

**OEL (HOLDINGS) LIMITED**  
(Company Registration No. 198403368H)  
(Incorporated in Singapore)

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**PROPOSED ISSUE OF UP TO S\$40 MILLION IN AGGREGATE PRINCIPAL AMOUNT OF REDEEMABLE ZERO COUPON CONVERTIBLE BONDS CONSISTING OF: (A) AN INITIAL TRANCHE OF S\$2 MILLION; AND (B) 19 SEPARATE SUCCESSIVE TRANCHEs OF SUBSEQUENT BONDS, EACH HAVING A PRINCIPAL AMOUNT OF S\$2 MILLION TO PACIFIC ALLIANCE ASIA OPPORTUNITY FUND L.P. AND/OR ITS AFFILIATES**

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**1. INTRODUCTION**

**1.1** The Board of Directors (the "**Directors**") of OEL (Holdings) Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company has on 7 July 2015 entered into a bond subscription agreement (the "**Bond Subscription Agreement**") with Pacific Alliance Asia Opportunity Fund L.P. (the "**Subscriber**") under which the Company proposes to issue up to S\$40 million in aggregate principal amount of redeemable zero coupon convertible bonds (the "**Bonds**") to the Subscriber and/or its affiliates ("**Affiliates**") in accordance with the terms and subject to the conditions of the Bond Subscription Agreement (the "**Bond Issue**"). The Bonds will be issued in 20 separate successive Tranches, each Tranche having an aggregate principal amount of S\$2 million which may be convertible into ordinary shares in the Company ("**Shares**"), consisting of: (a) an initial Tranche of S\$2 million ("**Initial Tranche**"), and (b) 19 separate successive Tranches, each Tranche having an aggregate principal amount of S\$2 million (each a "**Subsequent Tranche**" and collectively, "**Subsequent Tranches**"). Each of the Initial Tranche and the Subsequent Tranches shall be referred to as a "**Tranche**" and collectively the "**Tranches**".

In addition, the Bonds as well as the New Shares (as defined below) allotted and issued upon the conversion of the Bonds will not be placed to any of the persons set forth in Rule 812(1) of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**").

**1.2** In connection with the Bond Issue, a securities lending deed dated 7 July 2015 (the "**Securities Lending Agreement**") was entered into between the Subscriber and Jeffrey Hing Yih Peir, the controlling shareholder of the Company (the "**Share Lender**"). Under the terms of the Securities Lending Agreement, the Share Lender has agreed to lend the Subscriber up to 33,000,000 Shares (the "**Loan Securities**") (constituting approximately 16.71% of the Share Lender's entire shareholding interest in the Company, and approximately 4.9% of the existing share capital of the Company) in order to facilitate the Bond Issue ("**Share Loan**"). As at the date of the Securities Lending Agreement, the Share Lender has an aggregate interest (direct and deemed) in 197,545,000 Shares in aggregate, representing 29.56% of the existing issued share capital of the Company. The number of Shares to be lent by the Share Lender shall be determined at the discretion of the Subscriber and shall be subject to the number of the Loan Securities. Please see paragraph 3.3 below for more details on the Securities Lending Agreement. The Share Loan will not result in a change of control of the Company since (i) the Share Lender will still remain as the single largest controlling shareholder of the Company even without counting the number of Loan Securities; and (ii) it is a term of the Securities Lending Agreement that the Subscriber shall exercise the voting rights attached to the Loan Securities in accordance with the instruction of the Share Lender.

**1.3** As at the date of this Announcement, the Company has an issued and paid-up share capital of approximately S\$38,530,000, consisting of 668,266,667 Shares. On the assumption that all 20 tranches of Bonds are issued and fully converted into new ordinary shares in the Company (the "**New Shares**") at the Minimum Conversion Price of S\$0.04 (assuming there is no adjustment to the Minimum Conversion Price), the maximum number of New Shares that may be issued by the Company to the Subscriber will be 1,000,000,000 representing approximately 149.6% of the existing share capital of the Company.

- 1.4 Since the maximum number of New Shares that may be issued by the Company exceeds the limit to the number of shares that may be issued under a general mandate under Rule 806(2) of the Catalist Rules, approval by the shareholders of the Company is required. The Company will not be relying on the general mandate approved by the shareholders of the Company at the annual general meeting of the Company held on 23 April 2015.
- 1.5 An application will be made to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing of and quotation of the New Shares to be allotted and issued upon conversion of the Bonds. The New Shares will be listed on the Catalist Board of the SGX-ST. The New Shares are freely transferable and shall rank *pari passu* in all respects with all other Shares then in issue, but shall not rank for any entitlements, distributions, dividends or rights (if any), the record date in respect of which falls prior to the date of their issue, and will be admitted to listing on the SGX-ST. The Bonds will not be listed and quoted on the SGX-ST or any other exchange. The Company will make the necessary announcements once the approval-in-principle for the listing and quotation of the New Shares has been obtained from the SGX-ST.

## 2. **INFORMATION ON THE SUBSCRIBER**

The Subscriber has represented that it is an investment fund managed by Pacific Alliance Investment Management Limited (“**PAIML**”) and an affiliate of Pacific Alliance Group Limited (“**PAG**”), the Asia alternative investment fund management group with funds under management across private equity, real estate and absolute return strategies. The director of PAIML is a corporate director, namely PAG, and the majority shareholder of PAIML is also PAG. PAIML is an asset manager established in the Cayman Islands and registered with the Cayman Islands Monetary Authority. PAG is an alternative investment management firm managing funds in private equity, real estate and absolute return strategies with over US\$10 billion in funds under management.

The Subscriber has represented that none of the directors and substantial shareholders of the Subscriber, PAIML and/or PAG are related to the Company, its directors, its shareholders and/or their respective associates.

The Board is of the view that the Bond Issue is beneficial to the Group as it will allow the Group to strengthen its cash position and enable the Company to take advantage of any investment opportunities which may arise. Through the Bond Issue, the Subscriber offers the Company the opportunity to achieve this objective.

The Subscriber was identified and introduced to the Company by Harford Vantage Pte. Ltd. (“**HVPL**”) whose main shareholder is Mr John Lui Kit Wei. HVPL’s core activities include alternative fund arrangement, opportunistic fund investment and products and acting as an arranger for share placements and mergers and acquisitions.

Pursuant to a mandate agreement entered into between the Company and HVPL on 5 January 2015, the Company shall pay HVPL a success fee of 3.5% in cash of the transacted value upon each Tranche of Bonds when the proceeds from each Tranche are raised. The above fees shall be payable by the Company or deducted at source and no part thereof shall be shared with the Subscriber. The Company is of the view that the success fee is within the industry range for similar issues.

HVPL has represented that none of the directors and substantial shareholders of HVPL are related to the Company, its directors, its shareholders and/or their respective associates.

## 3. **PROPOSED BOND ISSUE**

### 3.1 **Principal terms of the Bonds**

The Bonds will be in registered form in denominations of S\$100,000 and integral multiples of S\$100,000 in excess thereof each and are convertible into New Shares which when issued, will be fully paid, and will rank *pari passu* with the existing Shares. The issue price of the

Bonds is 100% of the principal amount of such Bonds. The subscription and conversion of the Bonds will be in accordance with the terms of the Bond Subscription Agreement and subject to the terms and conditions of the Bonds ("**Terms and Conditions**") as set out in the Schedule 1 of the Bond Subscription Agreement.

### **3.2 Principal terms of the Bond Subscription Agreement**

#### **3.2.1 Subscription for the Initial Bonds**

The Subscriber shall subscribe and/or shall procure its Affiliates to subscribe for the Initial Tranche of the Bonds ("**Initial Bonds**") in accordance with the terms of the Bond Subscription Agreement and subject to the Terms and Conditions.

The obligations of the Subscriber to subscribe and/or procure subscriptions for the Initial Bonds is conditional upon all the conditions set out in Appendix A to this announcement (the "**Conditions Precedent for Initial Bonds**") being fulfilled (or otherwise waived by the Subscriber in accordance with the terms of the Bond Subscription Agreement) on or before the date for the completion of the issuance of the Initial Bonds, which shall be 31 August 2015 or such other date as may be agreed by the Parties (the "**Initial Completion Date**").

If any of the Conditions Precedent for the Initial Bonds is not satisfied or is not waived by the Subscriber by the expiry of twelve (12) months from the date of the Bond Subscription Agreement (or such other date as agreed by the Company and the Subscriber) (the "**Initial Long Stop Date**"), the Subscriber has the right to fix a new date for completion or terminate the Bond Subscription Agreement.

#### **3.2.2 Subscription for the Subsequent Bonds**

The Subsequent Tranches of Bonds having an aggregate principal value of S\$2 million each to be issued following the Initial Tranche shall be known as the "**Subsequent Bonds**".

During the period commencing on the Initial Completion Date and ending on the first anniversary of such date (the "**Subscriber Option Period**"), the Subscriber may (but shall not be obliged to) request for and the Company irrevocably agrees to issue the first four Subsequent Tranches of Bonds after the Initial Tranche (each, a "**Subscription Option Tranche**").

After the Subscriber Option Period, the Subscriber may (but shall not be obliged to) request for a subscription of further Subsequent Tranches.

The subscription for and the issue of the Subsequent Bonds shall be on the terms of the Bond Subscription Agreement and subject to the Terms and Conditions, provided that, among others:

- (a) (unless mutually agreed to by the Company and the Subscriber) the request can only be made in respect of a single Tranche of Bonds at any time and may not be made unless (i) the closing price of the Shares on the trading day immediately preceding the date of the request is equal to or above S\$0.045 (the "**Minimum Completion Price**") and (ii) the daily volume weighted average price of the Shares during the ten (10) consecutive trading days immediately preceding the date of the request is equal to or above the Minimum Completion Price;
- (b) unless otherwise agreed by the Company and the Subscriber, the issue of such Subsequent Bonds shall not occur until the Bonds issued to the Subscriber and/or its Affiliates (as the case may be) pursuant to the immediately preceding Tranche have been fully converted;
- (c) no request may be made after five (5) years from the Initial Completion Date; and

- (d) The Subscriber shall not at the time of such request hold in aggregate New Shares which exceed ten (10) per cent of the issued share capital of the Company as at the date of such request.

The Subscriber shall not be obligated to subscribe for any Subsequent Bonds unless it has issued a request for such subscription and may decline the Company's request for subscription or issue any Tranche of Subsequent Bonds. The Company may decline the Subscriber's request for subscription or issue of Subsequent Bonds following the expiry of the Subscriber Option Period.

The subscriptions for the Subsequent Bonds is subject to conditions similar to that for the subscription of the Initial Bonds (the "**Conditions Precedent for Subsequent Bonds**").

The Conditions Precedent for Subsequent Bonds shall be fulfilled (or otherwise waived by the Subscriber in accordance with the terms of the Bond Subscription Agreement) on or before the applicable date for the completion of the issuance of the Subsequent Bonds in relation to the applicable Subsequent Tranche, which shall be not later than seven (7) business days after the date of the Notice of Request (as defined in the Bond Subscription Agreement), or such other date as may be agreed in writing ("**Subsequent Completion Date**").

If any of the Conditions Precedent for Subsequent Bonds is not satisfied or is not waived by the Subscriber on or before the applicable Subsequent Completion Date, the Subscriber has the right to fix a new date for completion or terminate the Bond Subscription Agreement or elect not to proceed with the completion of the subscription of the relevant Subsequent Tranche and withdraw its request for subscription of the relevant Subsequent Tranche.

### 3.2.3 Conversion Right

The right of a holder of Bonds ("**Bondholder**") to convert any Bond into Shares may be exercised, at the option of the holder thereof, at any time on and after the date of issue of such Bond up to and including the close of business on the date immediately preceding the maturity date ("**Maturity Date**") which is five (5) years after the date of issue of such Bond.

The Bonds shall be converted into New Shares in accordance with the lower of either of the following formulae:

- (a) 125 per cent of the average of the closing prices quoted by the SGX-ST for one Share (being a Share carrying full entitlement to dividend) for the 25 consecutive trading days ending on the trading day immediately preceding the date of issue of the Bond; and
- (b) 90 per cent of the lowest average of the closing prices quoted by the SGX-ST for one Share (being a Share carrying full entitlement to dividend) for any 5 consecutive trading day period in the 25 consecutive trading days immediately preceding the conversion date,

Provided that if the lower of (a) and (b) above is less than S\$0.04 (the "**Minimum Conversion Price**"), the initial conversion price shall be the Minimum Conversion Price.

The minimum aggregate conversion amount to be converted in any single conversion of Bonds shall be S\$100,000 unless otherwise agreed to by the Company.

### 3.2.4 Redemption

Unless previously redeemed, converted or purchased and cancelled as provided in the Terms and Conditions, the Company will redeem each Bond at 100% of its principal amount on the Maturity Date.

Pursuant to the Terms and Conditions, the Bonds will be redeemed if any of the following events shall occur:

- (a) *Redemption at the Option of the Bondholders:* The Company will, at the option of the Bondholder, redeem all or any of that Bondholder's Bonds on at any time after the date falling one (1) year from the respective dates of issue of such Bonds, as may be notified by that Bondholder, at the principal amount of such Bonds.
- (b) *Redemption upon Event of Default:* The Company shall also redeem the Bonds by paying the applicable redemption amount to the Bondholders forthwith upon its receipt of a default notice issued by the Bondholders pursuant to the occurrence of an event of default entitling the Bondholder to give notice for such redemption. The events amounting to an event of default entitling the Bondholder to give notice for such redemption are set out in Condition 9 of Terms and Conditions.
- (c) *Redemption in the event of Change in Control:* The Bondholder has the option to redeem the Bonds under Condition 7.5 of Terms and Conditions in the event of a "**Change of Control**" (as defined in the Terms and Conditions) and under Condition 7.6 of Terms and Conditions where the Shares of the Company cease to be listed or admitted to trading on the SGX-ST or halted or suspended for a period exceeding 3 consecutive trading days.
- (d) *Redemption for taxation reasons:* Under Condition 7.3.1, the Company has the option to redeem the Bonds if (i) the Company has or will become obliged to pay additional taxes as a result of any change in, or amendment to, the laws or regulations of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date of the Agreement, and (ii) such obligation cannot be avoided by the Company taking reasonable measures available to it. Save as set out above, the Company has no right to redeem the Bonds prior to the Maturity Date.

All Bonds issued, if outstanding, constitute unsecured obligations of the Company. As such, if redemption of the Bonds is requested by the Bondholders when entitled to under any of the redemption events set out above, and such a redemption request is not met Bondholders are entitled to pursue all such remedies under law including the winding up of the Company (subject to complying with all legal requirements under insolvency laws).

### 3.2.5 Termination

The Bond Subscription Agreement may be terminated by, among other provisions, the following:

- (i) by the Company or the Subscriber if the reasons furnished by one party for rejecting a request by the other party for subscription of the Subsequent Bonds are not reasonably acceptable by the party making the request; or
- (ii) by the Subscriber if there shall have come to the notice of the Subscriber any breach of or any event rendering untrue or incorrect in any material respect, any of the warranties and representations of the Company contained in the Bond Subscription Agreement, the Securities Lending Agreement and/or the Bonds or any failure to perform in any material respect any of the Company's undertakings or obligations in any of the Bond Subscription Agreement, the Securities Lending Agreement and/or the Bonds; or
- (iii) by the Subscriber if there shall have occurred any Material Adverse Change (as defined in the Bond Subscription Agreement) or any material change or development involving a prospective material change, in national or international monetary, financial, political or economic conditions (including any disruption to trading generally, or trading in any securities of the Company on any stock exchange or in any over-the-counter market) or currency exchange rates or foreign exchange controls which would in any Subscriber's view be likely to prejudice materially the assets, business,

legal position, financial condition, liabilities or prospects of the Company or its group or results of operations of the Company or its group; or

- (iv) by the Subscriber if an Issuer Event of Default (as defined in the Bond Subscription Agreement) occurs.

### 3.3 Principal terms of Securities Lending Agreement

Pursuant to the Securities Lending Agreement, for any Loan Securities borrowed, the Subscriber shall, on the date not more than five (5) business days after the date on which the last Tranche is fully redeemed and/or converted, or such other date as may be agreed between the Share Lender and the Subscriber ("**Redelivery Date**"), re-deliver Shares of an identical type, description and amount to the Loan Securities borrowed and if applicable, includes any certificates and other documents of or evidencing title thereto and transfer thereof ("**Equivalent Securities**").

The Share Loan may be terminated by the Subscriber at any time by giving notice in writing to the Share Lender. In the event that the Securities Lending Agreement is terminated, the Subscriber shall within five (5) business days deliver the Equivalent Securities to the Share Lender by causing the Equivalent Securities to be credited to the Share Lender's securities account as instructed by the Share Lender or any other method of delivery as may be agreed upon by the Subscriber and the Share Lender.

No financial benefit, whether directly or indirectly, will be derived by the Share Lender from the Share Loan.

## 4. RATIONALE FOR THE BOND ISSUE AND INTENDED USE OF PROCEEDS

The Group intends to use the proceeds from the proposed Bond Issue for, expansion of the Group's business through investments, mergers and acquisitions, joint ventures and/or strategic alliances and general working capital purpose.

As mentioned in the Company's announcement dated 30 June 2015, the Company has entered into a sale and purchase agreement ("**SPA**") with Shao Tian Peng (邵天朋) (the "**Vendor**") in relation to the acquisition of Allied Resources Limited (泓资有限公司) ("**Allied Resources**"), Jilin Hengli Industries Liability Co., Ltd (吉林恒利实业有限责任公司) ("**Hengli**") and Qian An Oilfield Development Co., Ltd. (乾安石油开发有限责任公司) ("**Qian An**"), through the acquisition ("**Proposed Acquisition**") of such number of shares representing of 51% of the entire issued share capital of Allied Resources. Allied Resources holds all of the issued equity in Hengli, which in turn holds 50% of the equity interest in Qian An. Both Allied Resources and Hengli are investment holding companies while Qian An is principally engaged in the exploitation, development and production of oil and natural gas from two oilfields in Jilin, China. If the Proposed Acquisition proceeds (subject to the fulfillment or waiver (as applicable) of the conditions precedent under the SPA), part of the proceeds from the proposed Bond Issue will be applied towards the Proposed Acquisition.

It is the intention of the Company to issue at least the Initial Bonds and the first four (4) Tranches of Subsequent Bonds after the Initial Tranche, known as the Subscriber Option Tranches.

Subject to the terms of the Bond Subscription Agreement, the Company will raise gross proceeds of S\$10 million assuming that the Initial Tranches and the four (4) Subscriber Option Tranches are fully subscribed. However, the issue and subscription of each Tranche is subject to the fulfilment of the conditions precedent. There is therefore no assurance that the S\$10 million or any part thereof will be raised.

Use of Proceeds assuming that only the Initial Bonds and the Subsequent Bonds comprising the Subscriber Option Tranches are subscribed for and further assuming Company proceeds with the Proposed Acquisition

Based on the proceeds raised from the issue of the Initial Bonds and the Subsequent Bonds comprising the Subscriber Option Tranches and assuming that the Company proceeds with the Proposed Acquisition, the Directors expect the allocation to be as follows:

<b>Use of Proceeds</b>	<b>Amount S\$</b>	<b>Allocation %</b>
The Proposed Acquisition	8,600,000	86.0
Estimated expenses pertaining to the Proposed Acquisition	1,000,000	10.0
Capital expenditure in fixed assets and/or production facilities and equipment for the Group	Nil	Nil
Working Capital	Nil	Nil
Estimated expenses pertaining to the Bond Issue	400,000	4.0
5 Tranches Total	10,000,000	100.0

Use of Proceeds assuming that only the Initial Bonds and the Subsequent Bonds comprising the Subscriber Option Tranches are subscribed for, and further assuming Company does not proceed with the Proposed Acquisition

Based on the proceeds raised from the issue of the Initial Bonds and the Subsequent Bonds comprising the Subscriber Option Tranches and assuming that the Company does not proceed with the Proposed Acquisition, the Directors expect the allocation to be as follows:

<b>Use of Proceeds</b>	<b>Amount S\$</b>	<b>Allocation %</b>
Capital expenditure in fixed assets and/or production facilities and equipment for the Group	Nil	Nil
Working Capital	9,600,000	96.0
Estimated expenses pertaining to the Bond Issue	400,000	4.0
5 Tranches Total	10,000,000	100.0

Pending the deployment of the net proceeds from the Bond Issue, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities, or used for any other purpose on a short-term basis, as the Directors may, in their absolute discretion, deem fit for the benefit of the Company.

The Directors are of the opinion that after taking into consideration the Group's present banking facilities, the working capital available to the Group is sufficient to meet its present requirements. Nevertheless, the Company is undertaking the Bond Issue to strengthen its financial position.

The Company will make periodic announcements on the utilisation of the proceeds of the Bond Issue, as and when the funds from the Bond Issue are disbursed or utilised.

## **5. OTHER MATTERS**

### **5.1 Approval**

The Bond Issue is subject to, amongst others, the following:

- all requisite approvals from the SGX-ST for the listing and quotation of the New Shares, including without limitation the issuance of the relevant listing and quotation notice by the SGX-ST.
- the approval of the shareholders of the Company for both of (i) the issue of the Bonds and New Shares (including any further Bonds and/or New Shares issued or to be issued

pursuant to any adjustment in accordance with the Terms and Conditions) and (ii) the proposed diversification of the business scope of the Group to include the oil and gas business proposed to be acquired by the Company; and

- the lodgment of an offering document with the Monetary Authority of Singapore (if an offering document is required by law).

In this regard, the Company had on 23 June 2015 obtained the approval of the shareholders of the proposed diversification of the business scope of the Group to include mineral, oil and gas businesses.

Also, pursuant to Rule 803 of the Catlist Rules, in the event that the issue of New Shares arising from the conversion of the Bonds would result in a change in controlling interest of the Company, the Company will first seek specific shareholders' approval. .

A circular containing information on the Bond Issue, together with notice of the extraordinary general meeting ("**EGM**"), will be dispatched by the Company in due course to Shareholders.

## **5.2 Interests of Directors and Substantial Shareholders**

Save as disclosed in this Announcement, none of the Directors nor (in so far as the Directors are aware) any substantial shareholders of the Company has any interest, direct or indirect, in the Bond Issue, save through their respective shareholdings in the Company (if any). None of the Directors nor (in so far as the Directors are aware) any substantial Shareholder of the Company or their respective associates have any connection (including business relationship) with the Subscriber and/or its affiliates, associates, directors or substantial shareholders.

## **5.3 Responsibility Statement**

The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Bond Issue, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement 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 announcement in its proper form and context.

## **5.4 Documents for Inspection**

A copy of the Bond Subscription Agreement and Securities Lending Agreement is available for inspection during normal business hours at the Company's registered address at No.8 Aljunied Ave 3, Oakwell Building, Singapore 389933 for a period of three months from the date of this Announcement.

## **5.5 Trading Caution**

Shareholders and potential investors should exercise caution when trading in Shares of the Company, and where in doubt as to the action they should take, they should consult their financial, tax or other professional adviser immediately.

By Order of the Board

Yeo Poh Noi Caroline  
Company Secretary  
7 July 2015



*This announcement has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd.(the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement.*

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

*The details of the contact person for the Sponsor are: -*

*Name : Mr. Tan Chong Huat (Registered Professional, RHT Capital Pte. Ltd.)  
Address : Six Battery Road, #10-01, Singapore 049909  
Tel : 6381 6757*

**APPENDIX A**  
**CONDITIONS PRECEDENT FOR INITIAL BONDS**

*Capitalised terms used but not defined in this Appendix A shall have the meanings ascribed to them in the Announcement.*

The following are the Conditions Precedent for the Initial Bonds:

- (a) **Due Diligence:** the completion, on or before the Initial Completion Date, of a legal and financial due diligence exercise on the Company, its subsidiaries and associated companies (“**Group Companies**”, each a “**Group Company**”) by the Subscriber (limited to such information and documents as the Group Companies are able to provide without breaching or infringing any applicable laws, statutes and/or the regulatory requirements of the SGX-ST and/or other relevant authorities), and the results of such due diligence exercise being satisfactory to the Subscriber in its absolute discretion;
- (b) **Securities Lending Agreement:** the Share Lender and the Subscriber having entered into the Securities Lending Agreement and such agreement remaining in full force and effect as of the Initial Completion Date;
- (c) **No Change in Control:** no change in control or any event which would result in a change in control of the Company or any of the other Group Companies has occurred provided always that the resultant reduction in the percentage of Shares held by the Share Lender and other substantial shareholders of the Company arising from the issuance of New Shares shall not be deemed to be an event of change in control of the Company or any of the other Group Companies;
- (d) **Listing Approval:** all requisite approvals from the SGX-ST for (i) the issuance of the New Shares upon conversion of any of the Bonds pursuant to the Terms and Conditions, and (ii) the listing and quotation of the New Shares on the Catalist board of the SGX-ST, including without limitation the issuance of the relevant listing and quotation Notice by the SGX-ST (“**Listing Approval**”) being obtained on or prior to the date falling three (3) months from the date of the Bond Subscription Agreement (or such other date as the Company and the Subscriber may agree) and not having been revoked as of the Initial Completion Date and, where the Listing Approval is subject to any conditions, such conditions being acceptable to the Company and the Subscriber and, to the extent that any such conditions are required to be fulfilled on or before the Initial Completion Date, they are so fulfilled, and in the event any amendment is made to the conditions in the Listing Approval, such amendments being acceptable to the Subscriber;
- (e) **Shareholders Approval:** the approval of the shareholders of the Company for both of (i) the issue of the Bonds and New Shares (including any further Bonds and/or New Shares issued or to be issued pursuant to any adjustment in accordance with the Terms and Conditions) and (ii) the proposed diversification of the business scope of the Group to include the oil and gas business proposed to be acquired by the Company (“**Shareholders Approval**”) being obtained from the Company’s shareholders at two separate EGMs and not having been revoked as of the Initial Completion Date, and where the Shareholders Approval is subject to any conditions, such conditions being acceptable to the Company and the Subscriber and, to the extent that any such conditions are required to be fulfilled on or before the Initial Completion Date, they are so fulfilled, and in the event any amendment is made to the terms of the Shareholders Approval, such amendments being acceptable to the Subscriber;
- (f) **All Other Approvals:** all other necessary approval and consents (including any governmental, regulatory and/or corporate approvals and consents, for the transactions contemplated under the Bond Subscription Agreement (in particular but without limitation the issue by the Company and the subscription by the Subscriber and/or its Affiliates of the Bonds, including any shareholders and/or board of directors’ approval and other regulatory and/or corporate approvals and consents required for the Subscriber) having been obtained in form and substance satisfactory to the Subscriber in its sole and absolute discretion and remaining valid and subsisting as at the Initial Completion Date;

- (g) **Minimum Completion Price:** the closing price of the Shares on the trading day immediately preceding the Initial Completion Date being equal to or above the Minimum Completion Price;
- (h) **Minimum Average Price:** the daily volume weighted average price of the Shares during the ten (10) consecutive trading days immediately preceding the Initial Completion Date being equal to or above the Minimum Completion Price;
- (i) **Offering Document:** an offering document having been issued by the Company (if required law) and lodged with the Monetary Authority of Singapore and remaining valid and subsisting as at the Initial Completion Date;
- (j) **No Injunctions:** no injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the issue of the Initial Bonds shall be in effect as of the Initial Completion Date;
- (k) **No Breach by Issuer:** up to and as of the Initial Completion Date: (1) all the warranties of the Company set forth in the Bond Subscription Agreement shall be true and correct at, and as if made on, the Initial Completion Date; (2) the Company shall have performed all of its undertakings or obligations under the Bond Subscription Agreement to be performed on or before the Initial Completion Date; and (3) there shall have been delivered to the Subscriber a certificate substantially in the form set out in the Bond Subscription Agreement, dated as of the Initial Completion Date, of a duly authorised officer of the Company, to such effect;
- (l) **No Material Adverse Change or Event of Default:** no Material Adverse Change or Issuer Event of Default (as such terms are defined in the Bond Subscription Agreement) occurs between the date of the Bond Subscription Agreement and the Initial Completion Date;
- (m) **No Market Disruption:** no event or series of events resulting in or representing a change, or prospective change, in the local, national, regional or international financial, political, military, industrial, economic, fiscal or market conditions (including conditions in stock and bond markets, money and foreign exchange markets and inter-bank markets) in or affecting the United States and/or Singapore;
- (n) **No Trading Halt, Suspension or De-listing:** there has been no halt or suspension of trading in the Shares on the Catalist board of the SGX-ST for a period exceeding three (3) consecutive trading days at any time during the three (3) months preceding the Initial Completion Date, there has been no suspension of trading in the Shares on the Catalist board of the SGX-ST for any period pursuant to Rule 1303 of the Catalist Rules, and the Shares have not been delisted from the Catalist board of the SGX-ST;
- (o) **No Change in Legislation:** no new law or regulation or any change or prospective change in the existing law or regulation (including, without prejudice to the generality of the foregoing, in respect of any laws or regulations relating to taxation or exchange controls), or any change in the interpretation of application thereof by any court or other competent authority in or affecting the United States, Singapore, Thailand and/or any other jurisdiction in which any Group Company has significant operations which may adversely affect the Bond Subscription Agreement, the Securities Lending Agreement and the Bonds or the transactions contemplated under them; and
- (p) **Disclosure Letter:** the form and contents of the Initial Disclosure Letter (as defined in the Bond Subscription Agreement) (if any) being satisfactory in form and substance to the Subscriber.