

C&G ENVIRONMENTAL PROTECTION HOLDINGS LIMITED
(Incorporated in Bermuda on 24 September 2004)
(Company Registration Number: 35842)

PROPOSED ACQUISITION BY THE COMPANY OF ALL OF THE ISSUED AND PAID-UP SHARE CAPITAL IN PARAM MITRA COAL RESOURCES ONE PTE. LIMITED, PARAM MITRA COAL RESOURCES TWO PTE. LIMITED, DRAGON POWER INVESTMENTS LIMITED AND UNITY HOLDING BUSINESS SINGAPORE PTE. LTD.

Capitalised terms not defined herein shall bear the same meaning ascribed to them in the Term Sheet Announcement (as defined herein).

1. INTRODUCTION

The Board of Directors (the “**Board**”) of C&G Environmental Protection Holdings Limited (the “**Company**”) refers to the Company’s announcements dated 28 December 2017 (the “**Term Sheet Announcement**”), 30 January 2018, 23 February 2018, 23 March 2018, 28 March 2018 and 30 April 2018, in relation to the non-binding Term Sheet in respect of the Proposed Transaction.

The Company is pleased to announce that it has entered into a sale and purchase agreement (the “**Sale and Purchase Agreement**”) with Param Mitra Coal Resources Pte. Limited. (the “**Vendor**”) about the date of this announcement, pursuant to which the Company shall acquire the PMCR Sale Shares (as defined below) and the PMCR Shareholder Loans (as defined below) (the “**Proposed Transaction**”).

The Proposed Transaction if undertaken and completed, is expected to result in a reverse takeover of the Company under Rule 1015 of the Listing Rules of the SGX-ST and will be subject to approval of the Shareholders.

Unless otherwise set out in this announcement, the terms and conditions of the Proposed Transaction shall be as per that which is set out in the Term Sheet Announcement.

2. INFORMATION RELATING TO THE VENDOR AND THE PMCR TARGET GROUP

2.1 The Vendor

As at the date of this announcement, the Vendor holds 100% of the issued and paid-up share capital of PMCR1, PMCR2, DPIL and UBHS.

2.2 The PMCR Target Group

The PMCR Target Group (as defined below) is primarily focused on the coal mining, logistics and trading of thermal coal sourced from various coal mines in Indonesia. The PMCR Target Group is promoted by the Param Mitra Group. The Param Mitra Group along with its affiliate companies are an established and vertically integrated coal energy group having operations in India, Australia, Indonesia and Myanmar. On or before completion of the Proposed Transaction, the PMCR Target Group shall have mining rights over concession areas covering an aggregate of approximately 7,243 hectares (“**Coal Concession Area**”). The estimated coal resources¹ and coal reserves present in the Coal Concession Area is 746 million tonnes and 544 million tonnes, respectively.

¹ Coal resources are inclusive of coal reserves.

3. RATIONALE FOR THE PROPOSED TRANSACTION

- 3.1 As announced by the Company on 30 December 2016, following the disposal of the entire issued and paid-up capital of C&G Environmental Protection (Thailand) Company Limited and the disposal of the entire issued and paid-up capital of C&G Environmental Protection International Limited, the Company has no ongoing business operations and shall be considered a cash company as defined under Rule 1018 of the Listing Rules of the SGX-ST as the Company's assets currently consist substantially of cash.
- 3.2 Accordingly, the Proposed Transaction would allow the Company to apply to the SGX-ST for an extension of time and removal of its cash company status pursuant to Rule 1018(2) of the Listing Rules of the SGX-ST. The Board therefore believes that the Proposed Transaction will provide an opportunity for the Company to remain listed and to acquire a new business that has potential for growth.
- 3.3 The Board is hence of the view that the Proposed Transaction is likely to enhance the long term interests of the Company and its Shareholders.

4. PRINCIPAL TERMS OF THE PROPOSED TRANSACTION

Based on the Sale and Purchase Agreement, the principal terms of the Proposed Transaction are as follows:

4.1 Sale and Purchase

Subject to and upon the terms and conditions of the Sale and Purchase Agreement, the Vendor shall sell to the Company, and the Company shall acquire from the Vendor:

(a) all (and not some only) of:

- i. 14,875,000 shares in the capital of PMCR1, being the entire issued and paid-up share capital of PMCR1 ("**PMCR 1 Sale Shares**"),
- ii. 5,530,000 shares in the capital of PMCR2, being the entire issued and paid-up share capital of PMCR2 ("**PMCR 2 Sale Shares**"),
- iii. 1,500,000 shares in the capital of UHBS, being the entire issued and paid-up share capital of UHBS ("**UHBS Sale Shares**"),
- iv. 1 share in the capital of DPIL, being the entire issued and paid-up share capital of DPIL ("**DPIL Sale Share**"); and
- v. where applicable, the Target Company Additional Shares (as defined below) where any of PMCR1, PMCR2, UHBS and DPIL ("**PMCR Target Companies**") and their subsidiaries ("**PMCR Target Group**" and each a "**PMCR Target Group Company**") undertakes fund-raising activity pursuant to which the investor shall be allotted and issued shares in the PMCR Target Group ("**Target Company Additional Shares**"),

(collectively the "**PMCR Sale Shares**") free and clear of all encumbrances and together with all rights, title and interest attaching thereto as at the date falling no later than seven (7) business days after the later of the satisfaction or waiver of the conditions precedent to the Proposed Transaction ("**Conditions Precedent**") (as set out below) in accordance with the Sale and Purchase Agreement, or such other later date as the Vendor and the Company may agree in writing ("**Completion Date**"), including the right to receive all dividends and other distributions declared, paid or made thereon thereafter; and

- (b) the shareholder loans and advances outstanding as at completion of the Proposed Transaction in accordance with the Sale and Purchase Agreement (“**Completion**”) from the Vendor (as lender) to the PMCR Target Group Companies (as borrower(s)), such amount to be at least US\$19 million but not exceeding US\$24 million (“**PMCR Shareholder Loans**”).

4.2 **PMCR Consideration, PMCR Consideration Shares and PMCR Issue Price**

Based on the Proposed Transaction Bases (as defined below) and subject only to the Agreed Adjustments (as defined in the Sale and Purchase Agreement), the consideration payable by the Company to the Vendor for the PMCR Sale Shares and PMCR Shareholder Loans shall be: :

- (a) S\$400 million (“**PMCR Base Consideration**”), which shall be satisfied by way of allotment and issuance of 48,887,802,493 new ordinary shares in the capital of the Company (“**PMCR Base Consideration Shares**”) at an issue price of S\$0.008182 per PMCR Base Consideration Share (“**PMCR Issue Price**”), to the Vendor (or such other entity that the Vendor may nominate); and
- (b) the PMCR Additional Consideration (if applicable), which shall be satisfied by way of allotment and issuance of the PMCR Additional Consideration Shares (being additional consideration payable by the Company to the Vendor satisfied by way of allotment and issuance of new Company shares) at the PMCR Issue Price per PMCR Additional Consideration Share in accordance with the Sale and Purchase Agreement,

and such PMCR Base Consideration Shares and PMCR Additional Consideration Shares (together the “**PMCR Consideration Shares**”) shall:

- (i) be free and clear of all encumbrances and together with all rights, title and interest attaching thereto as at Completion Date; and
- (ii) rank *pari passu* in all respects with the then existing ordinary shares in the capital of the Company (“**CGE Shares**”).

4.3 **Valuation of the PMCR Target Group**

Pursuant to Rule 1015(3) of the Listing Rules of the SGX-ST, the PMCR Target Group will be subject to a valuation report on the coal concession areas of the PMCR Target Group conducted by a qualified person in accordance with the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports (2015 Edition), prepared by the VALMIN Committee, a joint committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Mineral Industry Consultants Association with the participation of the Australian Securities and Investment Commission, the Australian Stock Exchange Limited, the Minerals Council of Australia, the Petroleum Exploration Society of Australia, the Securities Institute of Australia and representatives from the Australian finance sector (“**VALMIN Code**”) (“**Independent Qualified Person’s Valuation Report**”).

4.4 Proposed Transaction Bases

With respect to the Proposed Transaction, the Company and the Vendor agree and acknowledge that ("**Proposed Transaction Bases**"):

- (a) the PMCR Base Consideration and PMCR Additional Consideration (together, the "**PMCR Consideration**") has been agreed on the following bases:
 - (i) the PMCR Sale Shares comprise:
 - a. the PMCR 1 Sale Shares,
 - b. the PMCR 2 Sale Shares,
 - c. the UHBS Sale Shares, and
 - d. the DPIL Sale Share.
 - (ii) The Vendor shall novate and transfer to the Company the benefit and burden of all of the Vendor's rights, obligations and interests in and to the PMCR Shareholder Loans.
- (b) the number of PMCR Consideration Shares has been agreed based on the PMCR Issue Price of S\$0.008182 per PMCR Consideration Share, on the basis that:
 - (i) immediately prior to and as at Completion, save in respect of (xi) Transactional Costs (as defined in the Sale and Purchase Agreement) and (ii) any liabilities relating to the PMCR Relevant Loan Restructuring Agreements (as defined in the Sale and Purchase Agreement), PMCR Fund-Raising Activities (as defined below) and CGE Post-SPA Fund Raising (as defined below), the Company has no liabilities, whether actual, deferred or contingent, and there are no off-balance sheet liabilities in the Company ("**Zero Liability Requirement**")
 - (ii) immediately prior to and as at Completion, the Company does not hold or own, and has not agreed to acquire any securities of any corporation (save for the PMCR Sale Shares) ("**Zero Holdings Requirement**"); and
 - (iii) immediately prior to and as at Completion, the Company has a cash balance of not less than:
 - (a) S\$100,000, minus (x) the CGE Disclosed Liabilities (as defined in the Sale and Purchase Agreement) and (y) any working expenses incurred in the ordinary course of business (including payment of salaries); plus
 - (b) cash raised from the CGE Post-SPA Fund Raising and PMCR Fund-Raising Activities (as applicable), ("**Cash Requirement**").
- (c) Notwithstanding any other provisions to the contrary, the Company and the Vendor agree that the Vendor may, in its absolute discretion, assign up to 10% of the PMCR Consideration Shares (or the Consolidated PMCR Consideration Share, as relevant) to third party(ies) for the settlement of PMCR's pre-existing liabilities owing to such third party(ies).

4.5 Consideration Adjustments

In the event that:

- (i) the aggregate preferred valuation ("**VALMIN Preferred Valuation**") of the coal resources and reserves of the PMCR Target Group based on the Independent Qualified Person's Valuation Report exceeds S\$475 million (the "**VALMIN Adjustment**"); and/or
- (ii) any PMCR Target Group Company undertakes fund-raising activity pursuant to which the investor shall be allotted and issued shares in the PMCR Target Group Company ("**Target**");

Company Additional Shares) or CGE Shares on or before the Completion Date (whether due to subscription for shares or conversion of loan(s)) in consideration of funds (**Target Company Investment**) injected by the investor in the PMCR Target Group Company (the **Target Company Investment Adjustment**),

the Company and the Vendor agree that:

- (a) additional consideration shall be payable by the Company to the Vendor for the PMCR Sale Shares and PMCR Shareholder Loans (**PMCR Additional Consideration**) which shall be satisfied by way of allotment and issuance of new CGE Shares (**PMCR Additional Consideration Shares**) at the PMCR Issue Price per PMCR Additional Consideration Share, in accordance with the formula set out at Appendix 1 of this announcement; and
- (b) in the event the PMCR Consideration is above S\$600 million, such number of CGE Consideration Anti-Dilution Shares (as defined in the Sale and Purchase Agreement) as determined in accordance with Appendix 2 of this announcement, shall be issued to such CGE Shareholders (as defined in the Sale and Purchase Agreement) pursuant to the CGE Consideration Anti-Dilution Distribution (as defined in the Sale and Purchase Agreement),

(the **Consideration Adjustments**). For the avoidance of doubt, although the PMCR Additional Consideration and number of PMCR Additional Consideration Shares will be determined prior to Completion, the PMCR Additional Consideration Shares (save in respect of the CGE Financing Anti-Dilution Shares (as defined in the Sale and Purchase Agreement) and CGE Consideration Anti-Dilution Shares (as defined in the Sale and Purchase Agreement)) shall only be distributed on completion of the Post-Completion Placement in accordance with the Sale and Purchase Agreement and paragraph 4 of Appendix 1 of this announcement.

4.6 Consolidation Adjustments

The Company shall undertake a consolidation of every 100 CGE Shares into one (1) consolidated CGE Share (**Consolidated CGE Share**) (or such other ratio as the Company and the Vendor may agree in writing) which shall take effect on or before Completion (**Proposed Share Consolidation**). For the avoidance of doubt, the PMCR Base Consideration Shares, PMCR Additional Consideration Shares, PMCR Issue Price and Introducer Shares (as defined below) are computed without having taken into account the completion of the Proposed Share Consolidation. Assuming that the Proposed Share Consolidation is completed on or before Completion, and subject to the Consideration Adjustments and Compensation Adjustments (as defined below):

- (a) the PMCR Base Consideration payable by the Company to the Vendor for the PMCR Sale Shares shall remain at S\$400 million, but shall be satisfied by way of allotment and issuance of 488,878,024 new CGE Shares (**Consolidated PMCR Consideration Shares**) at an issue price of S\$0.8182 per Consolidated PMCR Base Consideration Share (**Consolidated PMCR Issue Price**), to the Vendor (or such other entity as it may nominate) (**Consolidation Adjustments**); and
- (b) the Introducer Fee shall be satisfied by way of allotment and issuance of 15,399,657 new CGE Shares (**Consolidated Introducer Shares**) at the Consolidated PMCR Issue Price credited as fully paid-up, to the Introducers (as defined below) (or such other entity as it may nominate).

4.7 Compensation Adjustments

The Company and Vendor agree that other than the Consideration Adjustments and the Consolidation Adjustments arising from the Proposed Share Consolidation, the number of PMCR Consideration Shares and/or the PMCR Issue Price (or the Consolidated PMCR Consideration Shares and/or the Consolidated PMCR Issue Price, as relevant) shall be subject to further adjustments on the following terms:

- (a) In the event:-
- (i) the liabilities of the Company as at Completion, whether actual, deferred or contingent liabilities (including accruals and provisions) based on the CGE Completion Statement of Liabilities (as defined in the Sale and Purchase Agreement) (“**Total Relevant Liabilities**”) exceeds the Zero Liability Requirement; and/or
 - (ii) the cash balance of the Company as at Completion (“**Completion Cash Balance**”) is less than the Cash Requirement,

the Company shall compensate the Vendor by issuing and allotting such number of additional new CGE Shares to the Vendor (“**PMCR Compensation Shares**”) calculated as follows (“**Compensation Adjustments**”):

$$N = \frac{X}{P} + \frac{Y}{P}$$

Where:

“**N**” refers to the number of PMCR Compensation Shares to be allotted and issued by the Company to the Vendor. For the avoidance of doubt, “**N**” shall not be negative; and

“**X**” refers to the Total Relevant Liabilities less the Zero Liability Requirement;

“**Y**” refers to the Cash Requirement less the Completion Cash Balance; and

“**P**” refers to the PMCR Issue Price.

For the avoidance of doubt, the Company and the Vendor acknowledge and agree that:

- (x) the figure denoted by “**X**” and “**Y**”, if applicable, shall not be less than zero; and
- (y) the Company and the Vendor acknowledge and agree that the number of PMCR Compensation Shares denoted by “**N**” in the formula in this Clause 4.7(a) is computed without having taken into account the completion of the Proposed Share Consolidation, and assuming that the Proposed Share Consolidation is completed on or before the issuance of PMCR Compensation Shares, the number of PMCR Compensation Shares shall be reduced by dividing “**N**” with 100 (or such other ratio as the Company and the Vendor may agree in writing), being the consolidation ratio for the Proposed Share Consolidation.

4.8 Excluded Transactions

There shall be no adjustments to the PMCR Consideration, the PMCR Consideration Shares or the PMCR Issue Price (or the Consolidated PMCR Consideration Shares or the Consolidated PMCR Issue Price, as relevant) on account of any one or more of the Excluded Transactions taking place on or before Completion.

For the purposes of this announcement, “**Excluded Transactions**” shall mean the following:

- (a) the issuance of CGE Shares for the purposes of the Post-Completion Placement (as defined below); and
- (b) such other transactions as the Company and the Vendor may agree in writing.

Other than the PMCR Consideration (as adjusted pursuant to the Agreed Adjustments (as defined in the Sale and Purchase Agreement)) to be paid to the Vendor on such terms as specified in the Sale and Purchase Agreement, no additional consideration, cash or otherwise, shall be payable by the Company to the Vendor for the transfer of the PMCR Sale Shares and novation of PMCR Shareholder Loans to the Company.

4.9 **Introducers Fee**

Each of the Company and the Vendor understands that subject to Completion, the Vendor has agreed to pay the introducers, Beacon Advisory International Ltd and Elite Bloom Limited (the “**Introducers**” and each an “**Introducer**”), a fee equivalent to 1.575% of the PMCR Consideration (“**Introducer Fee**”) for the introductory services provided by each Introducer relating to the Proposed Transaction. The Company and the Vendor agree that the Introducer Fee shall be satisfied by way of such number of CGE Shares allotted and issued by the Company to the Introducers at the PMCR Issue Price, credited as fully-paid up in satisfaction of the Introducer Fee, subject to the terms and conditions of the Sale and Purchase Agreement (“**Introducer Shares**”) to the Introducers upon Completion.

5. **PMCR FUND-RAISING AND CGE POST-SPA FUND-RAISING**

- 5.1 During the period commencing from the date of this announcement until fourteen (14) business days prior to the date of submission of the CGE Circular (together with other relevant submission documents) to the SGX-ST for clearance (in respect of the Proposed Transaction being a reverse-takeover under the Listing Manual) (“**SGX Stage 1 Submission**”), the Vendor and/or the PMCR Target Group may undertake fund-raising activities which shall be on terms not inconsistent with those set out in the Sale and Purchase Agreement (“**PMCR Fund-Raising Activities**”).
- 5.2 The Company undertakes to cooperate with the Vendor and the PMCR Target Group to execute all documents and do all acts and things reasonably necessary for the completion of the PMCR Fund-Raising Activities, including but not limited to:
- (a) the execution of the relevant convertible loan agreements in respect of the PMCR Fund-Raising Activities (“**PMCR Fund-Raising Agreements**”); and
 - (b) the allotment and issuance of such number of CGE Shares (or Consolidated CGE Shares, as relevant) in accordance with the PMCR Fund-Raising Agreements.
- 5.3 For the avoidance of doubt, the costs and expenses incurred in connection with the PMCR Fund-Raising Activities shall be borne by the Vendor.
- 5.4 The Vendor undertakes to cooperate with the Company to execute all documents and do all acts and things reasonably necessary for the completion of the issuance of CGE Shares by the Company or securities convertible into CGE Shares, following execution of the Sale and Purchase Agreement for the purposes of fund raising as approved by the Vendor in its sole discretion (“**CGE Post-SPA Fund-Raising Activities**”).

6. CONDITIONS PRECEDENT TO COMPLETION

The Completion of the Proposed Transaction shall be conditional upon the following key Conditions Precedent being fulfilled (or waived in accordance with the Sale and Purchase Agreement) on or before the date falling 12 months from the date of the Sale and Purchase Agreement, or such other date as the Company and the Vendor may agree in writing ("**Long-Stop Date**"), as relevant:

6.1 Satisfactory Due Diligence on the PMCR Target Group

The Company being satisfied with its due diligence investigations into the financial, legal, tax and business of the PMCR Target Group, including being satisfied that:

- (a) the relevant PMCR Target Company has sole rights to explore, develop and mine for coal in the project land area(s) of the PMCR Target Group;
- (b) the Vendor has the legal and beneficial ownership of the relevant shareholdings in the PMCR Target Companies; and
- (c) the relevant PMCR Target Company has sole rights, title or interests in the key operating licences as set out in the Sale and Purchase Agreement,

provided that the Company shall not deem the outcome of such due diligence unsatisfactory (i) in the event of any acquisition, restructuring or disposal of any business, companies or assets by the PMCR Target Group, provided that the aggregate of any one or more of such transactions does not exceed S\$50,000,000 ("**PMCR Material Threshold**"); or (ii) without reasonable cause and without first giving the Vendor a period of at least ten (10) business days to remedy any default in respect thereof.

6.2 Opinions in respect of PMCR Target Group

The Company having obtained opinion(s) (in such form reasonably satisfactory to the Company and PMCR) from the Indonesian legal counsel and Indonesian tax advisor (as relevant) in respect of the following:

- (a) the PMCR Target Group having exclusive mining rights in respect of the mining concessions set out in the Sale and Purchase Agreement;
- (b) the PMCR Target Group having secured and at all times materially complied with, all relevant rights, approvals, permits and licences under any applicable environmental laws and as required to undertake the business activities and operations in respect of the PMCR Target Group, and such rights, approvals, permits and licences not having been revoked, expired, amended or withdrawn; and
- (c) the Proposed Transaction and the transactions contemplated in the Sale and Purchase Agreement not applicable Indonesia laws or (ii) any material negative impact on the business operations or financial position of PMCR or the PMCR Target Group.

6.3 Satisfactory Due Diligence on the Company

The Vendor being satisfied with its due diligence investigations into the financial, legal, tax and business of the Company, provided that the Vendor shall not deem the outcome of such due diligence unsatisfactory without reasonable cause and without first giving the Company a period of at least ten (10) business days to remedy any default in respect thereof.

6.4 Acquisition Bases

- (a) The Vendor being satisfied that the Zero Holdings Requirement is duly met.
- (b) The Vendor having received:
 - (i) the CGE Completion Financial Statements (as defined in the Sale and Purchase Agreement) (excluding the CGE Completion Statement of Liabilities) at least seven (7) business days prior to the extraordinary general meeting of the Company to be held for the purposes of approving the transactions contemplated in the Sale and Purchase Agreement (including the waiver by such independent Shareholders of their right to receive a mandatory general offer from the Vendor and its concert parties in connection with the issue of the PMCR Consideration Shares under Rule 14 of the Singapore Code on Take-overs and Mergers (“**Takeover Code**”) (“**Whitewash Resolution**”)) and such other transactions in connection therewith and incidental thereto (“**CGE EGM**”);
 - (ii) the CGE Completion Statement of Liabilities (as defined in the Sale and Purchase Agreement) at least seven (7) business days prior to the Completion Date; and
 - (iii) the report on the determination by the appointed auditors pursuant to the terms of the Sale and Purchase Agreement (as applicable).

6.5 Valuation

The VALMIN Preferred Valuation (as defined in the Sale and Purchase Agreement) being not less than S\$400 million.

6.6 Letter of Interest to Underwrite Proposed Post-Completion Placement

The Company having received, within five (5) business days following the date of the CGE EGM, a letter of interest from a financial institution expressing its intention to fully underwrite the Post-Completion Placement of the enlarged share capital of the Company at such placement price to be mutually acceptable by the Company and the Vendor.

6.7 No Winding-Up

No order being made, petition presented or meeting convened for the purpose of considering a resolution for the winding up of the Company, or for the appointment of any liquidator (provisional or otherwise), judicial manager, administrator, receiver, receiver and manager, custodian or similar official in respect of the Company or any part of its property, assets and/or undertaking.

6.8 Proposed Share Consolidation

The completion of the Proposed Share Consolidation on or before the Completion Date for the purpose of complying with Rule 1015(3)(d) of the Listing Manual of the SGX-ST.

6.9 Opinion from an independent financial adviser

The issuance of an opinion from an independent financial adviser acceptable to the SGX-ST to the Company recommending the directors of the Company to recommend to Shareholders to vote in favour of the Whitewash Resolution.

6.10 Vendor Shareholders' Approval

The resolutions of shareholders of the Vendor having been obtained for the entry into, implementation and completion of, the transactions contemplated in the Sale and Purchase

Agreement, including in particular, the Proposed Transaction and the issuance and allotment of the PMCR Consideration Shares and the PMCR Compensation Shares (if any) to the Vendor.

6.11 Company Shareholders' Approval

The resolutions of Shareholders having been obtained at the CGE EGM for the entry into, implementation and completion of, the transactions contemplated in the Sale and Purchase Agreement, including in particular:

- (a) the Proposed Transaction;
- (b) the Post-Completion Placement;
- (c) the allotment and issuance of the PMCR Consideration Shares;
- (d) the allotment and issuance of the PMCR Compensation Shares (if applicable);
- (e) the allotment and issuance of the Introducer Shares;
- (f) in respect of independent Shareholders, their approval of the Whitewash Resolution, and such waiver not having been revoked prior to the Completion Date;
- (g) the Proposed Share Consolidation;
- (h) the appointment of nominees of the Vendor as new directors of the Company to be effective upon Completion; and
- (i) any additional items as may be agreed in writing between the Vendor and the Company.

6.12 Regulatory Approvals

All necessary consents, approvals and waivers from all relevant government bodies, stock exchanges and other regulatory authorities for or in connection with the Proposed Transaction having been obtained by the Vendor or the Company (as relevant), including without limitation:

- (a) Approval of the SGX-ST in respect of the Proposed Transaction, being a reverse takeover under Rule 1015 of the Listing Manual of the SGX-ST, and if such consents or approvals are granted or obtained are subject to any conditions, such conditions being reasonably acceptable to the Vendor and the Company, (provided that the Vendor shall not deem any conditions of SGX-ST unacceptable unless the Vendor has exhausted all reasonable commercial endeavours to comply with such conditions, but provided always that the Vendor shall not be required to take any action which may result in the Vendor or the PMCR Target Group being in breach of their respective obligations under any existing contractual arrangements in relation to the Vendor or the PMCR Target Group).
- (b) The in-principle approval of SGX-ST being obtained by the Company in relation to the listing and quotation of the PMCR Consideration Shares, the PMCR Compensation Shares and the Introducer Shares (as applicable).
- (c) The Securities Industry Council of Singapore ("SIC") having granted the Vendor and its concert parties (and such grant remaining in full force and effect), a waiver of their obligation to make a general offer under Rule 14 of the Takeover Code for CGE Shares not owned or controlled by the Vendor or its concert parties, and from having to comply with the requirements of Rule 14 of the Takeover Code, subject to the passing of a Whitewash Resolution and such other conditions that the SIC may impose which are reasonably acceptable to the Vendor and the Company (provided that the Vendor shall not deem any conditions of SIC unacceptable unless the Vendor has exhausted all reasonable commercial endeavours to comply with the directions or requirements of SIC, but provided always that the Vendor shall not be required to take any action which may result in the

Vendor or the PMCR Target Group being in breach of their respective obligations under existing contractual arrangements in relation to the Vendor or the PMCR Target Group).

6.13 **No Changes in Share Capital**

Save in respect of the Proposed Share Consolidation, the Excluded Transactions or such transactions as otherwise contemplated in the Sale and Purchase Agreement, for the period between the date of this announcement and Completion, the Company not allotting or issuing, or agreeing to allot or issue, any share or loan capital, and there being no change in the share capital of the Company.

6.14 **Listing Status on SGX-ST**

The Company remaining listed on the SGX-ST, and CGE Shares not being suspended, delisted or subject to any suspension and/or delisting procedures by SGX-ST.

6.15 **Voting Undertakings**

The execution by Mr. Lam Chik Tsan ("**CGE Undertaking Shareholder**") of an irrevocable letter of undertaking ("**CGE Shareholder's Undertaking**"), within 30 days from the date of this announcement.

6.16 **No Prescribed Occurrences**

No Prescribed Occurrence (as defined in the Sale and Purchase Agreement) having occurred in relation to the Company other than as required or contemplated by the Sale and Purchase Agreement between the date of this announcement and Completion, both dates inclusive.

6.17 **Vendor Disclosure Letter**

The Vendor delivering to the Company a letter in relation to disclosures and qualifications to the representations and warranties of the Vendor as set out in the Sale and Purchase Agreement (which in form and substance shall be acceptable to the Company) on the date of the signing of the Sale and Purchase Agreement (and as supplemented in writing not less than fifteen (15) business days prior to the date of SGX Stage 1 Submission).

6.18 **IBP Acquisition**

The Vendor shall complete the acquisition relating to PT Global Bumi Lumbung Indonesia prior to the date of SGX Stage 1 Submission.

6.19 **Restructuring of PMCR Relevant Loans**

The PMCR Relevant Lender(s), PMCR and CGE shall, no later than 30 business days prior to SGX Stage 1 Submission, enter into agreement(s) (the "**PMCR Relevant Loan Restructuring Agreements**") to restructure the PMCR Relevant Loan(s).

For the purposes of this announcement, "**PMCR Relevant Loans**" shall refer to the outstanding loans as at Completion that are provided by third-party lender(s) (as lender) ("**PMCR Relevant Lenders**") to PMCR (as borrower) ("**Initial Loan**") on the basis that the proceeds of the Initial Loan (less the expenses related solely for raising such Initial Loan) shall be (and as at Completion have been) disbursed by PMCR (as lender) to the PMCR Target Group (as borrower) by way of inter-company loans.

7. **MORATORIUM UNDERTAKINGS**

The Vendor, the Introducers (as defined below) and/or their respective nominees shall comply with all applicable moratorium requirements as may be required by Listing Manual requirements in respect of the PMCR Consideration Shares and the Introducer Shares.

8. RELATIVE FIGURES

The relative figures of the Proposed Transaction computed on the bases set out in Rule 1006(a) to (d) of the Listing Manual of the SGX-ST are as follows:

Rule 1006(a): Net asset value of assets to be disposed of, compared with the Group's net asset value	Not applicable to an acquisition
Rule 1006(b): Net loss attributable to the assets acquired, compared with the Group's net loss	134.17% ¹
Rule 1006(c): Aggregate value of the PMCR Consideration, compared with the Company's market capitalisation based on the total number of issued Shares excluding treasury shares	5113.75% ²
Rule 1006(d): Number of equity securities issued by the Company as consideration for the Proposed Transaction, compared with the number of equity securities previously in issue	5000.00% ³
Rule 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 to an acquisition

Remarks:

1. Computed using the unaudited net loss of the PMCR Target Group for the financial year ended 31 March 2018 of approximately USD2.78million divided by the audited net loss of the Company and its subsidiaries for the financial year ended 31 December 2017 of approximately HKD16.2million with an exchange rate of USD: HKD = 1:7.81.
2. The aggregate value of the consideration given for the Proposed Transaction is S\$400 million (before adjustment (if any)), compared to the Company's market capitalisation of S\$7.822 million. The market capitalisation of the Company was computed based on the issued share capital of the Company of 977,755,354 Shares and the volume weighted average price of S\$0.008 per share on 30 May 2018 (being the last day on which the shares were traded prior to the date of the Sale and Purchase Agreement).
3. The 48,887,802,493 PMCR Consideration Shares (before share consolidation) to be issued and allotted at an issue price of S\$0.008182 per PMCR Consideration Share in satisfaction of the PMCR Consideration.

9. **WHITEWASH WAIVER**

As the Vendor will own more than 30% of the enlarged voting share capital of the Company upon completion of the Proposed Transaction, the Vendor and its concert parties will be required, under Rule 14 of the Takeover Code, to make a general offer for the remaining CGE Shares not owned or controlled by the Vendor and its concert parties at the highest price paid or agreed to be paid by any of them for the CGE Shares in the preceding six months.

It is a condition precedent of the Proposed Transaction that the SIC grants the Vendor and its concert parties, and does not revoke any such grant, a waiver of their obligation to make a general offer under Rule 14 of the Takeover Code for all CGE Shares not already owned or controlled by them, and that the Shareholders approve a resolution for the waiver of their right to receive such a mandatory offer from the Vendor and its concert parties at the CGE EGM.

10. **POST-COMPLETION PLACEMENT**

In order to meet the minimum free float requirements under Rule 210(1) of the Listing Manual of the SGX-ST ("**Minimum Public Float Requirements**") following Completion, the Vendor shall procure that the Company shall, and the Company shall, if necessary, use all reasonable endeavours to carry out a fully underwritten placement of CGE Shares ("**Post-Completion Placement**") on terms as may be agreed between the Company and the Vendor, within one (1) month from the Completion Date or such period of time as may be permitted by SGX-ST in the event that Completion results in the Minimum Public Float Requirements not being met.

The placees for the Post-Completion Placement may be institutional investors, retail investors, and/or existing Shareholders (as long as such placees are acceptable to the SGX-ST and the Vendor, for the purposes of fulfilling the Minimum Public Float Requirements)

11. **PROPOSED SHARE CONSOLIDATION**

In conjunction with the Proposed Transaction, the Company proposes to consolidate every 100 existing CGE Shares into one Consolidated CGE Share immediately prior to the completion of the Proposed Transaction. The purpose of the Proposed Share Consolidation is to allow the Company to comply with the requirement of the Listing Manual of the SGX-ST for a minimum issue price of S\$0.50 after the completion of the Proposed Transaction.

12. **FINANCIAL INFORMATION OF THE PMCR TARGET GROUP**

A summary of the unaudited consolidated financial statements of the PMCR Target Group for each of the last three financial years ended 31 March 2016 ("**FY2016**"), 31 March 2017 ("**FY2017**") and 31 March 2018 ("**FY2018**"), is set out below ("**PMCR Target Group Financial Statements**"). For the purposes of presenting the PMCR Target Group Financial Statements, it is assumed that the IBP Acquisition had been completed as at 31 March 2016. For the avoidance of doubt, completion of the IBP Acquisition is a condition precedent to Completion.

The PMCR Target Group Financial Statements have been prepared in accordance with the accounting standards applicable to the jurisdiction of the respective PMCR Target Group Company based on the following:

- (a) the audited financial statements for FY2016 and FY2017 and unaudited financial statements for FY2018, of each standalone PMCR Target Group Companies;
- (b) the audited financial statements for FY2016, FY2017 and unaudited financial statements for FY2018 of PT Param Mitra Coal Movers and its subsidiaries;
- (c) the audited financial statements for FY2016, FY2017 and unaudited financial statements FY2018 of PT Rencana Mulia Baratama;
- (d) the audited financial statements for FY2016, FY2017 and unaudited financial statements FY2018 of PT Param Mitra Coal Resources;

- (e) the audited financial statements of DPIL for the financial period from 8 October 2015 to 31 December 2016 and unaudited financial statements for the financial year ended 31 December 2017;
- (f) the unaudited financial statements of PT Jaya Jasamandiri for the financial year ended 31 December 2016 and 2017;
- (g) the unaudited standalone financial statements of PT Global Bumi Lumbung for the financial years ended 31 December 2016 and 2017; and
- (h) the unaudited financial statements of PT Indobara Pratama for the financial years ended 31 December 2016 and 2017.

For the convenience of shareholders, the PMCR Target Group Financial Statements have been presented in US\$. Where relevant, the financial statements of the PMCR Target Group Company have been translated in US\$ based on the following:

- (i) assets and liabilities were translated using prevailing rates as at the reporting dates. The rates of Indonesian Rupiah/US\$ as at 31 March 2016, 31 December 2016, 31 March 2017, 31 December 2017 and 31 March 2018 are 0.0000753, 0.0000744, 0.0000751, 0.0000738 and 0.0000727, respectively; and
- (i) income and expenses were translated using average rates for the year. The average rates of Indonesian Rupiah/US\$ for the year ended 31 March 2016, 31 December 2016, 31 March 2017, 31 December 2017 and 31 March 2018 are 0.0000734, 0.0000750, 0.0000753, 0.0000747 and 0.0000743, respectively.

(A) Consolidated Income Statement

	FY2016	FY2017	FY2018
	US\$	US\$	US\$
Revenue	8,686,510	12,747,558	15,908,855
Gross profit (loss)	(534,188)	766,355	1,592,302
Loss before tax	(3,220,219)	(3,516,747)	(2,595,842)
Loss after tax	(3,015,782)	(4,120,314)	(2,765,109)

(B) Consolidated Balance Sheet

	FY2016	FY2017	FY2018
	US\$	US\$	US\$
Current assets	8,435,582	6,976,136	6,379,349
Noncurrent assets	228,966,349	273,534,537	274,333,370
Total Assets	237,401,931	280,510,673	280,712,719
Current liabilities	4,661,448	11,309,849	27,465,186
Noncurrent liabilities	53,197,586	93,043,309	78,775,352
Total Liabilities	57,859,034	104,353,158	106,240,538
Net assets attributable to owners of the parent	169,961,700	166,586,588	164,939,131

	2016	2017	2018
Net Profit /(loss) attributable to			
Parent entities	(2,973,988)	(4,073,587)	(2,775,927)
Non-controlling shareholder	(41,794)	(46,728)	10,818
Total	(3,015,782)	(4,120,314)	(2,765,109)

13. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED TRANSACTION

The pro forma financial effects of the Proposed Transaction are set out below.

13.1 Bases and assumptions

The pro forma financial effects of the Proposed Transaction on the Company set out below are for illustrative purposes only. The pro forma financial effects have been prepared based on the audited financial statements of the Company for the financial year ended 31 December 2017 and the unaudited consolidated financial information of the PMCR Target Group for the financial year ended 31 December 2017. The pro forma financial effects of the Proposed

Transaction are for illustrative purposes only and do not necessarily reflect the actual results and financial position of the Company and the PMCR Target Group (collectively, the “**Enlarged Group**”) immediately following the completion of the Proposed Transaction, (for the purpose of this announcement as if such group structure has been in existence since 1 January 2017) following completion of the Proposed Transaction. For the purposes of illustrating the financial effects of the Proposed Transaction, the financial effects have been prepared based on, inter alia, the following assumptions:-

- i. the financial effects of the Proposed Transaction on the earnings and earnings per share of the Enlarged Group are computed assuming that the Proposed Transaction was completed on 1 January 2017;
- ii. the financial effects of the Proposed Transaction on Net Tangible Assets (“**NTA**”) of the Enlarged Group are computed assuming that the Proposed Transaction were completed on 31 December 2017;
- iii. the fair value adjustments on the net assets of the Group and positive or negative goodwill arising from the Proposed Transaction, if any, have not been considered for the purpose of computing the financial effects of the Proposed Transaction and will be determined on the date of completion of the Proposed Transaction when the shareholders of the Vendor have effectively obtained control of the Company. As the final goodwill will have to be determined at Completion and upon the full completion of a purchase price allocation exercise, the actual goodwill could be materially different from the aforementioned assumption. Any goodwill arising thereon from the Proposed Transaction will be accounted for in accordance with the accounting policies of the Company;
- iv. the Proposed Share Consolidation is deemed completed;
- v. based on the above assumptions, and assuming the PMCR Consideration is S\$400 million, an aggregate of 488,878,024 CGE Consolidated Shares were issued at the issue price of S\$0.8182 per CGE Consolidated Share on 31 December 2017 for the purpose of calculating the financial effects of the Proposed Transaction on the NTA per share of the Company and on 1 January 2017 for the purpose of calculating the financial effects of the Proposed Transaction on the earnings per share (“**EPS**”) or loss per share (“**LPS**”) of the Company;
- vi. effects of the Post-Completion Placement (if required) are disregarded for the purpose of illustration under this section; and
- vii. expenses in connection with the Proposed Transaction are disregarded for the purpose of calculating the financial effects.

13.2 Share Capital

	No. of CGE Shares	SGD ('000)
Issued and paid-up share capital:		
- Before the Proposed Transaction and excluding treasury shares	977,755,354	16,711 ¹
- After the Proposed Share Consolidation	9,777,553	16,711
Enlarged issued and paid-up share capital after the Proposed Transaction	514,055,235	429,311

Remark:

1. Computed at HKD97,775,534 divided by exchange rate of 5.851

13.3 LPS

	Before the Proposed Transaction	After the Proposed Transaction
Loss attributable to Shareholders (HKD)	16,158,000	37,837,990 ¹
Number of issued CGE Shares (excluding treasury shares)	977,755,354	514,055,235
(Loss per share) / LPS (HKD cents)	1.653	7.361

Remarks

1. Computed based on (i) the loss attributable to the shareholders of the Company as of 31 December 2017 equivalent to approximately HKD16.2 million; together with (ii) , the net loss of the PMCR Target Group of approximately USD2.78million based on the PMCR Target Group's unaudited financial statements for the financial year ended 31 March 2018 at the exchange rate of 7.81.

13.4 Net Tangible Assets

	Before the Proposed Transaction	After the Proposed Transaction
NTA of the Company as at 31 December 2017 (HKD)	641,000	103,851,314 ¹
Number of issued CGE Shares (excluding treasury shares)	977,755,354	514,055,235
NTA (HKD cents)	0.0656	20.2024

Remarks

(1) Computed based on (i) the NTA attributable to the shareholders of the Company as of 31 December 2017 equivalent to approximately HKD0.64 million; (ii) add the net tangible asset value of the PMCR Target Group as of 31 March 2018 equivalent to USD13,215,149.

14. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors of the Company (“**Directors**”) or controlling Shareholders has any interest, direct or indirect, in the Proposed Transaction.

15. FINANCIAL ADVISER AND INDEPENDENT FINANCIAL ADVISER

The Company is finalising the appointment of the financial adviser to the Company in respect of the Proposed Transaction and is targeting to finalise the appointment on or before 15 July 2018.

The Company will appoint an independent financial adviser to the independent directors of the Company in connection with the Whitewash Resolution in due course.

16. FURTHER INFORMATION

16.1 Circular

Subject to SGX-ST’s approval, a circular containing further information on the Proposed Transaction and such other transactions as contemplated in the Sale and Purchase Agreement, together with a notice of the CGE EGM (“**CGE Circular**”), will be despatched by the Company to the Shareholders in due course.

16.2 Service Contracts

As at the date hereof, the Company and the Vendor have not agreed to any service contract being entered into in connection with the Proposed Transaction.

16.3 Documents for Inspection

A copy of the Sale and Purchase Agreement will be made available for inspection during normal business hours at the registered office of the Company for three (3) months from the date of this announcement.

17. CAUTION IN TRADING

Shareholders are advised to exercise caution in trading their CGE Shares as the Proposed Transaction is subject to numerous conditions and there is no certainty or assurance as at the date of this announcement that the Proposed Transaction will be completed. The Company will make the necessary announcements when there are further developments on the Proposed Transaction. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

18. RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated detailed supervision of the preparation of this announcement) collectively and individually accept full responsibility for the accuracy of the information given in this announcement (except in respect of the Vendor and the PMCR Target Group) and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, the facts stated and opinions expressed herein (except in respect of the Vendor and the PMCR Target Group) are fair and accurate in all material respects as at the date hereof, and that there are no material facts the omission of which would make this announcement misleading.

Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors and the directors of the Vendor respectively has been to ensure, through reasonable enquiries, that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this announcement.

BY ORDER OF THE BOARD

Lam Chik Tsan
Executive Chairman and Group Chief Executive Officer
5 June 2018

APPENDIX 1

PMCR CONSIDERATION ADJUSTMENTS

For the purposes of this Appendix 1 to the announcement, undefined capitalised terms shall refer to their meanings set out in the Sale and Purchase Agreement.

1. General

In the event:

- (a) **VALMIN Adjustment.** The VALMIN Preferred Valuation is exceeds S\$475 million (“**Event A**”); and/ or
- (b) **Target Company Investment Adjustment.** There is any Target Company Additional Shares issued in consideration of Target Company Investment (“**Event B**”),

the PMCR Additional Consideration shall be payable by CGE to PMCR by way of the PMCR Additional Consideration Shares in accordance with this Appendix 1.

2. PMCR Additional Consideration Formula

- (a) If only Event A (VALMIN Adjustment) occurs, the PMCR Additional Consideration shall be:

$$PMCR\ Additional\ Consideration = (K \times A) - B$$

where:

“**K**” refers to the adjustment factor (“**Adjustment Factor**”) of 85% (i.e. discount of 15% applied to the VALMIN Preferred Valuation), or such other lower Adjustment Factor (i.e. discount of more than 15% applied to the VALMIN Preferred Valuation) to be determined in the sole discretion of PMCR; and

“**A**” refers to the VALMIN Preferred Valuation; and

“**B**” refers to the PMCR Base Consideration.

- (b) If only Event B (Target Company Investment Adjustment) occurs, the PMCR Additional Consideration shall be:

$$PMCR\ Additional\ Consideration = X$$

where “**X**” refers to the aggregate Target Company Investment.

- (c) If both Event A (VALMIN Adjustment) and Event B (Target Company Investment Adjustment) occur, the PMCR Additional Consideration shall be:

$$PMCR\ Additional\ Consideration = ((K \times A) + X) - B$$

where:

“**K**” has the meaning ascribed to it in paragraph 2(a), Appendix 1 above;

“**A**” refers to the VALMIN Preferred Valuation;

“**B**” refers to the PMCR Base Consideration; and

“**X**” refers to the aggregate Target Company Investment.

In the event the PMCR Additional Consideration determined in accordance with paragraph 2 of Appendix 1 results in a figure less than zero, no PMCR Additional Consideration shall be payable by CGE to PMCR.

3. PMCR Additional Consideration Shares Formula

If any or both Event A (VALMIN Adjustment) and Event B (Target Company Investment Adjustment) occur, the PMCR Additional Consideration Shares shall be:

$$PMCR\ Additional\ Consideration\ Shares = \frac{A}{B}$$

where:

“**A**” refers to the PMCR Additional Consideration determined in accordance with paragraph 2(a), 2(b) or 2(c), Appendix 1 above (as applicable); and

“**B**” refers to the PMCR Issue Price.

4. Distribution of PMCR Additional Consideration Shares

(a) The PMCR Additional Consideration Shares (entire or part thereof) shall be allotted and issued in accordance with the following:

(i) in the event the issue price of CGE Shares for the Post-Completion Placement (“**Post-Completion Placement Issue Price**”) falls below the Consolidated PMCR Issue Price and the Minimum CGE Shareholder Value (as defined below) is not satisfied:

(x) the CGE Completion Shareholders (as defined below) shall be allotted and issued such number of PMCR Additional Consideration Shares (“**PMCR Additional Consideration Shares for CGE**”):

$$PMCR\ Additional\ Consideration\ Shares\ for\ CGE = \frac{A - B}{C}$$

where:

“**A**” refers to the Minimum CGE Shareholder Value;

“**B**” refers to the CGE Shareholder Value; and

“**C**” refers to the Post-Completion Placement Issue Price.

(y) any remaining PMCR Additional Consideration Shares following deduction of the (1) PMCR Additional Consideration Shares for CGE, (2) CGE Consideration Anti-Dilution Shares, and (3) CGE Financing Anti-Dilution Shares, shall be allotted and issued to PMCR.

The PMCR Additional Consideration Shares for CGE shall be allotted and issued to CGE Shareholders (excluding PMCR, the Introducers, and holders of CGE Shares pursuant to the CGE Post-SPA Fund Raising, PMCR Fund-Raising Activities and Post-Completion Placement) (“**CGE Completion Shareholders**”) on a pro-rata basis depending on the number of CGE Shares held by such CGE Shareholders as at a date and time to be determined by CGE and PMCR for the purpose of determining such CGE Shareholders’ entitlements to the PMCR Additional Consideration Shares, fractional entitlements to be disregarded.

- (ii) In the event the Post-Completion Placement Issue Price falls below the Consolidated PMCR Issue Price but the Minimum CGE Shareholder Value is satisfied, the entire PMCR Additional Consideration Shares (less the CGE Consideration Anti-Dilution Shares and CGE Financing Anti-Dilution Shares) shall be allotted and issued to PMCR.
 - (iii) In the event the Post-Completion Placement Issue Price is equal to or exceeds the Consolidated PMCR Issue Price, the entire PMCR Additional Consideration Shares (less the CGE Consideration Anti-Dilution Shares and CGE Financing Anti-Dilution Shares) shall be allotted and issued to PMCR.
- (b) Save for the CGE Consideration Anti-Dilution Shares and CGE Financing Anti-Dilution Shares that shall be allotted and issued on PMCR Completion, the remaining PMCR Additional Consideration Shares shall be allotted and issued to PMCR and/or the CGE Completion Shareholders concurrently with completion of the Post-Completion Placement.
- (c) For the purpose of this paragraph 4:
 - (i) **“Minimum CGE Shareholder Value”** refers to S\$8 million;
 - (ii) **“CGE Shareholder Value”** refers to the aggregate number of CGE Shares attributable to the shareholders of CGE (being the sum of the Existing Share Capital, CGE Financing Anti-Dilution Shares and CGE Consideration Anti-Dilution Shares) multiplied by the Post-Completion Placement Issue Price, and

the Minimum CGE Shareholder Value is satisfied if the CGE Shareholder Value is equal to or exceeds S\$8 million.
- (d) For the avoidance of doubt, the PMCR Additional Consideration payable by CGE to PMCR shall be deemed to be satisfied following the allotment and issuance of PMCR Additional Consideration Shares in accordance with this Appendix 1.

5. Exchange Rate

In the event the VALMIN Preferred Valuation is represented in US Dollars, the exchange rate to determine the Singapore dollar equivalent shall be taken to be US\$1.00: S\$1.35 (or such other exchange rate as the Parties may agree in writing).

6. Rounding

- (a) The PMCR Additional Consideration shall be rounded down to the nearest whole Singapore dollar.
- (b) The PMCR Additional Consideration Shares determined under this Appendix 1 shall be rounded down to the nearest whole CGE Share.

APPENDIX 2

PMCR CONSIDERATION ADJUSTMENTS

For the purposes of this Appendix 1 to the announcement, undefined capitalised terms shall refer to their meanings set out in Appendix 4 of the Sale and Purchase Agreement and the Sale and Purchase Agreement itself.

CONSIDERATION ANTI-DILUTION SHARES

1. General

- (a) In the event the PMCR Consideration is adjusted above S\$600 million as a result of the adjustment pursuant to Event A (VALMIN Adjustment) under Appendix 1 (PMCR Consideration Adjustments), such number of CGE Shares (the “**CGE Consideration Anti-Dilution Shares**”) shall be issued to CGE Completion Shareholders on PMCR Completion. The CGE Consideration Anti-Dilution Shares shall be issued out of the PMCR Additional Consideration Shares, thus resulting in a reduction of PMCR Additional Consideration Shares for distribution under paragraph 4 of Appendix 1.
- (b) The CGE Consideration Anti-Dilution Shares shall be issued to CGE Completion Shareholders on a pro-rata basis depending on the number of CGE Shares held by such CGE Completion Shareholders as at a date and time to be determined by the CGE and PMCR for the purpose of determining such CGE Completion Shareholders’ entitlements to the CGE Consideration Anti-Dilution Shares, fractional entitlements to be disregarded (“**CGE Consideration Anti-Dilution Distribution**”).
- (c) For the avoidance of doubt, the CGE Consideration Anti-Dilution Shares and PMCR Issue Price referred to in this Appendix 2 do not take into account effects of the Consolidation Adjustments.

2. CGE Consideration Anti-Dilution Shares Formula

The aggregate number of CGE Consideration Anti-Dilution Shares shall be determined as follows:

$$CGE\ Consideration\ Anti - Dilution\ Shares = 1.9\% \times \frac{(A - B)}{C}$$

where:

“**A**” refers to the sum of PMCR Base Consideration and PMCR Additional Consideration (attributed solely to the adjustment pursuant to Event A (VALMIN Adjustment) in Appendix 1);

“**B**” refers to S\$600 million; and

“**C**” refers to the PMCR Issue Price.

3. Effective Date

Any adjustment under this Appendix 2 shall be effective on and from the date the Independent Qualified Person's Valuation Report is issued for the purposes of inclusion in the CGE Circular.

4. Rounding

Any CGE Consideration Anti-Dilution Shares to be issued and allotted under this Appendix 2 shall be rounded down to the nearest whole CGE Share.