter 9 of the Catalyst Rules.

#### Liabilities

The main liabilities of the Group as at 30 September 2021 were:

- (a) loans and borrowings totalling S\$4.2 million, of which S\$3.4 million were secured bank loans extended to the Group to finance the acquisition of the Property; and
- (b) contract liabilities of S\$3.3 million in relation to advance consideration received from customers for the sale of furniture, lightings and bespoke carpentry works.

#### Equity

Total equity of the Group or NAV of the Group as at 30 September 2021 was S\$12.1 million. After excluding intangible assets of S\$0.7 million, the NTA of the Group was S\$11.5 million.

The NAV per P5 Share and NTA per P5 Share were S\$0.0176 and S\$0.0166 respectively as at 30 September 2021. There was no change in the number of outstanding P5 Shares since 30 September 2021 to the Latest Practicable Date.

## **4. SALIENT INFORMATION ON GUPL**

### **4.1 Overview of GHPL, GUPL and the Investor**

Details of GHPL, GUPL and the Investor are set out in Section 2.2 of the Circular. Set out below is an overview of GUPL, GHPL and the Investor.

#### GHPL

GHPL is a private company incorporated in Singapore on 3 March 2016. The GHPL Group, which operates through its subsidiaries, Gashubin Engineering Private Limited, Gashub Technology Private Limited and GUPL, is principally engaged in the business of providing LNG based integrated energy solutions and natural gas related services which include gas piping installation and efficient energy solutions.

The directors of GHPL are Mr Lim and Mr Chandra Das s/o Rajagopal Sitaram.

Mr Lim is also the major shareholder of GHPL. He has a direct 60.25% shareholding interest in GHPL and his brother, Mr Lim Wen Jie, holds 0.79% shareholding interest in GHPL. The Company has confirmed that the remaining 38.96% interest in GHPL are held by parties who are not related to the Company, its Directors and controlling Shareholders. Among these unrelated shareholders who hold in total 38.96% interest in GHPL, is Lippo North Asia Limited, which holds 6.30% interest in GHPL. Lippo North Asia Limited is an associate of the Investor.

The Company has also disclosed in Section 2.2.4 of the Circular that Tan Kheng Chai, Sim Siew Tin Carol (Shen Xiuzhen Carol) and Lim Guan Guan, who hold 2.37%, 0.92% and 0.42% interests respectively in GHPL, also hold 2.72%, 2.50% and 0.65% interests respectively in the

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Company. Notwithstanding the above shareholding interests, the Company confirmed that Tan Kheng Chai, Sim Siew Tin Carol (Shen Xiuzhen Carol) and Lim Guan Guan are not Mr Lim's associates or members of the Lim Concert Party Group.

#### GUPL

GUPL is a private company incorporated in Singapore on 1 April 2017 and is presently a wholly-owned subsidiary of GHPL.

As at the Latest Practicable Date, the sole director of GUPL is Mr Ng Wei Hua Bentinck Christopher, who is also a senior management of GUPL.

GUPL is principally engaged in the distribution of LNG through the transportation of LNG via ISO tanks and cylinders. GUPL intends to focus on the initial roll-out of LNG distribution system in Singapore, while poising itself to capture other LNG distribution opportunities across Asia in the long term. GUPL's focus is complemented by the technical expertise and existing customer relationships of the GHPL Group.

GUPL's recently completed LNG Bottling Station in Jurong Island is to provide clean low cost natural gas and natural gas solutions to customers via a greener and more sustainable business model, and which GUPL believes will enable it to expand its market share to industrial, commercial and residential consumers.

As disclosed in Sections 3.4 and 3.5 of this Letter, the Company had disclosed in its results announcement for 1H2022 (released on 9 November 2021) that the LNG Bottling Station was coming into full commercialisation, and GUPL is one of the top 15 finalists for the Emerging Enterprise Award 2021. GUPL had confirmed to the Company that GUPL had obtained all licences and certifications for its operations by the end of September 2021 and had since started to provide LNG distribution solutions for its customers in the industrial and commercial sectors in Singapore.

GUPL has an issued and paid-up share capital of S\$1,923,299 comprising 1,923,299 GUPL Shares as at the end of its last audited financial year ended 31 December 2020 ("**FYDec2020**") and as at the end of its 9-month period ended 30 September 2021 ("**9M2021**"). In November 2021, various loans and amounts owing by GUPL to the GHPL Group and Mr Lim were capitalised as issued paid-up GUPL Shares ("**Capitalisation**"). Accordingly, the issued share capital of GUPL had increased to S\$6,937,294 comprising 6,937,294 GUPL Shares and had remained as such up to the Latest Practicable Date.

Post-Completion, the board of GUPL is expected to be enlarged pursuant to the proposed SHA between the Company, GHPL and the Investor, which is to take effect from the date of Completion, as a condition precedent to the Proposed Acquisition. In particular, the Company will have majority board representation on GUPL.

Details of the proposed SHA are set out in Section 4 of the Circular. A summary of the key terms of the SHA is set out in Section 7.6 of this Letter.

#### Investor

As set out in Section 1.1 of this Letter, the Company had announced on 16 December 2021 that GUPL had entered into the CLA with the Investor, under which the Investor agreed to grant GUPL the Loan for a principal amount of S\$2 million on the terms and conditions of the Loan. The Loan will mature in 2 years' time from the date of draw down, subject to conditions. The Loan was fully drawn down by GUPL on 20 December 2021.



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The principal amount of the Loan is convertible into new GUPL Shares simultaneously with the Completion. Accordingly, the paid-up capital of GUPL will increase from S\$6,937,294 as at the Latest Practicable Date to S\$8,937,294 after the Conversion. The Loan bears interest at 5% per annum, which is payable in cash in the event Conversion takes place upon Completion.

Under the terms of the CLA, the Conversion will be based on the independent valuation of GUPL as determined by the Valuer as at 30 September 2021. The base valuation of 100% equity interest of GUPL as ascribed by the Valuer is applicable for both the Conversion and the Proposed Acquisition. Salient terms of the CLA are disclosed in Section 2.2.4 of the Circular.

Salient information on the independent valuation of GUPL is set out in Section 4.3 of this Letter.

As disclosed in Section 2.2.5 of the Circular, the CLA was entered into by GUPL on 15 December 2021 and the Investor is Direct Union Limited, a company incorporated in the British Virgin Islands and principally engaged in investments holding. The Investor is an associate of Lippo North Asia Limited, which is a 6.30% shareholder of GHPL.

**Upon Conversion and Completion, the Investor will own 8.16% shareholding interest in GUPL. The Company will own 51.00% of GUPL. GHPL's interest in GUPL will be reduced from 100% to 40.84%.**

### 4.2. Key financial information of GUPL

#### 4.2.1 Financial performance of GUPL

GUPL was incorporated in April 2017 and has not commenced generating revenue since incorporation and up to its last audited financial year, FYDec2020. During this period, GUPL had been working on, *inter alia*, obtaining the necessary licences to begin its operations and the construction of the LNG Bottling Station. By the end of September 2021, GUPL had obtained all licences and certifications for its LNG Bottling Station and had since commenced operations to provide LNG distribution solutions, initially on a small scale, to its customers in the industrial and commercial sectors in Singapore.

As a result, the audited financial results of GUPL for the last 3 financial years had shown no revenue but annual losses of between S\$0.8 million and S\$1.3 million. The latest unaudited management accounts of GUPL for 9M2021 also reported a loss of S\$1.3 million.

#### 4.2.2 Financial position of GUPL

A summary of the financial positions of GUPL as at 31 December 2020 and 30 September 2021 based on the audited financial statements of GUPL for FYDec2020 and unaudited management accounts of GUPL for 9M2021 is set out below. In addition, GUPL had provided the Company with a pro forma financial position of GUPL as at 30 September 2021 after taking into consideration the Capitalisation in November 2021 as mentioned in Section 4.1 above.

S\$	Audited as at 31 December 2020	Unaudited as at 30 September 2021	Pro forma as at 30 September 2021
<u>Non-current assets</u>			
Property, plant and equipment	3,251,491	3,333,586	3,333,586
Investment in subsidiary	5,100	-	-
	3,256,591	3,333,586	3,333,586
<u>Current assets</u>			
Trade and other receivables	374,699	323,779	323,779

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S\$	Audited as at 31 December 2020	Unaudited as at 30 September 2021	Pro forma as at 30 September 2021
Cash and bank balances	302,363	194,806	194,806
	677,062	518,585	518,585
<b>Total assets</b>	<b>3,933,653</b>	<b>3,852,171</b>	<b>3,852,171</b>
<u>Non-current liabilities</u>			
Lease liability	361,238	361,238	361,238
Borrowing	500,000	500,000	500,000
Provision	216,296	224,813	224,813
	1,077,534	1,086,051	1,086,051
<u>Current liabilities</u>			
Trade and other payables	3,924,833	5,278,766	264,770
Lease liability	460,584	312,847	312,847
	4,385,417	5,591,613	577,617
<b>Total liabilities</b>	<b>5,462,951</b>	<b>6,677,664</b>	<b>1,663,668</b>
<b>Net (liabilities) / assets</b>	<b>(1,529,298)</b>	<b>(2,825,493)</b>	<b>2,188,503</b>
<u>Equity</u>			
Share capital	1,923,299	1,923,299	6,937,295
Accumulated losses	(3,452,597)	(4,748,792)	(4,748,792)
<b>Total equity</b>	<b>(1,529,298)</b>	<b>(2,825,493)</b>	<b>2,188,503</b>

**Source:** As provided by the Company

The main assets of GUPL are its property, plant and equipment of S\$3.3 million which are in relation to the construction of the LNG Bottling Station.

The main liabilities of GUPL are (a) the non-current borrowing of S\$500,000 and (b) current trade and other payables which had changed significantly post 30 September 2021 as a result of the Capitalisation, as follows:

- (a) the non-current borrowing of S\$500,000 is in relation to the investment amount funded by the Company to GUPL to construct the LNG Bottling Station as mentioned in Section 3.5 of this Letter; and
- (b) the trade and other payables comprise mainly loans and amounts owing by GUPL to the GHPL Group and Mr Lim which amounted to S\$5.0 million as at 30 September 2021. The GHPL Group and Mr Lim had from time to time extended funds to GUPL for its working capital needs and provided services to GUPL for its operations. In November 2021, the above amounts were capitalised into paid-up share capital of GUPL.

As a result, the net liability position or negative equity of GUPL as at 31 December 2020 and 30 September 2021 became positive following the Capitalisation. On a pro forma basis, GUPL had an equity or a NTA of S\$2.2 million as at 30 September 2021.

A breakdown of the amount owing to the GHPL Group and Mr Lim as at 30 September 2021 which were capitalised as paid-up share capital of GUPL is listed below:

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	As at 30 September 2021 (S\$)
Amount owing to the GHPL Group	2,170,955
Amount due to Mr Lim	2,843,041
<b>Total</b>	<b>5,013,996</b>

**Source:** As provided by the Company

As at the Latest Practicable Date, we note that the financial information of GUPL in respect of FYDec2021 is not available yet.

#### 4.3 Independent valuation of GUPL

##### 4.3.1 Salient information on the valuation of GUPL

For the purposes of the Proposed Acquisition, the Company had commissioned the Valuer to perform a business valuation to determine the market value of 100% equity interest in GUPL as at 30 September 2021, being the Valuation Date. A copy of the Valuation Summary Letter dated 24 March 2022 is attached as Appendix A to the Circular and the full Valuation Report is available as a document for inspection.

Market value is defined as “*the amount at which the shares would change hands between a knowledgeable willing buyer and a knowledgeable willing seller, neither being under a compulsion to buy or sell*”.

In valuing GUPL, the Valuer had adopted the discounted cash flow (“**DCF**”) approach as the primary valuation methodology for the following reasons:

- (i) the DCF approach reflects the future plans and growth of GUPL, which is less influenced by volatile external factors because it is an inward-looking process which relies more heavily on the fundamental expectations of the business and explicit estimates of the value drivers;
- (ii) the asset-based approach does not take into account the future changes in sales or income; and
- (iii) the scarcity of information available on precedent transactions performed in the recent past of firms with similar characteristics as GUPL.

The indicative valuation by the Valuer had taken into consideration GUPL’s draw-down of the Loan of S\$2 million on 20 December 2021 for the purpose of investing in GUPL’s capital asset requirements. The DCF analysis is premised on the principle that the value of a company, division, business or collection of assets can be derived based on the present value of its projected free cash flow (“**FCF**”).

Under this approach and given GUPL’s present financial and operational circumstances, the Valuer had discounted the projected FCF of GUPL with discount rates or weighted average cost of capital (“**WACC**”) corresponding to the venture capitalist required rate of return based on the following factors:

- GUPL was incorporated in 2017 and was loss-making from FYDec2017 to FYDec2020;
- GUPL has secured all the necessary licences and approvals for its business operations;

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- GUPL has commenced business operations as at the Valuation Date and has secured a number of LNG supply contracts with customers; and
- GUPL will require additional financing for business growth.

Having considered the Loan as the final fund raising stage (excluding bank borrowings), the Valuer had assessed the WACC for GUPL to fall within the “Bridge” stage corresponding to a WACC range of between 20.0% and 25.0%.

The Valuer had estimated the valuation of GUPL based on various assumptions, including the following:

- (a) the present and future financial conditions of GUPL, business strategies and the environment in which GUPL operates based on GUPL’s current expectations on current and future events;
- (b) GUPL’s forecast for the 3-month financial period from 1 October 2021 to 31 December 2021, and the subsequent 5 financial years from FYDec2022 to FYDec2026, and taking into consideration the trend of the LNG industry as disclosed in Section 2.2.3 of the Circular;
- (c) GUPL’s expectation to achieve revenue of approximately 20% market share by FYDec2026 based on the commercial & industrial market size of town gas (“**Town Gas**”) and liquefied petroleum gas (“**LPG**”) in Singapore, and before taking into consideration the S\$2 million Loan from the Investor (“**Scenario A**”). On a more conservative basis, GUPL had also provided adjusted financial projections based on the assumption that it would achieve a 10% market penetration by FYDec2026 but after taking into consideration the S\$2 million Loan obtained by GUPL in December 2021 for the purpose of investing in its capital asset requirements (“**Scenario B**”). In view of the S\$2 million Loan, GUPL’s revenue projection for the initial financial years ending 2022 and 2023 under Scenario B are higher than the revenue projection for the same period under Scenario A. The Valuer had worked the base case DCF analysis of GUPL based on Scenario B;
- (d) GUPL had estimated the selling price of LNG based on a discount of 25% and 30% to the prices of Town Gas and LPG respectively, which are, in turn, based on their historical prices and adjusted for inflation at 2.5% per annum;
- (e) the cost of sales consists of mainly the LNG purchase cost based on the LNG supply agreement that GUPL had entered into with the supplier, which is valid until 31 October 2023, after which GUPL had estimated the LNG purchase cost based on a formula which assumes GUPL would be able to renew the LNG contract at a more favourable rate and a flat Brent crude oil price of US\$80 per barrel;
- (f) GUPL is expected to be loss making for FYDec2021 and maintain an EBITDA margin of between 23% and 35% over the forecast period;
- (g) the WACC range of between 20.0% and 25.0%, with a base WACC of 22.5% was considered;
- (h) a terminal value was estimated to capture the value of GUPL beyond the 5-year forecast period based on the long-term growth rate of between 1.0% and 2.0%, with a base case long-term growth rate of 1.5%, corresponding to the forecast long-term inflation rate in Singapore; and

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- (i) the Valuer had noted the Capitalisation of the loans and amounts owing to the GHPL Group and Mr Lim of S\$5.0 million post the Valuation Date.

In conclusion, the Valuer had ascribed a range of market values corresponding to the implied equity values of GUPL of between S\$19.1 million and S\$27.0 million, with a base value of S\$22.5 million as at the Valuation Date.

#### 4.3.2 Value of each GUPL Share

As at the Latest Practicable Date, GUPL has an issued share capital of S\$6,937,294 comprising 6,937,294 GUPL Shares.

Based on the above base valuation of 100% equity interest of GUPL of S\$22.5 million, the **value for each GUPL Share** is therefore equivalent to **S\$3.24334** (being S\$22.5 million ÷ 6,937,294 GUPL Shares).

### 5. SALIENT TERMS OF THE PROPOSED ACQUISITION

- 5.1 The Proposed Acquisition is in relation to the Company's proposed acquisition of such number of GUPL Shares from GHPL which will represent approximately (but not less than) 51.0% of the total enlarged number of GUPL Shares, i.e. the Sale Shares, at Completion and on the assumption that Conversion of the principal amount of the Loan which the Investor had extended to GUPL, will take place simultaneously at Completion.

The Company is not obliged (but is entitled) to complete the Proposed Acquisition unless the purchase of all the Sale Shares is completed simultaneously.

Details of the Proposed Acquisition are set out in Section 2.3 of the Circular.

#### 5.2 Key terms of the Proposed Acquisition

The key terms of the Proposed Acquisition are as follows:

- (a) the Purchase Consideration of the Sale Shares is on the assumption that the Conversion takes place simultaneously at Completion and the base valuation of 100% equity interest of GUPL of S\$22.5 million as ascribed by the Valuer, is being applied for both the Purchase Consideration and the Conversion;
- (b) the Purchase Consideration will be satisfied by the issuance of the Consideration Shares (fractional entitlements to be disregarded) at the Issue Price of S\$0.0305 each, being the VWAP of the P5 Shares over the 3-month period prior to the MOU Announcement Date.

The rationale for the above is to conserve cash for the Group for working capital purposes and for future acquisition opportunities and further align the interests of GHPL and the Company moving forward.

In this regard, GHPL agrees to grant a moratorium over the Consideration Shares for a period of 6 months from the date of allotment and issue of the Consideration Shares, unless agreed otherwise by the Company in writing;

- (c) the Company, GHPL and the Investor (who will become a shareholder of GUPL upon Conversion) will, as a condition precedent, enter into the SHA, on terms to be mutually agreed, to regulate the affairs of GUPL and their respective rights and obligations as shareholders of GUPL with effect from Completion, which will include the following:

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- the Company's entitlement to appoint majority of the directors on GUPL's board;
- board reserved matters;
- management of the day-to-day operations of GUPL;
- shareholders' rights to access of information of GUPL such as operating reports and financial statements; and
- the Company's right of first refusal to participate in future issue of GUPL Shares.

Details of the SHA are set out in Section 4 of the Circular. A summary of the key terms of the SHA is set out in Section 7.6 of this Letter; and

- (d) GHPL will transfer and agree to transfer all intellectual property rights which are required in the business of GUPL, to GUPL.

As at the date of the SPA, the existing intellectual property rights and ongoing applications for patents required in the business of GUPL have been transferred to GUPL.

#### Enlarged GUPL

Following from Section 4.3.2 of this Letter, the applicable value for each GUPL Share is equivalent to S\$3.24334.

Accordingly, the Conversion of the Loan will result in GUPL issuing 616,648 new GUPL Shares to the Investor, being S\$2 million ÷ S\$3.24334 (rounded down to the nearest whole number).

Upon Conversion, the enlarged GUPL will have an issued share capital of S\$8,937,294 (being S\$6,937,294 + S\$2 million), comprising 7,553,942 GUPL Shares (being 6,937,294 + 616,648).

Under the SPA, the Company will acquire the Sale Shares, comprising 3,852,511 GUPL Shares, from GHPL, which represents approximately (but not less than) 51% of the enlarged number of GUPL Shares at Completion.

The shareholders of GUPL and their shareholding interests in GUPL before and after Completion (assuming Conversion of the Loan) will be as follows:

	Before Completion		After Completion	
	No. of GUPL Shares	%	No. of GUPL Shares	%
GHPL	6,937,294	100.00	3,084,783	40.84
Company	-	-	3,852,511	51.00
Investor	-	-	616,648	8.16
<b>Total</b>	<b>6,937,294</b>	<b>100.00</b>	<b>7,553,942</b>	<b>100.00</b>

#### Enlarged Company

Following the Conversion as described above, the Post-Money Valuation of GUPL will become S\$24.5 million (comprising the sum of S\$22.5 million and S\$2 million).

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The Sale Shares, comprising 3,852,511 GUPL Shares, at S\$3.24334 for each GUPL, would amount to approximately S\$12,495,000. This is equivalent to 51% of the Post-Money Valuation of GUPL, being 51% of S\$24.5 million.

Accordingly, the Company will allot and issue 409,672,131 Consideration Shares to GHPL at the Issue Price of S\$0.0305 each, in satisfaction of the Purchase Consideration.

The shareholding interests of the Lim Concert Party Group in the Company before and after the Proposed Acquisition will be as follows:

	Before Completion		After Completion	
	No. of P5 Shares	%	No. of P5 Shares	%
Mr Lim	163,699,808	23.74	163,699,808	14.89
GHPL	-	-	409,672,131	37.27
<b>Lim Concert Party Group</b>	<b>163,699,808</b>	<b>23.74</b>	<b>573,371,939</b>	<b>52.16</b>
Other Shareholders	525,824,635	76.26	525,824,635	47.84
<b>Total</b>	<b>689,524,443</b>	<b>100.00</b>	<b>1,099,196,574</b>	<b>100.00</b>

Upon Completion, GUPL will become a 51%-owned subsidiary of the Group.

### 5.3 Conditions precedent

The Proposed Acquisition is conditional upon the satisfaction of various conditions precedent as set out in Section 2.3.3 of the Circular, including the following:

- (a) the grant of the Whitewash Waiver by the SIC for the Lim Concert Party Group;
- (b) approval of Shareholders at the EGM for (i) the Proposed Acquisition under 3 separate ordinary resolutions pertaining to the Proposed Acquisition as a major transaction under Chapter 10 of the Catalist Rules, Proposed Acquisition (including the SHA) as an IPT under Chapter 9 of the Catalist Rules and issue of the Consideration Shares under Chapter 8 of the Catalist Rules, and (ii) the Proposed Whitewash Resolution;
- (c) approval in-principle ("**AIP**") of the SGX-ST for the listing and quotation of the Consideration Shares on the Catalist Board; and
- (d) the IFA opinion on the Proposed Acquisition (including the SHA) as an IPT and the Proposed Whitewash Resolution.

Application was made to the SIC for the Whitewash Waiver. On 9 March 2022, the SIC had granted the Whitewash Wavier subject to various conditions including the Proposed Whitewash Resolution ("**SIC Conditions**") as set out in Section 12.2 of the Circular. Further details of the Proposed Whitewash Resolution are set out in Section 6 of this Letter.

Shareholders' approval for the resolutions pertaining to the Proposed Acquisition (including the SHA) are conditional upon the Shareholders' approval in relation to the Proposed Whitewash Resolution as set out in the Notice of EGM in the Circular. If Proposed Whitewash Resolution is not passed, the Proposed Acquisition will not be proceeded with further.

The Company had, through its Sponsor, made an application to the SGX-ST for the listing and quotation of the Consideration Shares on the Catalist Board. The SGX-ST had on 12 April 2022 issued a listing and quotation notice ("**LQN**") in respect of the above application, subject to the compliance with SGX-ST's listing requirements and Shareholders' approval being obtained at the EGM in relation to the Proposed Acquisition. The LQN from the SGX-ST is not to be taken



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as an indication of the merits of the Consideration Shares, the Proposed Acquisition, the Company, its subsidiaries and their securities. The SGX-ST has also highlighted, in the LQN, that in the event that the Company acquires any asset and/or business from GHPL and/or its related parties or associates, the SGX-ST reserves the right to aggregate the acquisitions and deem the subsequent asset injections as a very substantial acquisition or reverse takeover under Rule 1015 of the Catalist Rules.

#### 6. THE PROPOSED WHITEWASH RESOLUTION

- 6.1 Under Rule 14.1 of the Code, where (a) any person who acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carrying 30% or more of the voting rights in the company; or (b) any person who together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights in the company and such person, or any person acting in concert with him, acquires in any period of 6 months additional shares carrying more than 1% voting rights, he is required to make a mandatory general offer for all the shares in the company which he does not already own or control.

The issuance of 409,672,131 Consideration Shares to GHPL pursuant to the Proposed Acquisition will result in GHPL holding a direct interest in approximately 37.27% of the Enlarged P5 Shares, and Mr Lim increasing his total shareholding interests in the Company from approximately 23.74% based on the existing total number of P5 Shares to approximately 52.16% (comprising direct interest of 14.89% and deemed interest of 37.27%) based on the Enlarged P5 Shares, thereby triggering the mandatory general offer threshold under Rule 14 of the Code as the Lim Concert Party Group would acquire 30% or more of the voting rights in the Company. In such an event, the Lim Concert Party Group would incur an obligation to make a Mandatory Offer for the remaining P5 Shares not already owned or controlled by them pursuant to Rule 14.1(a) of the Code, unless a Whitewash Waiver is granted by the SIC.

- 6.2 As it is not the intention of the Lim Concert Party Group to make a Mandatory Offer for the remaining P5 Shares, an application was made to seek the Whitewash Waiver from the SIC.

On 9 March 2022, the SIC had granted the Whitewash Waiver to GHPL subject to the satisfaction of the SIC Conditions ("**SIC Approval**"), the details of which are set out in Section 12.2 of the Circular.

The SIC Conditions include *inter alia* the following:

- (a) the Proposed Whitewash Resolution to be approved by a majority of the Independent Shareholders present and voting at the EGM before the issue of the Consideration Shares to GHPL, by way of a poll, and the Lim Concert Party Group as well as parties not independent of them will need to abstain from voting on the Proposed Whitewash Resolution;
- (b) the IFA to advise the Independent Shareholders on the Proposed Whitewash Resolution; and
- (c) to rely on the Proposed Whitewash Resolution, approval of the Proposed Whitewash Resolution must be obtained within 3 months from the date of the SIC Approval and the acquisition of the Consideration Shares by GHPL must be completed within 3 months of the date of the approval of the Proposed Whitewash Resolution.

The Independent Shareholders are therefore asked to vote, by way of a poll, on the Proposed Whitewash Resolution as set out in the Notice of EGM in the Circular.

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### **6.3 We wish to highlight to the Independent Directors to advise the Independent Shareholders that:**

- (i) by voting in favour of the Proposed Whitewash Resolution, they will be waiving their rights to receive a general offer for their P5 Shares from GHPL at the highest price paid by the Lim Concert Party Group for the Shares in the past 6 months preceding the commencement of the offer which they would have otherwise been obliged to make for the P5 Shares in accordance with Rule 14 of the Code;
- (ii) the allotment and issue of the Consideration Shares to GHPL pursuant to the Proposed Acquisition will result in the Lim Concert Party Group holding P5 Shares carrying over 49% of the voting rights in the Company based on the enlarged issued share capital of the Company upon Conversion at Completion, and the Lim Concert Party Group would thereafter be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a general offer; and
- (iii) the Proposed Acquisition is conditional upon them voting in favour of the Proposed Whitewash Resolution. Hence, in the event that the Proposed Whitewash Resolution is not approved by the Independent Shareholders at the EGM to be convened, the Proposed Acquisition will not be proceeded with further.

### **7. EVALUATION OF THE PROPOSED ACQUISITION (INCLUDING THE SHA) AND THE PROPOSED WHITEWASH RESOLUTION**

In our evaluation of the Proposed Acquisition (including the SHA) as an IPT and the Proposed Whitewash Resolution, we have given due consideration to, *inter alia*, the following key factors which we consider to have a significant bearing on our assessment:

- (i) rationale for the Proposed Acquisition (including the SHA);
- (ii) assessment of the Purchase Consideration;
- (iii) comparison with comparable SGX-ST listed company and precedent sale transaction;
- (iv) assessment of the Issue Price of the Consideration Shares;
- (v) the Proposed Whitewash Resolution and the dilution impact of the Consideration Shares on the Independent Shareholders;
- (vi) assessment of the key terms of the SHA; and
- (vii) financial effects of the Proposed Acquisition on the Group.

#### **7.1 Rationale for the Proposed Acquisition (including the SHA)**

It is not within our terms of reference to comment or express an opinion on the merits of the Proposed Acquisition (including the SHA) or the prospects of the Group after the Proposed Acquisition (including the SHA). Nevertheless, we have reviewed the rationale for and benefits of the Proposed Acquisition (including the SHA) as set out in Section 2.5 of the Circular.

We note the following:

- (a) the Proposed Acquisition is in line with the Group's growth plan for its Energy Business;

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- (b) the Purchase Consideration is fully funded by the Consideration Shares, thus conserving cash for the Group;
- (c) the Group had invested in the construction of GUPL's LNG Bottling Station which had since end of September 2021 commenced providing LNG distribution solutions to its customers;
- (d) the trend of the LNG industry as disclosed in Section 2.2.3 of the Circular and in the full Valuation Report;
- (e) the execution of the SHA to regulate the affairs of GUPL among the shareholders of GUPL post Completion; and
- (f) the Company's view that the Proposed Acquisition will enhance shareholder value for the Company.

#### 7.2 Assessment of the Purchase Consideration

As set out in Section 5.2 of this Letter, the Purchase Consideration for the Sale Shares is on the assumption that the Conversion takes place simultaneously at Completion and the base valuation of 100% equity interest of GUPL of S\$22.5 million as ascribed by the Valuer, is being applied for both the Purchase Consideration and the Conversion.

As further detailed in Section 5.2 of this Letter, the conversion price for the Conversion of the Loan into new GUPL Shares and the acquisition price for the Sale Shares from GHPL are both based on the same base valuation of GUPL as determined by the Valuer, which is equivalent to S\$3.24334 for each GUPL Share. The Purchase Consideration for the Sale Shares is therefore determined to be S\$12,495,000.

The extension of the Loan by the Investor to GUPL in December 2021 and the expected Conversion of the principal amount of the Loan at Completion will increase the Post-Money Valuation of GUPL to S\$24.5 million. The Proposed Acquisition of a 51% interest in GUPL of S\$12,495,000 is equivalent to 51% of the Post-Money Valuation of GUPL of S\$24.5 million.

Hence, the Purchase Consideration is considered to be fair and reasonable as (1) it is based on the independent valuation of GUPL and (2) it is on the same base valuation of GUPL as the Conversion by the Investor, which is deemed an unrelated party to the Group. Details of the Investor are set out in Section 4.1 of this Letter.

We further note that the base valuation of GUPL of S\$22.5 million is slightly below (2.4%) but close to the mid-point valuation of S\$23.05 million of the high and low range of the valuation of GUPL of between S\$19.1 million and S\$27.0 million.

It should, however, be noted that although GUPL was incorporated in April 2017, it had not commenced generating any substantial revenue since incorporation until the end of September 2021 when it obtained all the necessary licences and certifications for its newly constructed LNG Bottling Station in Jurong Island and commenced its operations to provide LNG distribution solutions for its customers. As such, GUPL was loss-making in the past and its pro forma NTA as at 30 September 2021 (after Capitalisation) is relatively small at S\$2.2 million. In comparison, the base valuation of 100% equity interest of GUPL is S\$22.5 million as at 30 September 2021. The valuation of GUPL, which is based on the DCF approach derived from the financial projections of GUPL as set out in Section 4.3 of this Letter, is at a significant premium above the pro forma NTA of GUPL.

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#### 7.3 Comparison with comparable SGX-ST listed company and precedent sale transaction

We had attempted to assess the valuation of GUPL implied by the Purchase Consideration with valuation statistics of (a) companies listed on the SGX-ST which can be considered as GUPL's trading peers i.e. companies that are mainly engaged in the distribution of LNG, and (b) precedent sale transactions of companies in similar industry in Singapore.

There are no direct SGX-ST listed comparable companies with GUPL, other than Union Gas Holdings Limited ("**Union Gas**") as a broad proxy, as Union Gas is principally engaged as a provider of fuel products, being LPG, natural gas and diesel. The sale of LPG is Union Gas' main revenue generator.

On 17 June 2020, Union Gas announced its entry into a MOU setting out a framework for a potential acquisition of various assets from an interested person. On 25 August 2021, Union Gas announced the SPA to *inter alia* acquire from the interested person 100% interest in 3 target companies which are engaged in the retail and commercial distribution of LPG for a consideration S\$73.4 million. The consideration includes the payment by way of an issuance of new shares of Union Gas at a discount of 9.99% to the VWAP of the market share price of Union Gas on the day preceding the date of the SPA, and the number of consideration shares represents 27.91% shareholding interest in the enlarged share capital of Union Gas. The above acquisition was completed on 30 December 2021. The above represents the most recent precedent sale transaction in Singapore.

Set out below is an overview of Union Gas and the precedent sale transaction:

#### Union Gas

- Union Gas is listed on the Main Board of the SGX-ST. Its market capitalisation was S\$60.7 million on 17 June 2020 at the time of the announcement of the MOU, which had increased to S\$225.5 million on 25 August 2021 at the time of the announcement of the SPA;
- As disclosed in the annual report of Union Gas for the financial year ended 31 December 2020, Union Gas is an established provider of fuel products in Singapore with over 40 years of operating track record. It operates one of the largest bottled LPG delivery fleets in Singapore with over 200 vehicles. In 2020, it diversified its natural gas business to include the supply of LNG and piped natural gas to commercial customers;
- At the time of its announcement of the SPA, Union Gas' net profit after tax for its last financial year ended 31 December 2020 and for the first half year ended 30 June 2021 were S\$13.9 million and S\$5.3 million respectively. The trailing 12 months ("**T12M**") net profit ended 30 June 2021 was S\$12.1 million. As at 30 June 2021, its NAV and NTA were S\$39.6 million and S\$38.1 million respectively; and
- Based on the market capitalisation of Union Gas on 25 August 2021, Union Gas was trading at a historical price-earnings ratio ("**PER**") of 16.2 times of its net earnings for FY2020, and PER of 18.6 times of its T12M net earnings to 30 June 2021; and price-to-NAV ("**P/NAV**") ratio was 5.7 times as at 30 June 2021.

#### Precedent sale transaction

- The consideration for the acquisition of the target companies of S\$73.4 million was within the independent market value range of between S\$72.3 million and S\$80.2 million;

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- As disclosed in the IFA letter dated 10 December 2021 in connection with the above acquisition, among other things, the PER implied by the consideration for the target companies was 14.4 times based on the T12M net profit of the target companies ended 30 June 2021 (after excluding the write-back of allowances for trade receivables); and the P/NTA ratio implied by the consideration for the target companies was 2.7 times as at 30 June 2021;
- The consideration for the acquisition includes the payment by way of an issuance of new shares of Union Gas at a discount of 9.99% to the VWAP of the market share price of Union Gas on the day preceding the date of the SPA, and the number of consideration shares represents 27.91% shareholding interest in the enlarged share capital of Union Gas.

#### Proposed Acquisition

It should be noted that GUPL is a relatively new and privately held company, which has just commenced its LNG distribution business since the end of September 2021. Hence, any comparisons with Union Gas and the precedent sale transaction are purely for illustration purposes only. Some salient points of the Proposed Acquisition are as follows:

- PER is not applicable to GUPL as it was loss-making;
- The Purchase Consideration is based at the base value of GUPL as determined by the Valuer;
- Based on the base valuation of GUPL and the pro forma NAV of GUPL as at 30 September 2021, the implied P/NAV ratio is 10.2 times; and
- The Issue Price of the Consideration Shares is at the 3-month VWAP of the P5 Shares preceding (and excluding) the MOU Announcement Date. The total number of Consideration Shares represents 37.27% of the Enlarged P5 Shares.

#### **7.4 Assessment of the Issue Price of the Consideration Shares**

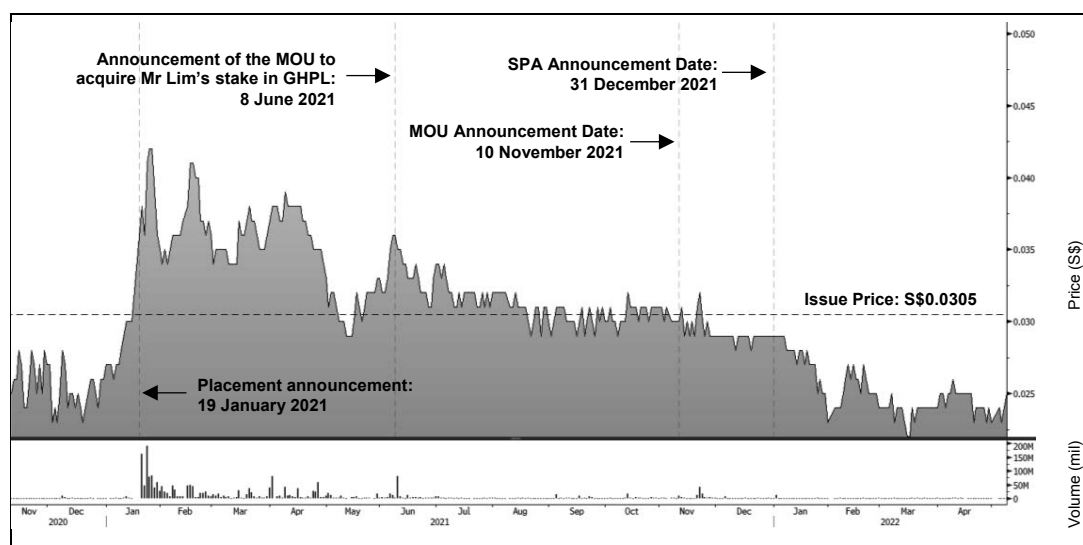
##### **7.4.1 In comparison with the historical trading performance of the P5 Shares**

The Issue Price of S\$0.0305 for each Consideration Share is determined based on the 3-month VWAP of the P5 Shares prior to (and excluding) the MOU Announcement Date, being 10 November 2021.

We have reviewed the historical trading performance and trading activity of the P5 Shares for the one-year period from 11 November 2020 to 10 November 2021, and up to the Latest Practicable Date ("**Period Under Review**"), as shown in the chart below:

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### Price movement and trading volume of the P5 Shares for the Period Under Review



**Source:** Bloomberg L.P.

#### Our observations

- (a) The 1-year VWAP on the P5 Shares up to the MOU Announcement Date was S\$0.0367, while the 6-month and 3-month VWAP on the P5 Shares were S\$0.0330 and S\$0.0305 respectively.  
  
The higher 1-year VWAP appeared to be due to the higher trading prices and traded volume following the announcement of the Placement exercise on 19 January 2021. The Placement involved the issuance of 132 million new P5 Shares at the issue price of S\$0.027 each. The P5 Shares traded to a high of S\$0.042 on 25 and 26 January 2021 (based on daily last transacted prices). The Placement was completed on 4 February 2021;
- (b) After trading hours on 8 June 2021, the Company announced the MOU on the proposed acquisition from Mr Lim of his 60.25% interest in GHPL. The last done price on the P5 Shares on that day was S\$0.036;
- (c) After trading hours on 10 November 2021, the Company announced the MOU on the Proposed Acquisition and the termination of the MOU on the proposed acquisition from Mr Lim of his 60.25% interest in GHPL. The last done price on the P5 Shares on that day was S\$0.030. The Issue Price for the Consideration Shares was determined to be S\$0.0305;
- (d) The Company announced the SPA on the Proposed Acquisition after the close of the half day trading session on the SGX-ST on 31 December 2021. The last done price on the P5 Shares on that day was S\$0.029;
- (e) As at the Latest Practicable Date, the last done price on the P5 Shares was S\$0.025. The Issue Price represents a premium of 22% over the above last done price of the P5 Shares; and
- (f) Trading on the P5 Shares was relatively active at the early part of the Period Under Review but trading activity declined subsequently.

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For the 1-year period up to the MOU Announcement Date, average daily trading volume was 8.9 million<sup>(1)</sup> shares, representing 1.7% of the free float of the P5 Shares<sup>(2)</sup>. The trading volume was particularly high immediately following the announcement of the Placement of up to 190.4 million P5 Shares.

The average daily trading volume was lower at around 2 to 3 million P5 Shares for the 1-month, 3-month and 6-month periods up to the MOU Announcement Date, representing 0.4% to 0.6% of the free float of the P5 Shares.

After the MOU Announcement Date and up to the Latest Practicable Date, the average daily trading volume was lower at 1.5 million P5 Shares.

**Notes:**

- (1) The average daily trading volume of the P5 Shares is computed based on the total volume of P5 Shares traded on the SGX-ST (excluding off-market transactions) during the one-year period up to the MOU Announcement Date, divided by the number of days when the SGX-ST was open for trading (excluding days with full day trading halt on the P5 Shares) during that period; and
- (2) Free float refers to the P5 Shares other than those directly and deemed held by the Directors and substantial Shareholders. For the purposes of computing the average daily trading volume as a percentage of free float, we have used the free float of approximately 525.8 million P5 Shares based on the free float of 76.26% as disclosed in the Company's annual report for FY2021.

Overall, in relation to the market trading prices of the P5 Shares, the Issue Price is fair and reasonable, and not prejudicial to the interest of Minority Shareholders as:

- (i) it is based on the VWAP over a 3-month period prior to (and excluding) the MOU Announcement Date;
- (ii) it is at a premium of 13.0% above the issue price for the Placement shares which was carried out with unrelated third parties;
- (iii) it is close to and at a slight premium above the last done prices of the P5 Shares of S\$0.030 on the MOU Announcement Date and S\$0.029 on the SPA Announcement Date; and
- (iv) GHPL agrees to grant a moratorium over the Consideration Shares for a period of 6 months from the date of allotment and issue of the Consideration Shares, unless agreed otherwise by the Company in writing.

#### **7.4.2 In comparison with the financial information of the Group**

As set out in Sections 3.4 and 3.5 of this Letter, the Group was loss-making for the last few years, and the NAV and NTA of the Group were S\$0.0176 and S\$0.0166 as at 30 September 2021 respectively.

The Company believes that, among other things, the Proposed Acquisition will provide recurring revenue streams to the Group.

The Issue Price of S\$0.0305 for each Consideration Share represents a significant premium of 73.3% and 83.7% above the NAV and NTA per P5 Share as at 30 September 2021 respectively.



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### 7.5 The Proposed Whitewash Resolution and the dilution impact of the Consideration Shares on the Independent Shareholders

As at the Latest Practicable Date, the Company has 689,524,443 outstanding P5 Shares. The Proposed Acquisition will result in the issuance of 409,672,131 Consideration Shares, representing 59.41% of the existing number of issued P5 Shares and 37.27% of the enlarged number of 1,099,196,574 P5 Shares.

On the assumption that the Proposed Acquisition and the Proposed Whitewash Resolution are approved by Shareholders at the EGM, as set out in Section 5.2 of this Letter, the issuance of the Consideration Shares will significantly increase the shareholding interest of the Lim Concert Party Group in the Company, and as a result, dilute the remaining Shareholders' interests in the Company, as set out in the table below:

	Before Completion		After Completion	
	No. of P5 Shares	%	No. of P5 Shares	%
Mr Lim	163,699,808	23.74	163,699,808	14.89
GHPL	-	-	409,672,131	37.27
<b>Lim Concert Party Group</b>	<b>163,699,808</b>	<b>23.74</b>	<b>573,371,939</b>	<b>52.16</b>
Other Shareholders	525,824,635	76.26	525,824,635	47.84
<b>Total</b>	<b>689,524,443</b>	<b>100.00</b>	<b>1,099,196,574</b>	<b>100.00</b>

#### Our observations

- (a) Mr Lim is presently the single largest and the controlling Shareholder, holding a direct shareholding interest of 23.74% in the Company. He is the Executive Director and CEO of the Company, and his spouse, Ms Leow is also an Executive Director of the Company. Ms Leow does not have any shareholding interest in the Company. Post-Completion, Mr Lim's existing direct shareholding interest will be diluted to 14.89% of the Enlarged P5 Shares;
- (b) GHPL presently does not own any P5 Shares. The issuance of 409,672,131 Consideration Shares to GHPL in satisfaction of the Purchase Consideration will result in GHPL holding a direct interest in approximately 37.27% of the Enlarged P5 Shares. As Mr Lim will be deemed to be interested in all the P5 Shares held by GHPL, Mr Lim's total shareholding interest in the Company post-Completion will be approximately 52.16% and he will remain as the controlling Shareholder;
- (c) As the issuance and allotment of the Consideration Shares to GHPL will result in the Lim Concert Party Group acquiring shareholding interest in the enlarged Company in excess of 50%, the Lim Concert Party Group will thereafter be able to pass all ordinary resolutions proposed by the Company at shareholders' general meetings, other than resolutions in relation to interested person transactions where Mr Lim and his associates are deemed as interested persons and they will therefore have to abstain from voting on these proposed transactions pursuant to the Catalyst Rules;
- (d) As a result of the above, the remaining Shareholders, who are the Independent Shareholders, will be diluted significantly from 76.26% to 47.84% post-Completion;
- (e) The Proposed Acquisition is conditional upon the approval of the Proposed Whitewash Resolution by the Independent Shareholders at the EGM. If the Proposed Whitewash Resolution is not approved, the Proposed Acquisition will not be proceeded with further and there will be no dilution impact on Independent Shareholders' shareholding interests in the Company.

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As a SIC Condition for the Whitewash Waiver, the Lim Concert Party Group and parties not independent of them will have to abstain from voting on the Proposed Whitewash Resolution. Hence, the Proposed Whitewash Resolution will only be voted on by the Independent Shareholders;

- (f) Independent Shareholders should note that the Whitewash Waiver, if approved at the forthcoming EGM, will waive the requirement of GHPL from making the general offer for all the remaining P5 Shares at the highest price paid or agreed to be paid by the Lim Concert Party Group for the P5 Shares in the last six months preceding the commencement of the offer. As the Lim Concert Party Group had not acquired any P5 Shares in the preceding six months, the offer price to be made by GHPL, if a hypothetical Mandatory Offer is to be made, will be at S\$0.0305 for each P5 Share;
- (g) Independent Shareholders should also note that the issue of the Consideration Shares will result in the Lim Concert Party Group holding over 49% of the enlarged issued share capital of the Company. In such a circumstance, the Lim Concert Party Group can thereafter be free to acquire further P5 Shares without incurring any Mandatory Offer obligations; and
- (h) To rely on the Whitewash Waiver, the Proposed Whitewash Resolution must be obtained within 3 months from the date of the SIC Approval and the acquisition of the Consideration Shares by GHPL must be completed within 3 months of the date of the approval of the Proposed Whitewash Resolution.

#### 7.6 Assessment of the key terms of the SHA

##### 7.6.1 Key terms of the SHA

Upon Completion and Conversion, the Company, GHPL and the Investor will own 51.00%, 40.84% and 8.16% shareholding interests of GUPL respectively. Hence, these parties have entered into the SHA on 30 March 2022 to regulate the affairs of GUPL which will take effect from the date of Completion and Conversion. The entry into of the SHA is a condition precedent to the SPA.

Details of the SHA are set out in Section 4 of the Circular. A summary of the key terms of the SHA is listed below:

##### Business of GUPL

- (i) GUPL and its subsidiaries ("**GUPL Group**") shall principally carry on the business in the distribution of LNG and not engage in any other business unless mutually agreed among all shareholders of GUPL;
- (ii) the board of GUPL shall appoint a management committee ("**Management Committee**") which shall manage the business and day-to-day operations of GUPL;

##### Board of directors of GUPL

- (iii) the board of GUPL will comprise at least 3 directors, with majority of the directors to be appointed by the Company so long as it holds more than 50% shareholding interest in GUPL, and any shareholder who is entitled to appoint a director should hold at least 25% shareholding interest in GUPL ("**Significant Shareholder**"). Where the board comprises 3 directors, the Company and GHPL shall be entitled to appoint 2 directors and 1 director respectively;

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- (iv) the quorum for board meetings shall be not less than 2 directors, out of which at least 1 director shall be appointed by the Company so long as it holds more than 50% shareholding interest in GUPL;
- (v) all resolutions of the board shall be passed by a simple majority vote of the directors present at the meeting, and the chairman of the board shall be appointed by the Company so long as it holds more than 50% shareholding interest in GUPL, and who shall be entitled to a second or casting vote in the event there is an equality of votes at a board meeting;
- (vi) the board shall convene and hold a meeting on a half-yearly basis unless unanimously determined otherwise and none of the board reserved matters ("**Board Reserved Matters**") shall be undertaken by GUPL without obtaining the necessary approval of the directors as prescribed in Schedule 2 of the SHA. A summary of these Board Reserved Matters is set out in Section 7.6.2 below;

#### Meeting of shareholders of GUPL

- (vii) the quorum for all meetings of shareholders of GUPL shall be at least 2 shareholders, of which 1 shall be the Company so long as it holds more than 50% shareholding interest in GUPL, and all shareholders' resolutions are passed by a simple majority vote of the shareholders present at the meeting and each GUPL Share held by a shareholder shall carry 1 vote. The chairman of the general meeting shall not have a second or casting vote;

#### Further issue of GUPL Shares

- (viii) all new GUPL Shares shall, before allotment and issuance, be offered to all shareholders of GUPL on a *pro rata* ratio in accordance with their shareholding interests in GUPL ("**Agreed Proportion**") at the time of offer. If such new GUPL Shares are not subscribed to by any shareholder(s), the directors of GUPL may allot and issue these GUPL Shares to the remaining shareholders on a *pro rata* basis in accordance with the Agreed Proportion, who shall agree to execute the deed of accession ("**Deed of Accession**"), under which he or it agrees to be bound by the terms of the SHA. In such an event, the shareholding interests of existing shareholders of GUPL will be diluted accordingly;

#### Right of first refusal

- (ix) if a shareholder of GUPL decides to sell or dispose ("**Selling Shareholder**") any of its GUPL Shares ("**Sale GUPL Shares**") to any third party ("**Proposed Purchaser**"), the Selling Shareholder shall first offer the Sale GUPL Shares to the remaining shareholders of GUPL according to their Agreed Proportions;
- (x) if none of the existing shareholders of GUPL exercise their right of first refusal on the Sale GUPL Shares, the Selling Shareholder may dispose of the Sale GUPL Shares to the Proposed Purchaser at a price and on terms no more favourable than those offered to the existing shareholders of GUPL. The Selling Shareholder shall procure the Proposed Purchaser to execute the Deed of Accession;

#### Drag-along right

- (xi) in the event that one or more shareholders collectively holding more than 50% of the total GUPL Shares ("**Intending Transferor**"), intends to, through one or more transactions, transfer or sell all (but not some only) of its GUPL Shares to a person(s) other than an existing shareholder of GUPL or its affiliate ("**Drag-Along Purchaser**"), the Intending Transferor may give the drag-along notice to the remaining shareholders, requiring them to sell all their GUPL Shares ("**Excess GUPL Shares**") to the Drag-Along Purchaser on

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the same terms as are applicable to the Intending Transferor. The remaining shareholders shall be bound to sell such Excess GUPL Shares to the Drag-Along Purchaser if the terms and conditions (including price) offered to the remaining shareholders are no less favourable than those offered to the Intending Transferor;

#### Tag-along right

- (xii) in the event that the Intending Transferor intends to, through one or more transactions, transfer or sell any of its GUPL Shares to a third party ("**Tag-Along Purchaser**"), the remaining shareholders ("**Tag-Along Shareholders**") shall be entitled (but shall not be obliged) to require the Intending Transferor to procure the Tag-Along Purchaser to purchase such proportion of the GUPL Shares held by the Tag-Along Shareholders on terms no less favourable than those offered to the Intending Transferor;

#### Non-competition and non-solicitation

- (xiii) each party to the SHA undertakes that it shall not enter into any business that directly or indirectly competes with GUPL without prior written consent from GUPL (such consent not to be unreasonably withheld) during the Prohibited Period which is defined as the period during which a party is a Significant Shareholder of GUPL until the expiry of one year after such party ceases to be a Significant Shareholder of GUPL;

#### Default

- (xiv) in the event that *inter alia* a shareholder is in material breach of its obligations under the SHA or a shareholder becomes insolvent or is under liquidation or judicial management, a non-defaulting shareholder shall be entitled to require the defaulting shareholder (a) to sell all (but not part) of its GUPL Shares to the non-defaulting shareholders for an aggregate consideration based on a prescribed price (on a *pro-rata* basis) which shall be the fair market value for each GUPL Share, as determined by an independent professional valuer to be appointed by GUPL, and (b) to procure the resignations of its appointee(s) on the board of GUPL; and

#### Termination

- (xv) the SHA shall take effect from the date of Completion and Conversion until terminated. The SHA shall terminate in respect of the party if it no longer holds any GUPL Shares. The SHA shall terminate if an effective resolution is passed to wind up GUPL or if a liquidator is otherwise appointed.

### 7.6.2 Board Reserved Matters

The following are key Board Reserved Matters which require the consent of a majority of directors of GUPL:

- (i) the approval or amendment of the annual budget or business plan of the GUPL Group;
- (ii) the approval of annual financial statements of GUPL and directors' statement in respect of each financial year;
- (iii) any related party transactions;
- (iv) any acquisition or disposal of GUPL's interest in a subsidiary, affiliate or any other entity;
- (v) the entry by any GUPL Group company into any joint venture or partnership with any entity;

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- (vi) the appointment and removal of senior management, including financial controller, and the approval of remuneration package of any such individuals exceeding S\$200,000;
- (vii) any capital expenditure exceeding S\$200,000;
- (viii) incurring any borrowings or indebtedness exceeding S\$200,000; and
- (ix) any material change in accounting methods and/or policies adopted by the GUPL Group.

**7.6.3** We note the following with respect to the proposed terms of the SHA:

- (a) the Company's majority interest in GUPL is safeguarded under the SHA as it has majority representation on the board of GUPL, and the right to appoint the Chairman of the board who shall have the second or casting vote in the event there is an equality of votes at a board meeting;
- (b) for the benefit of the minority shareholders of GUPL, there are the drag-along and tag-along rights in the event of a sale of all (but not some only) of the GUPL Shares held by the Company, on terms no less favourable than those offered to the Company;
- (c) parties to the SHA are bound by the non-compete and non-solicitation clause which will expire one year after they cease to be a Significant Shareholder of GUPL; and
- (d) various Board Reserved Matters which require the consent of a majority of directors of GUPL.

As the Company has majority representation of the board, the Company will be able to pass all resolutions on the Board Reserved Matters unless they relate to interested person transactions between the GUPL Group and the Group, in which case, the Company's board representative will need to abstain from deliberating and voting on the board of GUPL in relation to these proposed interested person transactions.

As mentioned in Section 3.5 of this Letter, we have noted that following Completion, GUPL will be deemed an entity-at-risk, being a 51%-owned subsidiary of the Group under the Catalist Rules. Proposed transactions between GUPL and interested persons of the Group will be deemed as interested person transactions, and the Company's board representative will need to abstain from voting on these interested person transactions.

In addition, GUPL is deemed an interested person under the Catalist Rules in view of Mr Lim's interest in GHPL, which in turn has a 40.84% interest in GUPL. Proposed transactions between the Group (outside of GUPL) and the GUPL Group will be deemed as interested person transactions, and the Company's board representative will need to abstain from voting on these interested person transactions.

Overall, the key terms of the proposed SHA are on normal commercial terms and the proposed entry into of the SHA is therefore not prejudicial to the interests of the Company and its Minority Shareholders.

**7.7 Financial effects of the Proposed Acquisition on the Group**

Details on the financial effects of the Proposed Acquisition on the Group are set out in Section 9 of the Circular, which are based on the Group's financial information for FY2021 (i.e. for the financial year ended 31 March 2021) and certain assumptions. The financial effects are for illustrative purposes only and do not purport to be an indication or a projection of the results and financial position of the Group after Completion.

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## APPENDIX B

### IFA LETTER

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Post FY2021, the following material events had occurred or will occur arising from the Proposed Acquisition:

- the paid-up share capital of GUPL had increased by S\$5.0 million in November 2021 from S\$1.9 million as at 30 September 2021 to S\$6.9 million, following the Capitalisation of various loans and amounts owing by GUPL to the GHPL Group. As a result, the negative equity position of GUPL became positive after the Capitalisation;
- pursuant to the terms of the SPA and CLA, the Conversion of the Loan is to be completed simultaneously at Completion of the Proposed Acquisition. Accordingly, the paid-up share capital of GUPL will increase further by another S\$2 million from the Conversion of the Loan to S\$8.9 million at Completion. The Consideration for the Proposed Acquisition of S\$12.495 million is based on 51% of the Post-Money Valuation of GUPL after the Conversion; and
- latest interim financial results of the Group for the half year ended 30 September 2021 (i.e. 1H2022) and the interim results of GUPL for the 9 months ended 30 September 2021 (i.e. 9M2021) are available.

Following from the above, the key financial effects on the Group arising from the Proposed Acquisition and Conversion would be as follows:

**(a) Share capital of the Company**

As at 30 September 2021, the share capital of the Company was S\$22.8 million comprising 689,524,443 P5 Shares.

The number of issued P5 Shares will increase significantly by 409,672,131 Consideration Shares to 1,099,196,574. The Consideration Shares are to be issued at the Issue Price of S\$0.0305 each, which will amount to S\$12.495 million.

The issued share capital of the Company will therefore increase accordingly.

**(b) NAV and NTA of the Group**

GUPL was in a net liability (“NTL”) position of S\$2.8 million as at 30 September 2021. On a pro forma basis, GUPL will be in a NTA position of S\$2.2 million as at 30 September 2021 after the Capitalisation. With the simultaneous Completion of the Proposed Acquisition and Conversion, the pro forma NTA of GUPL as at 30 September 2021 would increase further by S\$2 million to S\$4.2 million.

The Group’s share of 51% of the NTA of GUPL would be S\$2.1 million.

The Group has NAV of S\$12.1 million and NTA of S\$11.5 million as at 30 September 2021. As the Consideration for the Proposed Acquisition is S\$12.495 million which is significantly above the 51% share of the pro forma NTA of GUPL, this may result in the Group recording a significant amount of goodwill. The actual amount of goodwill will be determined in due course upon Completion by the Company in accordance with the Group’s accounting policy.

In view of the Enlarged P5 Shares, the NTA per P5 Share will be diluted after the Proposed Acquisition.

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## APPENDIX B

### IFA LETTER

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#### (c) Loss of the Group

GUPL is presently loss-making based on its historical financial results.

The loss of the Group will increase by its share of the net loss incurred by GUPL.

In view of the Enlarged P5 Shares, loss per P5 Share will be diluted after the Proposed Acquisition.

#### (d) Gearing of the Group

As at 30 September 2021, the Group had S\$6.2 million cash and S\$4.2 million of loans and bank borrowings. Based on the pro forma financial position of GUPL as at 30 September 2021 after the Capitalisation and Conversion, GUPL does not have any significant bank borrowing, save for the borrowing of S\$500,000 in relation to the investment amount funded by the Company to GUPL to construct the LNG Bottling Station.

As GUPL will become a subsidiary of the Company and GUPL accounts will be consolidated with the Group accounts post-Completion, such inter-company borrowings will be eliminated. Accordingly, the Group will continue to be in a net cash position immediately post-Completion.

### 8. OUR OPINION

In arriving at our opinion in respect of the Proposed Acquisition (including the SHA) as an IPT and the Proposed Whitewash Resolution, we have reviewed and deliberated on the following key considerations which we consider to be pertinent in our assessment:

- (i) rationale for the Proposed Acquisition (including the SHA);
- (ii) assessment of the Purchase Consideration;
- (iii) comparison with comparable SGX-ST listed company and precedent sale transaction;
- (iv) assessment of the Issue Price of the Consideration Shares;
- (v) the Proposed Whitewash Resolution and the dilution impact of the Consideration Shares on the Independent Shareholders;
- (vi) assessment of the key terms of the SHA; and
- (vii) financial effects of the Proposed Acquisition on the Group.

**Overall, based on our analysis and after having considered carefully the information available to us, we are of the opinion that the Proposed Acquisition (including the SHA) as an IPT is on normal commercial terms and not prejudicial to the interests of the Company and its Minority Shareholders.**

**In addition, we are of the view that the financial terms of the Proposed Acquisition, being the subject of the Proposed Whitewash Resolution, are fair and reasonable, and the Proposed Whitewash Resolution, when considered in the context of the Proposed Acquisition, is not prejudicial to the interest of the Independent Shareholders.**



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## APPENDIX B

### IFA LETTER

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**Our opinion in relation to the Proposed Acquisition (including the SHA) as an IPT and the Proposed Whitewash Resolution should be considered in the context of the entirety of this Letter and the Circular.**

Our opinion, as disclosed in this Letter, is based on publicly available information as well as information provided by the Directors and Management, and does not reflect any projections of future financial performance of GUPL, the Company and/or the Group after the Completion of the Proposed Acquisition and the entry into of the SHA. In addition, our opinion is based on the economic and market conditions prevailing as at the Latest Practicable Date and is solely confined to our views on the Proposed Acquisition (including the SHA) as an IPT and the Proposed Whitewash Resolution.

Our opinion is required under Rule 921(4)(a) of the Listing Manual as well as addressed to the Independent Directors for their benefit and for the purpose of their consideration of the Proposed Acquisition (including the SHA) as an IPT and the Proposed Whitewash Resolution. The recommendation to be made by them to the Minority Shareholders/Independent Shareholders shall remain their responsibility. Whilst a copy of this Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this Letter (or any part thereof) for any other purposes, other than for the purposes of the Proposed Acquisition (including the SHA) as an IPT and the Proposed Whitewash Resolution and the EGM, at any time and in any manner without the prior written consent of Provenance Capital in each specific case.

This Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully  
For and on behalf of  
**PROVENANCE CAPITAL PTE. LTD.**

Wong Bee Eng  
Chief Executive Officer

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### P5 CAPITAL HOLDINGS LTD.

(Company Registration Number 199806046G)  
(Incorporated in the Republic of Singapore)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting ("**EGM**") of P5 Capital Holdings Ltd. (the "**Company**") will be held by way of electronic means on Monday, 30 May 2022 at 10:00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions as ordinary resolutions:

*All capitalised terms used in this notice which are not otherwise defined shall have the same meanings as ascribed to them in the Company's circular to its shareholders dated 13 May 2022 ("**Circular**").*

### ORDINARY RESOLUTIONS

#### **RESOLUTION 1: PROPOSED ACQUISITION OF SHARES IN THE CAPITAL OF GASHUBUNITED UTILITY PRIVATE LIMITED (THE "PROPOSED ACQUISITION") AS A MAJOR TRANSACTION UNDER CHAPTER 10 OF THE CATALIST RULES**

THAT, contingent upon the passing of Ordinary Resolutions 2 and 3:

- (a) pursuant to Chapter 10 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Catalist Rules**"), approval be and is hereby given for the Proposed Acquisition on the terms and subject to the conditions set out in the sale and purchase agreement dated 31 December 2021 entered into between the Company and Gashubunited Holding Private Limited (the "**Vendor**") in relation to the Proposed Acquisition ("**SPA**"), particulars of which are set out in the Circular;
- (b) the directors of the Company ("**Directors**") and each of them be and are hereby authorised to take such steps, make such amendments to the terms and conditions of the SPA (provided that the amendments are not material) and exercise such discretion as they or he may from time to time deem fit, advisable, desirable, expedient or necessary in connection with all or any of the above matters; and
- (c) the Directors or any of them be authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds as may be required, and to approve any amendment, alteration or modification to any document, as they or he may consider necessary, desirable or expedient or in the interests of the Company to give effect to the Proposed Acquisition and matters contemplated by this Ordinary Resolution 1.

#### **RESOLUTION 2: PROPOSED ACQUISITION (INCLUDING THE SHAREHOLDERS' AGREEMENT) AS AN INTERESTED PERSON TRANSACTION UNDER CHAPTER 9 OF THE CATALIST RULES**

THAT, contingent upon the passing of Ordinary Resolutions 1 and 3:

- (a) pursuant to Chapter 9 of the Catalist Rules, approval be and is hereby given for the Proposed Acquisition (including the SHA), being deemed as an interested person transaction under Chapter 9 of the Catalist Rules, on the terms and subject to the conditions set out in the SPA, particulars of which are set out in the Circular;
- (b) the Directors and each of them be and are hereby authorised to take such steps, make such amendments to the terms and conditions of the SPA (provided that the amendments are not material) and exercise such discretion as they or he may from time to time deem fit, advisable, desirable, expedient or necessary in connection with all or any of the above matters; and

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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- (c) the Directors or any of them be authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds as may be required, and to approve any amendment, alteration or modification to any document, as they or he may consider necessary, desirable or expedient or in the interests of the Company to give effect to the Proposed Acquisition and matters contemplated by this Ordinary Resolution 2.

### **RESOLUTION 3: PROPOSED ALLOTMENT AND ISSUE OF 409,672,131 CONSIDERATION SHARES AT THE ISSUE PRICE OF S\$0.0305 PER CONSIDERATION SHARE TO THE VENDOR, IN SATISFACTION OF THE PURCHASE CONSIDERATION FOR THE PROPOSED ACQUISITION**

THAT, contingent upon the passing of Ordinary Resolutions 1 and 2:

- (a) approval be given to the Directors for the purposes of Rules 804, 805 and 812 of the Catalyst Rules and Section 161 of the Companies Act 1967 of Singapore ("**Companies Act**") to allot and issue 409,672,131 new ordinary shares in the capital of the Company ("**Shares**") ("**Consideration Shares**") to the Vendor at the issue price of S\$0.0305 per Consideration Share in satisfaction of the Purchase Consideration for the Proposed Acquisition; and
- (b) the Directors or any of them be authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds as may be required, and to approve any amendment, alteration or modification to any document, as they or he may consider necessary, desirable or expedient or in the interests of the Company to give effect to the Proposed Issue of Consideration Shares and matters contemplated by this Ordinary Resolution 3.

### **RESOLUTION 4: PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER OF THE RIGHTS OF THE INDEPENDENT SHAREHOLDERS OF THE COMPANY TO RECEIVE A MANDATORY GENERAL OFFER FROM THE VENDOR AND ITS CONCERT PARTIES (INCLUDING MR LIM SHAO-LIN) FOR THE REMAINING ISSUED AND PAID-UP SHARES OF THE COMPANY NOT ALREADY OWNED, ACQUIRED OR AGREED TO BE ACQUIRED BY THE VENDOR AND ITS CONCERT PARTIES (INCLUDING MR LIM SHAO-LIN), AS A RESULT OF THE ISSUE OF CONSIDERATION SHARES PURSUANT TO THE PROPOSED ACQUISITION**

THAT, contingent upon the passing of Ordinary Resolutions 1, 2 and 3, the Shareholders hereby (on a poll taken) unconditionally and irrevocably waive their rights to receive a mandatory general offer under Rule 14 of the Takeover Code from the Vendor and its concert parties (including Mr Lim Shao-Lin), in respect of the remaining issued and paid-up Shares not already owned, acquired or agreed to be acquired by the Vendor and its concert parties (including Mr Lim Shao-Lin), if the Vendor's, taken together with its concert parties' (including Mr Lim Shao-Lin), voting rights in the Company will increase to 30% or more based on the total enlarged number of Shares as a result of the allotment and issue of Consideration Shares pursuant to the Proposed Acquisition.

By Order of the Board  
**P5 CAPITAL HOLDINGS LTD.**

Koh Beng Leong  
Executive Director – Finance

13 May 2022

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### Important Information

1. To minimise physical interactions and COVID-19 transmission risks, the EGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The Company will not accept any physical attendance by shareholders and any shareholder seeking to attend the EGM physically in person will be turned away.
2. Alternative arrangements relating to:
  - (a) attendance at the EGM via electronic means (including arrangements by which the EGM can be electronically accessed via “live” audio-visual webcast or “live” audio-only stream);
  - (b) submission of questions to the Chairman of the EGM in advance of, or “live” at, the EGM, and addressing of substantial and relevant questions in advance of, or “live” at, the EGM; and
  - (c) voting at EGM (i) “live” by the shareholders or their duly appointed proxies (other than the Chairman of the EGM) via electronic means; or (ii) by appointing the Chairman of the EGM as proxy to vote on the shareholders’ behalf at the EGM,

are set out in the Circular. The Circular may be accessed at the SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and the Company’s website at [www.p5capital.com.sg](http://www.p5capital.com.sg).

3. Shareholders who wish to exercise their voting rights at the EGM may:
  - (a) (where such shareholders are individuals) vote “live” via electronic means at the EGM or (where such shareholders are individuals or corporates) appoint proxies (other than the Chairman of the EGM) to vote “live” via electronic means at the EGM on their behalf; or
  - (b) (where such shareholders are individuals or corporates) appoint the Chairman of the EGM as their proxy to vote on their behalf at the EGM.

The accompanying proxy form for the EGM may be downloaded from the SGXNet at the URL <https://www.sgx.com/securities/company-announcements> or the Company’s website at [www.p5capital.com.sg](http://www.p5capital.com.sg).

4. (a) A shareholder who is not a relevant intermediary is entitled to appoint not more than two (2) proxies. Where such shareholder’s proxy form appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form; and (b) A shareholder who is a relevant intermediary is entitled to appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder. Where such shareholder’s proxy form appoints more than two (2) proxies, the number of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

“Relevant intermediary” shall have the meaning ascribed to it in Section 181 of the Companies Act.

5. A proxy need not be a shareholder of the Company. The Chairman of the EGM, as proxy, need not be a shareholder of the Company.
6. A proxy form must be submitted to the Company in the following manner:
  - (a) by post to the office of the Company’s share registrar, M & C Services Private Limited at 112 Robinson Road #05-01, Singapore 068902; or
  - (b) via email to [gpb@mncsingapore.com](mailto:gpb@mncsingapore.com),

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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in each case, by 10.00 a.m. on 27 May 2022 (not less than 72 hours before the time appointed for holding the EGM).

A shareholder who wishes to submit a proxy form appointing a proxy(ies) by post or via email can download a copy of the proxy form from the SGXNet or the Company's website, and complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

7. CPFIS Investors and SRS Investors:

- (a) may vote "live" via electronic means at the EGM if they are appointed as proxies by their respective CPF Agent Banks and/or SRS Operators (as the case may be), and should contact their respective CPF Agent Banks and/or SRS Operators (as the case may be) if they have any queries regarding their appointment as proxies; or
- (b) may appoint the Chairman of the EGM as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks and/or SRS Operators (as the case may be) to submit their votes at least seven (7) business days before the EGM (i.e. by 10.00 a.m. on 19 May 2022).

8. This notice, the Circular and the proxy form will be sent to the Shareholders solely by electronic means via publication on the SGXNet and the Company's website. Printed copies of these documents will not be sent to Shareholders. Please refer to the SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website at [www.p5capital.com.sg](http://www.p5capital.com.sg) for this notice, the Circular and the proxy form.

As the COVID-19 pandemic continues to evolve, further measures and/or changes to the EGM arrangements may be made on short notice in the ensuing days, even up to the day of the EGM. Shareholders are advised to closely monitor announcements made on SGXNet and the Company's website for updates on the EGM.

### Personal Data Privacy:

By (a) submitting a form appointing a proxy(ies) (including the Chairman of the EGM) to attend and vote at the EGM and/or any adjournment thereof, or (b) submitting details for the registration to observe the proceedings of the EGM via the "live" audio-visual webcast or "live" audio-only stream, or (c) submitting any question(s) before or during the EGM in accordance with this notice, a shareholder of the Company consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman of the EGM as proxy for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof);
- (ii) processing of the registration for purpose of granting access to Shareholders (or their corporate representatives in the case of Shareholders which are legal entities) to observe the proceedings of the EGM and providing them with any technical assistance where necessary;
- (iii) addressing relevant and substantial questions from Shareholders received before the EGM and if necessary, following up with the relevant Shareholders in relation to such questions; and
- (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines by the relevant authorities.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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Photographic, sound and/or video recordings of the EGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared for the EGM. Accordingly, the Shareholder's personal data and its proxy's and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the abovementioned purposes and retained for such period as may be necessary for the Company's verification and record purposes.

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*This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").*

*This notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made or reports contained in this notice.*

*The contact person for the Sponsor is Ms Bao Qing - Registered Professional, 6 Raffles Quay, #24-02, Singapore 048580, [sponsor@rhtgoc.com](mailto:sponsor@rhtgoc.com).*

# P5 CAPITAL HOLDINGS LTD.

(Company Registration No. 199806046G)  
(Incorporated in the Republic of Singapore)

## PROXY FORM

## EXTRAORDINARY GENERAL MEETING

### IMPORTANT:

1. The EGM will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. CPFIS Investors and SRS Investors: (a) may vote live via electronic means at the EGM if they are appointed as proxies by their respective CPF Agent Banks and/or SRS Operators, and should contact their respective CPF Agent Banks and/or SRS Operators if they have any queries regarding their appointment as proxies; or (b) may appoint the Chairman of the EGM as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks and/or SRS Operators to submit their votes by 10.00 a.m. on 19 May 2022.
3. This proxy form is not valid for use by CPFIS Investors and SRS Investors and shall be ineffective for all intents and purported to be used by them.

\*I/We, \_\_\_\_\_ (Name) \_\_\_\_\_ (\*NRIC/Passport No./Company Registration No.)

of \_\_\_\_\_ (Address)

being a shareholder/shareholders of P5 Capital Holdings Ltd. (the "Company"), hereby appoint:

Name	Address	NRIC/Passport Number	Email Address**	Proportion of Shareholding	
				Number of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Email Address**	Proportion of Shareholding	
				Number of Shares	%

or if no proxy is named, the Chairman of the Extraordinary General Meeting ("EGM") of the Company as my/our\* proxy/proxies\* to attend and vote for me/us\* on my/our\* behalf at the EGM of the Company to be held by electronic means on Monday, 30 May 2022 at 10:00 a.m. and at any adjournment thereof.

I/We\* direct my/our\* proxy/proxies\* to vote for, vote against or abstain from voting on the resolutions to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies\* will vote or abstain from voting at his/their\* discretion, as he/they\* will on any other matter arising at the EGM and at any adjournment thereof.

No.	Resolutions relating to:	For**	Against**	Abstain**
<b>ORDINARY RESOLUTIONS</b>				
1.	Proposed acquisition of shares in the capital of Gashubunited Utility Private Limited (the "Proposed Acquisition") as a major transaction under Chapter 10 of the Catalist Rules			
2.	Proposed Acquisition (including the Shareholders' Agreement) as an interested person transaction under Chapter 9 of the Catalist Rules			
3.	Proposed Issue of Consideration Shares to Gashubunited Holding Private Limited			
4.	Proposed Whitewash Resolution			

\* Delete where inapplicable

\*\* Compulsory for registration purposes. Only email address provided in the submitted proxy form will receive an email to pre-register for the EGM.

\*\*\* Please indicate your vote "For" or "Against" or "Abstain" with a tick [✓] within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2022

Total number of Shares in	No. of Shares
(a) Depository Register	
(b) Register of Members	

Signature of Shareholder(s)  
or Common Seal of Corporate Shareholder

**IMPORTANT: PLEASE READ NOTES OVERLEAF**





**Notes:**

1. If the shareholder has shares entered against his name in the Depository Register, he should insert that number of shares. If the shareholder has shares registered in his name in the Register of Members, he should insert that number of shares. If the shareholder has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this proxy form will be deemed to relate to all the shares held by the shareholder.
2. To minimise physical interactions and COVID-19 transmission risks, shareholders will not be able to attend the EGM in person. Shareholders who wish to exercise their voting rights at the EGM may:
  - (a) (where such shareholders are individuals) vote "live" via electronic means at the EGM or (where such shareholders are individuals or corporates) appoint proxies (other than the Chairman of the EGM) to vote "live" via electronic means at the EGM on their behalf; or
  - (b) (where such shareholders are individuals or corporates) appoint the Chairman of the EGM as their proxy to vote on their behalf at the EGM.

This proxy form may be downloaded from the SGXNet at the URL <https://www.sgx.com/securities/company-announcements> or the Company's website at [www.p5capital.com.sg](http://www.p5capital.com.sg).

3. (a) A shareholder who is not a relevant intermediary is entitled to appoint not more than two (2) proxies. Where such shareholder's proxy form appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form; and (b) A shareholder who is a relevant intermediary is entitled to appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder. Where such shareholder's proxy form appoints more than two (2) proxies, the number of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

"Relevant intermediary" shall have the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

4. A proxy need not be a shareholder of the Company.
5. This proxy form, duly executed, must be submitted to the Company in the following manner:
  - (a) by post to the office of the Company's share registrar, M&C Services Private Limited at 112 Robinson Road #05-01, Singapore 068902; or
  - (b) via email to [gpb@mncsingapore.com](mailto:gpb@mncsingapore.com),

in each case, by 10.00 a.m. on 27 May 2022 (not less than 72 hours before the time appointed for holding the EGM).

6. Completion and return of this proxy form does not preclude a shareholder from attending and voting at the EGM. A shareholder who accesses the "live" webcast of the EGM proceedings may revoke the appointment of a proxy(ies) at any time before the EGM commences and in such an event, the Company reserves the right to terminate the proxy(ies)' access to the EGM proceedings.
7. This proxy form must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.
8. Where this proxy form is signed on behalf of the appointor by an attorney, the power of attorney or a notarially certified copy thereof (failing previous registration with the Company) must be lodged with this proxy form, failing which this proxy form may be treated as invalid.
9. A corporation which is a shareholder may authorise by a resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM in accordance with Section 179 of the Companies Act 1967 of Singapore.
10. The Company shall be entitled to reject this proxy form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this proxy form (including any related attachment). In addition, in the case of a shareholder whose shares are entered in the Depository Register, the Company may reject any proxy form lodged if the shareholder, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

**Personal Data Privacy:**

By submitting this proxy form, the shareholder is deemed to have accepted and agreed to the personal data privacy terms set out in the Notice of EGM of the Company dated 13 May 2022.