



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

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ANNOUNCEMENT OF INTERESTED PERSON TRANSACTION PURSUANT TO RULE 905(1) OF THE CATALIST RULES

1. INTRODUCTION

The Board of Directors (the "**Board**") of P5 Capital Holdings Ltd. (the "**Company**") wishes to announce that the Company has on 15 December 2020 entered into a project investment agreement ("**Agreement**") with Gashubunited Utility Private Limited ("**GUPL**") and Gashubunited Holding Private Limited ("**GHPL**") in relation to the proposed investment of S\$500,000 ("**Investment Amount**") by the Company in the Project (as defined below) undertaken by GUPL (the "**Investment**").

Mr Lim Shao-Lin ("**Mr Lim**"), the Executive Director and Chief Executive Officer, and a controlling shareholder of the Company, is the sole director of GUPL. Mr Lim is also a director and 55.72%-shareholder of GHPL. Accordingly, Mr Lim is an "interested person" within the meaning defined in Chapter 9 of Section B: Rules of Catalist of the Listing Manual of the SGX-ST ("**Catalist Rules**"), GUPL and GHPL are associates of Mr Lim and the Investment is an interested person transaction. Please refer to Section 5 of this Announcement for further details on the interested person transaction under Chapter 9 of the Catalist Rules.

2. INFORMATION ON GHPL, GUPL AND THE PROJECT

GHPL is a company incorporated in Singapore on 3 March 2016. GHPL is principally engaged in the business of providing liquefied natural gas based integrated energy solutions and natural gas related services which includes gas piping installation and efficient energy solutions. GHPL operates through three business segments, Gashubin Engineering Private Limited, Gashub Technology Private Limited and GUPL.

GUPL is a company incorporated in Singapore on 1 April 2017. GUPL is principally engaged in the business of providing electricity and liquefied natural gas based integrated energy solutions to industrial, commercial and residential consumers. It leverages on natural gas as feedstock to provide high efficiency clean technology energy solutions, targeting to be an enabler in Singapore and overseas market.

GUPL is in the process of constructing a liquefied natural gas “LNG” bottling station (“**LNG Bottling Station**”) in LOT 1229A-MK34 Tembusu Avenue, Jurong Island (the “**Project**”), to provide clean low cost natural gas and natural gas solutions to its customers via a greener and more sustainable business model. The Project will allow GUPL to expand its market share to industrial, commercial and residential consumers. For the avoidance of doubt, the Company shall not have any ownership of any part of the Project and the LNG Bottling Station.

Mr Lim is the sole director of GUPL and a director of GHPL. GUPL is wholly-owned by GHPL, which is in turn 55.72%-owned by Mr Lim. Accordingly, GUPL and GHPL are associates of Mr Lim and deemed to be an “interested person” under the ambit of Chapter 9 of the Catalist Rules.

3. SALIENT TERMS OF THE AGREEMENT

3.1 Investment

- (i) The Company will provide the Investment Amount to GUPL 7 days from the date of the Agreement (“**Completion**”).
- (ii) The Investment Amount granted by the Company to GUPL will be utilised solely for the purposes of funding the working capital requirements of the Project.
- (iii) The investment period will commence on the Completion date for a period of two (2) years, unless ended earlier by GUPL at its discretion giving to the Company at least 14 days’ notice in writing (“**Investment Period**”).

3.2 Investment Return

- (i) The Company will be entitled to receive a return of 7% per annum on the Investment Amount, commencing from the Completion date until the date of repayment of the Investment Amount in full (“**Investment Yield**”), regardless of whether the Project was completed or not during the Investment Period.
- (ii) The Company will also 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 the Company obtains the temporary occupation permit (TOP) for the Project to the end of the Investment Period (“**Profit Share**”).
- (iii) The abovementioned amounts will be payable on the business day falling immediately after the expiry of the Investment Period:
 - a. Where the Investment Period is a period of two (2) years, the Investment Amount, the accrued Investment Yield and the accrued Profit Share (if any); or
 - b. Where the Investment Period is a period of less than two (2) years, the Investment Amount, the accrued Investment Yield, the accrued Profit Share (if any), and the additional sum of S\$10,000, being 2% on the Investment Amount.

3.3 Conditions Precedent

Completion is conditional upon the fulfilment or waiver of, *inter alia*, the following conditions precedent:

- (i) the approval of the Board and shareholders (if required) of the Company being obtained for the transactions contemplated in the Agreement, and the approval and other compliance requirements of the relevant authorities in Singapore (including but not limited to any or all of the rules in the Catalist Rules); and

- (ii) 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 transactions contemplated under the Agreement, and if subject to conditions, on such conditions acceptable to the Company and the Investor, and such consents, approvals and authorisation remaining in full force and effect and not being revoked prior to the date of Completion.

3.4 Undertaking from GHPL

Under the Agreement, GHPL undertakes to, for so long as any amounts under the Agreement remain outstanding and unpaid by GUPL to the Company:

- (i) procure that GUPL make prompt and punctual payments or repayments of all monies due to the Company; and
- (ii) within 7 Business Days of GHPL's receipt of written notice from the Company of GUPL's failure to make payment or repayment of any monies due and payable to the Company for any reason whatsoever, pay such amounts due and payable to the Company for and on behalf of GUPL.

4. RATIONALE

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

- (i) The Investment carries an annual return of 7% per annum and is a low-risk investment with growth potential, taking into consideration the low cash flow and default risk. As set out in the unaudited financial statements of the Group for the half year ended 30 September 2020 announced on 13 November 2020, the Group is in a cash position of approximately S\$8.9 million as at 30 September 2020. The management has been sourcing for viable companies with growth potential for investment;
- (ii) The co-investment opportunity to further grow the Group's green energy business is aligned with its intention to provide alternative source of clean energy to meet rising energy consumption in South East Asia markets. One of the missions of GUPL is to reduce overall carbon footprint through market-leading technology and to deliver clean and green energy to users. Similarly, both business segments of the Group (being (a) the sale and distribution of premium furniture, contract furniture and lighting systems, and (b) the production and sale of biodiesel and activated carbon) strive to use energy efficiently to combat climate change and reduce the Group's overall environmental footprint;
- (iii) The Investment presents a strategic opportunity for the Group to venture into the energy and natural gas related business, a growing sector with increasing demand in the region, through its passive participation in the Project; and
- (iv) There are various future business opportunities that could be created by capitalising on the synergy from both the businesses of GUPL and the energy division of the Group.

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

5. INVESTMENT AS AN INTERESTED PERSON TRANSACTION

The sole shareholder of GUPL is Mr Lim, the Executive Director and Chief Executive Officer, and a controlling shareholder of the Company, with a direct interest of 83,699,808 shares (representing 15.01% of the total issued share capital of the Company) and deemed interest of 80,000,000 (representing 14.35% of the total issued share capital of the Company). Accordingly, Mr Lim and his associates fall within the definition of “interested person” under Chapter 9 of the Catalyst Rules and the Investment is an interested person transaction.

Based on the audited consolidated financial statements of the Group for the financial year ended 31 March 2020, the Group’s consolidated NTA as at 31 March 2020 was approximately S\$12,600,390. The aggregate value of all interested person transactions with Mr Lim for the current financial year ending 31 March 2021 is S\$570,000 (being the Investment Amount and Investment Yield of \$70,000 based on 7% per annum on the Investment Amount over an Investment Period of 2 years), representing approximately 4.52% of the Group’s latest audited net tangible assets as at 31 March 2020.

Catalist Rule 905(2) provides that if the aggregate value of all transactions entered into with the same interested person during the financial year amounts to 3% or more of the Group’s latest audited net tangible assets, the Company must (i) make an immediate announcement of the latest transaction; and (ii) all future transactions entered into with that same interested person during that financial year. However, the Investment will not require approval of the shareholders of the Company pursuant to Catalist Rule 906(1).

The Company will comply with the relevant requirements of the Catalyst Rules on transactions with such interested person for the current financial year ending 31 March 2021 (if any). As at the date of this announcement, the Company has not entered into any other interested person transaction with Mr Lim for the current financial year ending 31 March 2021, save for the Investment.

6. AUDIT COMMITTEE’S STATEMENT

The Audit Committee of the Company is of the view that the Investment is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

7. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Mr Lim, who is the Executive Director and Chief Executive Officer and a controlling shareholder of the Company, is also the sole director and 55.72%-beneficial owner of GUPL. Mr Lim is also a director and 55.72%-shareholder of GHPL. Save as aforesaid, the Company and its Directors and controlling shareholders are not related to Mr Lim.

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

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

By Order of the Board

Ong Bee Hoon
Company Secretary

15 December 2020