

**CONDITIONAL SHARES SALE AND PURCHASE AGREEMENTS IN RELATION TO
THE PROPOSED ACQUISITION OF HOE HENG GROUP OF COMPANIES**

1. INTRODUCTION

1.1 The board of directors (the “**Board**” or “**Directors**”) of ENECO ENERGY LIMITED (the “**Company**” or “**EEL**”) wishes to inform shareholders that the Company’s wholly owned subsidiary, ENECO SINGAPORE PTE LTD (UEN 200516046H) (“**Purchaser**”) has on 16 August 2023, entered into the following agreements with YUAN ZHIWEI (“**Yuan**”) and CHIA BOON KIONG, JASON (“**Jason**”). Yuan and Jason together referred to as the (“**Sellers**”):

- (a) Shares Sale and Purchase Agreement (“**HHPL & HHR SPA**”) between the Sellers and the Purchaser for the sale and purchase of:
 - (i) 90 issued and fully paid-up ordinary shares of HHH (as defined in paragraph 2.1(4) below) representing 90% of the total issued and paid-up share capital of HHH, free from all encumbrances;
 - (ii) 43,200 issued and fully paid-up ordinary shares of HHPL (as defined in paragraph 2.1(1) below) representing 4.8% of the total issued and paid-up share capital of HHPL, free from all encumbrances; and
 - (iii) 60 issued and fully paid-up ordinary shares of HHR (as defined in paragraph 2.1(2) below) representing 60% of the total issued and paid-up share capital of HHR, free from all encumbrances; and
- (b) Shares Sale and Purchase Agreement (“**HHIE SPA**”) between the Sellers and the Purchaser for the sale and purchase of 90,000 issued and fully paid-up ordinary shares of HHIE (as defined in paragraph 2.1(3) below) representing 60% of the total issued and paid up share capital of HHIE.

The above transactions hereinafter are referred to as the “**Proposed Acquisition**”. The Sellers and the Purchaser are collectively referred to as “**Parties**” and each a “**Party**”. The shares of HHH that will be sold and purchased are referred to as “**HHH Sale Shares**”. The shares of HHPL and HHR that will be sold and purchased are referred to as “**HHPL & HHR Sale Shares**”. The shares of HHIE that will be sold and purchased are referred to as “**HHIE Sale Shares**”.

1.2 Following the completion of the Proposed Acquisition, EEL will hold an effective interest of 48% in HHPL and 60% each in HHR and HHIE.

1.3 The Proposed Acquisition constitutes a “major transaction” under Chapter 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**Listing Manual**”) (“**SGX-ST**”) and will be subject to the approval of shareholders of the Company. The Company intends to convene an extraordinary general meeting (“**EGM**”) to seek such required approvals and further information on, *inter alia*, the Proposed Acquisition, details of which will be set out in a circular to be issued by the Company to its Shareholders in due course (“**Circular**”).

2. INFORMATION ON THE TARGET COMPANIES AND THE SELLERS

2.1 Information on the Target Companies

- (1) **HOE HENG PRIVATE LIMITED** (Company Registration No. 200407109Z) (“**HHPL**”) is a company incorporated in Singapore having its registered office located at 7 Pioneer Place, Singapore 627824 with an issued and paid-up share capital of S\$900,000 divided into 900,000 ordinary shares. HHPL carries on the business of manufacturing of motor vehicle bodies (coachwork), trailers and semi-trailers and installation of industrial machinery and equipment, mechanical engineering works.
- (2) **HOE HENG RICAS PRIVATE LIMITED** (Company Registration No. 201626658W) (“**HHR**”) is a company incorporated in Singapore having its registered office located at 11 Irving Place, #09-03, Singapore 369551 with an issued and paid-up share capital of S\$100 divided into 100 ordinary shares. HHR carries on the business of repair and maintenance of motor vehicles (including installation of parts and accessories and general insurance (except marine and import, export, and credit insurance)).
- (3) **HOE HENG INDUSTRIAL ENGINEERING (M) SDN. BHD.** [(Company Registration No. 201401017259 (1093346-U)] (“**HHIE**”) is a company incorporated in Malaysia having its registered office located at 31A Jalan Impian Emas Enam, Taman Impian Emas, 81300 Skudai, Johor Bahru, Johor, Malaysia with an issued and paid-up share capital of Ringgit Malaysia One Hundred and Fifty Thousand (RM150,000) divided into 150,000 ordinary shares. HHIE carries on the business of manufacturing chassis platforms.
- (4) **HH HOLDCO PTE. LTD.** (Company registration No. [202331217H]) (“**HHH**”) is a company incorporated in Singapore having its registered office located at 7 Pioneer Place, Singapore 627824 with an issued and paid-up share capital of S\$100 divided into 100 ordinary shares. HHH is an investment holding company incorporated for the sole purpose of holding 100% of Yuan’s 48% equity shareholding in HHPL (please refer to paragraph 2.2 below for more details on Yuan’s shareholding in HHPL).

HHH, HHPL, HHR and HHIE together referred to as “**Target Companies**”.

2.2 Information on the Sellers

- (1) As at the date of this announcement, the Sellers are shareholders of the Target Companies as follows:

Details of Sellers	Number of issued and fully paid-up shares held in HHH (% of total issued shares of HHH)	Number of issued and fully paid-up shares held in HHPL (% of total issued shares of HHPL)	Number of issued and fully paid-up shares held in HHR (% of total issued shares of HHR)	Number of issued and fully paid-up shares held in HHIE (% of total issued shares of HHIE)
Yuan	100 (100%)	432,000 (48%) indirectly through Yuan’s 100% shareholding in HHH *	100 (100%)	72,000 (48%)
Jason	NIL	180,000 (20%)	NIL	30,000 (20%)
Existing Shareholder of HHPL and HHIE (not a Seller)				

HU JINGJING	NIL	288,000 (32%)	NIL	48,000 (32%)
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* At the date of this announcement, the registration of the transfer of 432,000 shares of HHPL from Yuan to HHH is being processed. A condition precedent to the Proposed Acquisition is for HHH to be the legal and beneficial owner of 432,000 issued and fully paid-up ordinary shares of HHPL.

- (2) The following are some background details of the Sellers:
- (a) Yuan is currently a director and a shareholder (direct or indirect) of each of the Target Companies. He is also currently a director and shareholder of Guizhou Honki Real Estate Development Company Ltd. (贵州鸿基房地产开发有限公司) and Shenzhen South Honki Investment Co., Ltd. (深圳市南方鸿基投资有限公司), specialising in property development, property investment, and property management.
- (b) Jason is currently a director and a shareholder of HHPL and HHIE. He is also a director of HHR. He is the founder and CEO of HHPL, HHR and HHIE.
- (3) The Sellers were introduced to the Company by SAC Capital Private Limited. As at the date of this announcement, the Sellers do not have any shareholding interests, direct or indirect, in the Company, and is not related to any of the Company's directors, chief executive officer or controlling shareholder, or their respective associates. The Company's directors, chief executive officer or controlling shareholder, or their respective associates do not have any shareholding interests, direct or indirect, in the Target Companies, and they are not related to any of the Target Companies' directors or controlling shareholder or their respective associates.

2.3 Financial information on the Target Companies

Based on the unaudited consolidated management accounts of the Target Companies, the Target Companies recorded a net profit after tax of approximately S\$1.1 million for the financial year ended 30 June 2023 and net assets of approximately S\$4.5 million as at 30 June 2023.

3. CONSIDERATION

3.1 Total Purchase Price, Cash Payment and Consideration Shares

The total consideration for the Proposed Acquisition is Singapore Dollars Nine Million Six Hundred and Twenty-Six Thousand Five Hundred and Sixty (S\$9,626,560) ("**Total Purchase Price**") payable by way of Singapore Dollars Nine Million Twenty-Six Thousand Five Hundred and Sixty (S\$9,026,560) in cash ("**Cash Payment**") and Singapore Dollars Six Hundred Thousand (S\$600,000) in shares of the Company ("**Shares Payment**"). The Shares Payment will be satisfied by way of issuing and allotting 30,000,000 issued and fully paid-up shares of the Company ("**Consideration Shares**") at the issue price of \$0.02 per share ("**Issue Price**"). The Total Purchase Price will be paid to the Sellers in the following proportions:

Name of Target Companies	Name of Sellers	Number of sale shares (%) to be transferred by Sellers to Purchaser	Amount of Cash Payment to be paid to Sellers (\$\$) or *(RM)	Number and value (\$\$) of Consideration Shares to be allotted and issued to Sellers	Purchase Price (\$\$) / (RM) payable to Sellers
HHH	Yuan	90 (90%)*	S\$8,040,000	30,000,000 (S\$600,000)	S\$8,640,000

	Jason	Nil	Nil	Nil	Nil
HHPL	Yuan	Nil	Nil	Nil	Nil
	Jason	43,200 (4.8%)*	S\$960,000	Nil	S\$960,000
HHR	Yuan	60 (60%)	S\$60	Nil	S\$60
	Jason	Nil	Nil	Nil	Nil
HHIE	Yuan	72,000 (48%)	***RM72,000	Nil	***RM72,000
	Jason	18,000 (12%)	***RM18,000	Nil	***RM18,000

* HHH will hold 432,000 shares of HHPL. The Purchaser will purchase 90% of HHH which will result in Purchaser holding an effective 43.2% interest in HHPL. Collectively, with 43,200 shares or 4.8% interest in HHPL from Jason, the Purchaser will hold in aggregate 48% interest in HHPL.

**Total purchase price for HHIE of RM 90,000 is equivalent to S\$26,500 at an exchange rate of S\$1 = RM 3.39. "RM" refers to the currency of Malaysia.

3.2 Details on the Consideration Shares

The Consideration Shares will comprise 1.3% of the enlarged issued and paid-up share capital of the Company following completion of the Proposed Acquisition.

The Consideration Shares shall be allotted and issued as fully-paid shares, free from encumbrances, and shall rank pari passu in all respects with and carry all rights similar to the ordinary shares of the Company in issue then, except that they will not rank for any dividend, right, allotment or other distributions, the record dates for which falls on or before the dates of issue of the such shares.

Issue Price

The Issue Price of S\$0.02 represents a premium of 44.9% to the volume weighted average price of the Company's shares on 14 August 2023, being the full market day, the shares were traded prior to the date of the HHPL & HHR SPA and HHIE SPA.

Authority to allot and issue the Consideration Shares

The Company will be seeking specific approval from the shareholders for the proposed allotment and issue of the Consideration Shares at the EGM. Further details of which will be provided in the Circular to be issued in due course.

3.3 Basis for Total Purchase Price

The Total Purchase Price was arrived at arm's length on a "willing buyer willing seller" basis following negotiations between the Parties, having considered the financial position and performance of the Target Companies for the full year ended 30 June 2023, the potential synergies between the Target Companies and EEL elaborated upon in Paragraph 7 and will be subject to an independent valuation to be procured by the Purchaser (see paragraph 4.1(1)(b) and 4.2).

3.4 Funding for Total Purchase Price

The Total Purchase Price for the Proposed Acquisition shall be funded in the following manner:

- (a) by cash, funded from the net proceeds raised from the Placement Exercise dated 1 September 2022 for growth, development and expansion of EEL Group as well as for the exploration of new business opportunities; and
- (b) the issuance and allotment of Consideration Shares.

4. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

4.1 Conditions Precedent

HHPL and HHR SPA

- (1) Completion of the sale and purchase of the HHH Sale Shares and the HHPL & HHR Sale Shares is conditional upon certain conditions precedents being satisfied, fulfilled and/or waived including the following, on or before 31 October 2023 or such further extended period as the parties may agree (“**Cut-Off Date**”), failing which the agreement shall lapse and be of no further effect unless such agreement is further extended by the parties:
 - (a) the Purchaser being satisfied with the results of legal and financial due diligence carried out on the Target Companies, the HHPL & HHR Sale Shares, the HHH Sale Shares, the Sellers and such other persons or matters as the Purchaser may deem necessary;
 - (b) the Purchaser obtaining a valuation report (“**Independent Valuation**”) from an independent valuer to be engaged by the Purchaser and subject to paragraph 4.2 below;
 - (c) in respect of HHH (i) HHH is duly incorporated in Singapore, (ii) Yuan is the sole director and shareholder of HHH, and (iii) HHH is the legal and beneficial owner of not less than 432,000 issued and fully paid-up ordinary shares of HHPL representing 48% of the total issued shares of HHPL, free from all and any encumbrances of any kind whatsoever together with all rights benefits and advantages attaching thereto;
 - (d) EEL receiving the following approvals from its shareholders at an extraordinary general meeting to be convened for approving:
 - (i) the purchase of the HHPL & HHR Sale Shares and HHH Sale Shares by the Purchaser;
 - (ii) the purchase of the HHIE Shares pursuant to the HHIE SPA by the Purchaser; and
 - (iii) the allotment and issue of the Consideration Shares to the Sellers.
 - (e) approval in-principle being received by EEL from the SGX-ST for the admission and dealing and quotation of the Consideration Shares to the Main Board of the SGX-ST and the same continuing to be in full force and effect. Where the approval of the SGX-ST is subject to any conditions, such conditions have been fulfilled and satisfied;
 - (f) the Sellers having obtained the consent and/or no objection of The Jurong Town Corporation for the change of shareholders and shareholding as contemplated under the HHPL & HHR SPA following Completion, in respect of HHPL’s occupation and use of the premises located at 7 Pioneer Place, Singapore 627824 and if the consent or letter of no objection is subject to conditions, such conditions shall be acceptable to the Purchaser;
 - (g) the Sellers having obtained the consent, approval and/or no objection of CIMB Bank Berhad, United Overseas Bank and such other banks where applicable for the change of shareholders and shareholding as contemplated under the HHPL & HHR SPA following Completion, in

respect of all the loan, banking and credit facilities granted by CIMB Bank Berhad, United Overseas Bank and such other banks, to HHPL, HHR and/or HHIE and if the consent or letter of no objection is subject to conditions, such conditions shall be acceptable to the Purchaser;

- (h) the Sellers delivering to the Purchaser the audited financial statements of HHPL for the financial year ended 30 June 2023 with an unqualified auditor's opinion and the previous issues which the auditor of HHPL had qualified or disclaimed in its opinion, have been resolved, to the satisfaction of the Purchaser.
- (i) the Sellers shall have delivered to the Purchaser the Existing Shareholder's written confirmation that the Existing Shareholder waives all and any pre-emption rights that she has or may have over the shares of HPPL to be sold by the Sellers to the Purchaser (which form part of the Sale Shares) and consents to the sale and purchase thereof by the Sellers to the Purchaser pursuant to the HHPL & HHR SPA;
- (j) the Purchaser approving the form of each of HHPL, HHR and HHH's new constitution;
- (k) all conditions precedent in the HHIE SPA shall have been satisfied and the completion for the acquisition of the HHIE Shares pursuant to the HHIE SPA will occur simultaneously with the sale and purchase of the HHPL & HHR Sale Shares and HHH Sale Shares pursuant to this Agreement;
- (l) Jason having executed a Service Agreement with HHPL and HHR each in connection with his services as Chief Executive Officer of each of HHPL and HHR under which he shall continue to exercise management control over the HHPL's and HHR's operations, in such form and substance acceptable to the Purchaser;
- (m) the Purchaser and the post-Completion members/shareholders of HHPL, HHR and HHIE having entered into shareholders agreements in respect of their rights and obligations as shareholders of HHPL, HHR and HHIE respectively, in such form and substance acceptable to the Purchaser;
- (n) there has been no breach of any of the representations and Sellers' Warranties given by the Sellers to the Purchaser;
- (o) there has been no breach of any of the representations and warranties given by the Purchaser to the Sellers;
- (p) all amounts due to related parties of the Sellers and/or the HHPL and HHR shall be resolved to the satisfaction of the Purchaser prior to Completion; and
- (q) there been no material adverse change in the legal financial business or trading position of the Target Companies prior to the Completion Date.

HHIE SPA

- (2) Completion of the sale and purchase of the HHIE Sale Shares is conditional upon certain conditions precedent being satisfied, fulfilled and/or waived including the following, on or before the Cut-Off Date, failing which the agreement shall lapse and be of no further effect unless such agreement is further extended by the parties:
 - (a) the Purchaser being satisfied with the results of legal and financial due diligence carried out on the HHIE, HHPL, HHR, the HHIE Sale Shares, the Sellers and such other persons or matters as the Purchaser may deem necessary;

- (b) the Sellers having obtained the consent and approval of CIMB Bank Berhad, United Overseas Bank and such other banks where relevant for the change of shareholders and shareholding of HHIE as contemplated under the HHIE SPA following Completion, in respect of all the loan, banking and credit facilities granted by CIMB Bank Berhad, United Overseas Bank and such other banks where applicable to HHIE;
 - (c) the Sellers shall have delivered to the Purchaser the Existing Shareholder's written confirmation that the Existing Shareholder waives all and any pre-emption rights that she has or may have over the shares of the Sale Shares to be sold by the Sellers to the Purchaser and consents to the sale and purchase thereof by the Sellers to the Purchaser pursuant to the HHIE SPA;
 - (d) the Purchaser approving the form of the HHIE's new Constitution;
 - (e) the Purchaser and the post-Completion members/shareholders of HHIE having entered into a shareholders agreement in respect of their rights and obligations as shareholders of HHIE, in such form and substance acceptable to the Purchaser;
 - (f) all amounts due to related parties of the Sellers and/or HHIE shall be resolved to the satisfaction of the Purchaser prior to Completion;
 - (g) the Purchaser being satisfied that the conditions precedent in the HHPL and HHR SPA are satisfied or alternatively waived and that completion for the acquisition of the HHPL, HHH and HHR Sale Shares pursuant to the HHPL and HHR SPA will occur simultaneously with the sale and purchase of the HHIE Sale Shares pursuant to the HHIE SPA;
 - (h) there has been no breach of any of the representations and Sellers' Warranties given by the Sellers to the Purchaser;
 - (i) there has been no breach of any of the representations and warranties given by the Purchaser to the Sellers;
 - (j) the Sellers having obtained the consent and approval of the applicable Malaysian Authorities where required for the change of shareholders and shareholding as contemplated under the HHIE SPA following Completion where applicable; and
 - (k) there have been no material adverse change in the legal financial business or trading position of HHIE, HHPL, HHH and HHR prior to the Completion Date.
- (3) The Purchaser may waive any of the Conditions Precedent as it deems fit.

4.2 **Independent Valuation**

The Purchaser will commission an Independent Valuation on the Target Companies for the purpose of the Proposed Acquisition. The parties agree where the aggregate value of the Purchase Price (as such term is defined in the HHPL & HHR SPA) and HHIE Purchase Price (as such term is defined in the HHPL & HHR SPA) is higher than the range of values of the Independent Valuation, the aggregate value of the Purchase Price and the HHIE Purchase Price shall be adjusted to a price acceptable to both parties, failing which both parties may terminate the HHPL & HHR SPA. Save for the above, the aggregate value of the Purchase Price and HHIE Purchase Price shall not be adjusted and shall be capped at S\$9,626,560.

- (1) The finalised valuation report will be included in the Circular.

4.3 **Completion**

- (1) Completion of the Proposed Acquisition shall take place within 14 days of all the Conditions Precedent being satisfied or alternatively waived by the Purchaser (the “**Completion Date**”), unless another date is agreed upon in writing by the Parties. It should be noted that completion of the sale and purchase of the HHH Sale Shares, the HHPL & HHR Sale Shares and the HHIE Sale Shares must take place simultaneously, failing which the Purchaser is not obliged to pay the Total Purchase Price.
- (2) On Completion, (a) the transfer forms for the HHH Sale Shares, the HHPL & HHR Sale Shares and the HHIE Sale Shares will be delivered to the Purchaser by the Sellers and (b) the cash portion of the Total Purchase Price shall be paid by the Purchaser to the Sellers and the Consideration Shares shall be issued and credited into the Sellers’ respective securities accounts in the proportions set out in paragraph 3.1 above.
- (3) Following Completion, the Purchaser shall be entitled to appoint three (3) directors to the board of directors of HHH, HHPL, HHR and HHIE, A quorum for all Board meetings of these companies shall include the presence and attendance of at least two (2) directors appointed by the Purchaser.

5. RELATIVE FIGURES FOR THE PROPOSED ACQUISITION UNDER CHAPTER 10 OF THE LISTING MANUAL

The relative figures in relation to the Proposed Acquisition are computed on the applicable bases set out in Rule 1006 of the Listing Manual of the SGX-ST, based on the latest announced audited finance statements of the Group for the financial year ended 31 December 2022 (“**FY2022**”), which were the latest available result as at the date of the agreements for the Proposed Acquisition.

Rule 1006	Bases of Calculation	Relative Figure
(a)	Net assets value of the assets to be disposed of, compared with the Group’s net assets value. This basis is not applicable to an acquisition of assets.	Not Applicable
(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group’s net profits.	88.9% ⁽¹⁾
(c)	The 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.	30.2% ⁽²⁾⁽³⁾
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	1.3% ⁽⁴⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group’s proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.	Not applicable

Notes:

- (1) The net profits before tax attributable to the HHPL and HHR Sale Shares, HHH Sale Shares and HHIE Sale Shares for the 6 months financial period ended 30 June 2023 is S\$247,967, compared to the Group's net profits before tax attributable to continuing operations for the 6-months financial period ended 30 June 2023 of S\$279,000.
- (2) The Total Purchase Price of S\$9,626,560.
- (3) The market capitalisation of the Company of S\$31.9 million, which is computed based on 2,308,867,923 shares in issue and the weighted average price of S\$0.0138 as at 14 August 2023, being the last full market day when the shares of the Company were traded prior to the execution of the HHPL and HHR SPA and the HHIE SPA.
- (4) Computed based on 30,000,000 Consideration Shares and 2,308,867,923 shares in issue.

As the relative figure computed pursuant to Rule 1006(b) and Rule 1006(c) exceeds 20%, the Proposed Acquisition constitutes a "Major Transaction" under Chapter 10 of the Listing Manual and therefore requires the approval of shareholders of the Company. A Circular to shareholders setting out more information on the Proposed Acquisition and the convening of an EGM will be despatched in due course.

6. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

6.1 General

The pro forma financial effects of the Proposed Acquisition on the Group as set out below are for illustrative purposes only and do not necessarily reflect the actual results and financial performance and position of the Group after the Proposed Acquisition. No representation is made as to the actual financial position and/or results of the Company or the Group after Completion of the Proposed Acquisition. The pro forma financial effects of the Proposed Acquisition are prepared based on the audited consolidated financial statements of the Group for FY2022 and the unaudited consolidated management accounts of the Target Companies for the financial year ended 30 June 2023, are subject to the following key assumptions:

- (a) the Proposed Acquisition has been completed on 1 January 2022 for the purposes of illustration the financial effects on the earnings per share ("**EPS**");
- (b) the Proposed Acquisition had been completed on 31 December 2022 for the purposes of illustrating the financial effects on the net tangible asset value ("**NTA**");
- (c) the issued and paid-up share capital of the Company as at the date of the announcement comprises 2,308,867,923 shares;
- (d) the computation takes into account the allotment and issue of the Consideration Shares; and
- (e) The expenses incurred in the Proposed Acquisition are disregarded for purpose of calculating the financial effects.

6.2 NTA

Assuming that the Proposed Acquisition was completed on 31 December 2022, the pro forma financial effect on the NAV of the Group will be as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA (S\$'000)	20,016	20,616
Number of issued shares ('000)	2,308,867	2,338,867
NTA per share (Singapore cents)	0.87	0.88

6.3 EPS

Assuming that the Proposed Acquisition had been completed on 1 January 2022, the pro forma financial effect on the EPS of the Group will be as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
Net profit attributable to Shareholders (S\$'000)	2,048	2,591
Number of issued shares ('000)	2,308,867,923	2,338,867,923
EPS (Singapore cents)	0.09	0.11

7. RATIONALE FOR THE PROPOSED ACQUISITION

The Board is of the opinion that the Proposed Acquisition is beneficial to the Group for the following reasons:

- (a) The Target Companies are established with a long history and the businesses have been profitable. With the Proposed Acquisition, it shall be immediately accretive to EEL's Group revenues and profits.
- (b) EEL would gain an "in-house" refurbishment and maintenance team that can devote and commit resources towards maintaining its logistics fleets at competitive rates and ensure high performance levels of its logistics fleets.
- (c) The enlarged EEL Group following the proposed acquisition would provide better services for its end customers and brings in higher margins from internal synergies and economies of scale.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the date of this announcement, save for their respective shareholdings in the Company (if any), none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition.

9. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed to the board of directors of the Company by the Sellers in connection with the Proposed Acquisition.

10. DIRECTORS' RESPONSIBILITY STATEMENT

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

11. DOCUMENT(S) FOR INSPECTION

A copy of the HHPL & HHR SPA as well as the HHIE SPA are available for inspection during normal business hours at the Company's registered office at 300 Tampines Avenue 5, #05-02, Singapore 529653 for a period of three (3) months from the date of this announcement.

By Order of the Board
ENECO ENERGY LIMITED

Ngo Yit Sung
Executive Director