



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

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

RESPONSES TO QUERIES BY THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

The Board of Directors (the "**Board**") of P5 Capital Holdings Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") refers to the Company's announcement dated 15 December 2020 (the "**Announcement**") relating to the project investment agreement (the "**Agreement**") with Gashubunited Utility Private Limited ("**GUPL**") and Gashubunited Holding Private Limited ("**GHPL**") in relation to the proposed investment of S\$500,000 (the "**Investment Amount**") by the Company in the Project undertaken by GUPL (the "**Investment**"). *Unless otherwise defined, all capitalised terms used herein shall bear the same meanings as ascribed to them in the Announcement.*

The Board wishes to announce its responses to the following queries raised by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in relation to the Announcement:

S/N	SGX's Query	Company's Response
1.	The Company's reason(s) for deeming the investment "low-risk"	<p>The Board deems the Investment to be a low-risk investment due to the following reasons:</p> <ul style="list-style-type: none">(i) The Investment carries a fixed component of investment yield of 7% per annum on the Investment Amount, in addition to the Profit Share, regardless of whether or not the Project was completed or not during the Investment Period.(ii) Under the Agreement, the Company has also obtained an undertaking from GHPL, the holding company of GUPL, to, <i>inter alia</i>, make payment of monies due and outstanding on behalf of GUPL in the event of any failure to pay by GUPL for any reason whatsoever.(iii) With regard to the profitability of the Project and the operations of the LNG Bottling Station, the Board had assessed several identified risks including and not limited to, the vendor concentration risk in relation to suppliers of GUPL, the ability of GUPL to continue securing its EMA electricity and gas retailer licence. In this regard, the Board noted that identified risks were assessed to be low and acceptable. The Board had also considered GUPL's proposed approaches

		<p>on managing such risks, such as GUPL's continued efforts to source for additional suppliers as well as secure longer term purchasing contract with the existing suppliers and GUPL's ability to tap on its expertise and market knowledge.</p>
2.	<p>How the investment represents an opportunity for the Company to venture into energy and natural gas related business – Is the investment convertible?</p>	<p>Based on the terms of the Agreement, the Investment is not convertible into shares in GUPL and/or GHPL.</p> <p>Under the Agreement, the Company will be entitled to receive an amount equivalent to 6.5% of the net profit after taxes attributable to the operations of the LNG Bottling Station from the date on which GUPL obtains the temporary occupation permit (TOP) for the Project to the end of the Investment Period.</p> <p>The Investment thus presents an opportunity for the Company to gain some experience and exposure in the energy and natural gas related business via the strategic investment in the Project, which will help the Company to explore future business opportunities and evaluate possible options for the energy division of the Group. This is also in line with the Group's proposed diversification to include the energy and energy-related business as approved by the Company's shareholders at the Extraordinary General Meeting held on 29 September 2020, which was undertaken as part of the Group's strategic review and corporate strategy to enhance its business performance and maximise shareholders' value by unlocking additional streams of income while concurrently contributing positively to the environment.</p>
3.	<p>Who owns the remaining 44.28% of GHPL</p>	<p>The remaining 44.28% of the total issued share capital in GHPL is held across 20 shareholders in the range of 0.07% to 7.03%.</p> <p>Out of the shareholders, the Company understands from Mr Lim Shao-Lin that his relatives (being his mother and brother) and staff of GHPL collectively own 4.16% and 22.41% of the total issued share capital in GHPL respectively.</p>
4.	<p>The reason(s) why the Company is responsible for obtaining the TOP for the Project</p>	<p>The Company wishes to clarify that paragraph 3.2(ii) of the Company's announcement dated 15 December 2020 should refer to GUPL, instead of the Company.</p> <p>Based on the Agreement, the Company will be entitled to receive an amount equivalent to 6.5% of the net profit after taxes attributable to the operations of the LNG Bottling Station from the date on which <i>GUPL</i> obtains the temporary occupation permit (TOP) for the Project to the end of the Investment Period.</p>

By Order of the Board

Ong Bee Hoon
Company Secretary

21 December 2020