

CIRCULAR DATED 14 DECEMBER 2021

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Circular is issued by RH Petrogas Limited (the “**Company**”). If you are in any doubt as to the contents of this Circular or the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your ordinary shares in the capital of the Company, you should immediately forward this Circular, the Notice of Extraordinary General Meeting and the attached Proxy Form to the purchaser, or to the stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser.

The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) assumes no responsibility for the contents of this Circular, including the correctness of any statements made or opinions expressed or reports contained in this Circular.

The approval-in-principle of the SGX-ST is not to be taken as an indication of the merits of the Proposed Capitalisation, the Capitalisation Shares, the Company and/or its Subsidiaries.



RH PETROGAS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 198701138Z)

Independent Financial Adviser in relation to the Proposed Capitalisation



CIRCULAR TO SHAREHOLDERS

in relation to

THE CAPITALISATION RESOLUTION

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form : 27 December 2021 at 10.00 a.m.

Date and time of Extraordinary General Meeting : 29 December 2021 at 10.00 a.m. by way of electronic means

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DEFINITIONS

In this Circular, the following definitions apply throughout unless the context otherwise requires, or unless otherwise stated:

- “Act” or “Companies Act”* : The Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
- “Announcement”* : The Company’s announcement dated 6 October 2021 (SGXNet Announcement No. SG211006OTHR0MBI)
- “Associate”* : (i) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (a) his Immediate Family;
 - (b) the trustees of any trust of which he or his Immediate Family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (c) any company in which he and his Immediate Family together (directly or indirectly) have an interest of 30% or more; or
- (ii) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its Subsidiary or holding company or is a Subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Audit Committee”* : The audit committee of the Company
- “Authority” or “MAS”* : The Monetary Authority of Singapore
- “Board of Directors” or “Board”* : The board of directors of the Company as at the Latest Practicable Date
- “Capitalisation Price”* : The capitalisation price of S\$0.172 per Capitalisation Share, which represents (i) a premium of approximately 0.53% to the price of S\$0.1711, being the volume weighted average price of the Shares for trades done on the SGX-ST on 5 October 2021 (being the trading day before the date on which the Conditional Capitalisation Deed was entered into), and (ii) a premium of approximately 12.42% to the price of S\$0.1530, being the volume weighted average price of the Shares for trades done on the SGX-ST over a period of one month up to and including 5 October 2021
- “Capitalisation Resolution”* : The resolution proposed to approve the Proposed Capitalisation, as set out in the Notice of EGM
- “Capitalisation Shares”* : The new Shares in the capital of the Company to be allotted and issued at the Capitalisation Price to Surreyville in full repayment and discharge of the Surreyville Capitalisation Amount, pursuant to the Conditional Capitalisation Deed

“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to the Shareholders of the Company dated 14 December 2021
“Code”	:	The Singapore Code on Take-overs and Mergers
“Company”	:	RH Petrogas Limited
“Company’s FYE 2020 Market Capitalisation”	:	The Company’s market capitalisation as at 31 December 2020
“Conditional Capitalisation Deed”	:	The conditional capitalisation deed entered into by the Company and Surreyville dated 6 October 2021
“Directors”	:	The directors of the Company as at the Latest Practicable Date
“EGM”	:	Extraordinary General Meeting of the Company, to be held by electronic means on 29 December 2021 at 10.00 a.m. (or any adjournment thereof)
“Enlarged Share Capital”	:	The total enlarged issued share capital of the Company following the Proposed Capitalisation
“EPS”	:	Earnings per Share
“Exchange Rate”	:	The rate of S\$1.00 : RMB4.7461 with reference to the exchange rate on 5 October 2021 obtained from the MAS website
“Fuyu 1 PSC”	:	Fuyu 1 Production Sharing Contract
“Fuyu Disposal”	:	The disposal of the Company’s indirect wholly-owned subsidiary Mastique together with Mastique’s wholly-owned subsidiary KRL, which held the Fuyu 1 PSC
“FY”	:	Financial year of the Company ended or ending 31 December (as the case may be)
“Group”	:	The Company and its Subsidiaries
“IFA” or “Independent Financial Adviser”	:	Hong Leong Finance Limited
“IFA Letter”	:	The letter from the IFA dated 14 December 2021 with respect to the Proposed Capitalisation as an interested person transaction as set out in Appendix A to this Circular
“Immediate Family”	:	In relation to a person, means the person’s spouse, child, adopted child, step-child, sibling and parent
“Independent Directors”	:	The Directors who are considered independent for the purpose of making a recommendation to Independent Shareholders in respect of the Capitalisation Resolution, as at the Latest Practicable Date are namely, Chang Cheng-Hsing Francis, Yeo Yun Seng Bernard, Lee Hock Lye, Achmad Lukman Kartanegara and Kuan Li Li (for the avoidance of doubt, Tiong Ik King and Tiong Kiong King will abstain from making any recommendation to Independent Shareholders)

<i>“Independent Shareholders”</i>	:	The Shareholders who are considered independent for the purpose of the Capitalisation Resolution (being the Shareholders other than Tiong Hiew King, Tiong Ik King, Woodsville and Surreyville and their Associates)
<i>“KRL”</i>	:	Kingworld Resources Limited
<i>“Latest Practicable Date”</i>	:	7 December 2021, being the latest practicable date prior to the printing of this Circular
<i>“Listing Manual”</i>	:	The listing manual of the SGX-ST and its relevant rule(s)
<i>“Mastique”</i>	:	Mastique Investments Limited
<i>“NAV”</i>	:	Net asset value
<i>“Notice of EGM”</i>	:	The notice of EGM set out on pages 35 to 37 of this Circular
<i>“NTA”</i>	:	Net tangible assets
<i>“Proposed Capitalisation”</i>	:	The proposed capitalisation of a significant portion of the Surreyville Shareholder’s Loans amounting to the Surreyville Capitalisation Amount by way of the allotment and issue of Capitalisation Shares by the Company to Surreyville
<i>“Proxy Form”</i>	:	The proxy form in respect of the EGM as set out in this Circular
<i>“Record Date”</i>	:	In relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Company or with CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions
<i>“Register of Members”</i>	:	Register of members of the Company
<i>“RHPI”</i>	:	RH Petrogas Investments Pte. Ltd., a wholly-owned Subsidiary of the Company
<i>“RHPM”</i>	:	RHP (Mukah) Pte. Ltd., a joint venture Subsidiary of the Company in which the Company holds a 51% equity interest through RHPI and the remaining 49% equity interest is held by TTE, an Associate of Tiong Hiew King and Tiong Ik King
<i>“RHPM Loans”</i>	:	The interest-free shareholders’ loans amounting to an aggregate of US\$28,001,004 (equivalent to S\$38,112,167 based on the exchange rate of US\$1.00 : S\$1.3611 as at 30 September 2021) advanced by RHPI and TTE, in proportion to their shareholding interests in RHPM, to RHPM
<i>“RMB Denominated Loan”</i>	:	Has the meaning defined in paragraph 2.1 of this Circular (amounting to RMB17,000,001.03, which is equivalent to S\$3,581,888.50 based on the Exchange Rate, as explained in the Announcement and as at the Latest Practicable Date)
<i>“Securities Account”</i>	:	Securities account maintained by a securities account holder with CDP or a sub-account of a sub-account holder maintained with a Depository Agent

<i>“SFA”</i>	:	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
<i>“SGD Denominated Loan”</i>	:	Has the meaning defined in paragraph 2.1 of this Circular (amounting to S\$14,114,426.43, as explained in the Announcement and as at the Latest Practicable Date)
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“Shanghai Changmao”</i>	:	Shanghai Changmao Plywood Co., Ltd.
<i>“Share(s)”</i>	:	Ordinary share(s) in the share capital of the Company
<i>“Shareholders”</i>	:	The registered holders of the Shares in the Register of Members, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with such Shares
<i>“SIC”</i>	:	Securities Industry Council
<i>“Surreyville”</i>	:	Surreyville Pte Ltd
<i>“Surreyville Capitalisation Amount”</i>	:	Has the meaning defined in paragraph 2.2 of this Circular (amounting to S\$15,480,000)
<i>“Surreyville Shareholder’s Loans”</i>	:	The interest-free shareholder’s loans owing by the Company to Surreyville, as explained in paragraph 2.1 of this Circular (amounting to S\$17,696,314.93 based on the Exchange Rate, as explained in the Announcement and as at the Latest Practicable Date)
<i>“Tiong Family Group”</i>	:	The entities owned and controlled by Tiong Hiew King, Tiong Ik King and their concert parties including The Estate of Tiong Kiu King; Sharptone Investments Limited; Woodsville; Surreyville; RH Capital Limited; Subur Tiasa Holdings Berhad; Tiong Toh Siong Holdings Sdn. Bhd.; Tiong Toh Siong Enterprises Sdn. Bhd.; Tiong Toh Siong & Sons Sdn. Bhd.; and Teck Sing Lik Enterprise Sdn. Bhd.
<i>“Tiong Hiew King”</i>	:	Tan Sri Datuk Sir Tiong Hiew King
<i>“Tiong Ik King”</i>	:	Dato’ Sri Dr Tiong Ik King
<i>“TTE”</i>	:	Tumbuh Tiasa Enterprises Sdn. Bhd.
<i>“Woodsville”</i>	:	Woodsville International Limited
Currencies, Units of Measurements and Others		
<i>“RMB”</i>	:	People’s Republic of China Renminbi
<i>“S\$” and “cents”</i>	:	Singapore dollars and cents, respectively
<i>“US\$” and “US cents”</i>	:	United States dollars and cents, respectively
<i>“%” or “per cent.”</i>	:	Per centum or percentage

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the same meanings ascribed to them respectively in Section 81SF of the SFA. The terms “**Subsidiary**” and “**Substantial Shareholder**” shall have the meanings ascribed to them in Sections 5 and 81 of the Companies Act respectively. The term “**Controlling Shareholder**” shall have the meaning ascribed to it in the Listing Manual.

The terms “**concert parties**” shall have the meanings ascribed to them respectively in the Code.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word or term defined under the Companies Act, the SFA, the Listing Manual or any statutory modification thereof and not otherwise defined in this Circular shall, where applicable, have the same meaning assigned to it under the Companies Act, the SFA, the Listing Manual or any statutory modification thereof, as the case may be, unless otherwise provided.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

Any reference in this Circular to shares being allotted to a person includes allotment to CDP for the account of that person.

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

Any discrepancies in this Circular between the sum of the figures stated and the total thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures which precede them.

LETTER TO SHAREHOLDERS

RH PETROGAS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 198701138Z)

Directors

Dato' Sri Dr Tiong Ik King (Non-Executive and Non-Independent Chairman)
Mr Chang Cheng-Hsing Francis (Group CEO and Executive Director)
Mr Tiong Kiong King (Non-Executive and Non-Independent Director)
Mr Yeo Yun Seng Bernard (Independent Non-Executive Director)
Mr Lee Hock Lye (Independent Non-Executive Director)
Mr Achmad Lukman Kartanegara (Independent Non-Executive Director)
Ms Kuan Li Li (Independent Non-Executive Director)

Registered Office

20 Harbour Drive
#06-03
Singapore 117612

14 December 2021

To: The Shareholders of RH Petrogas Limited

Dear Sir/Madam

1. INTRODUCTION

1.1 EGM

The Directors of the Company propose to convene the EGM to be held on 29 December 2021 to seek the approval of the Shareholders for the proposed Capitalisation Resolution.

1.2 Circular

The purpose of this Circular is to provide Shareholders with information relating to, and to explain the rationale for, the proposed Capitalisation Resolution and to seek Shareholders' approval for the proposed Capitalisation Resolution at the EGM.

1.3 Legal Adviser

Allen & Gledhill LLP is the legal adviser to the Company in relation to the Proposed Capitalisation.

2. THE PROPOSED CAPITALISATION

2.1 Background

Tiong Hiew King and Tiong Ik King are Controlling Shareholders of the Company and together with their family members, hold an aggregate 63.92% shareholding interest (direct and deemed) in the Company as at the Latest Practicable Date. Tiong Hiew King, Tiong Ik King and Tiong Kiong King (a Non-Executive and Non-Independent Director) are brothers.

Non-interest bearing loans have been extended by various entities owned and controlled by the Tiong Family Group, including Surreyville, to the Group.

As at the Latest Practicable Date, Surreyville holds approximately 28.63% direct shareholding interests in the Company, and is accordingly also a Controlling Shareholder of the Company. Tiong Hiew King together with Tiong Ik King hold the entire issued share capital of Woodsville which is, in turn, the holding company of Surreyville.

As explained in the Announcement and as at the Latest Practicable Date, the total outstanding amount of the Surreyville Shareholder's Loans is S\$17,696,314.93, comprising:

- (i) S\$14,114,426.43 pursuant to a shareholder's loan agreement dated 12 August 2021 (the "SGD Denominated Loan"); and

- (ii) RMB17,000,001.03 pursuant to a novation agreement dated 17 June 2021 made among the Company, RHPI and Surreyville in relation to the novation and transfer of all of RHPI's rights, benefits, interests, obligations and liabilities in connection with or arising out of an outstanding interest-free loan amount of RMB17,000,001.03 to the Company (the "**RMB Denominated Loan**") (equivalent to S\$3,581,888.50 based on the Exchange Rate).

The SGD Denominated Loan (as with a number of other interest-free loans from Controlling Shareholders of the Company over the years) was provided to meet the Group's funding shortfall and working capital requirements. The loans comprising the SGD Denominated Loan may be repaid by the Group to Surreyville in either one lump sum or in instalments at the Group's option on or before a date falling 24 months from 1 July 2021, subject to further extension by the mutual agreement in writing of the Company and Surreyville.

The RMB Denominated Loan comprised interest-free loans provided to the Group to fund the operational and capital expenditure requirements of the Fuyu 1 PSC onshore Jilin Province, China, which was divested by the Group in 2019. These loans were part of a larger loan amount of RMB29,000,000 originally provided to KRL (an indirect wholly-owned subsidiary of the Company after its acquisition by the Group in August 2009 and prior to its disposal in October 2019) by Shanghai Changmao, pursuant to loan agreements entered into on 30 September 2008, 10 December 2008 and 15 April 2009. Over the course of the years following the acquisition of KRL by the Group (and its subsequent disposal), these loans were partially repaid and were transferred and novated through a series of agreements such that on 14 June 2021, Surreyville became the lender of these loans (in the amount of RMB17,000,001.03) to RHPI. In view of the Proposed Capitalisation, the loans were further novated on 17 June 2021 such that the Company became the borrower of the loans in lieu of RHPI. The loans do not have a fixed tenure or a specified repayment date.

In March 2019, the Group initiated the relinquishment of its working interest in the Fuyu 1 PSC with China National Petroleum Corporation following a comprehensive assessment of the technical risks and complexities associated with the heavy oil development project, the prevailing market conditions and the Group's financial position at that time. The Group had operated the Fuyu 1 PSC through its then subsidiary, KRL. Following the approval of the Overall Development Plan for the Yongping oilfield in October 2014, KRL had drilled 29 development wells before further drilling and facility development were suspended in early 2016, due to the collapse in global oil prices which severely affected the cash flow of the Group and its ability to access capital markets for development funding. The heavy oil recovered from its shallow reservoirs was of high viscosity which was not mobile at reservoir temperature, and required thermal stimulation such as steam injection and steam flooding for production. This added process resulted in higher project cost for development and production. A review of the development wells drilled revealed reservoir discontinuity in the field, which impacted on the effectiveness of the steam injections during pilot production tests conducted on selected wells. Through the years, the Group consulted heavy oil experts and employed several state-of-the-art technologies to help improve oil recovery, including a trial microbial flooding conducted in 2018 over certain selected wells. Unfortunately, none yielded sufficiently successful results. After assessing the development risks and prevailing market conditions, the Group considered that development of the Yongping oilfield at the Fuyu 1 PSC was no longer tenable. Even with development activities suspended, KRL continued to incur approximately US\$2 million annually in overhead costs. For more information, please refer to the Company's SGXNet Announcement No. SG190308OTHR3Q3I issued on 8 March 2019.

Around the same time, an investor approached the Group and expressed its interest to acquire the Group's interest in the Fuyu 1 PSC. Discussions with the investor culminated in the execution of a share purchase agreement and the successful completion of the Fuyu Disposal on 31 October 2019. For more information, please refer to the Company's SGXNet Announcements Nos. SG190924OTHR6GHL, SG191004OTHR620V and SG191031OTHR6CUB9 issued on 24 September 2019, 4 October 2019 and 31 October 2019, respectively.

2.2 Conditional Capitalisation Deed

In the Announcement dated 6 October 2021, the Company announced that it had on 6 October 2021 entered into the Conditional Capitalisation Deed with Surreyville, pursuant to which the Company agreed, subject to and upon the terms and conditions set out in the Conditional Capitalisation Deed, to capitalise a significant portion of the Surreyville Shareholder's Loans amounting to S\$15,480,000 (the "**Surreyville Capitalisation Amount**") into new Shares in the capital of the Company, such amount comprising:

- (i) S\$11,898,111.50 out of the S\$14,114,426.43 outstanding under the SGD Denominated Loan; and
- (ii) the entire RMB17,000,001.03 outstanding under the RMB Denominated Loan (equivalent to S\$3,581,888.50 based on the Exchange Rate).

The Proposed Capitalisation is intended to be effected via the allotment and issuance by the Company of 90,000,000 Capitalisation Shares at the Capitalisation Price to Surreyville in full repayment and discharge of the Surreyville Capitalisation Amount.

The Proposed Capitalisation is in line with the Company's intentions to capitalise shareholders' loans extended by various entities owned and controlled by the Tiong Family Group to the Group into equity.

In particular, aside from the Surreyville Shareholder's Loans, interest-free shareholders' loans amounting to an aggregate of US\$28,001,004 (equivalent to S\$38,112,167 based on the exchange rate of US\$1.00 : S\$1.3611 as at 30 September 2021) had been advanced by RHPI and TTE, in proportion to their shareholding interests in RHPM, to RHPM. RHPM is an indirect Subsidiary of the Company. RHPI (a wholly-owned Subsidiary of the Company) has a 51% shareholding interest in RHPM, and TTE (an associate of our Controlling Shareholders, Tiong Hiew King and Tiong Ik King) holds the remaining 49% shareholding interest in RHPM. The loans were provided by each of RHPI and TTE to RHPM for the funding of RHPM's exploration and evaluation activities, administrative expenses and support costs in respect of Block SK331.

On 5 November 2021, RHPM entered into a capitalisation deed with RHPM's two shareholders, RHPI and TTE, pursuant to which RHPM, RHPI and TTE agreed to capitalise the RHPM Loans into an aggregate of 38,112,167 new ordinary shares of RHPM credited as fully paid to be allotted and issued to RHPI and TTE in full repayment and discharge of the RHPM Loans. The RHPM Loans comprised (i) a principal sum of US\$14,280,512 (equivalent to S\$19,437,205, based on the exchange rate of US\$1.00 : S\$1.3611 as at 30 September 2021) owing by RHPM to RHPI; and (ii) a principal sum of US\$13,720,492 (equivalent to S\$18,674,962, based on the exchange rate of US\$1.00 : S\$1.3611 as at 30 September 2021) owing by RHPM to TTE. The capitalisation of the RHPM Loans was effected and completed on 5 November 2021. Please refer to the Company's SGXNet Announcement No. SG211105OTHRAMLR dated 5 November 2021 for further details.

2.3 Capitalisation Shares

The Capitalisation Price represents (i) a premium of approximately 0.53% to the price of S\$0.1711, being the volume weighted average price of the Shares for trades done on the SGX-ST on 5 October 2021 (being the trading day before the date on which the Conditional Capitalisation Deed was entered into), and (ii) a premium of approximately 12.42% to the price of S\$0.1530, being the volume weighted average price of the Shares for trades done on the SGX-ST over a period of one month up to and including 5 October 2021.

The allotment and issue of the Capitalisation Shares pursuant to the Proposed Capitalisation is subject to (amongst other things) approval in-principle being granted by the SGX-ST for the listing and quotation of the same on the SGX-ST and approval of Independent Shareholders for the Capitalisation Resolution being obtained at the EGM.

The Capitalisation Shares are to be credited as fully paid-up and when allotted and issued will rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions, the Record Date for which falls on or after the date of issue of the Capitalisation Shares.

The 90,000,000 Capitalisation Shares will constitute approximately 10.83% of the Enlarged Share Capital of the Company following the completion of the Proposed Capitalisation.

The Proposed Capitalisation will result in Surreyville holding approximately 36.36% of the Enlarged Share Capital of the Company following the completion of the Proposed Capitalisation, and result in an increase in the Tiong Family Group's shareholding interests (direct and deemed) to approximately 67.82% of the Enlarged Share Capital of the Company following the completion of the Proposed Capitalisation.

Please refer to paragraph 2.6 of this Circular for the shareholding structure of the Company as at the Latest Practicable Date and after the completion of the Proposed Capitalisation.

2.4 Conditions Precedent

The Conditional Capitalisation Deed originally provided that completion of the Proposed Capitalisation was conditional upon, *inter alia*, the fulfilment of the following conditions precedent:

- (i) **SIC approval:** waiver of the obligation by any member of the Tiong Family Group to make a mandatory offer for all the outstanding Shares not owned, controlled or agreed to be acquired by them, pursuant to Rule 14 of the Code, as a result of the Proposed Capitalisation (the "**Whitewash Waiver**"), being granted by the SIC, and not having been withdrawn or revoked as at the date of completion of the Proposed Capitalisation;
- (ii) **SGX-ST approval:** in-principle approval for the listing and quotation of the Capitalisation Shares on the Main Board of the SGX-ST having been obtained from the SGX-ST;
- (iii) **Shareholders' approval for the Capitalisation Resolution:** approval by the Independent Shareholders for the passing of Capitalisation Resolution; and
- (iv) **Shareholders' approval for the Whitewash Resolution:** approval of the Shareholders independent of the Tiong Family Group having been obtained in an extraordinary general meeting of the Company to waive their rights to receive a mandatory offer from the Tiong Family Group for the Shares not already held by the Tiong Family Group, pursuant to Rule 14 of the Code, as a result of the allotment and issuance of the Capitalisation Shares to Surreyville (the "**Whitewash Resolution**").

On 6 December 2021, the SIC has confirmed that Surreyville is not required to make a mandatory general offer for the Company under Rule 14 of the Code as a result of the Proposed Capitalisation. As a result of the ruling from the SIC, the Company and Surreyville entered into a side letter to the Conditional Capitalisation Deed on 7 December 2021, pursuant to which the parties have agreed to waive the conditions precedent relating to the Whitewash Waiver and the Whitewash Resolution.

Accordingly, the Proposed Capitalisation is conditional upon the fulfilment of the following conditions precedent:

- (a) **Shareholders' approval for the Proposed Capitalisation:** approval by the Shareholders having been obtained for the Proposed Capitalisation; and
- (b) **SGX-ST approval:** in-principle approval for the listing and quotation of the Capitalisation Shares on the Main Board of the SGX-ST having been obtained from the SGX-ST.

Please refer to the Company's SGXNet Announcement No. SG211207OTHRVBXI dated 7 December 2021 for further details.

On 10 December 2021, the SGX-ST granted in-principle approval for the listing and quotation of up to 90,000,000 Capitalisation Shares, subject to the following:

- (I) compliance with the SGX-ST's listing requirements; and
- (II) Independent Shareholders' approval being obtained for the Proposed Capitalisation.

The SGX-ST's in-principle approval above is not to be taken as an indication of the merits of the Proposed Capitalisation, the Capitalisation Shares, the Company and/or its Subsidiaries.

2.5 Shareholders' Approval under Chapters 8 and 9 of the Listing Manual

2.5.1 Placement to Restricted Persons

The allotment and issue of the Capitalisation Shares requires the approval of Shareholders under Section 161 of the Companies Act and Rules 805(1) and 812(1) and (2) of the Listing Manual.

Rule 812(1) and (2) of the Listing Manual provides that an issue must not be placed to, *inter alia*, the issuer's directors, Substantial Shareholders, the Immediate Family members of the directors and Substantial Shareholders and corporations in whose shares the issuer's directors and Substantial Shareholders have an aggregate interest of at least 10% unless specific shareholders' approval is obtained for such placement and the person to whom the issue is placed and its Associates must abstain from voting on the resolution approving the placement.

Surreyville (whose holding company, Woodsville, is owned by Tiong Hiew King together with Tiong Ik King) is a Controlling Shareholder of the Company. Hence, Surreyville is a person within the restrictions of Rule 812(1) of the Listing Manual, and specific shareholders' approval is required for the Proposed Capitalisation.

2.5.2 Interested Person Transactions

As announced on 7 October 2016 (SGXNet Announcement No. SG161007OTHR39JX), the SGX-ST has granted approval to the Company to use the Company's market capitalisation as at the previous financial year end instead of the Group's consolidated NTA as the basis for computing the materiality thresholds in respect of Rules 905 and 906 of the Listing Manual, for so long as the Group's NTA or NAV remains negative. The Group's NTA and NAV have been and are currently negative.

The Company's FYE 2020 Market Capitalisation was approximately S\$18,357,000. The amount of the Proposed Capitalisation of S\$15,480,000 represents approximately 84.3% of the Company's FYE 2020 Market Capitalisation. As the Proposed Capitalisation constitutes an interested person transaction under Chapter 9 of the Listing Manual and will exceed 5% of the Company's FYE 2020 Market Capitalisation, it is subject to the approval of Independent Shareholders in accordance with Rule 906(1)(a) of the Listing Manual.

Save for the Proposed Capitalisation, approximately US\$26,000 in aggregate principal amount of interest-free shareholder loans provided by RHPI to RHPM to fund the operating and capital expenditure of RHPM in proportion to its equity interest in RHPM (which for the avoidance of doubt, was capitalised as part of the capitalisation of the RHPM Loans) and the capitalisation of the RHPM Loans (as described in paragraph 2.2 of this Circular), no other interested person transactions (excluding transactions which are less than S\$100,000) were entered into by the Company with any member of the Tiong Family Group or any other interested person for the period commencing from the beginning of the current financial year, being 1 January 2021, and ending on the Latest Practicable Date.

2.5.3 Shareholder's Approval

For the reasons set out in paragraphs 2.5.1 and 2.5.2 above, Independent Shareholders' approval is sought for the Proposed Capitalisation at the EGM. Each of Tiong Hiew King, Tiong Ik King, Woodsville and Surreyville will abstain, and will procure that their Associates will abstain, from voting on the Capitalisation Resolution at the EGM.

2.6 Potential Dilution Effect

The Capitalisation Shares will constitute approximately 10.83% of the Enlarged Share Capital. The Proposed Capitalisation will result in Surreyville holding approximately 36.36% of the Enlarged Share Capital, and result in an increase in the Tiong Family Group's shareholding interests (direct and deemed) to approximately 67.82% of the Enlarged Share Capital.

As at the Latest Practicable Date, the Tiong Family Group collectively holds 473,425,443 Shares in aggregate, which represents approximately 63.92% of the total number of Shares in issue. For illustration and assuming that all the Capitalisation Shares are allotted and issued:

- (i) Tiong Hiew King will have a direct interest in approximately 0.07% of the Enlarged Share Capital, and a deemed interest in approximately 67.75% of the Enlarged Share Capital; and
- (ii) Tiong Ik King will have a deemed interest in approximately 36.36% of the Enlarged Share Capital.

We set out illustrative details of the resultant shareholdings below:

As at the Latest Practicable Date

Shareholder	Direct Interest (Number of Shares)	Deemed Interest (Number of Shares)	Total Interest (Number of Shares)	% of Total Issued Shares
Tiong Hiew King	580,000	472,845,443	473,425,443	63.92
Tiong Ik King	0	212,073,086 ⁽¹⁾	212,073,086	28.63
Tiong Family Group	473,425,443	473,425,443	473,425,443	63.92
Woodsville	0	212,073,086	212,073,086	28.63
Surreyville	212,073,086	0	212,073,086	28.63
Public float ⁽²⁾	263,781,957	0	263,781,957	35.61

After the Proposed Capitalisation

Shareholder	Direct Interest (Number of Shares)	Deemed Interest (Number of Shares)	Total Interest (Number of Shares)	% of Enlarged Share Capital
Tiong Hiew King	580,000	562,845,443	563,425,443	67.82
Tiong Ik King	0	302,073,086 ⁽¹⁾	302,073,086	36.36
Tiong Family Group	563,425,443	563,425,443	563,425,443	67.82
Woodsville	0	302,073,086	302,073,086	36.36
Surreyville	302,073,086	0	302,073,086	36.36
Public float ⁽²⁾	263,781,957	0	263,781,957	31.76

Notes:

- (1) Tiong Ik King's deemed interest arises from his shareholding in Woodsville, the holding company of Surreyville.
- (2) The "public", as defined under the Listing Manual, are persons other than the Directors, chief executive officer, Substantial Shareholders or Controlling Shareholders of the Company and its Subsidiaries, as well as the associates of such aforementioned persons. As of the Latest Practicable Date, there are 263,781,957 Shares, representing approximately 35.61% of the total number of issued Shares, held by the public. Following the Proposed Capitalisation, the 263,781,957 Shares held by the public would represent approximately 31.76% of the Enlarged Share Capital.

2.7 Interests of the Tiong Family Group

As at the Latest Practicable Date, based on information made available by the Tiong Family Group to the Company, the Tiong Family Group holds a direct and deemed interest in 473,425,443 Shares, which represents an aggregate 63.92% shareholding interest (direct and deemed) in the Company. The Tiong Family Group does not hold any instruments convertible into, rights to subscribe for or options in respect of Shares.

3. RATIONALE

The Proposed Capitalisation facilitates the repayment of S\$15,480,000 of the Surreyville Shareholder's Loans through the conversion of debt to equity. This will reduce the debt burden of the Group without adversely affecting its operating cash flow. Further, this will strengthen the Group's financial position and capital base, thus enhancing its flexibility to raise debt and to capitalise on potential growth opportunities.

Based on the unaudited consolidated financial statements of the Group for the nine months ended 30 September 2021, and assuming that the Capitalisation Shares are issued at the Capitalisation Price, the NAV per Share will improve from negative 0.60 US cents to positive 0.81 US cents.

With the strengthening of its balance sheet, the Group will be in a better position to negotiate for more favourable financing terms from financial institutions in respect of any funding requirements which may arise going forward.

4. FINANCIAL EFFECTS OF THE PROPOSED CAPITALISATION

For illustrative purposes only and based on (i) the audited consolidated financial statements of the Company as at and for the FY ended 31 December 2020 ("FY2020"), and (ii) the unaudited consolidated financial statements of the Company as at and for the nine months period ended 30 September 2021 ("9M2021"), the financial effects of the Proposed Capitalisation on the Group are set out below.

The analysis below has been prepared solely for illustrative purposes and does not purport to be indicative or a projection of the results and financial position of the Group after completion of the Proposed Capitalisation.

4.1 Share Capital

The effects of the Proposed Capitalisation on the share capital of the Company as at 31 December 2020 and 30 September 2021 respectively, are as follows:

	No. of Shares as at 31 December 2020	Share Capital (US\$'000) as at 31 December 2020	No. of Shares as at 30 September 2021	Share Capital (US\$'000) as at 30 September 2021
Existing issued and paid-up share capital ⁽¹⁾	734,277,400 ⁽²⁾	258,160	740,707,400 ⁽²⁾	258,722
Issue of Capitalisation Shares pursuant to the Proposed Capitalisation	90,000,000	11,175 ⁽³⁾	90,000,000	11,175 ⁽³⁾
Enlarged issued and paid-up share capital after the Proposed Capitalisation	824,277,400	269,335	830,707,400	269,897

Notes:

- (1) Based on (i) the issued share capital of 734,277,400 Shares as at 31 December 2020, and (ii) the issued share capital of 740,707,400 Shares as at 30 September 2021, respectively.
- (2) Between 31 December 2020 and 30 September 2021, the issued share capital of the Company had increased from 734,277,400 Shares to 740,707,400 Shares in view of the issue and allotment of the following Shares pursuant to the exercise of options granted under the RHP Share Option Scheme 2011 as follows:
 - (a) an aggregate of 2,330,000 Shares on 25 June 2021, following which the issued share capital of the Company had increased from 734,277,400 Shares to 736,607,400 Shares. For more information, please refer to the Company's SGXNet Announcement No. SG210628OTHRYO1M issued on 28 June 2021;
 - (b) an aggregate of 3,500,000 Shares on 30 June 2021, following which the issued share capital of the Company had increased from 736,607,400 Shares to 740,107,400 Shares. For more information, please refer to the Company's SGXNet Announcement No. SG210630OTHRPZRT issued on 30 June 2021; and
 - (c) an aggregate of 600,000 Shares on 15 July 2021, following which the issued share capital of the Company had increased from 740,107,400 Shares to 740,707,400 Shares. For more information, please refer to the Company's SGXNet Announcement No. SG210715OTHRDP3 issued on 15 July 2021.
- (3) This figure is computed based on the exchange rate of US\$1.00 : S\$1.3584 with reference to the exchange rate on 5 October 2021 obtained from the MAS website, and after taking into account the share issuance expenses of approximately US\$221,000.

4.2 NAV per Share

For illustrative purposes only, the financial effects of the Proposed Capitalisation on the NAV of the Group, assuming that the Proposed Capitalisation had been completed on 31 December 2020 and 30 September 2021 respectively, are as follows:

	NAV per Share (US cents) as at 31 December 2020	NAV per Share (US cents) as at 30 September 2021
Before adjusting for the Proposed Capitalisation ⁽¹⁾	(2.24)	(0.60)
After adjusting for the Proposed Capitalisation ⁽²⁾	(0.64)	0.81

Notes:

- (1) Computed based on (i) NAV as at 31 December 2020 and the issued share capital of 734,277,400 Shares as at 31 December 2020, and (ii) NAV as at 30 September 2021 and the issued share capital of 740,707,400 Shares as at 30 September 2021, respectively.
- (2) Computed based on (i) NAV as at 31 December 2020, adjusted for the Proposed Capitalisation and the issued share capital of 824,277,400 Shares, after taking into account the issuance of 90,000,000 Capitalisation Shares, and (ii) NAV as at 30 September 2021, adjusted for the Proposed Capitalisation and the issued share capital of 830,707,400 Shares, after taking into account the issuance of 90,000,000 Capitalisation Shares, respectively.

4.3 EPS

For illustrative purposes only, the financial effects of the Proposed Capitalisation on the EPS of the Group, assuming that the Proposed Capitalisation had been completed at the beginning of FY2020 and 9M2021 respectively, are as follows:

	Basic EPS (US cents) for FY2020	Diluted EPS (US cents) for FY2020	Basic EPS (US cents) for 9M2021	Diluted EPS (US cents) for 9M2021
Before adjusting for the Proposed Capitalisation ⁽¹⁾	(0.51)	(0.51)	1.58	1.58
After adjusting for the Proposed Capitalisation ⁽²⁾	(0.45)	(0.45)	1.41	1.41

Notes:

- (1) Basic EPS – Computed based on (i) in respect of FY2020, the weighted average number of Shares of 734,277,400 as at 31 December 2020, and (ii) in respect of 9M2021, the weighted average number of Shares of 737,068,511 as at 30 September 2021.

Diluted EPS – Computed based on (i) in respect of FY2020, the weighted average number of Shares of 734,277,400 as at 31 December 2020, after taking into account the effects of dilution arising from the share options issued under the RHP Share Option Scheme 2011 that are outstanding as of 30 September 2021, which have been assumed to be issued at the beginning of FY2020, and (ii) in respect of 9M2021, the weighted average number of Shares of 740,012,023 as at 30 September 2021, after taking into account the effects of dilution arising from the share options issued under the RHP Share Option Scheme 2011 that are outstanding as of 30 September 2021, which have been assumed to be issued at the beginning of 9M2021.

- (2) Basic EPS – Computed based on (i) in respect of FY2020, the weighted average number of Shares of 824,277,400 as at 31 December 2020, after taking into account the issuance of 90,000,000 Capitalisation Shares, and (ii) in respect of 9M2021, the weighted average number of Shares of 827,068,511 as at 30 September 2021, after taking into account the issuance of 90,000,000 Capitalisation Shares.

Diluted EPS – Computed based on (i) in respect of FY2020, the weighted average number of Shares of 824,277,400 as at 31 December 2020, after taking into account the issuance of 90,000,000 Capitalisation Shares and the effects of dilution arising from the share options issued under the RHP Share Option Scheme 2011 that are outstanding as of 30 September 2021, which have been assumed to be issued at the beginning of FY2020, and (ii) in respect of 9M2021, the weighted average number of Shares of 830,012,023 as at 30 September 2021, after taking into account the issuance of 90,000,000 Capitalisation Shares and the effects of dilution arising from the share options issued under the RHP Share Option Scheme 2011 that are outstanding as of 30 September 2021, which have been assumed to be issued at the beginning of 9M2021.

4.4 Gearing

For illustrative purposes only, the financial effects of the Proposed Capitalisation on the gearing of the Group, assuming that the Proposed Capitalisation had been completed on 31 December 2020 and 30 September 2021 respectively, are as follows:

	Net Debt (US\$'000) as at 31 December 2020	Total Equity (US\$'000) as at 31 December 2020	Gearing ⁽¹⁾ (times) as at 31 December 2020	Net Debt (US\$'000) as at 30 September 2021	Total Equity (US\$'000) as at 30 September 2021	Gearing ⁽¹⁾ (times) as at 30 September 2021
Before adjusting for the Proposed Capitalisation	45,011	(16,439)	N.M.	27,957	(4,441)	N.M.
After adjusting for the Proposed Capitalisation	33,615	(5,043) ⁽²⁾	N.M.	16,561	6,955 ⁽²⁾	2.38

Notes:

- (1) Gearing means the ratio of net debt to equity attributable to the owners of the parent. Net debt means the aggregate amount of liabilities arising from banks and financial institutions, shareholder loans, trade and other payables and other liabilities, less cash and cash equivalents.
- (2) Computed based on (i) equity attributable to the owners of the Company as at 31 December 2020, adjusted for the Proposed Capitalisation, and (ii) equity attributable to the owners of the Company as at 30 September 2021, adjusted for the Proposed Capitalisation, respectively.

N.M.: not meaningful

5. SHAREHOLDING EFFECTS OF THE PROPOSED CAPITALISATION

The shareholding structure of the Directors and Substantial Shareholders of the Company before the Proposed Capitalisation is set out in paragraph 6.1 of this Circular.

As an illustration of the changes to the shareholding structure of the Company after the Proposed Capitalisation, the table of shareholding information set out below has been prepared purely for illustration only based on the following basis and assumptions:

- (i) The issue of 90,000,000 Capitalisation Shares to Surreyville at the Capitalisation Price of S\$0.172; and
- (ii) Assuming that none of the outstanding share options granted to selected employees and Directors of the Group to subscribe for an aggregate of 2,510,000 Shares at an exercise price of S\$0.023 per Share and 2,000,000 Shares at an exercise price of S\$0.024 per Share pursuant to the RHP Share Option Scheme 2011 are exercised.

	After the Proposed Capitalisation			
	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Directors				
Tiong Ik King	–	–	302,073,086	36.36
Chang Cheng-Hsing Francis	3,500,000	0.42	–	–
Tiong Kiong King	–	–	–	–
Yeo Yun Seng Bernard	–	–	–	–
Lee Hock Lye	–	–	–	–
Achmad Lukman Kartanegara	–	–	–	–
Kuan Li Li	–	–	–	–
Substantial Shareholders (other than Directors)				
Tiong Hiew King	580,000	0.07	562,845,443	67.75
Surreyville Pte Ltd	302,073,086	36.36	–	–
Woodsville International Limited	–	–	302,073,086	36.36
Sharptone Investments Limited	132,825,203	15.99	–	–
The Estate of Tiong Kiu King, Deceased	–	–	132,825,203	15.99
RH Capital Limited	110,347,154	13.28	–	–
Other Shareholders	281,381,957	33.88		
Total	830,707,400	100.00		

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

6.1 Interests in the Company

The interests of the Directors and Substantial Shareholders in the capital of the Company as at the Latest Practicable Date are as follows:

	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽⁴⁾	No. of Shares	% ⁽⁴⁾
Directors				
Tiong Ik King ⁽¹⁾	–	–	212,073,086	28.63
Chang Cheng-Hsing Francis	3,500,000	0.47	–	–
Tiong Kiong King	–	–	–	–
Yeo Yun Seng Bernard	–	–	–	–
Lee Hock Lye	–	–	–	–
Achmad Lukman Kartanegara	–	–	–	–
Kuan Li Li	–	–	–	–
Substantial Shareholders (other than Directors)				
Tiong Hiew King ⁽²⁾	580,000	0.08	472,845,443	63.84
Surreyville Pte Ltd	212,073,086	28.63	–	–
Woodsville International Limited ^{(1) (2)}	–	–	212,073,086	28.63
Sharptone Investments Limited	132,825,203	17.93	–	–
The Estate of Tiong Kiu King, Deceased ⁽³⁾	–	–	132,825,203	17.93
RH Capital Limited	110,347,154	14.90	–	–

Notes:

- (1) Tiong Ik King's deemed interest arises from his shareholding in Woodsville, the holding company of Surreyville.
- (2) Tiong Hiew King's aggregate deemed interest of 472,845,443 shares comprised of (i) 212,073,086 shares held by Surreyville, which arises from his shareholding in Woodsville, the holding company of Surreyville; (ii) 132,825,203 shares held by Sharptone Investments Limited ("Sharptone"), which arises from his shareholding in Sharptone; (iii) 110,347,154 shares held/owned by RH Capital Limited which arises from his shareholding in RH Capital Limited; and (iv) 17,600,000 shares held by Subur Tiasa Holdings Berhad ("Subur Tiasa"), which arises from his substantial shareholdings in Tiong Toh Siong Holdings Sdn. Bhd., Tiong Toh Siong Enterprises Sdn. Bhd., Tiong Toh Siong & Sons Sdn. Bhd. and Teck Sing Lik Enterprise Sdn. Bhd., which are shareholders/substantial shareholders of Subur Tiasa.
- (3) The Estate of Tiong Kiu King, Deceased's deemed interest arises from his shareholding in Sharptone.
- (4) Computed based on the total issued share capital of 740,707,400 Shares.

6.2 Interests in the Proposed Capitalisation

Each of Tiong Hiew King, Tiong Ik King, Woodsville and Surreyville is deemed to be interested in the proposed allotment and issue of the Capitalisation Shares to Surreyville.

Save as disclosed above, none of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Capitalisation other than through their respective shareholdings (direct or indirect) in the Company as disclosed in paragraph 6.1.

7. IFA OPINION

Hong Leong Finance Limited has been appointed as the IFA pursuant to Rule 921(4)(a) of the Listing Rules as well as to advise the Independent Directors in respect of the Proposed Capitalisation as an IPT.

A copy of the IFA Letter from the IFA to the Independent Directors setting out its opinion and advice, is reproduced in full in Appendix A to this Circular

The following is an extract from Section 6 of the IFA Letter and should be read by Shareholders in conjunction with, and in the full context of, the full text of the IFA Letter. All terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter, unless otherwise stated.

“In arriving at our opinion in respect of the Proposed Capitalisation as an IPT, we have reviewed and have deliberated on the following key considerations which we consider to be pertinent in our assessment:

- (i) rationale for the Proposed Capitalisation;
- (ii) assessment of the financial terms of the Proposed Capitalisation;
- (iii) dilution impact on the minority Shareholders arising from the Proposed Capitalisation; and
- (iv) other relevant considerations.

Overall, based on our analysis and after having considered carefully the information available to us, we are of the opinion that, on balance, the Proposed Capitalisation as an IPT, is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

Accordingly, we advise the Independent Directors to recommend that the Independent Shareholders vote in favour of the Capitalisation Resolution.”

Shareholders are advised to read and consider the IFA Letter in its entirety as reproduced in Appendix A to this Circular and consider carefully the recommendations of the Independent Directors for the Capitalisation Resolution set out in paragraph 9 of this Circular.

8. AUDIT COMMITTEE’S OPINION

Having considered, *inter alia*, the terms of the Conditional Capitalisation Deed, the financial effects and rationale for the Proposed Capitalisation as well as the advice of the IFA as set out in the IFA Letter, the Audit Committee is of the view that the Proposed Capitalisation (including the proposed allotment and issue of the Capitalisation Shares to Surreyville), as an IPT, is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders. Tiong Ik King, a member of the Audit Committee, had abstained from deliberating and making any recommendation in respect of the Capitalisation Resolution as he is deemed to be interested in the proposed allotment and issue of the Capitalisation Shares to Surreyville.

The Audit Committee further recommends any individual Shareholder who may require specific advice to consult his stockbroker, bank manager, solicitor, accountant or other professional adviser and strongly advises Shareholders to read this Circular and IFA Letter in its entirety carefully.

9. DIRECTORS’ RECOMMENDATION

The Independent Directors, having considered, *inter alia*, the rationale for the Proposed Capitalisation and the advice of the IFA as set out in the IFA Letter, are of the view that the Proposed Capitalisation (including the proposed allotment and issue of the Capitalisation Shares to Surreyville) is in the interests of the Company, and that the same is transacted on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders. Accordingly, the Independent Directors recommend that the Independent Shareholders vote in favour of the Capitalisation Resolution as set out in the Notice of EGM to be proposed at the EGM.

10. ABSTENTION FROM VOTING

10.1 The Capitalisation Resolution

Rule 919 of the Listing Manual provides that in a meeting to obtain shareholder approval, the interested person and any associate of the interested person must not vote on the resolution, nor accept appointments as proxies unless specific instructions as to voting are given.

Tiong Hiew King together with Tiong Ik King (who is the Non-Executive Chairman of the Company) hold the entire issued share capital of Woodsville which is, in turn, the holding company of Surreyville. Accordingly, Tiong Hiew King, Tiong Ik King, Woodsville and Surreyville will abstain and shall ensure that their Associates will abstain from voting on or being appointed as proxies for the Capitalisation Resolution.

10.2 Chairman of EGM as proxy for other Shareholders

The Chairman of the EGM will accept appointment as proxy for any other Shareholder to vote in respect of the Capitalisation Resolution where such Shareholder has given specific instructions in a validly completed and submitted Proxy Form as to voting, or abstentions from voting, in respect of the Capitalisation Resolution.

11. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 35 to 37 of this Circular, will be held by electronic means on 29 December 2021 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the ordinary resolution set out in the Notice of EGM.

12. ACTION TO BE TAKEN BY SHAREHOLDERS

In view of the COVID-19 restrictions in Singapore, Shareholders will not be allowed to attend the EGM in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM through a live webcast. Please refer to the notes to the attached Notice of EGM for more information.

Shareholders will not be allowed to ask questions during the live webcast of the EGM. Shareholders can submit questions relating to the resolution to be tabled for approval at the EGM by email, to the Company by **10.00 a.m. on Sunday, 26 December 2021** (that is not less than 72 hours before the time fixed for holding the forthcoming EGM) to info@rhpetrogas.com. The Company will endeavour to address all relevant and substantial questions (as may be determined by the Company in its sole discretion) received.

A Shareholder who wishes to exercise his voting rights at the EGM must appoint the Chairman of the EGM as his proxy to vote on his behalf at the EGM. The Proxy Form must either be deposited at the registered office of the Company at 20 Harbour Drive, #06-03, Singapore 117612, or submitted to the Company by email to info@rhpetrogas.com, by **10.00 a.m. on Monday, 27 December 2021** (that is, not less than 48 hours before the time appointed for holding the above EGM). Shareholders are strongly encouraged to submit the completed and signed PDF copies of their Proxy Forms to the Company via email.

In appointing the Chairman of the EGM as proxy, a Shareholder must give specific instructions as to voting, or abstentions from voting in the proxy form, failing which the appointment will be treated as invalid.

A Depositor's name must appear on the Depository Register as at 72 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to access the live webcast and attend and vote by appointing the Chairman of the EGM as proxy at the EGM.

13. DIRECTORS' RESPONSIBILITY STATEMENT

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 Capitalisation, 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.

14. CONSENT

Hong Leong Finance Limited, as the IFA, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of (i) its name and all references thereto, (ii) the statements in paragraph 7 of this Circular, and (iii) the IFA Letter as set out in Appendix A to this Circular, in the form and context in which they appear in this Circular.

15. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 20 Harbour Drive, #06-03, Singapore 117612 during normal business hours from the date of this Circular up to the date of the EGM:

- (i) the Constitution of the Company;
- (ii) the Annual Report of the Company for FY2020;
- (iii) the Conditional Capitalisation Deed and side letter thereto dated 7 December 2021;
- (iv) the IFA Letter; and
- (v) the letter of consent from the IFA referred to in paragraph 14 of this Circular.

Shareholders who wish to inspect these documents at the registered office of the Company are required to send an email request to info@rhpetrogas.com to make an appointment in advance. The Company will arrange a date when each Shareholder can come to the registered office of the Company to inspect the documents accordingly. The inspection of documents will be arranged with each Shareholder to limit the number of people who are present at the registered office of the Company at any one point in time and such arrangements are subject to the prevailing regulations, orders, advisories and guidelines relating to safe distancing, vaccination status and testing requirements which may be implemented by the relevant authorities from time to time.

Yours faithfully

For and on behalf of the Board of Directors

Chang Cheng-Hsing Francis
Group CEO & Executive Director

APPENDIX A

LETTER FROM HONG LEONG FINANCE LIMITED TO THE INDEPENDENT DIRECTORS OF RH PETROGAS LIMITED

14 December 2021

RH Petrogas Limited
20 Harbour Drive
#06-03
Singapore 117612

To: The Independent Directors

(deemed to be independent for the purposes of making a recommendation to Independent Shareholders in respect of the Capitalisation Resolution)

Mr Chang Cheng-Hsing Francis (Group CEO and Executive Director)
Mr Yeo Yun Seng Bernard (Independent Director)
Mr Lee Hock Lye (Independent Director)
Mr Achmad Lukman Kartanegara (Independent Director)
Ms Kuan Li Li (Independent Director)

Dear Sirs/Madam,

PROPOSED CAPITALISATION OF SHAREHOLDER LOANS AS AN INTERESTED PERSON TRANSACTION

Except where the context otherwise requires or where otherwise stated, capitalised terms used in the circular dated 14 December 2021 (“Circular”) to the shareholders of RH Petrogas Limited shall have the same meaning herein.

1. INTRODUCTION

1.1 Proposed Capitalisation

On 6 October 2021 (“**Announcement Date**”), RH Petrogas Limited (“**Company**” and together with its subsidiaries, “**Group**”) announced that it had on that date entered into a conditional capitalisation deed (“**Conditional Capitalisation Deed**”) with Surreyville Pte Ltd (“**Surreyville**”), pursuant to which the Company has agreed, subject to and upon the terms and conditions set out in the Conditional Capitalisation Deed, to capitalise a significant portion of the Surreyville Shareholder’s Loans amounting to S\$15,480,000 which are due and owing to Surreyville, by way of the allotment and issuance to Surreyville of 90,000,000 new ordinary shares in the capital of the Company (“**Capitalisation Shares**”) at the issue price of S\$0.172 per Share (“**Capitalisation Price**”).

Tiong Hiew King and Tiong Ik King are Controlling Shareholders of the Company and together with their family members, hold an aggregate 63.92% shareholding interest (direct and deemed) in the Company as at the Latest Practicable Date.

As at the Latest Practicable Date, Surreyville holds approximately 28.63% direct shareholding interests in the Company (which is included in the abovementioned 63.92% shareholding interest), and is accordingly also a Controlling Shareholder of the Company. Tiong Hiew King together with Tiong Ik King hold the entire issued share capital of Woodsville International Limited (“**Woodsville**”) which is, in turn, the holding company of Surreyville.

Over the years, non-interest bearing loans have been extended by various entities owned and controlled by the Tiong Family Group, including Surreyville, to the Group to meet the Group’s funding shortfall and working capital requirements.

As at the Latest Practicable Date, the total outstanding amount of the Surreyville Shareholder’s Loans is S\$17,696,314.93, comprising:

- (i) S\$14,114,426.43 pursuant to a shareholder's loan agreement dated 12 August 2021 (the "**SGD Denominated Loan**"); and
- (ii) RMB17,000,001.03 pursuant to a novation agreement dated 17 June 2021 made among the Company, RH Petrogas Investments Pte Ltd ("**RHPI**"), a wholly-owned subsidiary of the Company, and Surreyville in relation to the novation and transfer of all of RHPI's rights, benefits, interests, obligations and liabilities in connection with or arising out of an outstanding interest-free loan amount of RMB17,000,001.03 to the Company (the "**RMB Denominated Loan**") (equivalent to S\$3,581,888.50 based on the exchange rate of S\$1.00 : RMB4.7461).

For the purpose of the Proposed Capitalisation, it is proposed that S\$11,898,111.50 out of the S\$14,114,426.43 outstanding under the SGD Denominated Loan, and the entire RMB17,000,001.03 outstanding under the RMB Denominated Loan (equivalent to S\$3,581,888.50 based on the exchange rate of S\$1.00 : RMB4.7461), totalling S\$15,480,000 ("**Surreyville Capitalisation Amount**"), be settled by way of the allotment and issuance of 90,000,000 Capitalisation Shares.

1.2 Shareholders' approval

The Proposed Capitalisation will require Independent Shareholders' approval at the extraordinary general meeting ("**EGM**") pursuant to the following rules in the Listing Manual of the SGX-ST:

- (i) Rule 805 – issuance of Shares other than under the general mandate approved at the Company's last annual general meeting ("**AGM**");
- (ii) Rule 812 – issuance of Shares to Surreyville as a substantial Shareholder; and
- (iii) Rule 906(1) – As announced by the Company on 7 October 2016, the SGX-ST has granted approval to the Company to use the Company's market capitalisation as at the previous financial year end instead of the Group's consolidated NTA as the basis for computing the materiality thresholds in respect of Rules 905 and 906 of the Listing Manual, for so long as the Group's NTA or NAV remains negative. The Group's NTA and NAV have been and are currently negative. The Company's market capitalisation as at 31 December 2020 was approximately S\$18,357,000 (the "**FYE 2020 Market Capitalisation**"). The amount of the Proposed Capitalisation of S\$15,480,000 represents approximately 84.3% of the FYE 2020 Market Capitalisation. The Proposed Capitalisation constitutes an interested person transaction ("**IPT**") and the value of the IPT exceeds 5% of the FYE 2020 Market Capitalisation.

Besides seeking Independent Shareholders' approval for the Proposed Capitalisation as an IPT, Rule 921(4)(a) also requires an opinion from an independent financial adviser ("**IFA**") to opine on whether the Proposed Capitalisation is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

1.3 Independent Directors

As at the Latest Practicable Date, the Directors are:

- (i) Dato' Sri Dr Tiong Ik King (Non-Executive and Non-Independent Chairman)
- (ii) Mr Chang Cheng-Hsing Francis (Group CEO and Executive Director)
- (iii) Mr Tiong Kiong King (Non-Executive and Non-Independent Director)
- (iv) Mr Yeo Yun Seng Bernard (Independent Non-Executive Director)
- (v) Mr Lee Hock Lye (Independent Non-Executive Director)
- (vi) Mr Achmad Lukman Kartanegara (Independent Non-Executive Director)
- (vii) Ms Kuan Li Li (Independent Non-Executive Director)

The Company has confirmed that the five Directors, namely, Chang Cheng-Hsing Francis, Yeo Yun Seng Bernard, Lee Hock Lye, Achmad Lukman Kartanegara and Kuan Li Li are deemed as independent for the purposes of making a recommendation to Independent Shareholders in respect of the Capitalisation Resolution ("**Independent Directors**").

1.4 IFA

Hong Leong Finance Limited (“**HLF**”) has been appointed as the IFA pursuant to Rule 921(4)(a) of the Listing Manual as well as to advise the Independent Directors in respect of the Proposed Capitalisation as an IPT.

This letter (“**IFA Letter**”) is therefore issued pursuant to Rule 921(4)(a) of the Listing Manual as well as addressed to the Independent Directors and set out, *inter alia*, our evaluation and opinion on the Proposed Capitalisation as an IPT. This IFA Letter forms part of the Circular which provides, *inter alia*, the details of the Proposed Capitalisation and the recommendation of the Independent Directors to the minority Shareholders.

2. TERMS OF REFERENCE

HLF is neither a party to the negotiations or discussions in relation to the Proposed Capitalisation, nor were we involved in the deliberations leading up to the decision on the part of the Directors to enter into the Proposed Capitalisation, and we do not, by this IFA Letter, advise on the merits of the Proposed Capitalisation other than to form an opinion as to whether the Proposed Capitalisation is carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

We have limited our evaluation to the Proposed Capitalisation. Our terms of reference do not require us to evaluate or comment on the legal, strategic and commercial merits and/or risks (if any) of the Proposed Capitalisation, or to compare its relative merits *vis-à-vis* alternative transactions previously considered by the Company (if any) or that may otherwise be available to the Company currently or in the future, and we have not made such evaluations or comments. Such evaluations or comments remain the sole responsibility of the Directors and the management of the Company (the “**Management**”), but we may draw upon their views or make such comments in respect thereof (to the extent required by the Listing Manual and/or deemed necessary or appropriate by us) in arriving at our opinion as set out in this IFA Letter.

In the course of our evaluation, we have held discussions with the members of the Board and Management and/or their professional advisers (where applicable). For the purpose of rendering our advice and opinion, we have relied on publicly available information collated by us, information set out in the Circular and information (including representations, opinions, facts and statements) provided to us by the Directors, the Management, employees and/or professional advisers of the Company. We have relied upon and assumed the accuracy, truth, completeness and adequacy of, without having independently verified, such information, whether written or verbal, provided to us by the aforesaid parties and accordingly cannot and do not warrant, and do not accept any responsibility for, the accuracy, truth, completeness or adequacy of such information, save that we have made reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of the information.

We have relied upon the assurances of the Directors and the Management who have confirmed to us that to the best of their respective knowledge, information and belief, having made due and careful enquiries, all material information available to them in connection with the Proposed Capitalisation, the Company and the Group has been disclosed to HLF, that such information constitutes full and true disclosure of all material information, is true, complete and accurate in all material respects and there is no other information or fact, the omission of which would cause any of the information disclosed to or relied by us or the facts of or in relation to the Proposed Capitalisation to be inaccurate, untrue, incomplete, unfair or misleading in any material respect. The Directors have jointly and severally accepted full responsibility for the accuracy, truth, completeness and adequacy of the information provided to us. Accordingly, we cannot and do not represent or warrant (expressly or impliedly), and do not accept any responsibility for the accuracy, truth, completeness or adequacy of such information. We have further assumed that all statements of fact, belief, opinion and intention made by the Directors and Management to us or in the Circular have been reasonably made after due and careful enquiry. Whilst care has been exercised in reviewing the information upon which we have relied, we have not independently verified such information but nevertheless have made reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of the information.

The scope of our appointment does not require us to conduct a comprehensive independent review of the business, operations or financial condition of the Company and/or the Group, or to express, and we do not express, a view on the future growth prospects, value and earnings potential of the Company and/or the Group. Any such evaluation or review remains the responsibility of the Directors and the Management, but we may draw upon their views or make such comments in respect thereof (to the extent required by the Listing Manual and/or deemed necessary or appropriate by us) in arriving at our opinion as set out in this IFA Letter. We have not obtained from the Company and/or the Group any projection of the future performance including financial performance of the Company and/or the Group and further, we did not conduct discussions with the Directors and the Management on, and did not have access to, any business plan and financial projections of the Company and/or the Group. In addition, we are not expressing any view herein as to the prices at which the Shares may trade or the future value, financial performance or condition of the Company and/or the Group, upon or after completion of the Proposed Capitalisation or if the Proposed Capitalisation does not proceed.

We are not required to and have not made an independent evaluation or appraisal of the assets and liabilities of the Company and/or the Group (including without limitation, property, plant and equipment) and we have not been furnished with any such evaluation and appraisal in respect of assets and liabilities (if any) held by the Group.

Our opinion herein is based upon market, economic, industry, monetary, regulatory and other applicable conditions prevailing on, and the information provided to us, as of the Latest Practicable Date. Such conditions may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion in light of, and this IFA Letter does not take into account, any subsequent development after the Latest Practicable Date that may affect our opinion herein. Shareholders should also take note of any announcements relevant to the Proposed Capitalisation which may be released by or on behalf of the Company and other relevant sources after the Latest Practicable Date.

The Company has been separately advised by its advisers in the preparation of the Circular (other than this IFA Letter). We have had no role or involvement and have not provided any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Circular (other than this IFA Letter). Accordingly, we take no responsibility for, and express no views, express or implied, on the contents of the Circular (except for this IFA Letter).

We have not regarded the general or specific investment objectives, financial situation, tax position, risk profile or unique needs and constraints of any individual Shareholder. As different Shareholders would have different investment portfolios and objectives, we would advise the Independent Directors to recommend that any individual Shareholder who may require specific advice in relation to his or her investment portfolio should consult his or her stockbroker, bank manager, solicitor, accountant, tax advisor or other professional advisers immediately.

We have prepared the IFA Letter pursuant to Rule 921(4)(a) of the Listing Manual, as well as to advise the Independent Directors in connection with their consideration of the Capitalisation Resolution and their recommendation to the Independent Shareholders arising thereof. The recommendation made to the Independent Shareholders in respect of the Capitalisation Resolution remains the responsibility of the Independent Directors.

Our opinion in relation to the Proposed Capitalisation as an IPT should be considered in the context of the entirety of this IFA Letter and the Circular.

3. KEY INFORMATION ON THE COMPANY AND THE GROUP

3.1 Overview

The Company is incorporated in Singapore and is listed on the Mainboard of the SGX-ST. The Group is primarily engaged in the exploration, development and production of oil and gas resources.

The Group's performance in FY2020 was severely affected by the impact of the COVID-19 pandemic and depressed oil prices, and as a result, the Group recorded net loss of US\$4.8 million in FY2020. However, with the increased demand for oil and higher oil prices in the nine months ended 30 September 2021 ("9M2021"), the Group recorded net profit of US\$13.8 million in 9M2021.

As at the Latest Practicable Date, the Directors are:

- (i) Dato' Sri Dr Tiong Ik King (Non-Executive and Non-Independent Chairman)
- (ii) Mr Chang Cheng-Hsing Francis (Group CEO and Executive Director)
- (iii) Mr Tiong Kiong King (Non-Executive and Non-Independent Director)
- (iv) Mr Yeo Yun Seng Bernard (Independent Non-Executive Director)
- (v) Mr Lee Hock Lye (Independent Non-Executive Director)
- (vi) Mr Achmad Lukman Kartanegara (Independent Non-Executive Director)
- (vii) Ms Kuan Li Li (Independent Non-Executive Director)

Tiong Ik King, a member of the Audit Committee, had abstained from deliberating and making any recommendation in respect of the Capitalisation Resolution as he is deemed to be interested in the proposed allotment and issue of the Capitalisation Shares to Surreyville.

With respect to the Proposed Capitalisation as an IPT, Tiong Ik King and Tiong Kiong King will abstain from making any recommendation to Shareholders.

Tiong Hiew King, Tiong Ik King, Woodsville and Surreyville will abstain and shall ensure that their Associates will abstain from voting on or being appointed as proxies for the Capitalisation Resolution.

Accordingly, the Directors who are considered independent for the purpose of making a recommendation to the Independent Shareholders in respect of the Capitalisation Resolution, are Chang Cheng-Hsing Francis, Yeo Yun Seng Bernard, Lee Hock Lye, Achmad Lukman Kartanegara and Kuan Li Li. For the avoidance of doubt, Tiong Ik King and Tiong Kiong King will abstain from making any recommendation to Independent Shareholders.

3.2 Changes in issued share capital of the Company

As at 30 September 2021, the issued share capital of the Company comprises 740,707,400 Shares. Since 30 September 2021 and up to the Latest Practicable Date, the issued share capital of the Company remained unchanged.

Accordingly, as at the Latest Practicable Date, the issued share capital of the Company comprises 740,707,400 Shares and the Tiong Family Group collectively holds 473,425,443 Shares in aggregate, which represents approximately 63.92% of the total number of Shares in issue.

Upon the completion of the Proposed Capitalisation, the issued share capital of the Company will increase to 830,707,400 Shares, and the Tiong Family Group's interests (direct and deemed) in the Company will increase to 67.82% of the Enlarged Share Capital.

Outstanding employee share options

As at the Latest Practicable Date, the Company has 4,510,000 outstanding employee share options granted pursuant to the Company's employee share option scheme. The salient details are set out below:

Date of grant	No. of options	Exercise price	Exercise period
6 March 2020	2,510,000	S\$0.023	From 7 March 2022 to 5 March 2025
5 March 2021	2,000,000	S\$0.024	From 6 March 2023 to 4 March 2026
Total	4,510,000		

Accordingly, based on the respective exercise periods, these share options are not eligible to be exercised into new Shares as at the Latest Practicable Date. However, as the number of new Shares involved upon the exercise of these share options represents approximately 0.54% of the Enlarged Share Capital, they will not have a material dilutive impact on the minority Shareholders' interests in the Company after the Proposed Capitalisation as set out in Section 5.3 of this IFA Letter. Save for Chang Cheng-Hsing Francis who holds 2,500,000 share options, none of the Directors hold any of the above share options.

Save for the above, the Company has no outstanding unvested share awards under the Company's performance share award plan, and no outstanding instruments convertible into, rights to subscribe for, and options in respect of, the Shares or securities which carry voting rights in the Company. The Company does not hold any treasury shares as at the Latest Practicable Date.

3.3 Key financial information of the Group

3.3.1 Financial performance of the Group

We set out below a summary of the key financial results of the Group for the last three financial years ended 31 December, i.e. FY0218, FY2019 and FY2020, and the latest interim results for 9M2021 and the corresponding period for the preceding year i.e. 9M2020:

US\$'000	Audited			Unaudited	
	FY2018	FY2019	FY2020	9M2020	9M2021
Revenue	61,918	65,144	50,500	35,365	61,652
Gross profit/(loss)	13,329	9,292	2,866	(293)	29,773
Net profit/(loss) attributable to					
- Owners of the Company	3,753	2,117	(3,726)	(3,164)	11,668
- Non-controlling interests	251	(3,403)	(1,099)	(1,535)	2,091
	4,004	(1,286)	(4,825)	(4,699)	13,759

Source: Company's annual reports for FY2019 and FY2020, and interim results announcement for 9M2021

FY2018 to FY2020

Revenue of the Group increased from FY2018 to FY2019 due mainly to the higher production and lifting of crude oil and gas in FY2019. However, despite the higher revenue, the Group recorded a net loss of US\$1.3 million in FY2019 as compared to a net profit of US\$4.0 million in FY2018 due mainly to higher cost of production as well as higher depletion and amortisation charges.

Revenue of the Group declined significantly from FY2019 to FY2020 due mainly to the impact of COVID-19 pandemic which led to a decreased demand for oil and the decline of realised oil price from US\$65 per barrel in FY2019 to US\$41 per barrel in FY2020. Consequently, despite the higher volume of crude oil lifted in FY2020, the Group recorded a net loss of US\$4.8 million in FY2020 as compared to a net loss of US\$1.3 million in FY2019.

Overall, the Group continued to be affected by supply and demand imbalances and oil prices volatility from FY2018 to FY2020. In addition, the impact of the COVID-19 pandemic had severely affected the Group's business in FY2020.

9M2021 vs 9M2020

The gross profit of the Group increased significantly in 9M2021 as compared to 9M2020 due mainly to the increase in revenue as a result of robust recovery in oil prices and reduced costs of sales. As a result, the Group recorded a net profit of US\$13.8 million in 9M2021 as compared to a net loss of US\$4.7 million in 9M2020.

3.3.2 Key financial position of the Group

A summary of the statement of financial position of the Group as at 30 September 2021 based on the Company's latest unaudited results announcement for 9M2021 is set out below:

Unaudited
as at 30 September 2021

<u>Non-current assets</u>	US\$'000
Oil and gas properties	167
Other plant and equipment	395
Deferred tax assets	931
Right-of-use assets	14,759
Cash and bank balances	3,189
Other non-current assets	2,586
	<hr/>
	22,027
<u>Current assets</u>	
Inventories	567
Other current assets	54
Trade and other receivables	14,130
Cash and bank balances	29,681
	<hr/>
	44,432
	<hr/>
Total assets	66,459
	<hr/> <hr/>
<u>Non-current liabilities</u>	
Provisions	27
Loan from non-controlling interest	13,720
Lease liabilities	9,641
Loans and borrowings	11,374
	<hr/>
	34,762
<u>Current liabilities</u>	
Income tax payable	8,552
Lease liabilities	8,862
Trade and other payables	29,323
Loans and borrowings	1,628
	<hr/>
	48,365
	<hr/>
Total liabilities	83,127
	<hr/> <hr/>
<u>Total equity</u>	
Equity attributable to owners of the Company	
Share capital	258,722
Reserves	(263,163)
	<hr/>
	(4,441)
Non-controlling interests	(12,227)
	<hr/>
Total deficit	(16,668)
	<hr/> <hr/>

Net tangible liabilities ("NTL") of the Group as at 30 September 2021	US\$4,441,000
Number of outstanding Shares as at 30 September 2021	740,707,400
NTL per Share as at 30 September 2021	
- in US\$	US\$0.0060
- in S\$ equivalent*	S\$0.0081

Source: Company's results announcement for 9M2021

* based on the exchange rate of US\$1 : S\$1.358 on 30 September 2021 (Source: Bloomberg L.P.)

Assets

Total assets comprised mainly (i) cash and bank balances of US\$32.9 million (49.5% of total assets); (ii) right-of-use assets of US\$14.8 million (22.2% of total assets) which are mainly in relation to lease contracts for office and warehouse, plant and machinery, motor vehicles and other equipment used in operations; and (iii) trade and other receivables of US\$14.1 million (21.3% of total assets) which are generally on 15 to 30 days' terms.

Liabilities

Total liabilities comprised mainly (i) trade and other payables of US\$29.3 million (35.3% of total liabilities); (ii) lease liabilities of US\$18.5 million (22.3% of total liabilities); (iii) loan from non-controlling interest of US\$13.7 million (16.5% of total liabilities); and (iv) loans and borrowings of US\$13.0 million (15.6% of total liabilities) which are mainly in relation to shareholder loans extended by Surreyville.

Following the completion of the Proposed Capitalisation, a significant portion of the Surreyville Shareholder's Loans amounting to the Surreyville Capitalisation Amount will be settled via the allotment and issuance of the Capitalisation Shares to Surreyville. Key terms of the Proposed Capitalisation are set out in Section 4 below.

4. PROPOSED CAPITALISATION

4.1 Key terms of the Proposed Capitalisation

Details of the Proposed Capitalisation under the Conditional Capitalisation Deed are set out in Section 2 of the Circular. The salient terms of the Proposed Capitalisation are set out below:

Shareholder	Surreyville
Surreyville Capitalisation Amount	S\$15,480,000 comprising S\$11,898,111.50 under the SGD Denominated Loan and S\$3,581,888.50 equivalent under the RMB Denominated Loan
Number of Capitalisation Shares	90,000,000
Capitalisation Price of the Capitalisation Shares	S\$0.172 for each Capitalisation Share
Conditions precedent	As set out in Section 4.2 below, the Capitalisation Resolution is subject to Independent Shareholders' approval at the EGM.

4.2 Conditions precedent

The Proposed Capitalisation is subject to and conditional upon the fulfilment and satisfaction of various conditions precedent as set out in Section 2.4 of the Circular, including the following:

- (i) approval-in-principal ("**AIP**") of the SGX-ST for the listing and quotation of the Capitalisation Shares on the Main Board of the SGX-ST; and
- (ii) specific approval of the Independent Shareholders for the passing of Capitalisation Resolution.

An application has been made to the SGX-ST for the approval of the listing and quotation of the Capitalisation Shares on the Main Board of the SGX-ST.

On 10 December 2021, the Company announced the receipt of the AIP from the SGX-ST for *inter alia*, the listing and quotation of the Capitalisation Shares on the Main Board of the SGX-ST, subject to certain conditions which are set out in Section 2.4 of the Circular. The SGX-ST's in-principle approval is not to be taken as an indication of the merits of the Proposed Capitalisation, the Capitalisation Shares, the Company and/or its subsidiaries.

4.3 Rationale of the Proposed Capitalisation

The Proposed Capitalisation will enable the Group to augment its capital base by converting the Surreyville Capitalisation Amount into equity of the Company and significantly strengthen the Group's balance sheet and improve its debt-equity position.

The improved balance sheet position of the Group will provide opportunities for the Group to raise funds from the public and financial institutions in the future.

The conversion of the Surreyville Capitalisation Amount into equity will conserve cash for the Group which can be used for other purposes.

5. EVALUATION OF THE PROPOSED CAPITALISATION AS AN IPT

In our evaluation of the Proposed Capitalisation as an IPT, we have given due consideration to, *inter alia*, the following key factors:

- (i) rationale for the Proposed Capitalisation;
- (ii) assessment of the financial terms of the Proposed Capitalisation;
- (iii) dilution impact on the minority Shareholders arising from the Proposed Capitalisation; and
- (iv) other relevant considerations.

5.1 Rationale for the Proposed Capitalisation

It is not within our terms of reference to comment or express an opinion on the merits of the Proposed Capitalisation or the future prospects of the Group after the Proposed Capitalisation. Nevertheless, we have reviewed the Company's rationale for the Proposed Capitalisation as set out in Section 3 of the Circular and Section 4.3 of this IFA Letter.

We note the following salient points:

- (i) over the years, non-interest bearing loans have been extended by various entities owned and controlled by the Tiong Family Group, including Surreyville, to the Group to meet the Group's funding shortfall and working capital requirements. As at the Latest Practicable Date, the total outstanding amount of the Surreyville Shareholder's Loans is S\$17,696,314.93. It is proposed that S\$15,480,000 out of the Surreyville Shareholder's Loans be settled via allotment and issuance of the Capitalisation Shares to Surreyville.

The Proposed Capitalisation of S\$15,480,000 will reduce the debt burden of the Group without adversely affecting its operating cash flow, and strengthen the Group's financial position and capital base, thus enhancing its flexibility to raise debt and to capitalise on potential growth opportunities; and

- (ii) the improved balance sheet position of the Group will provide it with a better position to negotiate for more favourable financing terms from financial institutions in respect of any funding requirements which may arise going forward. As an illustration, based on the financial position of the Group as at 30 September 2021, the conversion of the shareholder loans of S\$15,480,000 to equity will improve the NAV per Share from negative 0.60 US cents to positive 0.81 US cents.

5.2 Assessment of the financial terms of the Proposed Capitalisation

5.2.1 Surreyville Capitalisation Amount

As a portion of the Surreyville Shareholder's Loans is denominated in RMB, the Company and Surreyville have agreed to use the Exchange Rate of S\$1.00 : RMB4.7461 as at 5 October 2021 as published by the Monetary Authority of Singapore for the purpose of the Proposed Capitalisation, as the Conditional Capitalisation Deed was entered into on 6 October 2021.

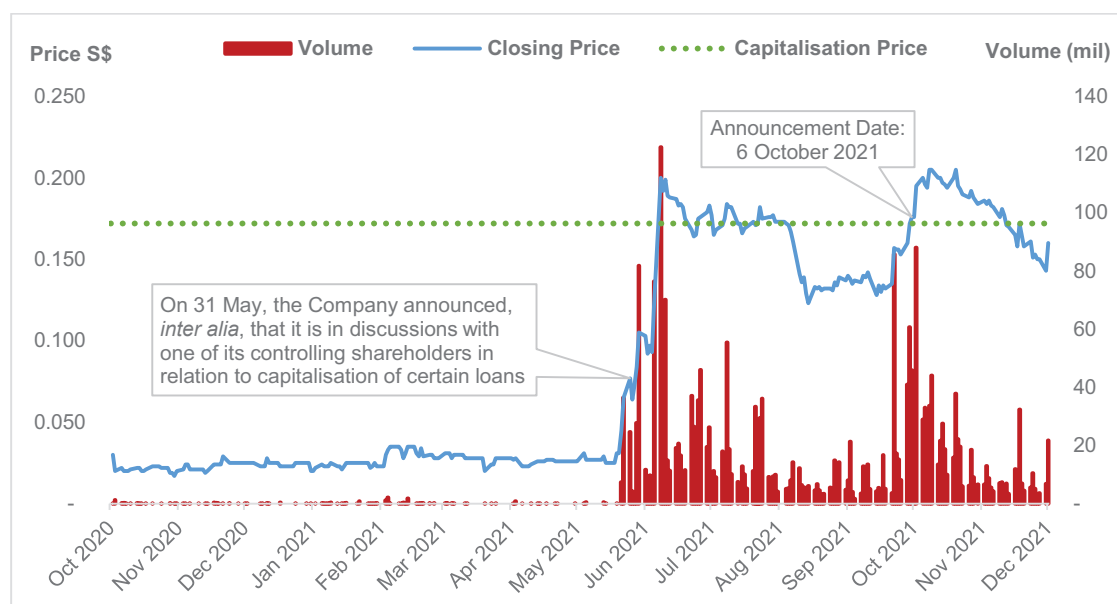
The RMB Denominated Loan of RMB17,000,001.03 upon conversion to S\$ at the Exchange Rate is S\$3,581,888.50, and together with the S\$11,898,111.50 out of the S\$14,114,426.43 outstanding under the SGD Denominated Loan would amount to the Surreyville Capitalisation Amount of S\$15,480,000. The Surreyville Capitalisation Amount of S\$15,480,000 is deemed fully settled and discharged with the issuance of 90,000,000 Capitalisation Shares to Surreyville. This would imply that the Capitalisation Shares would be issued at the agreed Capitalisation Price of S\$0.172.

5.2.2 Capitalisation Price

The Capitalisation Price of S\$0.172 for each new Share represents a premium of approximately 0.53% above the volume weighted average price (“VWAP”) of the Shares of S\$0.171 on 5 October 2021, being the trading day before the date on which the Conditional Capitalisation Deed was entered into, and a discount of 3.15% to the VWAP of the Shares of S\$0.178 on 6 October 2021, being the Announcement Date.

We also note the historical trading performance and trading activity of the Shares for the one-year period from 7 October 2020 to 6 October 2021, and up to the Latest Practicable Date (“Period Under Review”), as shown in the chart below:

Price movement and trading volume of the Shares for the Period Under Review



Source: Bloomberg L.P.

Based on the above, we note the following:

- (i) For the one-year period up to the Announcement Date, based on daily transacted prices, the Shares had traded between a low of S\$0.017 and a high of S\$0.200. The VWAP of the Shares during this one-year period was S\$0.156. Hence, the Capitalisation Price of the Capitalisation Shares of S\$0.172 represents a significant premium of 911.76% above the lowest traded price, a discount of 14.00% to the highest traded price, and a premium of 10.29% above the VWAP of the Shares for the one-year period up to the Announcement Date. The Capitalisation Price also represents a premium of 9.53%, 6.02% and 10.21% above the VWAP of the Shares for the 6-month, 3-month and 1-month periods prior to the Announcement Date, respectively.
- (ii) In the responses to the SGX-ST queries on 31 May 2021, the Company announced that it was, *inter alia*, in discussions with one of its controlling shareholders as regards to the capitalisation of certain loans granted by such shareholder (by way of conversion of the loans to ordinary shares in the capital of the Company). Based on daily last transacted prices, the Share price had jumped multiple folds to close at a high of S\$0.200 on 14 June 2021 prior to the Announcement Date. Since the Announcement Date and up to the Latest Practicable Date, the Share price had fluctuated between S\$0.143 and S\$0.205 based on daily last transacted prices. As at the Latest Practicable Date, the last transacted Share price was S\$0.160. The

Capitalisation Price of the Capitalisation Shares of S\$0.172 is now at a premium of 7.50% to the current market Share price.

- (iii) For the one-year period up to the Announcement Date, trading liquidity on the Shares was relatively low with an average daily trading volume of 6.8 million⁽¹⁾ Shares, representing 2.60% of the free float of the Shares⁽²⁾. Nevertheless, the Shares were traded on most days. The Shares had traded on 185 out of 252 trading days when the SGX-ST was opened for trading. After the Announcement Date and up to the Latest Practicable Date, trading liquidity had increased significantly, with an average daily trading volume of 15.6 million Shares.
- (iv) From 7 October 2020 to 31 May 2021, trading liquidity on the Shares was significantly lower with an average daily trading volume of 0.5 million Shares, representing 0.20% of the free float of the Shares. The Shares had traded on 95 out of 163 trading days when the SGX-ST was opened for trading. After 31 May 2021 and up to the Latest Practicable Day, trading liquidity had increased significantly, with an average daily trading volume of 17.3 million Shares.

Notes:

- (1) The average daily trading volume of the Shares is computed based on the total volume of Shares traded on the SGX-ST during the one-year period up to the Announcement Date, divided by the number of days when the SGX-ST was open for trading during the period; and
- (2) Free float refers to the Shares other than those directly and deemed held by the Directors and substantial Shareholders. For the purposes of computing the average daily trading volume as a percentage of free float, we have used the free float of approximately 260.8 million Shares based on the free float of 35.52% as disclosed in the annual report of the Company for FY2020.

5.2.3 NTA per Share

As set out in Section 3.3.2 of this IFA Letter, the Group is in a net deficit position as at 30 September 2021 and hence the NTL per Share is S\$0.008.

The Capitalisation Price of S\$0.172 for each Capitalisation Share is therefore accretive to the NTA per Share.

5.3 Dilution impact on the minority Shareholders arising from the Proposed Capitalisation

As at the Latest Practicable Date, the Tiong Family Group collectively holds 473,425,443 Shares in aggregate, which represents approximately 63.92% of the total number of Shares in issue.

The Capitalisation Shares will constitute approximately 10.83% of the Enlarged Share Capital. The Proposed Capitalisation will result in Surreyville holding approximately 36.36% of the Enlarged Share Capital, and result in an increase in the Tiong Family Group's shareholding interests (direct and deemed) to approximately 67.82% of the Enlarged Share Capital.

Accordingly, the shareholding interest of the Tiong Family Group in the Company as at the Latest Practicable Date and the issuance of the Capitalisation Shares is as follows:

Shareholders	As at the Latest Practicable Date		After the issuance of the Capitalisation Shares	
	No. of Shares	%	No. of Shares	%
Tiong Family Group	473,425,443	63.92	563,425,443	67.82
Others	267,281,957	36.08	267,281,957	32.18
Total	740,707,400	100.00	830,707,400	100.00

Based on the above, we note that the issuance of the Capitalisation Shares pursuant to the Proposed Capitalisation will increase the shareholding interest of the Tiong Family Group and as a result dilute other existing Shareholders' interests in the Company.

5.4 Other relevant considerations

5.4.1 Financial effects on the Group resulting from the Proposed Capitalisation

Details on the financial effects of the Proposed Capitalisation are set out in Section 4 of the Circular which are based on the Group's financial information for FY2020, 9M2021 and certain assumptions. The financial effects are for illustrative purposes only and do not purport to be an indication or a projection of the results and financial position of the Group after the completion of the Proposed Capitalisation.

In summary, we note the Proposed Capitalisation would have the following financial effects on the Group based on its latest unaudited results announcement for 9M2021:

(i) Share Capital

Although no cash proceeds will be raised from the Proposed Capitalisation, the share capital of the Company will be augmented as a result of the Proposed Capitalisation. The number of issued Shares will increase by the Capitalisation Shares as part of the exercise of the Proposed Capitalisation.

(ii) NTA of the Group

The Group's NTA per Share will improve from negative NTA per Share to positive NTA per Share.

(iii) Earnings per Share ("EPS")

The Proposed Capitalisation will have a dilutive effect on EPS due to the enlarged number of issued Shares after the Proposed Capitalisation.

(iv) Gearing

The Proposed Capitalisation has a significant positive impact on the gearing ratio of the Group as it simultaneously reduces the borrowings of the Group and increases the equity base of the Company.

5.4.2 Conditions precedent to the Proposed Capitalisation

The Proposed Capitalisation involves the fulfilment of various conditions precedent, and the Capitalisation Resolution is subject to Independent Shareholders' approval at the EGM. Hence, if the Capitalisation Resolution as set out in the Notice of EGM in the Circular is not passed, the Proposed Capitalisation will not be proceeded with.

6. OUR OPINION

In arriving at our opinion in respect of the Proposed Capitalisation as an IPT, we have reviewed and have deliberated on the following key considerations which we consider to be pertinent in our assessment:

- (i) rationale for the Proposed Capitalisation;
- (ii) assessment of the financial terms of the Proposed Capitalisation;
- (iii) dilution impact on the minority Shareholders arising from the Proposed Capitalisation; and
- (iv) other relevant considerations.

Overall, based on our analysis and after having considered carefully the information available to us, we are of the opinion that, on balance, the Proposed Capitalisation as an IPT, is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

Accordingly, we advise the Independent Directors to recommend that the Independent Shareholders vote in favour of the Capitalisation Resolution.

Our opinion herein is based upon market, economic, industry, monetary, regulatory and other applicable conditions prevailing on, and the information provided to us, as of the Latest Practicable Date. Our opinion does not reflect any projections of future financial performance of the Company and/or the Group after the completion of the Proposed Capitalisation. In addition, our opinion is solely confined to our views on the Proposed Capitalisation as an IPT.

This IFA Letter is prepared pursuant to Rule 921(4)(a) of the Listing Manual, as well as to advise the Independent Directors for their benefit, in connection with and for the purpose of their consideration of the Proposed Capitalisation as an IPT. Any recommendations made by the Independent Directors in respect thereof shall remain their sole responsibility. Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Group, the Directors nor any other person may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purpose, other than for the purposes of the EGM, the Proposed Capitalisation as an IPT, at any time and in any manner without the prior written consent of HLF in each specific case.

This IFA Letter is governed by and to be construed in accordance with the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours truly,
For and on behalf of
Hong Leong Finance Limited

Tang Yeng Yuen
Vice President

Kaeson Chui
Vice President

RH PETROGAS LIMITED

(Company Registration No.: 198701138Z)
(Incorporated in the Republic of Singapore)

Unless otherwise defined, all capitalised terms herein shall bear the same meaning as used in the circular dated 14 December 2021 by RH Petrogas Limited (the “Circular”).

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting (“EGM”) of **RH PETROGAS LIMITED** (the “**Company**”) will be held by electronic means on 29 December 2021 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following ordinary resolution:

ORDINARY RESOLUTION: CAPITALISATION RESOLUTION

That:-

- (1) approval be and is hereby given for the Proposed Capitalisation and for the Company to allot and issue 90,000,000 Capitalisation Shares at the Capitalisation Price for each Capitalisation Share to Surreyville to be credited as fully paid on issue in full repayment and discharge of the Surreyville Capitalisation Amount, pursuant to and subject to the terms and conditions of the Conditional Capitalisation Deed; and
- (2) the Directors of the Company and each of them be and are hereby authorised to complete and to do all such acts and things (including executing all such documents as may be required) as they and/or he/she may consider necessary, desirable or expedient to give effect to this Resolution.

By Order of the Board
RH Petrogas Limited

Wee Woon Hong
Company Secretary

14 December 2021

Notes on the alternative arrangements for the forthcoming EGM:

- (i) This forthcoming EGM is convened and is to be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and as amended by the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) (Amendment No. 2) Order 2020 and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) (Amendment No. 3) Order 2020. This Notice is published on the SGX-ST website (<https://www.sgx.com/securities/equities/T13#Company%20Announcements>) and is also made available on the Company's website (<http://rhpetrogas.listedcompany.com/newsroom.html>). **Printed copies of this Notice and the Circular will not be mailed to members (i.e. shareholders) of the Company.**
- (ii) In view of the COVID-19 restrictions imposed by the Government of Singapore, **members will not be able to attend the forthcoming EGM in person.** A member (whether individual or corporate) who wishes to exercise his/her/its voting rights at the forthcoming EGM must appoint the Chairman of the EGM as his/her/its proxy to vote on his/her/its behalf at the EGM. A member should specifically indicate how the member wishes to vote for or vote against (or abstain from voting on) the resolution(s).
- (iii) A member who wishes to watch and observe the proceedings of the EGM through a live webcast (comprising both video (audio-visual) and audio-only feeds) via their mobile phones, tablets or computers are to submit their request by email, with their full name (as per CDP/CPF/SRS/Script-based records), identification number (e.g. NRIC/Passport Number/FIN), shareholding type(s) (e.g. CDP/CPF/SRS/Script-based), email address and contact number (to enable the Company and/or its agents and service providers to authenticate their status as member) to the Company by **10.00 a.m. on Monday, 27 December 2021** (i.e. not less than 48 hours before the time appointed for holding the above EGM), to info@rhpetrogas.com.

Upon successful authentication, each such member will receive an email reply by **3.00 p.m. on Tuesday, 28 December 2021**. The email reply will contain instructions to access the live webcast of the EGM proceedings. Only authenticated members are permitted to access and attend the EGM proceedings. Members who have pre-registered by the deadline of 10.00 a.m. on Monday, 27 December 2021 but have not received an email reply by 3.00 p.m. on Tuesday, 28 December 2021 are to contact the Company for assistance by phone (at (65) 6216 3988) or by email (at info@rhpetrogas.com) as soon as practicable.

On the day of the EGM, before an authenticated and pre-registered member may access the live webcast and attend the EGM (by electronic means), the member's identity is required to be verified by the Company's Share Registrar. Members are encouraged to log in (to access to the live webcast of the EGM proceedings) early to avoid possible bottlenecks and potential delays. We seek your kind understanding and cooperation. Members may log in from **9.00 a.m. on Wednesday, 29 December 2021**.

- (iv) Members will not be allowed to ask questions during the live webcast of the EGM. Members who may have questions relating to the resolution(s) to be tabled for approval at the EGM are to submit their questions by email, together with their full name (as per CDP/CPF/SRS/Script-based records), identification number (e.g. NRIC/Passport Number/FIN), shareholding type(s) (e.g. CDP/CPF/SRS/Script-based), email address, and contact number (to enable the Company and/or its agents and service providers to authenticate their status as members) to the Company by **10.00 a.m. on Sunday, 26 December 2021** (that is, not less than 72 hours before the time fixed for holding the forthcoming EGM) to info@rhpetrogas.com. The Company will endeavour to address all relevant and substantial questions (as may be determined by the Company in its sole discretion) received.
- (v) CPF and SRS investors including persons who hold shares through relevant intermediaries (as defined in section 181 of the Companies Act, Cap. 50) who wish to appoint the Chairman of the EGM as proxy should approach their respective CPF Agent Banks, SRS Operators or relevant intermediaries to submit their votes and/or questions relating to the resolution(s) to be tabled for approval at the EGM, by **5.00 p.m. on Friday, 17 December 2021**. As a recap, only the chairman of the forthcoming EGM may be appointed as proxy.
- (vi) If the member is a corporation, the instrument appointing the proxy must be under seal or the hand of an officer or attorney duly authorised.
- (vii) The instrument appointing a proxy must either be deposited at the registered office of the Company at 20 Harbour Drive, #06-03, Singapore 117612, or submitted to the Company by email to info@rhpetrogas.com, by **10.00 a.m. on Monday, 27 December 2021** (that is, not less than 48 hours before the time appointed for holding the above EGM). Members are strongly encouraged to submit the completed and signed PDF copies of their proxy forms to the Company via email.
- (viii) A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the forthcoming EGM in order for the Depositor to be entitled to access the live webcast and attend and vote by appointing the Chairman of the EGM as proxy at the forthcoming EGM.
- (ix) The Company will publish the minutes of the EGM via the SGXNet platform and the Company's website within one month after the date of EGM.

- (x) As the COVID-19 situation continues to evolve, members are advised to read the Government of Singapore’s “COVID-19: Advisories for Various Sectors” (<https://www.gov.sg/article/covid-19-sector-specific-advisories>) including the health advisories issued by the Ministry of Health (“MOH”). The Company will monitor the situation and reserves the right to take further measures as appropriate in order to comply with the various government and regulatory advisories. Any changes to the manner of conduct of the forthcoming EGM will be announced by the Company on the SGXNet platform.

Summary of key dates and times

Dates and times (Deadlines/Opening Time)	Actions
By Friday, 17 December 2021, 5.00 p.m.	For CPF and SRS investors including persons who hold shares through relevant intermediaries (as defined in section 181 of the Companies Act, Cap. 50) who wish to appoint the Chairman of the EGM as proxy to approach their respective CPF Agent Bank, SRS Operators or relevant intermediaries to submit their votes and/or questions relating to the resolution(s) to be tabled for approval at the EGM.
By Sunday, 26 December 2021, 10.00 a.m.	For Members who have questions relating to the business of the EGM to email their questions to info@rhpetrogas.com .
By Monday, 27 December 2021, 10.00 a.m.	For Members to: <ul style="list-style-type: none"> (a) submit the necessary information required for authentication by email to info@rhpetrogas.com should they wish to access the live webcast and attend the EGM; and/or (b) deposit/email the completed and signed proxy forms either (i) at the registered office of the Company at 20 Harbour Drive, #06-03, Singapore 117612, or (ii) to the Company to info@rhpetrogas.com. <p>In view of the COVID-19 situation, members are strongly encouraged to submit their completed and signed PDF copies of their proxy forms electronically via email to info@rhpetrogas.com.</p>
By Tuesday, 28 December 2021, 3.00 p.m.	For members who have been successfully authenticated to receive an email reply with instructions to access the live webcast of the EGM (“ Confirmation Email ”); and for members who have pre-registered but have not received any Confirmation Email by this time to contact the Company for assistance by phone (at (65) 6216 3988) or by email (at info@rhpetrogas.com) as soon as practicable.
Wednesday, 29 December 2021, 9.00 a.m.	When pre-registered members may log in for the Share Registrar to verify their identity and access to the live webcast to the EGM (that is scheduled to commence at 10.00 a.m. on Wednesday, 29 December 2021), using the instructions received in the Confirmation Email.

Personal data privacy:

By attending, speaking, proposing, seconding and/or voting at the EGM and/or by a member of the Company submitting questions and/or an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and/or vote at the EGM and/or any adjournment thereof, the person/member (i) understands and accepts that photographs, images, audio and/or video recordings, webcasts and transcripts of the EGM may be taken and/or made by the Company (and/or its agents and service providers), (ii) consents to the collection, use and disclosure of the person’s/member’s and its proxy(ies)’s or representative(s)’s personal data by the Company (and/or its agents and service providers) for legal, regulatory, compliance, corporate policies, procedures and administration, corporate actions, corporate communications and investor relations purposes and for the purposes of the processing, administration and record keeping by the Company (and/or its agents and service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation, compilation, recording, keeping of the attendance lists, transcripts, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (and/or its agents and service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines and for publication and/or use in the Company’s Annual Report, corporate brochures, newsletters, publications, materials and/or corporate website by the Company (and/or its agents and service providers) (collectively, the “**Purposes**”), (iii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (and/or its agents and service providers), the member has obtained the prior express consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (and/or its agents and service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iv) 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.

RH PETROGAS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 198701138Z)

PROXY FORM

**EXTRAORDINARY
GENERAL MEETING**

Important:

1. The EGM is convened and is to be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and as amended by the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) (Amendment No. 2) Order 2020 and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) (Amendment No.3) Order 2020.
2. The Notice of the EGM and this proxy form are published on and can be downloaded from both the SGX-ST website (<https://www.sgx.com/securities/equities/T13#Company%20Announcements>) and the Company's website (<http://rhpetrogas.listedcompany.com/newsroom.html>). Printed copies of the Notice of the EGM and this proxy form will not be mailed to members (i.e. shareholders).
3. Alternative arrangements relating to attendance at the EGM via electronic means (including arrangements by which the EGM can be electronically accessed via live webcast (comprising both video (audio-visual) and audio-only feeds)), submission of questions to the Chairman of the EGM in advance of the EGM and voting by appointing the Chairman of the EGM as proxy at the EGM, are set out in the Notice of the EGM.
4. **In view of the COVID-19 restrictions imposed by the Government of Singapore, members will not be able to attend the EGM in person. A member (whether individual or corporate) who wishes to exercise his/her/its voting rights at the forthcoming EGM must appoint the Chairman of the EGM as his/her/its proxy to vote on his/her/its behalf at the EGM.** A member should specifically indicate how the member wishes to vote for or vote against (or abstain from voting on) the resolution(s).
5. CPF/SRS investors including persons who hold shares through relevant intermediaries (as defined in section 181 of the Companies Act, Cap. 50) who wish to appoint the Chairman of the EGM as proxy, should approach their respective Agent Banks/SRS Operators or relevant intermediaries to submit their votes by 5.00 p.m. on Friday, 17 December 2021.
6. By submitting an instrument appointing the Chairman of the EGM as proxy, a member is deemed to have accepted and agreed to the personal data privacy terms set out in the Notice of the EGM dated 14 December 2021.
7. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the EGM as a member's proxy to vote on his/her/its behalf at the EGM.**

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

of _____ (Address)

being a shareholder/shareholders* of RH Petrogas Limited (the "**Company**") hereby appoint the Chairman of the Extraordinary General Meeting ("**EGM**") of the Company as my/our* proxy/proxies to attend and to vote for *me/us on *my/our behalf at the EGM of the Company to be held by electronic means on Wednesday, 29 December 2021 at 10.00 a.m. and at any adjournment thereof.

I/We* direct the Chairman to vote for or against or abstain from voting on the resolution(s) to be proposed at the EGM as indicated hereunder. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the EGM as your proxy for that resolution(s) will be treated as invalid.**

All resolution(s) put to the vote at the EGM shall be decided by way of poll.

ORDINARY RESOLUTION relating to:	Number of Votes For**	Number of Votes Against**	Number of Votes Abstain**
The Capitalisation Resolution			

* *Delete accordingly*

** *If you wish to exercise all your votes "For" or "Against" or "Abstain", please indicate with a tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.*

Dated this _____ day of _____ 2021

Total number of Shares held in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature of Shareholder(s)
or Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS FORM



Notes:

- (i) Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of Securities and Futures Act (Chapter 289) of Singapore or any statutory modification thereof, as the case may be), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
- (ii) In view of the COVID-19 restrictions imposed by the Government of Singapore, members will not be able to attend the EGM in person. A member (whether individual or corporate) who wishes to exercise his/her/its voting rights at the forthcoming EGM must appoint the Chairman of the EGM as his/her/its proxy to vote on his/her/its behalf at the EGM. Where a member (whether individual or corporate) appoints the Chairman of the EGM as his/her/its proxy, he/she/it must give specific instructions as to voting (for or against), or abstention from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.
- (iii) CPF/SRS investors including persons who hold shares through relevant intermediaries (as defined in section 181 of the Companies Act, Cap. 50) who wish to appoint the Chairman of the EGM as proxy should approach their respective Agent Banks/SRS Operators or relevant intermediaries to submit their votes by **5.00 p.m. on Friday, 17 December 2021**.
- (iv) The Chairman of the EGM, as proxy, need not be a member of the Company.
- (v) A member who wishes to submit an instrument of proxy appointing the Chairman of the EGM as proxy must download, complete, sign and submit the proxy form, either by:
 - (a) depositing the signed proxy form at the registered office of the Company at 20 Harbour Drive, #06-03, Singapore 117612; or
 - (b) scanning and emailing a copy of the signed proxy form to the Company to info@rhpetrogas.com; andin either case, by **10.00 a.m. on Monday, 27 December 2021** (that is, not less than 48 hours before the time appointed for the EGM). **Members are strongly encouraged to submit their completed and signed PDF copies of their proxy forms to the Company via email (at info@rhpetrogas.com).**
- (vi) The instrument appointing the Chairman of the EGM as proxy must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the EGM as proxy is executed by a corporation, it must be executed either under its Common Seal or under the hand of its attorney or a duly authorised officer.
- (vii) Where an instrument appointing the Chairman of the EGM as proxy is signed on behalf of the appointor or by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) either be:
 - (a) lodged/deposited with the instrument of proxy (if submitted by post); or
 - (b) scanned and submitted electronically with the instrument of proxy (if submitted via email),failing which the instrument may be treated as invalid.
- (viii) The Company shall be entitled to reject the instrument appointing the Chairman of the EGM as proxy if it is incomplete, improperly completed, 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. In addition, in the case of a member whose shares are entered against his/her/its name in the Depository Register, the Company may reject any instrument of proxy lodged if such member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.
- (ix) Any alteration made in this instrument appointing the Chairman of the EGM as proxy, must be initialled by the member/person who signs it.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member is deemed to have accepted and agreed to the personal data privacy terms set out in the Notice of the EGM dated 14 December 2021.