

CIRCULAR DATED 12 JUNE 2018

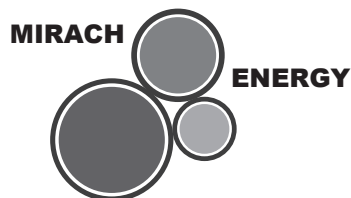
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN DOUBT AS TO THE ACTION THAT YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

Unless otherwise stated, the capitalised terms on this cover are defined in this Circular under the section titled “**Definitions**”.

If you have sold or transferred all your Shares in the capital of Mirach Energy Limited, you need not forward this circular with the notice of extraordinary general meeting and the attached proxy form to the purchaser or transferee as arrangements will be made by The Central Depository (Pte) Limited for a separate circular with the notice of extraordinary general meeting and the attached proxy form to be sent to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any statements made, reports contained or opinions expressed in this Circular.



MIRACH ENERGY LIMITED

(Company Registration Number 200305397E)
(Incorporated in Singapore)

CIRCULAR TO SHAREHOLDERS

in relation to

- (1) THE PROPOSED PLACEMENTS OF AN AGGREGATE OF 56,000,000 PLACEMENT SHARES**
- (2) THE PROPOSED INVESTMENT IN RCL KELSTAR SDN. BHD.**
- (3) THE PROPOSED DIVERSIFICATION INTO THE PROPOSED NEW BUSINESSES WHICH REFERS TO (A) THE PROPOSED NEW AGRICULTURAL CROPS RELATED BUSINESS AND (B) THE PROPOSED NEW PROPERTY RELATED BUSINESS**
- (4) THE PROPOSED ALLOTMENT AND ISSUANCE OF UP TO 4,238,640 INTRODUCER SHARES**

IMPORTANT DATES AND TIMES

Last Date and Time for Lodgement of Proxy Form	:	25 June 2018 at 10.00 a.m.
Date and Time of Extraordinary General Meeting	:	27 June 2018 at 10.00 a.m.
Place of Extraordinary General Meeting	:	Carlton Hotel Singapore Esplanade Room 3&4, Level 4, 76 Bras Basah Road Singapore 189558

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DEFINITIONS

In this Circular, unless the context otherwise requires, the following terms or expressions shall have the following meanings:

- “Act” or “Companies Act”** : The Companies Act (Cap. 50) of Singapore, as may be amended, varied or supplemented from time to time
- “Agricultural Crops Business”** : The various business activities in connection with the production (including planting, processing and harvesting etc.) of Agricultural Crops and their related products and the trading, distribution and/or sale of Agricultural Crops and their related products
- “Agricultural Crops”** : Includes durians, fruits and other agricultural crops
- “ASEAN”** : Association of Southeast Asian Nations
- “Board” or “Board of Directors”** : The board of directors of the Company as at the date of this Circular
- “CDP”** : The Central Depository (Pte) Limited or its nominee(s) as the case may be
- “Circular”** : This circular to Shareholders dated 12 June 2018
- “Company”** : Mirach Energy Limited
- “Completion Date”** : The date of completion as defined in the MOU where RCL issues the relevant number of new RCL shares and/or cause its then existing shareholders to be the vendors for the sale of the relevant number of RCL shares to CPHL such that CPHL acquires a 70% equity interests in RCL and the relevant parties shall thereafter endeavour to finalise the terms and conditions of the Formal Agreements and execute the same on or before three (3) months from the date of the MOU. The Completion Date is 13 May 2018
- “Conditions Precedent”** : The indicative conditions as provided in the MOU in respect of the Proposed Investment and set out in Section 3.3
- “CPHL ”** : CPHL (HK) Limited, a wholly-owned subsidiary of the Company
- “Deposit”** : Being a deposit amount of 10% of the placement consideration paid by each Placee to the Company, the details of which is set out in table at Section 2.2.4
- “Directors”** : The directors of the Company as at the date of this Circular
- “Earnest Deposit”** : The amount of RM2,000,000 paid by CPHL as a refundable deposit on the execution of the MOU in respect of the Proposed Investment
- “EGM”** : The extraordinary general meeting of the Company, notice of which is set out on pages 47 to 49 of this Circular
- “Extended Completion Date”** : In the event that the parties as referred to in the MOU are unable or fail to execute the Formal Agreements on or before the Completion Date, the MOU shall automatically be extended for a further period of one (1) month from the Completion Date. The Extended Completion Date is 13 June 2018

DEFINITIONS

- “Existing Core Businesses”** : The existing core businesses of the Company, namely (i) **oil exploration and oilfield development** which relates to the exploration, drilling and testing for oil, (ii) **oilfield services** which relates to providing oil recovery services and related oilfield services through an integrated approach, and (iii) **property and construction business**
- “Existing Share Capital”** : The Company’s existing issued and paid-up capital of 142,814,685 shares as at the Latest Practicable Date
- “Formal Agreements”** : The formal and definite contract, share sale agreement (with the existing shareholders of RCL) and/or the issuance of new shares of CPHL, shareholders agreement and/or any other relevant agreement(s)
- “Group”** : The Company and its subsidiaries
- “Introducer”** : Mr Tan Chin Hock
- “Introduction Deed”** : The conditional introduction deed dated 22 March 2018 entered into between the Company and the Introducer
- “Introducer Shares”** : Up to 4,238,640 new Shares to be allotted and issued by the Company to the Introducer pursuant to the Introduction Deed
- “KSEDC”** : A corporate body (established in 1966 by the state) responsible for the development and economic growth of Kelantan based on Islamic Principles
- “Latest Practicable Date”** : 6 June 2018, being the latest practicable date prior to the printing of this Circular
- “Listing Manual”** : The Listing Manual of the SGX-ST, as may be amended, varied or supplemented from time to time
- “MOU”** : The memorandum of understanding dated 13 February 2018 entered into between CPHL and RCL to enable CPHL to have the opportunity to potentially acquire a 70% equity interest in RCL and participate in the Project
- “Net Proceeds”** : The net proceeds from the Proposed Placements of approximately S\$5,550,000
- “Notice of EGM”** : The notice of EGM as set out on pages 47 to 49 of this Circular
- “Ordinary Resolutions”** : The ordinary resolutions as set out in the Notice of EGM on pages 47 to 49 of this Circular
- “Placees”** : Each of Teh Chee Wee, Ken Tan Khim Sing, Chan Hiang Ngee, Quek Soon Kwee William, Zhuang Sheng Singapore (Holdings) Pte Ltd, Wang Jue, Tan Kooi Jin, Ling Chui Chui, Tan Boon Yew, Yong Min You, Wee Cheng Kwan, Na Chun Wee and Chung Yuk Phin, the details of which are set out in Section 2.2.4 of this Circular
- “Placement Agreements”** : The 13 separate conditional placement agreements dated 22 March 2018 entered into between the Company and the Placees and the term **“Placement Agreement”** means any of the Placement Agreement as the context so requires

DEFINITIONS

“Placement Enlarged Share Capital”	:	The enlarged share capital of the Company of 198,814,685, on the assumption that 56,000,000 Placement Shares have been allotted and issued in full
“Placement Price”	:	The issue price of each Placement Share, being S\$0.10
“Placement Shares”	:	An aggregate of 56,000,000 new Shares to be allotted and issued by the Company to the Placees pursuant to the Placement Agreements
“PRC” or “China”	:	The People’s Republic of China, which includes, Hong Kong Special Administrative Region and the Macau Special Administrative Region for the purposes of this Circular and for geographical reference only
“Project”	:	The development of a multi storey agricultural project in Malaysia with the KSEDG in respect of the Proposed Investment
“Property”	:	Real property which includes but is not limited to developed and undeveloped real property, real property that may be used for industrial commercial, residential, agricultural or any other purposes
“Proposed Diversification”	:	The proposed diversification of the Group’s Existing Core Businesses to include the Proposed New Businesses
“Proposed Investment”	:	The proposed investment by the Company and/or its subsidiaries in RCL so as to participate in the Project on such terms as determined by the Board
“Proposed New Agricultural Crops Related Business”	:	Means: <ul style="list-style-type: none">(a) investments in entities and/or businesses involved in the Agricultural Crops Business; and(b) carrying or undertaking on the various business activities in the Agricultural Crops Business
“Proposed New Businesses”	:	The Proposed New Agricultural Crops Related Business and the Proposed New Property Related Business
“Proposed New Property Related Business”	:	Means: <ul style="list-style-type: none">(a) investments in Property, investments in Property-related businesses, entities or assets where the term Property-related includes but is not limited to the business activities as described in (b), (c) and (d) below;(b) trading of Property which includes the acquisition and sale of Property;(c) the rental and leasing of Property; and(d) Property management
“Proposed Placements”	:	Collectively, the proposed placements of the Placement Shares to the Placees as described in this Circular and the term “Proposed Placement” means any of the Proposed Placements as the context so requires

DEFINITIONS

“RCL”	:	RCL Kelstar Sdn. Bhd.
“Record Date”	:	The date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of shares
“Remaining Investment Sum”	:	The aggregate payment of an investment sum amounting to RM19,000,000 in respect of the Proposed Investment as described in Section 3.2.3
“Securities Account”	:	A securities account maintained by a Depositor with CDP, as the case may be, but does not include a securities sub-account maintained with a Depository Agent
“SFA”	:	The Securities and Futures Act (Cap. 289) of Singapore as may be amended, varied or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	The registered holder/holders of the Shares except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the persons named as depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Shares are credited. Any reference to Shares held by Shareholders shall include Shares standing to the credit of the respective Shareholders’ Securities Account
“Shares”	:	The ordinary shares in the capital of the Company, and each a “Share”
“Southeast Asia”	:	The countries within the Southeast Asia region
“Subsidiary”	:	Has the meaning ascribed to it in Section 5 of the Companies Act
“Substantial Shareholder”	:	Shall have the meaning ascribed to it in Section 81 of the Companies Act and Section 2(4) of the SFA, being a person who: (a) has an interest or interests in one (1) or more Shares in the Company; and (b) the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the Shares in the Company
“Total Enlarged Share Capital”	:	The enlarged share capital of the Company of 203,053,325, on the assumption that 56,000,000 Placement Shares and 4,238,640 Introducer Shares have been allotted and issued in full

The term “Depositor”, “Depository”, “Depository Agent” and “Depository Register” shall have the same meanings ascribed to them respectively in Section 81SF of the SFA.

Unless the context otherwise requires, words denoting the masculine gender shall include the feminine and neuter genders and words denoting the singular shall include the plural and vice-versa. References to persons shall include corporations.

DEFINITIONS

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

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

Any discrepancy in the tables in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, the totals of the data presented in this document may vary slightly from the actual arithmetic totals of such information.

Unless otherwise stated, the exchange rate between RM1 and S\$0.335741 based on the closing rate on 6 June 2018. This exchange rate is used for illustration purposes only and should not be construed as a representation that the RM amounts have been, or could be, converted into Singapore dollars at the rate stated, or at any other rate.

LETTER TO SHAREHOLDERS FROM BOARD OF DIRECTORS OF THE COMPANY

MIRACH ENERGY LIMITED

(Company Registration Number 200305397E)
(Incorporated in Singapore)

Directors:

Chan Shut Li, William (Chief Executive Officer and Executive Chairman)
Wee Cheng Kwan (Non-Executive and Non-Independent Director)
Loo Cheng Guan (Lead Independent Director)
Liu Mei Ling, Rhoda (Independent Director)
Lim Jun Xiong, Steven (Independent Director)

Registered Office:

96 Robinson Road
#17-01 SIF Building
Singapore 068899

12 June 2018

To: The Shareholders of **MIRACH ENERGY LIMITED**

Dear Sir/Madam,

- (1) **THE PROPOSED PLACEMENTS OF AN AGGREGATE 56,000,000 NEW ORDINARY SHARES**
- (2) **THE PROPOSED INVESTMENT IN RCL KELSTAR SDN. BHD.**
- (3) **THE PROPOSED DIVERSIFICATION INTO THE PROPOSED NEW BUSINESSES WHICH REFERS TO (A) THE PROPOSED NEW AGRICULTURAL CROPS RELATED BUSINESS AND THE (B) THE PROPOSED NEW PROPERTY RELATED BUSINESS**
- (4) **THE PROPOSED ISSUANCE OF UP TO 4,238,640 INTRODUCER SHARES**

1. INTRODUCTION

1.1 On 13 February 2018, the Company announced that CPHL (HK) Limited (“CPHL”), the Company’s wholly owned subsidiary entered in a memorandum of understanding dated 13 February 2018 with RCL Kelstar Sdn. Bhd. (“RCL”) to enable CPHL to have the opportunity to potentially acquire a 70% equity interest in RCL and to participate in the Project. The Project refers to the development of a multi storey agricultural project in Malaysia with KSEDG that is the Kelantan State Economic Development Corporation. In addition, the Company had on 13 February 2018 also announced that the Group proposes to diversify and expand its core businesses to include, the Proposed New Property Related Business.

On 22 March 2018, the Company further announced that it had:

- (a) entered into 13 separate conditional placement agreements with 13 placees, pursuant to which the Company agreed to issue an aggregate of 56,000,000 Placement Shares for an aggregate placement consideration of S\$5,600,000; and
- (b) entered into a conditional introduction deed with Mr Tan Chin Hock (“Introducer”), where the Company agrees to pay the Introducer an introducer fee of up to S\$423,864, which is to be paid by way of up to 4,238,640 Introducer Shares at the issue price of S\$0.10 per Introducer Share as consideration for introducing to the Company, RCL.

Mr Tan Chin Hock works as a consultant and is in the business of providing business consultancy services.

On 9 April 2018, the Company further announced that the Group proposes to diversify into the Proposed New Agricultural Crops Related Business.

LETTER TO SHAREHOLDERS FROM BOARD OF DIRECTORS OF THE COMPANY

- 1.2 The Board of Directors proposes to convene an EGM to seek Shareholders' approval in respect of the following:-
- (a) the proposed conditional placements of an aggregate 56,000,000 Placement Shares at the Placement Price of S\$0.10 per Placement Share pursuant to the Placement Agreements;
 - (b) the proposed investment in RCL, so as to participate in the Project;
 - (c) the diversification of core businesses to include the Proposed New Businesses which refers to (i) the Proposed New Agricultural Crops Related Business; and (ii) the Proposed New Property Related Business; and
 - (d) the proposed issuance of up to 4,238,640 Introducer Shares at the issue price of S\$0.10 per Introducer Share pursuant to the Introduction Deed.

Shareholders are to note that the Ordinary Resolutions 1 to 4 as set out in the Notice of EGM on pages 47 to 49 of this Circular are not inter-conditional upon each other.

- 1.3 The purpose of this Circular is to provide Shareholders with information relating to the Proposed Placements, the Proposed Investment, the Proposed Diversification as well as the proposed issuance of Introducer Shares and to seek Shareholders' approval in relation thereto at the EGM to be tabled at the forthcoming EGM. The Notice of the EGM is set out on pages 47 to 49 of this Circular.

2. THE PROPOSED PLACEMENTS

2.1 Overview of the Proposed Placements

- 2.1.1 On 22 March 2018, the Company announced that entry into 13 separate Placement Agreements with 13 placees, pursuant to which the Company agreed to issue an aggregate 56,000,000 Placement Shares for an aggregate placement consideration of S\$5,600,000. The names of each of the Placees, the number of Placement Shares placed to each Placee and the placement consideration to be received from each Placee are described in the table under Section 2.2.4.
- 2.1.2 The Company intends to seek the specific approval of Shareholders for the allotment and issue of the Placement Shares at the EGM in accordance with Rule 805(1) of the Listing Manual and Section 161 of the Companies Act.
- 2.1.3 No placement agent has been appointed in respect of the respective Proposed Placements. Shareholders of the Company and investors are to note that completion of the respective Proposed Placements with each Placee shall proceed independently, and shall not be conditional upon successful or concurrent completion by any other Placee.

2.2 Details of the Proposed Placements

Placement Price

- 2.2.1 The price at which each Placement Share is to be issued is S\$0.10 per Placement Share. The Placement Price represents a premium of approximately 9.89% to the volume weighted average price of S\$0.091 for trades done on the SGX-ST on 20 March 2018, being the last full market day on which the Shares were traded prior to the day on which the respective Placement Agreements were signed. The Placement Price represents a premium to the volume weighted average price of S\$0.09 for trades done on the SGX-ST as of the Latest Practicable Date.
- 2.2.2 The Placement Price was commercially agreed upon based on arm's length negotiations between the Company and the respective Placees, after taking into consideration, *inter alia*, the historical trading prices and volume of the Shares on the SGX-NET and the financial position and prospects of the Company.

LETTER TO SHAREHOLDERS FROM BOARD OF DIRECTORS OF THE COMPANY

Placement Shares

- 2.2.3 The Placement Shares when allotted and issued, shall rank in all respects *pari passu* with the existing Shares and be free from all claims, charges, liens and other encumbrances whatsoever and with all rights and benefits attaching thereto save that they will not rank for any dividend, rights, allotments or other distributions, the Record Date of which falls on or before the respective dates of the issue of the Placement Shares. For the purposes of this Circular,
- 2.2.4 The Placement Shares⁽¹⁾, when allotted and issued in full, will increase the Company's Existing Share Capital of 142,814,685 shares to 198,814,685 shares ("**Placement Enlarged Share Capital**"). The Introducer Shares⁽²⁾, when allotted and issued in full, will increase the Placement Enlarged Share Capital from 198,814,685 shares to 203,053,325 shares ("**Total Enlarged Share Capital**").

The aggregate Placement Shares⁽³⁾ represents approximately 39.21% of the Existing Share Capital, approximately 28.17% of the Placement Enlarged Share Capital and approximately 27.58% of the Total Enlarged Share Capital.

Notes:

- (1) *This is on the assumption that 56,000,000 Placement Shares will be allotted and issued in full*
- (2) *This is on the assumption that 4,238,640 Introducer Shares will be allotted and issued in full. Please refer to Section 5 for more information.*
- (3) *This is on the assumption that 56,000,000 Placement Shares will be allotted and issued in full.*

Shareholders can refer to Section 6.2 for the shareholding effects of the Placement Shares and Section 6.1 for the financial effects of the Proposed Placements.

LETTER TO SHAREHOLDERS FROM BOARD OF DIRECTORS OF THE COMPANY

Information on Placees

Name of Placee(s)	Background of Placee	Number of Placement Shares	Placement Consideration	Before the Proposed Placements ⁽¹⁾	After the Proposed Placements ⁽²⁾	After the Proposed Placements and allotment and issuance of Introducer Shares ⁽³⁾
				No. of Shares %	No. of Shares %	No. of Shares %
Teh Chee Wee	He is a licensed moneylender.	1,000,000	S\$100,000	–	1,000,000 (0.5%)	1,000,000 (0.49%)
Ken Tan Khim Sing	He is a director of an accounting firm and services firm.	1,000,000	S\$100,000	–	1,000,000 (0.5%)	1,000,000 (0.49%)
Chan Hiang Ngee	He is a retiree and has prior experience in investments.	2,000,000	S\$200,000	33,500 (0.02%)	2,033,500 (1.02%)	2,033,500 (1%)
Quek Soon Kwee William	He provides car leather services.	2,000,000	S\$200,000	–	2,000,000 (1.01%)	2,000,000 (0.98%)
Zhuang Sheng Singapore (Holdings) Pte Ltd	It is a company incorporated in Singapore and is principally an investment holding company as well as a general wholesale trading company. The legal and beneficial owners are Chng Chor Tong and Ong Siew Geok.	1,000,000	S\$100,000	–	1,000,000 (0.5%)	1,000,000 (0.49%)
Wang Jue	She is an employee of the Company and is the head of the oil and gas division of the Company.	8,500,000	S\$850,000	280,000 (0.2%)	8,780,000 (4.42%)	8,780,000 (4.32%)
Tan Kooi Jin	He is a businessman and is currently the executive chairman of an engineering company which provides services to the building and construction industry.	5,500,000	S\$550,000	–	5,500,000 (2.77%)	5,500,000 (2.71%)
Ling Chui Chui	She is a finance director of an engineering company that specializes in mechanical and ventilation services.	1,000,000	S\$100,000	–	1,000,000 (0.5%)	1,000,000 (0.49%)
Tan Boon Yew	He is a businessman and works in the water filtration industry as a company director.	9,000,000	S\$900,000	–	9,000,000 (4.53%)	9,000,000 (4.43%)

LETTER TO SHAREHOLDERS FROM BOARD OF DIRECTORS OF THE COMPANY

Name of Placee(s)	Background of Placee	Number of Placement Shares	Placement Consideration	Before the Proposed Placements ⁽¹⁾	After the Proposed Placements ⁽²⁾	After the Proposed Placements and allotment and issuance of Introducer Shares ⁽³⁾
Yong Min You	He works as a chief executive officer of an engineering company.	1,000,000	S\$100,000	–	1,000,000 (0.5%)	1,000,000 (0.49%)
Wee Cheng Kwan	He is a managing director of the property and construction division of PRG Holdings Berhad, a company listed on the Bursa Malaysia Exchange. He has a wealth of experience in property and construction industry. Mr Wee was approved and appointed to the Board on 26 April 2018 after the signing of the Placement Agreement on 22 March 2018.	13,000,000	S\$1,300,000	–	13,000,000 (6.54%)	13,000,000 (6.4%)
Na Chun Wee	He is an executive director of PRG Holdings Berhad, a company listed on the Bursa Malaysia Exchange.	2,000,000	S\$200,000	–	2,000,000 (1.01%)	2,000,000 (0.98%)
Chung Yuk Phin	He is an investor. He was previously in the construction business.	9,000,000	S\$900,000	–	9,000,000 (4.53%)	9,000,000 (4.43%)

Notes:

- (1) Based on the Existing Share Capital of 142,814,685 shares.
 (2) Based on the Placement Enlarged Share Capital of 198,814,685 shares.
 (3) Based on the Total Enlarged Share Capital of 203,053,325 shares.

Shareholders are to note that Mr Teh Chee Wee, Mr Ken Tan Khim Sing, Mr Chan Hiang Ngee, Mr Quek Soon Kwee William and Zhuang Sheng Singapore (Holdings) Pte Ltd were introduced by Mr Tan Chin Hock. Ms Wang Jue was introduced by William Chan (Chief Executive Officer). Mr Tan Kooi Jin, Ms Ling Chui Chui, Mr Tan Boon Yew, Mr Yong Min You, Mr Wee Cheng Kwan, Mr Na Chun Wee and Mr Chung Yuk Phin were introduced by Loke Kim Meng (Chief Operating Officer).

The Company had received the Deposits (being 10% of the Placement Consideration as set out in the table above) from each Placee.

LETTER TO SHAREHOLDERS FROM BOARD OF DIRECTORS OF THE COMPANY

- 2.2.5 The respective Placees (apart from Mr Wee Cheng Kwan, Mr Na Chun Wee and Ms Wang Jue) are investors who have no connection (including business relationships) with the Company, its Directors and substantial shareholders, save as mentioned in the above table (entitled “*Information on Placees*”) and Section 2.2.7 below.

Mr Wee Cheng Kwan is the managing director of the property and construction segment at PRG Holdings Berhad and Mr Na Chun Wee is the executive director of PRG Holdings Berhad (“**PRG**”). As at 21 February 2018, Mr Wee holds 30,419,200 ordinary shares⁽¹⁾ constituting approximately 10.05% of the share capital in PRG.⁽²⁾ PRG, a company listed on Bursa Malaysia, is the holding company of Premier Construction Sdn Bhd (“**Premier Construction**”). Premier Construction had entered into a joint venture with CPHL and had established a joint venture company called Premier Mirach Sdn. Bhd. (“**PMSB**”). CPHL holds 75% shareholding interest in PMSB. For more details, Shareholders can refer to the announcements made by the Company on 5 July 2017, 28 August 2017, 19 September 2017 and 20 October 2017.

Mr Wee was approved and appointed to the Board on 26 April 2018 after the signing of the Placement Agreement on 22 March 2018.

Ms Wang Jue is an employee of the Company and is the head of the oil and gas division of the Company.

Save as mentioned in Section 2.2.5, Mr Wee Cheng Kwan, Mr Na Chun Wee and Ms Wang Jue, have no connection (including business relationships) with the Company, its Directors and substantial shareholders.

Notes:

(1) This is obtained from the public announcement dated 28 December 2017 on Bursa Malaysia.

(2) This is obtained from the public announcement dated 21 February 2018 on Bursa Malaysia.

- 2.2.6 No commission or other payment is to be made to the Mr William Chan, Mr Loke Kim Meng or Mr Tan Chin Hock for introducing the relevant Placees to subscribe for the relevant Placement Shares.
- 2.2.7 (a) The individual placees are namely, Teh Chee Wee, Ken Tan Khim Sing, Chan Hiang Ngee, Quek Soon Kwee William, Wang Jue, Tan Kooi Jin, Ling Chui Chui, Wee Cheng Kwan, Na Chun Wee, Tan Boon Yew, Yong Min You and Chung Yuk Phin. They are all private investors who have expressed their interest in taking up new shares in the Company for investment purposes.
- (b) Zhuang Sheng Singapore (Holdings) Pte Ltd is a company incorporated in Singapore and is principally an investment holding company as well as a general wholesale trade holding company. The legal and beneficial owners are Chng Chor Tong and Ong Siew Geok. Zhuang Sheng Singapore (Holdings) Pte Ltd had expressed its interest in taking up new shares in the Company for investment purposes.
- 2.2.8 Mr William Chan is the existing controlling shareholder of the Company. He will following completion of the Proposed Placements continue to remain as the single largest shareholder as well as the controlling shareholder of the Company for the following reasons, (a) as represented by each of the Placees in the respective Placement Agreements, the Placees act individually and are not acting in concert with any other Placee or any Shareholders⁽¹⁾; (b) Mr William Chan will hold approximately 9.34% after the Proposed Placement and will remain the single largest Shareholder; (iii) Mr William Chan is the Chief Executive Officer and Executive Chairman of the Company and following completion of the Proposed Placements remains the person who dominates decision-making in relation to the financial and operating policies of the Group. As such, Mr William Chan in fact exercises control in the Group and will after completion of the Proposed Placements continue to exercise control of the Group; (iv) Mr Wee Cheng Kwan (a Placee) who was recently appointed to the Board acts in a non-executive capacity and the remaining Board members (which includes Mr William Chan) are Mr Loo Cheng Guan, Ms Liu

LETTER TO SHAREHOLDERS FROM BOARD OF DIRECTORS OF THE COMPANY

Mei Ling, Rhoda and Mr Lim Jun Xiong, Steven. Mr Loo Cheng Guan is the lead independent director and Ms Liu and Mr Lim are independent directors. In addition, Mr Wee, Mr Loo Cheng Guan, Ms Liu Mei Ling, Rhoda and Mr Lim Jun Xiong, Steven are not part of management. For the reasons set out above, the Board takes the view that Mr William Chan is and after completion of the Proposed Placements remains the controlling shareholder.

Note:

- (1) *Under the respective Placement Agreements, each Placee have warranted and undertook that: (a) as at the date of the Placement Agreement and up to completion of the Proposed Placement, each Placee is not and will not be acting in concert with or accustomed to taking instructions from persons as specified in Rule 812(1) of the Listing Manual, and, do not have any agreement or understanding (whether formal or informal) with the persons as specified in Rule 812(1) of the Listing Manual, to cooperate, through the acquisition by any of them of the Shares (whether pursuant to the Placement Agreements or otherwise), to obtain or consolidate effective control of the Company; and (b) each Placee (and in respect of a Placee that is a corporate, its directors, shareholders or ultimate beneficial shareholders), is not acting in concert (as defined under the Singapore Code of Take Overs and Mergers) with any other Placee or any Shareholders.*

Accordingly, none of the Proposed Placements will cause a transfer of controlling interest in the Company and Mr William Chan, the existing controlling shareholder of the Company, will continue to remain as the single largest controlling shareholder of the Company.

2.3 Salient Terms of the Placement Agreements

2.3.1 Under the terms of the respective Placement Agreements, a Placee shall within five (5) market days from the date of the Placement Agreement or such other date as the Company determines pay to the Company a deposit being 10% of the placement consideration to be paid by such Placee to the Company (each a “**Deposit**”). The Deposit of a Placee shall be forfeited if the Placee in breach of the Placement Agreement does not complete the Proposed Placement in accordance with the terms of the Placement Agreement. The Company had received the Deposits (being 10% of the placement consideration to be paid by each Placee) from each Placee.

2.3.2 Conditions to the subscription of the Placement Shares

Under each of the Placement Agreements, the completion of each of the Proposed Placements is subject to, the following conditions precedent:

- (a) the passing at the general meeting of the Company of the requisite resolutions to approve the proposed placement (including the allotment and issuance of the placement shares) upon the terms and conditions of the Placement Agreement;
- (b) the approval in principle for the listing and quotation of the placement shares on the SGX-ST being obtained from the SGX-ST and not having been revoked or amended and, where such approval is subject to conditions, such conditions being acceptable to the Company in its sole discretion, and to the extent that any conditions for the listing and quotation of the placement shares on the SGX-ST are required to be fulfilled on or before completion date, they are so fulfilled;
- (c) the subscription, issue and allotment and offering (if any) of the placement shares being in compliance with the Securities and Futures Act and/or other applicable legislation in applicable jurisdictions in connection with offers of securities and not being prohibited by any statute, order, rule or regulation promulgated by any legislative, executive or regulatory body or authority of Singapore and/or of any other applicable jurisdictions; and
- (d) there having been, as at the completion date, no occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any respect or any breach of any of the warranties and undertakings contained in the Placement Agreement.

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If any of the conditions set forth above not satisfied or (i) in connection with Section 2.3.2 (d), waived by the Company in respect of a breach by a Placee of any of the Placee's warranties and undertakings specified in the Placement Agreement; or (ii) in connection with Section 2.3.2(d), waived by a Placee in respect of a breach by the Company of any of the Company's warranties and undertakings specified in the Placement Agreement within six (6) months from the date of the Placement Agreement (that is 22 March 2018) or such other date as the parties may agree, the obligations of the Company to issue the Placement Shares for such Placee and of such Placee to subscribe for the Placement Shares shall terminate. In the event of termination as aforesaid and unless such termination is by reason of a non-waiver by the Company in respect of the non-satisfaction of the conditions in Section 2.3.2(d) in respect of a breach by a Placee of any of the Placee's warranties and undertakings or is caused by the act or omission of such Placee, the Deposit received by the Company shall be refunded to the Placee without interest.

2.4 SGX-ST Conditions

2.4.1 On 6 June 2018, the Company received the approval in-principle for the listing and quotation of the Placement Shares on the Mainboard of the SGX-ST, subject to, *inter alia*, the following conditions:

- (i) Compliance with the Exchange's listing requirements;
- (ii) Shareholders' approval for the issuance of the Placement Shares at the EGM to be convened;
- (iii) Submission of:-
 - (a) a written undertaking from the Company that it will comply with Rule 704(30) and Rule 1207(20) of the Listing Manual in relation to the use of the proceeds from the Placement Shares and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report;
 - (b) a written undertaking from the Company that it will comply with Listing Rule 803;
 - (c) a written confirmation from the Company that it will not issue the Placement Shares to persons prohibited under Rule 812(1) of the Listing Manual; and
- (iv) The Placement Shares have to be issued within 7 market days from the date of the EGM

2.4.2 Shareholders are to note that the SGX-ST's approval in-principle is not to be taken as an indication of the merits of the Proposed Placements, the proposed allotment and issuance of the Introducer Shares, the Placement Shares, the Introducer Shares, the Company and/or its subsidiaries.

2.5 Rationale for the Proposed Placements and Use of Proceeds

2.5.1 The rationale for the Proposed Placements is to raise funds to substantially settle the Remaining Investment Sum (which is the aggregate remaining investment sum amounting to RM19,000,000 (approximately S\$6,379,079)) in respect of the proposed investment by the Company and/or its subsidiaries in RCL so as to participate in the development of a multi storey agricultural project on such terms as determined by the Board. For details of the Remaining Investment Sum, Shareholders can refer to Section 3.2.3.

2.5.2 The estimated net proceeds from the Proposed Placements for all the Placees, after deducting estimated fees and expenses of approximately S\$50,000, is approximately S\$5,550,000 (the "**Net Proceeds**"). The Company intends to use the aggregate net proceeds of the Proposed Placements to substantially settle the Remaining Investment Sum amounting to RM19,000,000 (approximately S\$6,379,079). There will be a potential shortfall of approximately S\$829,079 that

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is required to settle in full the Remaining Investment Sum. Shareholders are to note that the Company intends to explore various options including borrowings to raise the shortfall amount required to settle in full the Remaining Investment Sum. The Company wish to draw Shareholders' attention to Section 3.5.1 below as to the implications if Shareholders do not approve the ordinary resolution in respect of the Proposed Placements.

If however, the Shareholders approve the ordinary resolution in respect of the Proposed Placements but not the ordinary resolution for the Proposed Investment or if the Proposed Investment does not proceed, the Company will be utilising the Net Proceeds of the placement exercise for general working capital purposes (40%) and to pursue business opportunities as part of its strategic objectives as and when they arise (60%).

- 2.5.3 Pending deployment of the proceeds for such purposes, the proceeds may be placed in deposits with banks or financial institutions or invested in short-term money markets or debt instruments or for any other purpose on a short-term basis as the Directors may, in their absolute discretion, deem fit.
- 2.5.4 The Company will make periodic announcements on the utilisation of proceeds from the Proposed Placements as and when the funds from the Proposed Placements are materially disbursed and provide a status report of the use of proceeds from the Proposed Placements in the Company's annual report.
- 2.5.5 Save as disclosed above and in Section 3.1.5 in connection with the Proposed Investment, the Directors are of the opinion that the working capital available to the Group is sufficient to meet its present requirements.

3. THE PROPOSED INVESTMENT

3.1 Background information of the Proposed Investment

- 3.1.1 The Proposed Investment is an investment by CPHL in RCL to participate in the Project on such terms as determined by the Board. The Project relates to the development of a multi storey agricultural project in Malaysia with KSEDG that is the Kelantan State Economic Development Corporation. The Project comprises several land parcels of approximately 5,500 acres. It will be a graduated terraced stepped agricultural project as the landscape includes hilly terrain.
- 3.1.2 RCL is a company that specialises in the business of timber and logging, cultivation, agriculture and plantation management and was set up as the special purpose vehicle for the Project.

The financial year end of RCL is 30 June and the key financial information for the past 3 years (as at 30 June 2015, 2016 and 2017) are set out below:

	Audited As at 30 June 2015 RM	Audited As at 30 June 2016 RM	Audited As at 30 June 2017 RM	Unaudited As at 31 March 2018 RM
Balance Sheet				
Total Assets	1,018,519	1,090,861	1,022,958	994,422
Total Liabilities	19,431	131,939	103,307	76,148
Share Capital	1,000,000	1,000,000	1,000,000	1,000,000
Accumulated Losses	(912)	(41,078)	(80,349)	(81,726)
Total Equity	999,088	958,922	919,651	918,274

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	13 August 2014 (Date of Incorporation) to 30 June 2015	Year ended 30 June 2016	Year ended 30 June 2017	1 July 2017 to 31 March 2018
Income Statement				
Revenue	–	–	–	–
Other income	37,297	–	–	–
Administrative expenses and finance cost	(38,209)	(35,979)	(37,591)	(1,377)
Loss before taxation	(912)	(35,979)	(37,591)	(1,377)
Taxation	–	(4,187)	(1,680)	–
Loss for the Period/Year	(912)	(40,166)	(39,271)	(1,377)
Retained Loss brought forward	–	(912)	(41,078)	(80,349)
Retained loss carried forward	(912)	(41,078)	(80,349)	(81,726)

There are two shareholders and two directors of RCL namely, Dato' Kho Ah Tee and Mr Lee Lip Khang. Dato' Kho Ah Tee has more than 30 years' experience in logging, forest tree plantation and saw milling businesses. Dato' Kho is, amongst others, the Honourable President of Teo Chew Association of Kelantan and the Honourable President of Timber Entrepreneur of Kelantan. Mr Lee has more than 18 years' experience in forest tree plantation, investment development etc. Mr Lee is currently serving Modal Jati Group, which he joined in year 2000 and was appointed as director in one of the associate company in year 2008. He was one of the master planners and implementer for the Modal Jati Group's integrated reforestation project.

- 3.1.3 KSEDG has been granted a concession of the state land in respect of the Project for 50 years. RCL has in turn secured the right to jointly undertake the Project together with KSEDG in exchange for various periodic payments to KSEDG. The Proposed Investment into RCL provides the Company with the potential opportunity to participate in the Project. KSEDG is not and will not be shareholders of RCL.
- 3.1.4 It is provided in the MOU that RCL shall issue relevant number of new shares and/or cause its then existing shareholders to be the vendors for the sale of the relevant number of shares to CPHL such that CPHL acquires a 70% equity interest in RCL and the relevant parties shall thereafter endeavour to finalise the terms and conditions of the Formal Agreements and execute the same on or before three (3) months from the date of the MOU being the Completion Date which is 13 May 2018.

In the event that the parties are unable or fail to execute the Formal Agreements on or before the Completion Date, the MOU shall automatically be extended for a further period of one (1) month from the Completion Date being the Extended Completion Date which is 13 June 2018. As announced by the Company on 6 June 2018, CPHL and RCL have mutually agreed in writing to extend the Extended Completion Date (that is 13 June 2018) until 31 July 2018.

- 3.1.5 Under the Proposed Investment, the Group will subject to the finalisation of the Proposed Investment, invest RM21,000,000 through the acquisition of existing shares in RCL and pursuant thereto, RM21,000,000 will be paid to the existing shareholders of RCL. Following completion of the Proposed Investment, the shareholders of RCL will be CPHL, Dato' Kho Ah Tee and Mr Lee Lip Khang. It is currently contemplated that the terms of the joint venture in RCL between CPHL and the existing shareholders that, all the shareholders of RCL that is CPHL and the existing shareholders, will participate in the risks and rewards of RCL through their shareholding interest in RCL. As stated in Section 3.1.2, RCL is a special purpose vehicle set up to undertake the Project. RCL will be obliged to make various periodic payments in connection with the Project and the rights secured therein. Shareholders are to note that as CPHL has only entered into the MOU and the Formal Agreements have not been executed, the specific details and terms of

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the various arrangements described in this sub paragraph have not be finalised. Based on the Group's business plans as described below, the Group does not require any additional injection of capital into RCL and as such, there is currently no other party injecting additional equity into RCL for the purposes of the Project.

Group's business plans (through RCL)

The Group has already identified prospective business partners and the current intention of the Group is to rent out most of the land to its business partners. RCL will be responsible for and will bear the cost of clearing the land. The prospective business partners will in turn at their own costs grow agricultural crops (which is currently contemplated to be durians but is not limited to just durians). It is currently contemplated that the Group will receive (i) rental and royalty fees for the grant of the use of the land to the business partners and (ii) a portion of the durian trees grown on the land. In addition, the Group will also be selling the felled trees arising from the clearing of the land. As such, the anticipated revenue streams will be from the sale of the felled trees from the clearing of the land, rental and other fees from the grant of use of the land and the sale of the durians from durian trees received by RCL from the business partners. The Board currently believes that the above described revenue streams will provide sufficient working capital to undertake the Project as well as help the Group return to profitability.

In addition, apart from the commercial arrangements with business partners, there will be no sharing of profits received in connection with the Project by RCL with any other parties including KSEDC.

Regulatory approvals

RCL has to obtain use permits and logging licence from the relevant authorities. These will only be obtained at the appropriate time prior to the commencement of the relevant business activities by the payment of relevant fees.

3.2 Indicative Consideration

- 3.2.1 Pursuant to the MOU, CPHL have on signing of the MOU, furnished the Earnest Deposit being RM2,000,000 (approximately S\$671,482) as a refundable deposit.
- 3.2.2 In consideration of the payment of the Earnest Deposit (of RM2,000,000) by CPHL to RCL, RCL agrees and irrevocably undertakes to ensure that its shareholders shall not, before the Completion Date or Extended Completion Date (note that the Extended Completion Date of 13 June 2018 has been further extended until 31 July 2018), negotiate or enter into any agreement(s) or arrangement(s) with any third party(ies) regarding the Project in any manner whatsoever without the express knowledge and consent of CPHL, failing which RCL shall be liable to pay CPHL an amount double of the total Earnest Deposit as agreed liquidated damages.
- 3.2.3 It is provided in the MOU that payment of aggregate investment sum amounting to RM19,000,000 (approximately S\$6,379,079) (the "**Remaining Investment Sum**") in the following tranches will be made upon satisfaction of the Conditions Precedent and the due diligence (as provided in Section 3.3.1 below):
- (i) RM3,000,000 (approximately S\$1,007,223) upon the execution and completion of, the Formal Agreements resulting in the acquisition of 70% interest in RCL;
 - (ii) RM3,000,000 (approximately S\$1,007,223) on the expiry of one (1) month from the date of the execution of the Formal Agreements;
 - (iii) RM5,000,000 (approximately S\$1,678,705) on the expiry of two (2) months from the date of the execution of the Formal Agreements; and
 - (iv) RM8,000,000 (approximately S\$2,685,928) on the expiry of three (3) months from the date of the execution of the Formal Agreements.

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3.2.4 The indicative consideration for the Proposed Investment of RM21,000,000 (approximately S\$7,050,561), being the Earnest Deposit and Remaining Investment Sum, is arrived at after negotiations on an arms' length basis, willing-buyer-willing-seller basis. In addition, the Board took into account (a) the prospects of the Project (Please refer to Section 3.1.5 for the Group's business plans); (b) comparison with a comparable property in East Malaysia; (c) the financial position of RCL (Please refer to Section 3.1.2 for key financial information of RCL) and (d) the rationale set out in Section 3.4. Shareholders are to note that CPHL will be procuring a valuation of the Project as part of the due diligence exercise currently undertaken by CPHL. If the valuation report is completed by the date of the EGM, the Company will update Shareholders through a SGXNET announcement and a copy will be made available for inspection.

3.3 Conditions Precedent

3.3.1 CPHL will proceed with the due diligence exercise to determine the feasibility of the Project. The due diligence exercise, includes but is not limited to, survey, soil tests and access of the sites identified, due diligence on RCL's business, operations as well as RCL's finances.

3.3.2 The MOU is subjected to the following Conditions Precedent:

- (a) RCL shall and undertakes to obtain and secure the approved plans for the Project in its favour and the execution of a joint venture agreement with the relevant authorities within three (3) months from the date of the MOU; and

Shareholders are to note that RCL has already entered into a joint venture agreement with KSEDC.

- (b) The relevant shareholders' approval required by the Company for the Proposed Investment on or before three (3) months from the date of this MOU.

If the Conditions Precedent are not satisfied by RCL or obtained by CPHL or that the Formal Agreements are not executed by the parties on or before the Completion Date or the Extended Completion Date (note that the Extended Completion Date of 13 June 2018 has been further extended until 31 July 2018), the Earnest Deposit shall be refunded to CPHL (within fourteen (14) days) and the MOU shall be deemed lapsed and of no further effect. In addition, upon failing to pay the Earnest Deposit as aforesaid, a late interest of ten percent (10%) per annum calculated from the expiry of the abovementioned fourteen (14) days, will be payable by RCL to CPHL.

As at the Latest Practicable Date, the Conditions Precedent under sub-paragraph 3.3.2(a) has been fulfilled.

3.4 Rationale for the Proposed Investment

3.4.1 The Company had on 5 July 2017 announced that the Company intends to diversify its then core business in (i) oil exploration and oilfield development and (ii) oilfield services, into the property and construction business as part of the Company's strategy to return the Company to profitability. Pursuant thereto, the Company has undertaken two property and construction projects in Malaysia which were announced by the Company on 28 August and 1 November 2017, respectively. Accordingly, the Group, as at the date of this Circular, has diversified into the property and construction business.

3.4.2 The Company proposes to participate in this Project with the intention to further strengthen its financial performance. The Proposed Investment is an investment in RCL whose business activities includes the rental and leasing of the land for agricultural purposes and the sale of agricultural crops (which is currently contemplated to be durians but is not limited to just durians) received by the Group from the business partners. RCL is not prohibited from leasing out the land to third parties. As such, Shareholders are to note that the Proposed Investment will mark the first diversification of the Group into the Proposed New Businesses (both Proposed New Agricultural Crops Related Business and the Proposed New Property Related Business). Please refer to Section 3.1 above for more details on the Project.

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The Company is also seeking Shareholders' approval to diversify into the Proposed New Businesses. For more details, please refer to Sections 4.1.2 to 4.1.4 below.

- 3.4.3 The Proposed Investment is in line with the Company's strategy to return the Company into profitability.

3.5 Funding of the Proposed Investment

- 3.5.1 The Earnest Deposit is paid from the Group's internal resources. The Company intends to use the proceeds to be raised from the Proposed Placements primarily to fund the Remaining Investment Sum. The Company intends to use the aggregate net proceeds of the Proposed Placements of approximately S\$5,550,000 to substantially settle the Remaining Investment Sum amounting to RM19,000,000 (approximately S\$6,379,079). There will be a potential shortfall of approximately S\$829,079 that is required to settle in full the Remaining Investment Sum. Shareholders are to note that the Company intends to explore various options including borrowings to raise the shortfall amount required to settle in full the Remaining Investment Sum.

If however, the Shareholders approve the ordinary resolution in respect of the Proposed Placements but not the ordinary resolution for the Proposed Investment or if the Proposed Investment does not proceed, the Company will be utilising the Net Proceeds of the placement exercise for general working capital purposes (40%) and to pursue business opportunities as part of its strategic objectives as and when they arise (60%).

It is a condition precedent in the MOU that the performance of the MOU is subject to the approval of the Shareholders. However, the inability to obtain funding by the Company is not a condition precedent in the MOU. In the event where the Ordinary Resolution relating to the Proposed Placements is not approved by Shareholders but the Ordinary Resolution for the Proposed Investment is approved by the Shareholders, the Company will have to find other alternatives to fund the payment of the Remaining Investment Sum. If the Company is unable to do so, CPHL will have no alternative but to abort the MOU and the Earnest Deposit will potentially be forfeited.

- 3.5.2 The total indicative investment sum of the Proposed Investment is estimated to be RM21,000,000 (approximately S\$7,050,561), comprising of the Earnest Deposit (of RM2,000,000) as well as the Remaining Investment Sum (of RM19,000,000) which will be paid in the tranches as set out in Section 3.2.3 of this Circular. The Earnest Deposit of RM2,000,000 (approximately S\$671,482) has been paid by the Company on signing of the MOU.

3.6 Shareholders' Mandate to enter into the Proposed Investment

- 3.6.1 Shareholders are to note that there is no certainty that the Proposed Investment will materialise and the terms of the Proposed Investment provided in the sections above are indicative and have not been finalised. The Proposed Investment is subjected to, *inter alia*, the execution of Formal Agreements. As such, the indicative terms of the Proposed Investment upon the execution of the Formal Agreements may differ from the indicative terms disclosed in this Circular.
- 3.6.2 If the Proposed Investment materialises, the aggregate investment value of RM21,000,000 (approximately S\$7,050,561) (being the Earnest Deposit of RM2,000,000 and the Remaining Investment Sum of RM19,000,000) is a major transaction under Rule 1014 of the Listing Manual. Shareholders should refer to Section 3.7 below for the computation of the relative figures on the assumption that the aggregate investment value of the Proposed Investment is RM21,000,000 (approximately S\$7,050,561).
- 3.6.3 CPHL faces a tight deadline for the signing of the Formal Agreements. The Formal Agreements must be signed by 31 July 2018. Please refer to Section 3.1.4 for more details. In this tight time frame, CPHL will have to undertake the necessary due diligence (details of which are described in Section 3.3.1 of this Circular), negotiate and finalise the Formal Agreements.

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The Board believes that it is in the interest of the Company that a reasonable level of due diligence is undertaken to provide more information to the Company in respect of RCL and the Project before finalising the negotiations on the Formal Agreements. In addition, the Board does not believe based on the current negotiations with RCL that RCL will be prepared to wait too long after the execution of the Formal Agreements for payment of the Remaining Investment Sum and completion of the Proposed Investment.

- 3.6.4 As such, the Board does not believe given the above circumstances, that there will be sufficient time to wait for the finalisation and execution of the Formal Agreements before seeking approval of the Shareholders on the finalised terms of the Proposed Investment. In addition, as the Proposed Investment is still at the preliminary stage as the Company has not determined the appropriate corporate structure for the Project, the Company requires the flexibility to determine the appropriate entity in the Group (that is a subsidiary) to undertake the Project.
- 3.6.5 Accordingly, the Company is seeking a mandate from the Shareholders to authorise the Group (and not specifically CPHL) to acquire such number of equity interest in RCL, so as to participate in the Project and on such terms as may be determined by the Board. Subject to the approval of the Shareholders, and if the Proposed Investment proceeds, the entity in the Group, the terms of the Proposed Investment and/or the Formal Agreements, will be determined by the Board.

3.7 Listing Manual Computations

- 3.7.1 For the purposes of Chapter 10 of the Listing Manual and based on the latest announced unaudited financial statements for the Company for the financial period ended 31 March 2018, the relative figures for the Proposed Investment are computed⁽¹⁾ on the bases set out in Rule 1006(a) to (e) of the Listing Manual and are as follows:-

Rule 1006	Basis	Relative Figures
Rule 1006(a)	Net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets.	Not Applicable
Rule 1006(b)	Net profit attributable to the assets acquired or disposed of, compared with the group's net profits.	(0.25)% ⁽²⁾
Rule 1006(c)	Aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	51.43% ⁽³⁾
Rule 1006(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not Applicable
Rule 1006(e)	Aggregate volume of proved and probable reserves to be disposed of compared with the group's proved and probable reserves	Not Applicable

Shareholders are to note that, should any of the relative figures computed under Rule 1006 exceed 100% at the time of signing the Formal Agreements, the Company will seek and obtain Shareholders' approval in compliance with the Listing Manual.

Notes:

- (1) As the terms of the Proposed Investment have not been finalised, for the purposes of computation, it is assumed that CPHL will acquire a 70% shareholding interest in RCL at the aggregate consideration of RM21,000,000 (approximately S\$7,050,561). The Company has assumed that CPHL will acquire a 70% shareholding interest in RCL based on the terms of the MOU.

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(2) Based on the unaudited financial statement of RCL as at 31 March 2018, there is a loss of RM(1,377) (approximately S\$(462)). Based on the unaudited financial statements for the Company for the financial period ended 31 March 2018, being the latest available announced consolidated accounts, the Group has a profit of US\$138,000 approximately S\$183,967. Accordingly, the computation of Rule 1006(b) is (0.25)% (S\$(462) / S\$183,967).

(3) Shareholders are to note that the computation of Rule 1006(c) is based on the estimated aggregate investment value (being the Earnest Deposit of RM2,000,000 (approximately S\$671,482) and the Remaining Investment Sum of RM19,000,000 (approximately S\$6,379,079)) divided by the market capitalisation of the Company as at 12 February 2018 being the market day preceding the date of the MOU, of approximately S\$13,710,210

The market capitalisation of the Company of approximately S\$13,710,210 was determined by multiplying 142,814,685 total issued Shares of the Company (excluding treasury shares) by the weighted average price of approximately S\$0.096 per Share on 12 February 2018, being the last market day preceding the date of the MOU.

3.7.2 As at 31 March 2018, the net tangible assets of RCL is RM918,274 (approximately S\$308,302).

3.7.3 Shareholders can refer to Section 6.1 for the financial effects of the Proposed Investment.

4. THE PROPOSED DIVERSIFICATION

4.1 Existing core businesses of the Group

4.1.1 The Group is principally engaged in (i) oil exploration and oilfield development which relates to the exploration, drilling and testing for oil, (ii) oilfield services which relates to providing oil recovery services and related oilfield services through an integrated approach, and (iii) property and construction business (“**Existing Core Businesses**”).

4.1.2 The Company had on 5 July 2017 announced that the Company intends to diversify its then core business in (i) oil exploration and oilfield development and (ii) oilfield services, into the property and construction business as part of the Company’s strategy to return the Company to profitability. Pursuant thereto, the Company has undertaken two property and construction projects in Malaysia which were announced by the Company on 28 August and 1 November 2017, respectively. Accordingly, the Group, as at the date of this Circular, has diversified into the property and construction business.

4.1.3 On 13 February 2018, the Board proposes to diversify the Group’s Existing Core Businesses to carry on the following activities, as and when the appropriate opportunities arise:-

- (a) investments in real property (“**Property**”), investments in Property-related businesses, entities or assets where the term Property-related includes but is not limited to the business activities as described in (b), (c) and (d) below;
- (b) trading of Property which includes the acquisition and sale of Property;
- (c) the rental and leasing of Property; and
- (d) Property management,

(collectively, referred to as the “**Proposed New Property Related Business**”).

4.1.4 On 9 April 2018, the Company announced that the Board additionally proposes to diversify into the following additional activities, as and when the appropriate opportunities arise:-

- (a) investments in entities and/or businesses involved in the Agricultural Crops Business; and
- (b) carrying or undertaking on the various business activities in the Agricultural Crops Business,

(collectively, referred to as the “**Proposed New Agricultural Crops Related Business**”).

The Proposed New Property Related Business and the Proposed New Agricultural Crops Related Business shall collectively be referred to as the “**Proposed New Businesses**”.

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4.1.5 The Board had additionally decided to expand the Proposed Diversification to include the Proposed New Agricultural Crops Related Business as the Proposed New Agricultural Crops Related Business is also a synergistic and logical business expansion from the Proposed Investment. The Group will acquire, amongst others, experience, and business network when it undertakes the Proposed Investment. Thus, the Board believes that it should also diversify into the Proposed New Agricultural Crops Related Business so that the Group can tap into the experience and business network it will acquire to expeditiously seize business opportunities in this area as and when such opportunities arise. **The Board having regard to paragraph 3.2.2 of the Practice Note 10.1 of the Listing Manual, will comply with Chapter 10 of the Listing Manual and if required under the Listing Rules, the Board will seek Shareholders' approval for any acquisition should such acquisition change the risk profile of the Group, notwithstanding approval of Shareholders for the diversification into the Proposed New Businesses (should the proposed Ordinary Resolution of the Proposed Diversification be approved by the Shareholders at the EGM).**

4.2 Details and Rationale of the Proposed Diversification

4.2.1 The Board views the Proposed New Businesses as an organic synergistic expansion by the Group from the Existing Core Businesses and the Proposed Investment. The Board believes that the Proposed Diversification will assist the Group to improve income streams and deliver value to Shareholders. The Board envisages that the Group will undertake the Proposed Diversification in various ways which includes undertaking it independently or in joint venture or collaboration with third parties who have the relevant expertise and/or resources, through investments or through acquisitions of other entities, as well as through the potential Proposed Investment (as described in Section 3 above). The structure will depend on the opportunity as it arises and the circumstances then prevailing.

4.2.2 The decision on the structure of an investment in the Proposed New Businesses will be made by the Board after taking into consideration all relevant prevailing factors, such as *inter alia*, the nature and scale of the project, amount of investment required, risks associated with such an investment, nature of expertise required, as well as taking into account the opportunities available.

4.2.3 The Group is likely to initially focus on the Singapore, Malaysia, PRC and Southeast Asia in respect of its initial investments in the Proposed New Businesses but the Board wishes to inform Shareholders that the Company may, if opportunities present itself, pursue investments in other geographic regions.

4.2.4 Upon approval by the Shareholders, the Proposed New Businesses will constitute part of the Group's ordinary course of business.

4.2.5 As described in Section 3 above, the Company had on 13 February 2018 entered into the Proposed Investment with RCL and as such, the Company has already taken steps to implement the Proposed Diversification. Shareholders are to note that there is no certainty if the Proposed Investment will materialise.

4.3 Funding for the Proposed Diversification

4.3.1 In relation to funding for the Proposed Diversification, the Company can only ascertain its available funding options by taking into consideration, *inter alia*, the type of project, the total consideration required as well as the tenure/term of the project. Subject to the aforesaid considerations, it is currently contemplated that the Company will be raising funds for the Proposed New Businesses with proceeds raised from fund raising exercises (including equity financing), internal funds and/or external funds such as bank borrowings.

4.3.2 As mentioned in Section 4.2.5, the Proposed Investment is the first step taken by the Company to implement the Proposed Diversification. The Company intends to use the proceeds raised from the Proposed Placements primarily to fund the Remaining Investment Sum. For more details on funding for the Proposed Investment, please refer to Section 3.5.1.

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4.3.3 The Company had raised net proceeds of approximately S\$1.7 million in the previous placement which was completed on 1 December 2017. As stated in the Company's announcement on 7 November 2017, the Company will be utilising the net proceeds of the placement exercise for general working capital purposes (40%) and to pursue business opportunities as part of its strategic objectives as and when they arise (60%). The Company may utilise the up to 60% of the net proceeds of approximately S\$1.7 million to partially fund the Proposed Diversification. The Company had utilised US\$0.18 million (approximately S\$0.24 million) for investments in Premier Mirach Sdn. Bhd. and US\$0.62 million (approximately S\$0.83 on property construction and development projects.

4.4 Management personnel for the Proposed New Businesses

4.4.1 The Proposed New Businesses will be under the supervision of the Group's Chief Executive Officer and Executive Chairman, Mr Chan Shut Li, William and the Group's Chief Operating Officer Mr Loke Kim Meng.

Mr. William Chan has about 20 years of experience in managing various business operations and hands-on implementation of investment projects. As the Group's Chief Executive Officer and Executive Chairman, Mr. William Chan will supervise and ensure that plans for the Proposed New Businesses are properly executed and implemented which includes, providing supervisory guidance on the financial aspects of the Proposed Investment (including but not limited to funding arrangements) as well as the sales development framework. Mr. Loke Kim Meng as the Chief Operating Officer of the Company will be handling the project management of the Proposed New Businesses. In addition, Mr Loke's experience in advising high net-worth investors and his background in corporate finance work will value-add to the strategic operations of the Proposed New Businesses.

When required for any project under the Proposed New Businesses and where applicable, the Group intends to tap into the pool of existing expertise in its subsidiary, Premier Mirach Sdn. Bhd., which was established for the purpose of a joint venture between CPHL and Premier Construction Sdn Bhd. Where necessary, Mr William Chan and Mr Loke will be hiring experienced personnel for the operations of the Proposed New Businesses and will undertake supervisory roles.

4.4.2 The Directors and management will evaluate and consider the manpower and expertise required for operational efficiency in relation to any future opportunities in relation to the Proposed Diversification. In this respect, the Group may employ additional employees, seek the advice of external consultants and experts and/or foster partnerships with various third parties to assist it in undertaking the Proposed New Businesses more effectively and efficiently as the Group seeks to build its expertise and experience in this field. Such partnerships may be done either on a case by case basis or on a fixed term basis. Where necessary, work may be outsourced or sub-contracted out to third parties who have expertise in the relevant area in relation to the projects concerned.

4.4.3 In selecting partners and/or professionals, the Group will take into account, *inter alia*, their relevant expertise, experience, historical track records, competencies required for the project in question and financial standing of the partners concerned.

4.4.4 Before undertaking any major project in the Proposed New Businesses, and where relevant, management will prepare a feasibility study containing financial forecasts, risk analysis, market study, background of any main contractors or joint venture partners, and funding needs of the project concerned. In addition, the Board, which reviews the risk exposure of the Group for all its businesses at regular intervals, will additionally review the risk exposure of the Proposed New Businesses at more frequent intervals of no less than six months.

4.5 Financial effects of the Proposed Diversification

Save for the Proposed Investment whose financial effects are set out in Section 6, the Proposed Diversification, being at the infancy stage, is not expected to have a significant financial impact on the Group.

4.6 Risk Factors

To the best of the Directors' knowledge and belief, all risk factors which are material to the Shareholders in making an informed decision on the Proposed Diversification into the Proposed New Businesses have been set out below. If any of the factors and/or uncertainties described below develops into actual events affecting the Proposed New Businesses, this may have a material and adverse impact on the Proposed New Businesses and consequently, the overall results of operations, financial condition and prospects of the Group could be similarly impacted and adversely affected. Shareholders should carefully consider and evaluate the risk factors below and all other information contained in this Circular before deciding on whether to vote in favour of the Proposed Diversification into the Proposed New Businesses.

The risks described below are not intended to be exhaustive and are not presented in any particular order of importance. Sub-headings are for convenience only and risk factors that appear under a particular sub-heading may also apply to one or more other sub-headings.

New risk factors emerge from time to time, and it is neither possible for the management to predict all risk factors, nor can the Group assess the impact of all factors on the Proposed New Businesses or the extent to which any factor, or combination of factors, may affect the Proposed New Businesses. There may be other additional risks associated with entry into the Proposed New Businesses which are not presently known to the Group, or that the Group may currently deem immaterial and as such have not been included in the discussion below.

General Risks Associated with the Proposed Diversification⁽¹⁾

4.6.1 ***The Group does not have any proven track record or operating history in the Proposed New Businesses***

The Group does not have a proven track record in carrying out the Proposed New Businesses. There is no assurance that the Proposed New Businesses will be commercially successful and that the Group will be able to derive sufficient revenue to offset the capital and start-up costs as well as operating costs arising from the Proposed New Businesses. In addition, the Proposed New Businesses may require high capital commitments and may expose the Group to unforeseen liabilities or risks associated with its entry into such Proposed New Businesses and in that event, the Group may incur financial losses in initial startup period before the Group gains the necessary knowledge and experience and reap returns on its investments.

The Proposed New Businesses also involves business risks including the financial costs of setting up new operations, capital investment and maintaining working capital requirements. If the Group does not derive sufficient revenue from or does not manage the costs of the Proposed New Businesses effectively, the overall financial position and profitability of the Group may be adversely affected by the losses in its investment in the Proposed New Businesses.

4.6.2 ***The Group may not have the ability or sufficient expertise to execute the Proposed Diversification***

The Group's ability to successfully diversify into the Proposed New Businesses is dependent upon its ability to understand and navigate the Proposed New Businesses. There is no assurance that the existing management team of the Group has the relevant experience and expertise sufficient for the Proposed New Businesses, or that Group will be able to hire the necessary professionals with the relevant experience and knowledge. The Group may not be able to successfully implement the Proposed New Businesses and this may adversely affect the Group's financial performance and profitability.

¹ For purposes of the discussions on risks factors in Section 4.6 of this Circular, the Proposed New Businesses shall, where applicable, include the Proposed Investment.

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4.6.3 ***The Group is exposed to risks associated with acquisitions, joint ventures or strategic alliances***

Depending on available opportunities, feasibility and market conditions, the Group's expansion into the Proposed New Businesses may involve acquisitions, joint ventures or strategic alliances with third parties. Participation in joint ventures, strategic alliances, acquisitions or other investment opportunities involves numerous risks, including the possible diversion of management attention from existing business operations and loss of capital or other investments deployed in such joint ventures, strategic alliances, acquisition or opportunities. In such events, the Group's financial performance may be adversely affected.

As described in Section 4.2.1, the Proposed Investment is in line with the Proposed Diversification and accordingly, the Group's expansion into the Proposed New Businesses would hence involve, *inter alia*, investments or acquisition of other entities.

In the event that the Group is unable to successfully integrate and/or streamline the operations of the Proposed New Businesses, the Group may not achieve the anticipated synergies or cost benefits. If the Group fails to achieve a sufficient level of revenue or if the Group's expansion plans result in performance problems with an acquired company, potential dilutive issuance of equity securities or the incurrence of debt, contingent liabilities, possible impairment charges related to goodwill or other intangible assets or any other unanticipated events or circumstances, the Group's future financial position and performance will be materially and adversely affected.

4.6.4 ***The Group is subject to risks inherent in investing in entities which it does not control and the manner in which it holds its investments, Property interests and/or its Agricultural Crops***

The Group may hold Property investments through, own Agricultural Crops through or make investments in entities that are not the Group's subsidiaries and over which the Group does not have control. The performance of these entities and the Group's share of their results are subject to the same or similar risks relating to the investments in Property that will affect the Group as described therein. Similarly, the performance of these entities and the Group's share of their results are subject to the same or similar risks relating to the fluctuations in the prices of the Agricultural Crops.

There is no assurance that the Group will be able to influence the management, operation, performance and/or financial returns of these entities through its voting rights, in a manner which would be favourable to the Group, or at all. If all or any of these entities were to perform poorly, the Group's overall business, financial condition, results of operations and prospects may be adversely affected.

4.6.5 ***The Group is subject to various government regulations in the Proposed New Businesses***

The industries relevant to the Proposed New Businesses in countries in which the Group plans to operate, which includes Southeast Asia and PRC, are subjected to various laws and government regulations. Licences, permits, certificates, consents and/or regulatory approvals may be required for, among other things, property management, development planning, land and title acquisition or divestment, renovation, food safety laws and regulations. These licences, permits, certificates, consents and/or regulatory approvals may be granted for fixed periods of time and may need to be renewed after expiry from time to time. In addition, the relevant authorities in the particular country, may impose conditions and the Group cannot give assurance that it is able to fulfil the conditions required for obtaining the licences, permits, certificates, consents and/or regulatory approvals. Furthermore, there can be no assurance that the relevant authorities will issue any such licences, permits, certificates, consents or regulatory approvals. If the Group fails to obtain the requisite approvals, it will be unable to undertake the relevant segment of the Proposed New Businesses.

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The Group must also comply with the laws and regulations applicable to the Proposed New Businesses, for example in relation to workplace health and safety, environmental public health and environmental pollution control, failing which the Group may be subject to fines, penalties, have its licences or approvals revoked, or lose its right to operate the relevant Proposed New Businesses including rights of ownership, and in more serious cases, criminal proceedings against the Group and in turn may have a material and adverse impact on the Group's business, financial condition, results of operations and prospects.

Further, any changes in applicable laws and regulations could result in higher compliance costs and adversely affect the operations and financial performance of the Group. There is no assurance that any changes in the applicable laws and regulations will not have an adverse effect on the financial performance of the Group.

4.6.6 ***The Group may not be able to provide the capital investments needed to undertake the Proposed New Businesses***

The Proposed New Businesses requires substantial capital investments or cash outlay. There is no assurance that financing, either on a short-term or a long-term basis, will be made available or, if available, that such financing can be obtained on commercially reasonable terms, in which event the Group's future plans and growth prospects will be adversely affected.

Additional debt funding is subject to interest payments and interest rate fluctuations and may also be subject to conditions that restrict or require consent for corporate restructuring, additional financing or fund raising, requirements on the maintenance of certain financial ratios. These conditions may reduce the availability of the Group's cash flow for capital expenditures, working capital and other general corporate purposes. In addition, these conditions may limit the flexibility of the Group in planning for, or reacting to, changes in the Existing Core Businesses and increase the Group's vulnerability to general adverse economic and industry conditions.

Additional equity financing may result in a dilution to Shareholders' equity interests and may, in the case of a rights issue, require additional investments by Shareholders. Further, an issue of Shares below the then prevailing market price will also affect the value of Shares then held by investors.

In the event that the Proposed New Businesses requires substantial capital commitments, it may expose the Group to unforeseen liabilities or risks associated with its entry into the relevant new markets.

4.6.7 ***The Group may be exposed to risk of loss and potential liabilities that may not be covered by insurance***

While the Group will, where appropriate, obtain insurance policies to cover losses with respect to its Property and/or Agricultural Crops, the insurance obtained may not be sufficient to cover all potential losses. Examples of such potential losses include losses arising out of extraordinary events such as natural disasters like earthquakes or floods. Losses arising out of damage to the Group's Property and/or Agricultural Crops not covered by insurance policies in excess of the amount it is insured would affect the Group's profitability. The Group may also have to commit additional resources, other than to meet the uninsured losses, to complete a project, which would also adversely affect the financial performance of the Group.

The Group may also face public liability claims for bodily injury, death or loss of or damage to third party property at the Property (relating to the Proposed New Businesses) as caused by negligence due to failure to provide adequate supervision or maintain a safe environment. Litigation proceedings and claims could cause unfavourable publicity, require substantial expenses to defend and divert the time and attention of the management.

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In respect of the Agricultural Crops Business, the Group may, from time to time, be the subject of complaints from consumers of the Group's Agricultural Crops with regard to the Group's product quality which will in turn affect the Group's reputation. Further, the Group's business may be adversely affected by negative publicity resulting from the publication of industry findings, research reports or health concerns in relation to the Group's Agricultural Crops. Similarly, any such complaints and negative publicity, regardless of their validity, may result in lower demand for the Group's Agricultural Crops.

Shareholders should also note that in the event of claims where the Group's insurers are required to pay-out certain insurance claims, this may increase the premiums payable by the Group for such the relevant insurances. The premium on crop insurance can also fluctuate from year to year as a result of changes in Agricultural Crop prices. These may increase the costs of the Group's operations and may adversely affect the Group's financial performance.

4.6.8 ***The Group may be involved in legal and other proceedings arising from the Proposed New Businesses from time to time***

The Group may be involved from time to time in disputes with various parties, for example, joint venture partners and any other counter party in the relevant transaction in the Proposed New Businesses. These disputes may lead to legal and other proceedings and in the event the Group is unable to manage such disputes, the Group's business and financial position will be affected. In the event where the Group is liable for compensation damages and incur legal costs, this may have an adverse effect on the Group's financial performance and financial condition.

The Group may also have disagreements with regulatory bodies on the course of its operations, which may subject the Group to administrative proceedings. The Group may suffer financial losses in the event that unfavourable decrees are determined by the courts or the regulatory bodies, for example, where relevant courts or the regulatory bodies limits or restricts the type of tenants that the Group can rent its Property. In that event, if the Group is unable to generate adequate returns from such investment in the Proposed New Businesses that it has undertaken, its financial condition and results of operations may be adversely affected.

4.6.9 ***(a) The Group is exposed to risks associated with Property valuations and decline in Property values***

Valuations of the Group's Property conducted by professional valuers are based on certain assumptions and are not intended to be a prediction of, and may not accurately reflect, the actual values of these assets. The inspections of the Property and other works undertaken in connection with a valuation exercise may not identify all material defects, breaches of contracts, laws and regulations, and other deficiencies and factors that could affect the valuation.

In addition, unfavourable changes to the economic or regulatory environment or other relevant factors may negatively affect the assumptions upon which the valuations are based and hence, the conclusions of such valuations may be adversely affected. As such, the Property of the Group may not retain the price at which they may be valued or be realized at the valuations or property values which were recorded.

The Group may apply fair value accounting standards in valuing its Property. The value of the Property of the Group may fluctuate from time to time due to market and other conditions. Such adjustments to the Group's shares of the fair value of the Property in the Group's portfolio could have an adverse effect on the net asset value and profitability of the Group.

(b) The Group is exposed to risks associated with contamination or deterioration of its Agricultural Crops

The contamination or deterioration of the Group's Agricultural Crops, whether actual or alleged, deliberate or accidental, could harm the Group's reputation and business. A risk of contamination or deterioration exists during the harvesting or cultivation of the Group's Agricultural Crops. Any such contamination or deterioration could result in a recall of the Group's Agricultural Crops and/or criminal or civil liability and restrict the Group's ability to sell the Group's Agricultural Crops.

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In the event that the Group's Agricultural Crops are found to be unfit for human consumption or detrimental to human health as a consequence of the Group's negligence, the Group may be subject to product liability claims and be required to compensate consumers. This would consequently have a material adverse effect on the Group's business operations, financial performance, financial position and prospects. Any claims by the government that the Group's Agricultural Crops caused injury, illness, or death could also have a material adverse effect on the Group's reputation with existing and potential customers and on the Group's business, results of operations and financial position.

Risks Associated with the investments in Property and Property-related businesses as well as the investments in entities and/or businesses involved in the Agricultural Crops Business

4.6.10 (a) An inability to generate adequate returns on Property acquired and held for long-term investment and management purposes may result in losses to the Group and may have an adverse impact on the Group's financial position

Property investment is subject to varying degrees of risks. The investment returns available from investments in real estate depend primarily on the amount of capital appreciation generated, the income earned from the rental of the relevant Property and expenses incurred. The revenue derived from the disposal of such investment Property will depend on market conditions and levels of liquidity, which may be subject to significant fluctuation.

In addition, the revenue derived from the rental of Property and/or land may be adversely affected by a number of factors, including but not limited to changes in market rates for comparable rentals, the inability to secure renewal of tenancies from tenants, the inability to collect rent due to the bankruptcy or insolvency of tenants and the cost from ongoing maintenance, repair and re-letting. In the event that the Group acquires Property for investment and if the Group is unable to generate adequate returns from such investment Property that it acquires, its financial condition and results of operations may be adversely affected.

(b) An inability to sell Agricultural Crops may result in losses to the Group and may have an adverse impact on the Group's financial position

Agricultural Crops are highly perishable by nature and susceptible to contamination and tampering if not properly stored or packed. If the Group is unable to sell its Agricultural Crops, the quality of the Agricultural Crops is likely to deteriorate in tandem with the prices that such Agricultural Crops may command. As the sale-ability of Agricultural Crops is dependent largely on its freshness and quality, deterioration in quality of the Agricultural Crops will affect the returns the Group may generate from such investments. Accordingly, this will materially and adversely affect the business and financial performance of the Group.

4.6.11 Development activities in restricted areas which requires certain regulatory permits or licences

The Group may invest in either Property and/or Property-related businesses or entities and/or businesses involved in the Agricultural Crops Business, both of which, may require various licences, certificates and permits from the respective government to conduct development and other activities that is required to be undertaken by the Proposed New Businesses. This may include applications for licences, certificates and permits from certain ministries and/or government-related bodies.

The Group cannot assure that the businesses that the Group invests in, will be successful in obtaining/renewing the necessary development or any other required permits, certificates and licences necessary to conduct development and other relevant activities in a timely manner or at all. In the event where the businesses are unable to successfully obtain/renew the necessary permits, certificates and licences in which development and other relevant activities are permitted, the Group would not be able to reap the benefits of such investments which could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

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4.6.12 ***Other unforeseen circumstances relating to environmental issues which may adversely affect the Group's investments***

- (a) The development and other relevant activities on the Property may be subjected to certain expert's opinion on a variety of matter, such as, soil conditions especially soil contamination, air pollution control, water pollution control, waste disposal and noise pollution control and if the Group invests in Property and Property-related businesses which in turn, acquires Properties which have unfavourable conditions for the development and other relevant activities on the Properties, it may expose the Group to liability or materially adversely affect the Group's ability to effectively exploit the Property for its targeted purpose or to borrow using the Property as collateral. If any of these occur, it may adversely affect the Group's business, financial condition, results of operations and/or its prospects.

Prior to the Group's investments, the Group will, to the extent possible, undertake due diligence, including an environmental assessment of the land in question to be conducted by an independent engineering firm. These assessments may include an on-site visual inspection of the property, an examination of current and historical uses of the property and the surrounding areas, discussions with persons in charge of property management and a review of historical documents. However, these assessments may not adequately identify all potential environmental problems, which may be hidden or otherwise impossible to detect without special expertise and equipment, or at all.

In addition, there may also be risks inherent in second-hand Properties. Although the Group may undertake a survey of the building's structure, the use of asbestos, soil quality and other elements prior to the acquisition of such second-hand Properties may not be made known to the Group. As such, there are still inherent risks if it is later detected that a building's structural design data is missing or erroneous, a building contains asbestos, or if the results of a soil pollution survey shows that soil improvement is necessary. Such a suspension or delay may adversely affect the Group's business, financial condition, results of operations and/or its prospects.

If the environmental issues lead to claims from tenants and/or lessees, such claims may adversely affect sales or rental income of the Group's Properties and cause the Group to incur additional expense in the rectifying such environmental issues or defending any such claims. If the Group is required to pay damages or rectify the environmental issues in any other way, this may adversely affect the Group's business, financial condition, results of operations and/or its prospects.

- (b) The investments by the Group in entities and/or businesses involved in the Agricultural Crops Business may also be subjected to expert's opinion on a variety of matters including undertaking feasibility studies on the growing of Agricultural Crops. Further, given the nature of the Agricultural Crops, the operations of Agricultural Crops Business are susceptible to (i) adverse environmental and weather conditions such as floods and earthquakes, (ii) environmental hazards and (iii) plant and fruit-related diseases. The occurrence of any of the above events could cause reduction in the output of and/or costly delays in harvesting the Group's Agricultural Crops. As a result, the Group's business and financial performance may be adversely affected.

4.6.13 ***The Group's results of operations in respect of the Proposed New Agricultural Crops Related Business are subject to price volatility and seasonality***

The Group is exposed to risks associated with the fluctuation in prices for Agricultural Crops. Demand for the Group's Agricultural Crops also depends on demographic factors, consumer preferences and trends, as well as factors relating to discretionary consumer spending, general economic conditions, consumer confidence levels and seasonal factors such as weather and holidays. There is currently no commodity futures hedging market for managing the above risks, nor do the Group currently hedge against those risks through the use of derivatives or forward delivery contracts.

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In addition, the ability of the Group's operating subsidiaries to take advantage of favorable market prices may be subject to risks of spoilage, weather-related losses and transportation delays. Prices of Agricultural Crops also tend to fluctuate on a seasonal basis in various geographic areas of Southeast Asia and the PRC.

4.6.14 *The Group may be unable to obtain adequate and timely transportation services to deliver its Agricultural Crops*

Generally, customers and/or consumers may either arrange their own transport to pick up their ordered Agricultural Crops or may require delivery of the Agricultural Crops to them and in which case, transport arrangements have to be made or engagement of third-party transportation companies to make the deliveries. As the Agricultural Crops are perishable goods, such Agricultural Crops could be damaged or deteriorate in quality as a result of delivery disruptions due to delivery delays, improper handling, or malfunctioning refrigerated facilities. Delivery disruptions for various reasons, including the inability to obtain sufficient and satisfactory transportation services, adverse weather conditions, political turmoil, social unrest and labour strikes could result in delayed or lost deliveries.

In the event where the entities and/or businesses that the Group invests in, is unable to manage its delivery processes, delays and/or damages to the Agricultural Crops may occur which may result in loss of revenue, payments of compensation to customers and damage to the Group's reputation, and may materially and adversely affect the Group's business, results of operations and financial position. In addition, any significant increase in cost of transportation including increased fuel cost will also affect operating costs/expenses.

Risks Associated with the Group's investments in Property and Property-related businesses and trading of Property (which includes the acquisition and sale of Property)

4.6.15 *Fluctuations in property prices and the Group's ability to identify suitable Property may have an adverse impact on the Group's investments and trading of Property*

Property prices and the availability of suitable Property will fluctuate. In the event that the Group is unable to sell its Properties it acquires under the Proposed New Businesses or should property market prices experience a downward trend, the Group's earnings may be adversely affected as the Group may have to postpone the sale of trading and/or investment Property to a later date, if and when market conditions improve. Furthermore, the unsold Properties are likely to be relatively illiquid, which will limit the Group's ability to realise cash from unsold units on short notice. Such illiquidity may also have a negative effect on the prices of unsold units in the event that the Group is required to sell the unsold Properties urgently, and limits the Group's ability to vary its portfolio of Property held for sale in response to changes in economic, political, social or regulatory conditions in a timely manner. In the event that the Group is required to sell its Property at lower or depressed prices, the Group's financial performance will be adversely affected.

4.6.16 *The Group is subject to the illiquidity of Property*

As mentioned above, Property is relatively illiquid, and the Group may be unable to convert real estate asset portfolio into cash on short notice. To facilitate a sale of illiquid Property on short notice, the Group may have to lower the selling price substantially. Illiquidity of Property also limits the Group's ability to vary its portfolio in response to changes in economic or other conditions in a timely manner. In the event of any adverse change in market conditions or a need to lower the prices to effect the sale of Property, the Group may not be able to sell its Property above its costs, resulting in the Group suffering losses on the Property and adversely affecting the Group's financial position.

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Risks Associated with the rental and leasing acquired Property

4.6.17 *The Group is subject to risks of late payment or non-payment by its clients and/or tenants*

The Group may face uncertainties over the timeliness of clients' and/or tenants' payments and their solvency or creditworthiness. There is no assurance that the Group will be able to collect rent (through the rental and leasing of acquired Property) on a timely basis, or at all. In the event that there are defaulting purchasers or a significant delay in collecting payments from the tenants and/or clients, the Group may face stress on its cash flow and a material increase in bad and doubtful debts, which will have an adverse impact on the Group's financial performance.

4.6.18 *Poor demand for rental Property may affect the Group's profitability*

The generation of recurrent revenue streams through the rental and leasing out of acquired Property will be largely dependent on the Group's ability to secure tenants for its Property. In the event that the Group is unable to secure sufficient tenants, its financial performance will be affected. In addition, if there is poor demand it may affect the ability of the Group to impose high rental rates which will adversely affect the business, financial condition, results of operations and/or prospects of the Group.

4.6.19 *The loss of tenants or a downturn in the business of key tenants may have an adverse effect on the Group*

The Proposed New Property Related Business may be adversely affected by the bankruptcy, insolvency or downturn in the business of key tenants, including their decision not to renew any lease or to terminate any lease before it expires. The renewal of the Group's lease agreements with tenants will also depend on its ability to negotiate lease terms acceptable to both parties. There is no assurance that all or any of the Group's investors and tenants, including key tenants, will renew or continue to renew their lease agreements with the Group, or that the new or renewed lease terms will be as favourable to the Group as the existing leases.

In the event that any tenant does not renew its lease, the Group will need to find a replacement tenant or tenants, which could subject its Property to periods of vacancy and/or refitting for which the Group would not receive rental income, which in turn could adversely affect the Group's financial position. In addition, there is no assurance that any substitute leases would be on terms that are as favourable as the existing leases.

4.6.20 *Increased costs may affect the Group's business in the management of Property*

Contracts for management of Property are usually entered into for a fixed term. Costs of managing Property may be agreed between the Group and clients in advance and be fixed for the term. In the event of any fluctuations in such costs during the term, and where such costs cannot be passed onto clients, the Group may suffer losses on the contract, adversely affecting its financial performance.

4.6.21 *Upgrading, repair and/or maintenance of the Group's Properties*

The management of the Group's Properties may include the need to undergo upgrading works to retain the Properties' viability or attractiveness as rental Properties and/or ad-hoc maintenance and/or repairs in respect of faults or problems. The costs of maintaining the Group's Properties and the risk of unforeseen maintenance or repair costs may increase over time.

The foregoing may impose unbudgeted costs on the Group and may adversely affect its business, financial condition, results of operations and/or prospects.

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Risks Associated with the Group's Overseas Operations

4.6.22 *General risks in entering foreign markets in relation to the Proposed New Businesses*

The Group's strategy to carry out the Proposed New Businesses in other geographical locations is subject to numerous risks and uncertainties that are normally associated with expanding into overseas markets. These include, but are not limited to: (i) inability to obtain local government approvals, permits, licenses or documents of a similar nature for the Group's overseas expansion in a timely manner or at all and potential restrictions on foreign investment; (ii) possibility of cost overruns, construction delays, equipment problems, and other operating difficulties; (iii) difficulties in staffing and managing foreign operations and/or insufficient management resources and potential increase in labour costs; (iv) inability to comply with foreign labour, industrial and tax regulations and the adverse consequences; (v) high sales and marketing costs; (vi) difficulty in expanding the sales and service network; (vii) difficulty in implementing quality control policies in the Group's overseas operations; (viii) difficulty in controlling costs; (ix) lack of understanding of the local social conditions, or the local business environment, or the financial, management or legal systems in the relevant countries; (x) social and political instability, unstable regulatory or macroeconomic environments and potential foreign exchange differences; (xi) other related factors beyond the Group's control; (xii) unexpected changes in regulatory requirements; (xiii) fluctuations in currency exchange rates; (xiv) legal uncertainty regarding liability, tariffs and other trade barriers, variable and unexpected changes in local law and barriers to the repatriation of capital or profits.

In addition, if the governments in the jurisdictions which the Group intends to undertake the Proposed New Businesses tighten or otherwise adversely change their laws and regulations relating to its foreign exchange policies and/or capital flows, it may affect the ability of the Group's overseas operations to repatriate profits to the Group and, accordingly, the cash flow of the Group, capital, divestment proceeds, profits, dividends, rental, fees and interests arising from the investments in the Proposed New Businesses will be adversely affected.

Such risks and uncertainties may result in high investment costs or loss of investment, government penalties, breach of contract, loss of sales, reduction in revenue as well as expose the Group to liabilities and the requirement to pay compensation under the relevant laws and regulations, agreements and lawsuits and damage to the Group's reputation, which could have a material adverse effect on the Group's business, financial condition and results of operations.

4.6.23 *The Group may not have relevant expertise to ensure success*

The Group's current management may not have the relevant local expertise in Southeast Asia and PRC to ensure success in relation to the Proposed New Businesses. While the Group will seek to engage additional persons with the relevant expertise and experience for the Group's proposed operations in Southeast Asia and PRC, there is no assurance that the Group will be able to attract and retain the right persons. If the Group is unable to attract and retain a sufficient number of suitably skilled and qualified personnel with detailed knowledge of operating in Southeast Asia and PRC, the Group may not be able to successfully implement the Proposed New Businesses, and the Group's business and financial performance may be adversely affected.

4.6.24 *The Group may be affected by adverse changes in the political, economic, social conditions/landscape, natural disasters or outbreaks of diseases in Southeast Asia and PRC*

The Group will be governed by the laws, regulations and government policies in the states, countries and areas in which it plans to operate. Following the Proposed Diversification of the Proposed New Businesses in Southeast Asia and PRC, the Group's future growth will depend on the political, economic and social conditions in these countries. Any economic recession or changes in policies in the countries, currency and interest rate fluctuations, capital controls or capital restrictions, labour laws, changes in environmental protection and worksite safety laws and regulations, duties and taxation and limitations on imports and exports or political leadership changes could materially and adversely affect the Group's operations, financial performance and future growth.

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The outbreak of natural disasters such as earthquakes, terrorist activities, unsettled political conditions, anti-terrorist efforts, piracy or other armed conflict involving countries in Southeast Asia and PRC or their interests abroad may adversely affect these countries and global economies. If events of this nature occur and persist, the impact of the natural disasters and/or associated political instability and societal disruption could adversely disrupt or affect the business, operations and financial performance of the Group. The occurrence of a natural disaster may result in a material decline in the Group's Agricultural Crops output, which in turn could have a material adverse effect on the Proposed New Agricultural Related Business, Group's results of operations and financial position. The Group's Proposed New Property Related Business, operations and financial performance could also be adversely affected if any infrastructure or property integral to its operations is destroyed or damaged by such natural disasters and/or attacks. Insurance coverage may become more difficult to obtain, if available at all.

The staff and employees in the operations of the Proposed New Businesses in these countries may also be affected by any outbreak of infectious diseases and this may affect the Group's day-to-day operations in Southeast Asia and PRC.

4.6.25 ***The Group is susceptible to fluctuations in foreign exchange rates that could result in the Group incurring foreign exchange losses***

The Group may be making investments in assets located in Southeast Asia and PRC, which will be denominated in currencies other than its functional currency, US\$. The Group's revenue from operating the Proposed New Businesses in Southeast Asia and PRC will similarly be denominated in the currencies of the respective countries in which it is involved. The Group will therefore be exposed to risks associated with exchange rate fluctuations between the US\$, and the currencies of the respective countries in Southeast Asia and the PRC. Should the US\$ appreciate in value against the currencies of the countries in Southeast Asia and the PRC in which the Group invests; there may be a material adverse effect on the Group's net asset value, results of operations and profitability. While the Group may enter into hedging transactions to protect itself or its portfolio from, amongst other things, the effects of exchange rate fluctuations between the US\$ and such other currencies such as interest rate hedging instruments, purchasing or selling futures contracts, purchasing put and call options or entering into forward agreements, these hedging activities may not have the desired beneficial impact on the results of operations or financial condition of the Group, and may not completely insulate the Group from the risks associated with changes in interest rates and exchange rates. In addition, hedging activities involve risks and costs, including transaction costs, which may reduce overall returns. The Group will regularly monitor the feasibility of engaging in such hedging transactions taking into account the cost of such transactions.

4.6.26 ***Property in Southeast Asia and PRC may be volatile in nature and may be adversely affected by changes in market forces***

The revenue and profit from the Proposed New Property Related Business in Southeast Asia and PRC is dependent on the number and value of projects that the Group undertakes, and there is no certainty that the Group will be able to consistently secure new and sizeable Property projects or launch its Property projects on schedule.

Property prices are subject to the vagaries of market forces such as demand and supply, the state of the economy and other factors. The budgeted sale prices for a project may not be achieved and there may be unsold stock of properties owing to the lack of demand. This will directly and adversely affect the profitability and as a result adversely affect the financial performance and cash flow of the Group.

4.6.27 ***The Group faces the risk of expropriation of its properties in the countries in which it intends to operate in the future***

The laws of countries in which the Group intends for its Properties to be located and regions into which the Group may expand to, may allow their respective governments to various degrees, to compulsorily acquire land and buildings under certain circumstances, including if it is in the public interest to do so, and under circumstances where compensation may be less than the value of the relevant property or building.

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In the event that all or any part of the Group's Property is compulsorily acquired, the compensation paid in respect of the acquired Property could be less than its market value or the price the Group has paid for acquiring the Property which could adversely affect the Group's business, financial condition, results of operations and prospects.

4.6.28 ***There may be a lack of readily available, reliable and updated information on property market conditions generally in Southeast Asia and PRC***

In respect of the Proposed New Property Related Business, the Group will be subject to property market conditions in Southeast Asia and the PRC generally and in particular, municipal cities and provinces where its Properties will be located. In respect of the Proposed New Agricultural Crops Related Business, the Group will be subject to up-to-date trade prices of the various Agricultural Crops in Southeast Asia and the PRC generally. Reliable and up-to-date information may generally not be readily available in Southeast Asia and the PRC and in the relevant municipal cities and provinces on (a) the amount and nature of Property development and investment activities, the demand for such development, the supply of new Properties being developed or the availability of land and buildings suitable for development and investment; and (b) the volume of commodity trades, the demand and supply of the various Agricultural Crops and the trade prices of the various Agricultural Crops. Consequently, the investment and business decisions of the Group may not be based on accurate, complete and timely information. Inaccurate information may adversely affect the Group's business decisions, which could materially and adversely affect the business and financial condition of the Group.

5. PROPOSED ALLOTMENT AND ISSUANCE OF INTRODUCER SHARES

5.1 In connection with the Proposed Investment, the Company has on 20 March 2018 entered into a conditional Introduction Deed with the Introducer to pay the Introducer an introduction fee as consideration for introducing to the Company, RCL and the Project. The introduction fee will be paid by way of the Introducer Shares.

5.2 The introducer fee is computed based on 6% of the aggregate consideration⁽¹⁾ (including the Earnest Deposit of RM2,000,000 (which has already been paid) but excluding any interest payable on any instalment payment of the aggregate consideration) to be paid by CPHL in connection with the acquisition of not less than 70% shareholding interests in RCL provided that such introduction fee shall not exceed S\$423,864 and the Introducer Shares to be allotted and issued shall not exceed 4,238,640 Introducer Shares.

In determining the number of Introducer Shares, it shall be based on an issue price of S\$0.10 per ordinary share in the Company and the maximum number of Introducer Shares that may be issued is 4,238,640⁽²⁾ Introducer Shares. The issue price of S\$0.10 represents a premium of approximately 9.89% to the volume-weighted average price of S\$0.091 for Shares traded on 20 March 2018, being the last full market day on which the Shares were traded prior to the day on which the Introduction Deed was signed. The issue price of S\$0.10 represents a premium to the volume weighted average price of S\$0.09 for trades done on the SGX-ST as of the Latest Practicable Date.

For the avoidance of doubt, (i) the introduction fee payable will not exceed S\$423,864 and the settlement by way of Introducer Shares will not exceed 4,238,640 Introducer Shares even if due to an increase in the aggregate consideration payable by CPHL, the amount of introducer fee computed based on the aforesaid formula is more than S\$423,864. In that event, the introducer fee payable will be S\$423,864; and (ii) no introduction fee is payable if CPHL acquires less than 70% shareholding interest in RCL.

Notes:

- (1) *The aggregate consideration shall be converted from Malaysian Ringgit to Singapore Dollars and shall be based on the exchange rate obtained from Bloomberg as at the date on which RCL Project Completion occurs.*
- (2) *Assuming the aggregate consideration of the Proposed Investment is RM21,000,000 (approximately S\$7,050,561, based on the exchange rate of RM 1 = S\$0.335741), the introduction fee of 6% will be S\$423,864. Based on the issue price of S\$0.10 per ordinary Share, the number of Introducer Shares to be issued will be 4,238,640 (i.e. S\$423,864 / S\$0.10).*

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Background information of Introducer

- 5.3** Mr Tan Chin Hock works as a consultant and is in the business of providing business consultancy services. As at the Latest Practicable Date, Mr Tan Chin Hock holds 201,500 shares of the Company constituting approximately 0.14% of the Existing Share Capital.

The Introducer does not have any connection or business relationship with, any of the Company, its Directors and substantial Shareholders, and is not a person to whom the Company is prohibited from issuing shares to, as provided under Rule 812 of the Listing Manual.

- 5.4** The Introducer Shares represents approximately 2.97%⁽¹⁾ of the Existing Share Capital, approximately 2.13%⁽²⁾ of the Placement Enlarged Share Capital and approximately 2.09%⁽³⁾ of the Total Enlarged Share Capital.

- 5.5** Shareholders can refer to Section 6.2 for the shareholding effects of the Introducer Shares and Section 6.1 for the financial effects of the Introducer Shares.

Notes:

- (1) As stated at Section 5.3, the Introducer holds 201,500 shares of the Company as at the Latest Practicable Date. The Introducer Shares together with the Introducer's existing shares (of 201,500 shares) represents approximately 3.11% of the Existing Share Capital.
- (2) The Introducer Shares together with the Introducer's existing shares (of 201,500 shares) represents approximately 2.23% of the Placement Enlarged Share Capital.
- (3) The Introducer Shares together with the Introducer's existing shares (of 201,500 shares) represents approximately 2.19% of the Total Enlarged Share Capital.

5.6 Conditions Precedent

The obligation of the Company to pay the introduction fee and to allot and issue the Introducer Shares to the Introducer is subject to the following conditions precedent:

- (a) the passing at the general meeting of the Company of the requisite resolutions to approve the allotment and issuance of the Introducer Shares upon the terms and conditions of the Introduction Deed;
- (b) the approval in principle for the listing and quotation of the Introducer Shares on the SGX-ST being obtained from the SGX-ST and not having been revoked or amended and, where such approval is subject to conditions, such conditions being acceptable to the Company in its sole discretion, and to the extent that any conditions for the listing and quotation of the Introducer Shares on the SGX-ST are required to be fulfilled on or before allotment date (being a date after the fulfilment or waiver of the last unfulfilled conditions precedent), they are so fulfilled;
- (c) the issuance and allotment and offering (if any) of the Introducer Shares being in compliance with the SFA in connection with offers of securities and not being prohibited by any statute, order, rule or regulation promulgated by any legislative, executive or regulatory body or authority of Singapore or of any applicable jurisdictions;
- (d) there having been, as at the allotment date (being a date after the fulfilment or waiver of the last unfulfilled conditions precedent), no occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any respect or any breach of any of the warranties and undertakings contained in the Introduction Deed;
- (e) occurrence of the RCL Project Completion. "**RCL Project Completion**" means the date on which CPHL acquires either by way of subscription of new shares in RCL or purchase of existing shares in RCL or a combination thereof constituting not less than 70% of the shareholding interest in RCL in accordance with the terms of the agreements to be negotiated and executed between CPHL, RCL and other relevant parties in connection with the Project.

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If any of the conditions set forth above not satisfied or in connection with Section 5.6(d), waived by the Company in respect of a breach by the Introducer of any of the Introducer's warranties and undertakings specified in the Introduction Deed within six (6) months from the date of the Introduction Deed or such other date as the parties may agree, the obligations of the Company under the Introduction Deed shall terminate.

5.7 SGX-ST Conditions

5.7.1 On 6 June 2018, the Company received the approval in-principle for the listing and quotation of the Introducer Shares on the Mainboard of the SGX-ST, subject to, *inter alia*, the following conditions:

- (i) Compliance with the Exchange's listing requirements;
- (ii) Shareholders' approval for the issuance of the Introducer Shares at the EGM to be convened;
- (iii) Submission of:-
 - (a) a written undertaking from the Company that it will comply with Listing Rule 803; and
 - (b) a written confirmation from the Company that it will not issue the Introducer Shares to persons prohibited under Rule 812(1) of the Listing Manual

5.7.2 Shareholders are to note that the SGX-ST's approval in-principle is not to be taken as an indication of the merits of the Proposed Placements, the proposed allotment and issuance of the Introducer Shares, the Placement Shares, the Introducer Shares, the Company and/or its subsidiaries.

6. FINANCIAL EFFECTS AND SHAREHOLDING EFFECTS OF THE PROPOSED PLACEMENTS, THE PROPOSED INVESTMENT AND THE PROPOSED ALLOTMENT AND ISSUANCE OF THE INTRODUCER SHARES

6.1 Financial Effects

For illustrative purposes only and based on the audited consolidated financial statements of the Company for the financial year ended 31 December 2017, the financial effects of the Proposed Placements, Proposed Investment and the proposed allotment and issuance of the Introducer Shares on the Company are set out below. The financial effects of the Proposed Placements, Proposed Investment and the proposed allotment and issuance of the Introducer Shares have been prepared based on the assumptions that:

- (a) the Proposed Placements of 56,000,000 Placement Shares are fully subscribed by all Placees on the basis of an aggregate placement consideration of S\$5,600,000;
- (b) it is assumed that CPHL will acquire a 70% shareholding interest in RCL at the aggregate consideration of RM21,000,000 (approximately S\$7,050,561)
- (c) 4,238,640 Introducer Shares are allotted and issued to the Introducer on the basis of an aggregate issue price of S\$423,864;
- (d) the expenses incurred in the Proposed Placements are approximately S\$50,000 and there are no other expenses for the Proposed Investment and the proposed allotment and issuance of the Introducer Shares;
- (e) the financial effect on the consolidated net tangible asset per Share is computed based on the assumption that the Proposed Placements, the Proposed Investment and the proposed allotment and issuance of the Introducer Shares were completed, on 31 December 2017;

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- (f) the financial effect on the loss per Share is computed based on the assumption that the Proposed Placements, the Proposed Investment and the proposed allotment and issuance of the Introducer Shares were completed on 1 January 2017;
- (g) the computations are based on audited financial statements of RCL for the financial year ended 30 June 2017;
- (h) the Project has not commenced; and
- (i) no debt financing obtained for the Proposed Investment.⁽¹⁾

Note:

- (1) *On the basis on the matters disclosed in Section 3.1.5 under the heading "Group's business plans", the Board currently believes that the proceeds from the felled trees and the revenue streams described in the abovesaid section will be sufficient to fund the working capital requirements of the Proposed Investment. However, as disclosed in Section 3.5.1, there is a potential shortfall of approximately S\$829,079 that is required to settle in full the Remaining Investment Sum. The Company intends to explore various options including borrowings to raise the shortfall amount required to settle in full the Remaining Investment Sum.*

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Net Tangible Assets ("NTA")

Assuming the Proposed Placements, the Proposed Investment and the proposed issuance of Introducer Shares had been effected as at 31 December 2017, the financial effect on the NTA is as follows:

	Before the Proposed Placements, the Proposed Investment and allotment and issuance of Introducer Shares ⁽¹⁾	After the Proposed Placements ⁽³⁾	After the Proposed Placements and the Proposed Investment ⁽²⁾⁽³⁾	After the Proposed Placements, the Proposed Investment and allotment and issuance of Introducer Shares ⁽⁴⁾
NTA	S\$(5,972,266)	S\$(422,266)	S\$(7,256,691) ⁽⁵⁾⁽⁶⁾	S\$(7,256,691) ⁽⁵⁾⁽⁶⁾
No. of shares (excluding treasury shares)	142,814,685	198,814,685	198,814,685	203,053,325
NTA per share (Singapore cents)	(4.18)	(0.21)	(3.65) ⁽⁵⁾	(3.57) ⁽⁵⁾

Notes:

- (1) Computed based on the Existing Share Capital of 142,814,685 shares.
- (2) The computation is based on the aggregate investment value (being the Earnest Deposit of RM2,000,000 (approximately S\$671,482) and the Remaining Investment Sum of RM19,000,000 (approximately S\$6,379,079)).
- (3) Computed based on the Placement Enlarged Share Capital of 198,814,685 shares.
- (4) Computed based on the Total Enlarged Share Capital of 203,053,325 shares.
- (5) Shareholders are to note the Proposed Investment relates to CPHL undertaking the Project. The consideration of the Proposed Investment of RM21,000,000 is arrived at having regard to the factors set out in Section 3.2.4 above. The above financial effects computations are based on the financial statements of RCL for the financial year ended 30 June 2017 and Shareholders are to note that the Project has not commenced.
- (6) The computation of S\$(7,256,691) is based on the NTA of the Company as at 31 December 2017 (being US\$(4,480,000) (approximately S\$(5,972,266)) and after taking into consideration, the net proceeds of the Proposed Placement (being S\$5,550,000) and deducting a goodwill of S\$6,834,426 generated from the Proposed Investment. The goodwill refers to the difference between the consideration RM21,000,000 (approximately S\$7,050,561) paid and the Company's share of 70% equity interests in RCL as at 30 June 2017 of RM643,756 (approximately S\$216,135).

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Loss per Share (“LPS”)

Assuming the Proposed Placements, the Proposed Investment and the proposed issuance of Introducer Shares had been effected on 1 January 2017, the financial effect on the Company’s LPS is as follows:

	Before the Proposed Placements, the Proposed Investment and allotment and issuance of Introducer Shares ⁽¹⁾	After the Proposed Placements ⁽³⁾	After the Proposed Placements and the Proposed Investment ⁽²⁾⁽³⁾	After the Proposed Placements, the Proposed Investment and allotment and issuance of Introducer Shares ⁽⁴⁾
Net loss attributable to Shareholders	S\$12,691,064	S\$12,691,064	S\$12,691,064 ⁽⁵⁾⁽⁷⁾	S\$12,691,064 ⁽⁵⁾⁽⁷⁾
Weighted average number of shares used (excluding treasury shares) ⁽⁶⁾	142,814,685	198,814,685	198,814,685	203,053,325
Basic LPS (Singapore cents)	(8.89)	(6.38)	(6.38) ⁽⁵⁾	(6.25) ⁽⁵⁾

Notes:

- (1) Computed based on the Existing Share Capital of 142,814,685 shares.
- (2) The computation is based on the aggregate investment value (being the Earnest Deposit of RM2,000,000 (approximately S\$671,482) and the Remaining Investment Sum of RM19,000,000 (approximately S\$6,379,079)).
- (3) Computed based on the Placement Enlarged Share Capital of 198,814,685 shares
- (4) Computed based on the Total Enlarged Share Capital of 203,053,325 shares.
- (5) Shareholders are to note the Proposed Investment relates to CPHL undertaking the Project. The consideration of the Proposed Investment of RM21,000,000 is arrived at having regard to the factors set out in Section 3.2.4 above. The above financial effects computations are based on the financial statements of RCL for the financial year ended 30 June 2017 and Shareholders are to note that the Project has not commenced.
- (6) Computed on the assumption that the previous placement which was completed on 1 December 2017 (announced by the Company on 1 December 2017) has completed on 1 January 2017.
- (7) The net loss attributable to Shareholders of S\$12,691,064 is computed based on the loss attributable to equity holders of the Company incurred for the financial year ended 31 December 2017 (being US\$9,520,000 (approximately SGD12,691,064)).

General Note: Exchange rate of USD/SGD 1.333095 has been applied due to the Company’s reporting currency in USD.

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6.2 Shareholding Effects

For illustration purposes only, the table below sets out the shareholdings of the existing substantial shareholders of the Company, the Placees and the Introducer (i) before the Proposed Placements and allotment and issuance of Introducer Shares, (ii) after the Proposed Placements, and (iii) after the Proposed Placements and allotment and issuance of Introducer Shares:

	Before the Proposed Placements and allotment and issuance of Introducer Shares ⁽¹⁾		After the Proposed Placements ⁽²⁾		After the Proposed Placements and allotment and issuance of Introducer Shares ⁽³⁾	
	Direct Interest	Deemed Interest	Direct Interest	Deemed Interest	Direct Interest	Deemed Interest
	No. of Shares	No. of Shares	No. of Shares	No. of Shares	No. of Shares	No. of Shares
	%	%	%	%	%	%
Existing Substantial Shareholders						
Chan Shut Li, William	18,569,673 (13.0%)	-	18,569,673 (9.34%)	-	18,569,673 (9.15%)	-
See Hoy Chan Investment Limited	18,080,000 (12.66%)	-	18,080,000 (9.09%)	-	18,080,000 (8.9%)	-
Lee Beng Tee	-	18,080,000 (12.66%)	-	18,080,000 (9.09%)	-	18,080,000 (8.9%)
Ho Bun Hoi	7,874,800 (5.51%)	-	7,874,800 (3.96%)	-	7,874,800 (3.88%)	-
Wong Kai	7,854,800 (5.5%)	-	7,854,800 (3.95%)	-	7,854,800 (3.87%)	-

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Placees	Before the Proposed Placements and allotment and issuance of Introdncer Shares ⁽¹⁾		After the Proposed Placements ⁽²⁾		After the Proposed Placements and allotment and issuance of Introdncer Shares ⁽³⁾	
	Direct Interest No. of Shares %	Deemed Interest No. of Shares %	Direct Interest No. of Shares %	Deemed Interest No. of Shares %	Direct Interest No. of Shares %	Deemed Interest No. of Shares %
Teh Chee Wee	-	-	1,000,000 (0.5%)	-	1,000,000 (0.49%)	-
Ken Tan Khim Sing	-	-	1,000,000 (0.5%)	-	1,000,000 (0.49%)	-
Chan Hiang Ngee	33,500 (0.02%)	-	2,033,500 (1.02%)	-	2,033,500 (1%)	-
Quek Soon Kwee William	-	-	2,000,000 (1.01%)	-	2,000,000 (0.98%)	-
Zhuang Sheng Singapore (Holdings) Pte Ltd	-	-	1,000,000 (0.5%)	-	1,000,000 (0.49%)	-
Wang Jue	280,000 (0.2%)	-	8,780,000 (4.42%)	-	8,780,000 (4.32%)	-
Tan Kooi Jin	-	-	5,500,000 (2.77%)	-	5,500,000 (2.71%)	-
Ling Chui Chui	-	-	1,000,000 (0.5%)	-	1,000,000 (0.49%)	-
Wee Cheng Kwan	-	-	13,000,000 (6.54%)	-	13,000,000 (6.4%)	-
Na Chun Wee	-	-	2,000,000 (1.01%)	-	2,000,000 (0.98%)	-

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	Before the Proposed Placements and allotment and issuance of Introducer Shares ⁽¹⁾		After the Proposed Placements ⁽²⁾		After the Proposed Placements and allotment and issuance of Introducer Shares ⁽³⁾	
	Direct Interest No. of Shares %	Deemed Interest No. of Shares %	Direct Interest No. of Shares %	Deemed Interest No. of Shares %	Direct Interest No. of Shares %	Deemed Interest No. of Shares %
Tan Boon Yew	–	–	9,000,000 (4.53%)	–	9,000,000 (4.43%)	–
Yong Min You	–	–	1,000,000 (0.5%)	–	1,000,000 (0.49%)	–
Chung Yuk Phin	–	–	9,000,000 (4.53%)	–	9,000,000 (4.43%)	–
<u>Introducer</u>						
Tan Chin Hock	201,500 (0.14%)	–	4,440,140 ⁽⁴⁾ (2.23%)	–	4,440,140 ⁽⁴⁾ (2.19%)	–

Notes:

- (1) Based on the Existing Share Capital of 142,814,685 shares.
- (2) Based on the Placement Enlarged Share Capital of 198,814,685 shares.
- (3) Based on the Total Enlarged Share Capital of 203,053,325 shares.
- (4) Assuming the maximum number of Introducer Shares that may be issued, being 4,238,640. Please refer to Section 5.2 for more details on the computation of the Introducer Shares.

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7. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

7.1 The shareholdings of the Directors and Substantial Shareholders as recorded in the Register of Directors' Shareholdings and Register of Substantial Shareholders (based on notifications received from the respective Directors and Substantial Shareholders) as at the Latest Practicable Date were as follows:

	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Directors						
Chan Shut Li, William	18,569,673	13.00	–	–	18,569,673	13.00
Wee Cheng Kwan	–	–	–	–	–	–
Loo Cheng Guan	–	–	–	–	–	–
Liu Mei Ling, Rhoda	20,000	0.01	–	–	20,000	0.01
Lim Jun Xiong, Steven	–	–	–	–	–	–
Substantial Shareholders						
Chan Shut Li, William	18,569,673	13.00	–	–	18,569,673	
See Hoy Chan Investment Limited	18,080,000	12.66	–	–	18,080,000	12.66
Lee Beng Tee	–	–	18,080,000	12.66	18,080,000	12.66
Ho Bun Hoi	7,874,800	5.51	–	–	7,874,800	5.51
Wong Kai	7,854,800	5.50	–	–	7,854,800	5.50

Note:

(1) The percentage of shareholdings is computed based on the issued and paid-up capital of the Company comprising 142,814,685 Shares (excluding treasury shares) as at the Latest Practicable Date.

7.2 Interests of Directors and Controlling Shareholders in the Proposed Placements, Proposed Investment, Proposed Diversification and the proposed allotment and issuance of Introducer Shares

Save for their interests in the Company and as disclosed in this Circular, none of the Directors (except for Mr Wee Cheng Kwan as disclosed in Section 2.2.5) or controlling shareholders has any direct or indirect interest in the Proposed Placements, Proposed Investment, Proposed Diversification and the proposed allotment and issuance of Introducer Shares.

7.3 Service Contract

No person is proposed to be appointed to the Board in connection with the Proposed Placements, Proposed Investment, Proposed Diversification and the proposed allotment and issuance of Introducer Shares and accordingly, no service contract in relation thereto will be entered into between the Company and any such person.

8. DIRECTORS' RECOMMENDATION

Having fully considered the rationale of the Proposed Placements, Proposed Investment, the Proposed Diversification, the and the proposed allotment and issuance of Introducer Shares, the Directors (save for Mr Wee Cheng Kwan who has abstained) are of the opinion that the Proposed Placements, Proposed Investment, Proposed Diversification and the proposed allotment and issuance of Introducer Shares is in the best interests of the Shareholders and Company and accordingly, they (save for Mr Wee Cheng Kwan who has abstained) recommend that Shareholders vote in favour of the ordinary resolutions relating thereto.

LETTER TO SHAREHOLDERS FROM BOARD OF DIRECTORS OF THE COMPANY

In giving the above recommendations, the Directors (save for Mr Wee Cheng Kwan who has abstained) have not had regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any individual Shareholder. Shareholders are advised to read the Circular in its entirety and for those who may require advice in the context of their specific investment, to consult their respective stockbroker, bank manager, solicitor, accountant or other professional adviser.

Shareholders are to note that it is a condition precedent in the MOU that the performance of the MOU is subject to the approval of the Shareholders. However, the inability to obtain funding by the Company is not a condition precedent in the MOU.

In the event where the ordinary resolution relating to the Proposed Placements is not approved by Shareholders but the ordinary resolution for the Proposed Investment is approved by the Shareholders, the Company will have to find other alternatives to fund the payment of the Remaining Investment Sum. If the Company is unable to do so, CPHL will have no alternative but to abort the MOU and the Earnest Deposit will potentially be forfeited.

Shareholders are to note that the Ordinary Resolutions 1 to 4 as set out in the Notice of EGM on pages 47 to 49 of this Circular are not inter-conditional upon each other.

9. RESPONSIBILITY STATEMENT OF THE DIRECTORS

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Placements, Proposed Investment, Proposed Diversification, the proposed allotment and issuance of Introducer Shares, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

10. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out in this Circular, will be held at Carlton Hotel Singapore, Esplanade Room 3&4, Level 4, 76 Bras Basah Road Singapore 189558, on Wednesday, 27 June 2018 at 10.00 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the ordinary resolutions set out in the Notice of EGM.

11. ACTION TO BE TAKEN BY SHAREHOLDERS

11.1 A Shareholder who is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf should complete, sign and return the proxy form enclosed with this Circular in accordance with the instructions printed thereon as soon as possible and in any event so as to reach the office of the Company's Share Transfer Agent in Singapore, 80 Robinson Road #11-20 Singapore 068898, not later than 48 hours before the time fixed for the EGM. The completion and return of the proxy form by a Shareholder will not prevent him from attending and voting at the EGM in place of his proxy should he subsequently wish to do so.

11.2 A Depositor is not regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register as certified by CDP, as at 72 hours before the EGM.

Shareholders are advised to read this Circular in its entirety and for any Shareholder who may require advice in the context of his specific investment, to consult his bank manager, stockbroker, solicitor, accountant or other professional adviser.

LETTER TO SHAREHOLDERS FROM BOARD OF DIRECTORS OF THE COMPANY

12. DOCUMENT AVAILABLE FOR INSPECTION

Copies of the following documents will be made available for inspection at the offices of the Company's Share Transfer Agent in Singapore during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the annual report of the Company for the financial year ended 31 December 2017;
- (b) the MOU;
- (c) Placement Agreements;
- (d) the Introduction Deed; and
- (e) the Constitution of the Company.

Yours faithfully

For and behalf of the Board of Directors of
MIRACH ENERGY LIMITED

Chan Shut Li, William
Executive Chairman and Chief Executive Officer

NOTICE OF EXTRAORDINARY GENERAL MEETING

MIRACH ENERGY LIMITED

(the "Company")

(Company Registration Number 200305397E)

(Incorporated in Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting ("**EGM**") of the Company will be held at Carlton Hotel Singapore, Esplanade Room 3&4, Level 4, 76 Bras Basah Road Singapore 189558, on Wednesday, 27 June 2018 at 10.00 a.m., for the purpose of considering and, if thought fit, passing with or without modifications, the resolutions as set out below.

All capitalised terms used in this Notice of EGM which are not defined herein shall, unless otherwise defined herein, have the same meanings ascribed to them in the Circular dated 12 June 2018 ("**Circular**").

Shareholders should note that the Ordinary Resolutions 1 to 4 are not inter-conditional upon each other.

AS AN ORDINARY RESOLUTION 1

THE PROPOSED PLACEMENTS OF AN AGGREGATE 56,000,000 NEW ORDINARY SHARES

RESOLVED THAT:-

- (a) approval be and is hereby given for the Company to undertake the Proposed Placements of an aggregate 56,000,000 Placement Shares at the Placement Price of S\$0.10 per Placement Share;
- (b) the terms of, the Company's entry into and performance of, and the execution and delivery of the placement agreements dated 22 March 2018 executed between the Company and the respective Placees (such placement agreements as may be supplemented, modified at the discretion of the Directors) (the "**Placement Agreements**") be and is hereby ratified, confirmed and approved;
- (c) the Directors and each of them be and are hereby authorised and empowered to allot and issue an aggregate of 56,000,000 Placement Shares at the Placement Price of S\$0.10 per Placement Share pursuant to the Proposed Placements subject to, and in accordance with, the terms and conditions of the Placement Agreements; and
- (d) the Directors and each of them be and is hereby authorised to from time to time complete and to do all acts and things as the Directors or each of them may consider necessary, desirable or expedient to give effect to the matters referred to in paragraphs (a) to (c) above and/or to give effect to this resolution, including without limitation to the foregoing, to negotiate, sign, execute and deliver all documents (including any of the Placement Agreements), approve any amendments, alterations or modifications to any instruments, filings, notices, announcements, agreements and any other document(s) (if required) as the Directors or each of them shall think fit and in the interests of the Company.

AS AN ORDINARY RESOLUTION 2

THE PROPOSED INVESTMENT IN RCL KELSTAR SDN. BHD.

RESOLVED THAT:-

- (a) approval be and is hereby given, for the Company and/or its subsidiaries to undertake an investment in RCL Kelstar Sdn. Bhd., so as to participate in the development of a multi storey agricultural project in Malaysia with the Kelantan State Economic Development Corporation and on such terms as may be determined by the board of directors of the Company;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) the Directors and each of them be and are hereby authorised to from time to time amend, modify and/or supplement the terms of the Proposed Investment as the Directors or each of them may deem appropriate in the interests of the Company; and
- (c) the Directors and each of them be and is hereby authorised to from time to time complete and to do all acts and things as the Directors or each of them may consider necessary, desirable or expedient to give effect to the matters referred to in paragraphs (a) and (b) above and/or to give effect to this resolution, including without limitation to the foregoing, to negotiate, sign, execute and deliver all documents (including any formal and definite contract, share sale agreement (with existing shareholders of RCL Kelstar Sdn. Bhd.), shareholders' agreement and any other relevant agreement(s)), approve any amendments, alterations or modifications to any instruments, filings, notices, announcements, agreements and any other document(s) (if required) as the Directors or each of them shall think fit and in the interests of the Company.

AS AN ORDINARY RESOLUTION 3

THE PROPOSED DIVERSIFICATION INTO THE PROPOSED NEW BUSINESSES

RESOLVED THAT:-

- (a) approval be and is hereby given for the diversification of the Company's Existing Core Businesses to include (a) the Proposed New Agricultural Crops Related Business, and (b) the Proposed New Property Related Business (the "**Proposed New Businesses**" and the "**Proposed Diversification**" respectively), and any other activities or businesses reasonably incidental or ancillary thereto, as part of the Group's ordinary course of business;
- (b) the Company be and is hereby authorised to undertake to diversify, from time to time, into any part of the Proposed New Businesses in such manner and on such terms as the Directors and each of them deem fit, and such Directors be and are hereby authorised to take such steps and exercise such discretion and do all such acts or things as the Directors and each of them deem desirable, necessary or expedient or give effect to the transactions contemplated by the Proposed Diversification; and
- (c) the Directors and each of them be and is hereby authorised to from time to time complete and to do all acts and things as the Directors or each of them may consider necessary, desirable or expedient to give effect to the matters referred to in paragraphs (a) and (b) above and/or to give effect to this resolution, including without limitation to the foregoing, to negotiate, sign, execute and deliver all documents, approve any amendments, alterations or modifications to any instruments, filings, notices, announcements, agreements and any other document(s) (if required) as the Directors or each of them shall think fit and in the interests of the Company.

AS AN ORDINARY RESOLUTION 4

THE PROPOSED ALLOTMENT AND ISSUANCE OF UP TO 4,238,640 INTRODUCER SHARES

RESOLVED THAT:-

- (a) approval be and is hereby given for the Company to undertake the proposed allotment and issuance of up to 4,238,640 Introducer Shares at an issue price of S\$0.10 per Introducer Shares as consideration for introducing to the Company, RCL;
- (b) the terms of, the Company's entry into and performance of, and the execution and delivery of the introduction deed dated 22 March 2018 executed by the Company and Mr Tan Chin Hock (such introduction deed as may be supplemented, modified at the discretion of the Directors) (the "**Introduction Deed**") be and is hereby ratified, confirmed and approved;
- (c) the Directors be and are hereby authorised and empowered to allot and issue up to 4,238,640 Introducer Shares on and subject to, and in accordance with, the terms and conditions of the Introduction Deed; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (d) the Directors and each of them be and is hereby authorised to from time to time complete and to do all acts and things as the Directors or each of them may consider necessary, desirable or expedient to give effect to the matters referred to in paragraphs (a) to (c) above and/or to give effect to this resolution, including without limitation to the foregoing, to negotiate, sign, execute and deliver all documents, approve any amendments, alterations or modifications to any instruments, filings, notices, announcements, agreements and any other document(s) (if required) as the Directors or each of them shall think fit and in the interests of the Company.

By Order of the Board

Chan Shut Li, William
Executive Chairman and Chief Executive Officer
MIRACH ENERGY LIMITED
Singapore
12 June 2018

Notes:

1. A member entitled to attend and vote at the EGM is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. If the appointor is a corporation, the instrument appointing a proxy must be executed under its common seal or the hand of its duly authorised officer or attorney.
3. The instrument appointing a proxy must be deposited at the Share Registrar Office of the Company at no later than 48 hours prior to the time of the EGM.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the GM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the GM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the GM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

MIRACH ENERGY LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 200305397E)

IMPORTANT

1. Pursuant to Section 181(1C) of the Companies Act, Chapter 50 (the "Act"), Relevant Intermediaries may appoint more than two proxies to attend, speak and vote at the Extraordinary General Meeting.
2. For investors who have used their CPF monies to buy shares in the Company, this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors are requested to contact their respective Agent Banks for any queries they may have with regard to their appointment as proxies.

PROXY FORM

*I/We _____ (Name) NRIC/Passport No. _____

of _____ (Address)
being *a member/members of MIRACH ENERGY LIMITED (the "Company"), hereby appoint

Name	Address	NRIC/ Passport No.	Proportion of shareholdings to be represented by proxy (%)

*and/or

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or failing whom, the Chairman of the Meeting, as *my/our *proxy/proxies to vote for *me/us on *my/our behalf and, if necessary, to demand a poll, at the Extraordinary General Meeting of the Company to be held on Wednesday, 27 June 2018 at Carlton Hotel Singapore, 76 Bras Basah Road, Singapore 189558, Esplanade Room 3&4, Level 4, at 10.00 a.m. and at any adjournment thereof.

*I/we direct *my/our *proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the Extraordinary General Meeting as indicated with an "X" in the spaces provided hereunder. If no specified directions as to voting are given, the *proxy/proxies will vote or abstain from voting at *his/their discretion.

No.	Ordinary Resolutions	For	Against
1.	THE PROPOSED PLACEMENTS OF AN AGGREGATE 56,000,000 NEW ORDINARY SHARES		
2.	THE PROPOSED INVESTMENT IN RCL KELSTAR SDN. BHD.		
3.	THE PROPOSED DIVERSIFICATION INTO THE PROPOSED NEW BUSINESSES		
4.	THE PROPOSED ALLOTMENT AND ISSUANCE OF UP TO 4,238,640 INTRODUCER SHARES		

Dated this _____ day of _____ 2018

Total Number of Shares Held

Signature(s) of Member(s)/Common Seal

* Delete accordingly

IMPORTANT. Please read notes below



Notes:-

1. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, a member is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. A proxy need not be a member of the Company. Where a member appoints more than one proxy, the proportion of his concerned shareholding to be represented by each proxy shall be specified in the proxy form. A proxy need not be a member of the Company,
 2. Pursuant to Section 181(1C) of the Companies Act, Chapter 50 (the "Act"), a member who is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.
 3. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
 4. A corporation which is a member of the Company may authorise by resolution of its Directors or other governing body such person as it thinks fit to act as its representative at the Extraordinary General Meeting, in accordance with its Articles of Association and Section 179 of the Companies Act, Chapter 50 of Singapore.
 5. The instrument appointing proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the office of the Company Share Registrar at 80 Robinson Road, #02-00, Singapore 068898, not later than 48 hours before the time set for the Extraordinary General Meeting.
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AFFIX
STAMP

The Company Secretary
MIRACH ENERGY LIMITED
80 Robinson Road
#02-00
Singapore 068898

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6. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Chapter 289) Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.
 7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the Extraordinary General Meeting as certified by The Central Depository (Pte) Limited to the Company.
 8. A Depositor shall not be regarded as a member of the Company entitled to attend the Extraordinary General Meeting and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time set for the Extraordinary General Meeting.