

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the contents of this Document, or the action you should take, you are recommended immediately to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant, fund manager or other independent financial adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

This Document comprises an AIM admission document and has been drawn up in accordance with the AIM Rules. This Document is not an approved prospectus for the purposes of section 85(7) of the Financial Services and Markets Act 2000. The Company and the Directors, details of which or whom appear on page 4 of this Document, accept responsibility for the information contained in this Document. To the best of the knowledge and belief of the Company and the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application will be made to London Stock Exchange plc for the whole of the issued Ordinary Share Capital of Alternative Energy Limited to be admitted to trading on AIM, a market operated by London Stock Exchange plc. The Ordinary Shares are not dealt on any other recognised investment exchange and no application has been made or is being made for admission of the Ordinary Share Capital of the Company to any other recognised investment exchange. The Directors expect that Admission will become effective and that trading in the Ordinary Shares on AIM will commence on AIM on 12 October 2007.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority (the "UK Listing Authority"). A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange plc on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers.

London Stock Exchange plc has not examined or approved the contents of this Document. The attention of persons receiving a copy of this Document is drawn to the Risk Factors set out in Part II of this Document. The AIM Rules are less demanding than those of the Official List. No liability whatsoever is accepted by Beaumont Cornish Limited for the accuracy of any information or opinions contained in this Document, or for the omission of any material information for which the Company and the Directors are solely responsible. The whole of the text of this Document should be read.

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## ALTERNATIVE ENERGY LIMITED

(Incorporated and registered in the Republic of Singapore under the Companies Act (Chap 50) of Singapore) with registered number 200619290H  
ISIN Number: SG9999004659

### ADMISSION TO TRADING ON AIM

*Nominated Adviser and Broker*

**Beaumont Cornish Limited**



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#### Ordinary Share Capital on Admission

*Ordinary Shares of no par value Issued and Fully Paid*

Amount	Number
US\$7,799,997	1,173,680,800

Beaumont Cornish Limited, which is authorised and regulated in the United Kingdom in the conduct of business by the Financial Services Authority and is a member of the London Stock Exchange plc, is the Company's Nominated Adviser and Broker in connection with the Admission for the purposes of the AIM Rules and is acting exclusively for the Company and no one else in connection with the matters described herein and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Beaumont Cornish Limited or for advising any other person and other arrangements described in this Document or any matter referred to herein. The responsibilities of Beaumont Cornish Limited, as Nominated Adviser and Broker under the AIM Rules, are owed solely to London Stock Exchange plc and are not owed to the Company or any Director or to any other person in respect of their decision to acquire Ordinary Shares in reliance on any part of this Document. No person has been authorised to give any information or make any representations other than those contained in this Document and, if given or made, such information or representations must not be relied upon as having been so authorised. No representation or warranty, expressed or implied, is made by Beaumont Cornish Limited as to any of the contents of this Document. Beaumont Cornish Limited has not authorised the contents of any part of this Document for any purpose and no liability whatsoever is accepted by Beaumont Cornish Limited for the accuracy of any information or opinions contained in this Document. Neither the delivery of this Document hereunder nor any subsequent subscription or sale made for Ordinary Shares shall, under any circumstances, create any implication that the information contained in this Document is correct as of any time subsequent to the date of this Document.

This Document does not constitute an offer to sell, or a solicitation to buy Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, this Document is not for distribution in or into the United States of America, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan. The Ordinary Shares have been nor will be registered under the United States Securities Act of 1933 (as amended) nor under the securities legislation of any state of the United States or any province or territory of Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan or in any country, territory or possession where to do so may contravene local securities laws or regulations. Accordingly, the Ordinary Shares may not, subject to certain exceptions, be offered or sold directly or indirectly in or into the United States of America, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan or to any national, citizen or resident of the United States of America, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan. The distribution of this Document in certain jurisdictions may be restricted by law. No action has been taken by the Company, by the holders of the Ordinary Shares or by Beaumont Cornish Limited that would permit a public offer of Ordinary Shares or possession or distribution of this Document where action for that purpose is required. Persons into whose possession this Document comes should inform themselves about, and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Copies of this Document will be available free of charge during normal business hours on weekdays (excluding public holidays) from the date hereof until one month after Admission from the office of Beaumont Cornish Limited at 10-12 Cophthall Avenue, London EC2R 7DE and from the registered office of the Company.

Whilst Alternative Energy Limited is a company incorporated in the Republic of Singapore, consent has not been obtained for the circulation of this Document as a public offer within the Republic of Singapore under the Securities and Futures Act (Chap 289) of Singapore has been obtained for the issue of this Document and the associated raising of funds by the issue of Ordinary Shares. This Document has not been registered as a prospectus with the Monetary Authority of Singapore in Singapore and may not be circulated or distributed in Singapore nor may any of the securities mentioned herein be offered for subscription or purchase, directly or indirectly, nor may any invitation to subscribe for or purchase any of such securities be made in Singapore except in circumstances in which such offer or sale is made pursuant to, and in accordance with the conditions of, an exemption invoked under Subdivision (4) Division I of part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), and to persons to whom such securities may be offered or sold under such exemption. Accordingly, such securities may not be offered or sold, nor may this Document or any other offering document or material relating to such securities be circulated or distributed, directly or indirectly, to any person in Singapore other than (i) to an institutional investor pursuant to section 274 of the SFA or (ii) to an accredited investor or other persons specified in, and in accordance with the conditions in, section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. Section 276 of the SFA will have to be complied with upon the subsequent sale of any securities acquired pursuant to an exemption under section 274 or section 275 of the SFA.

An investment in Alternative Energy Limited may not be suitable for all recipients of this Document. Any such investment is speculative and involves a high degree of risk. Prospective purchasers of Ordinary Shares should carefully consider whether an investment in the Company is suitable for them in light of their circumstances and the financial resources available to them. Attention is drawn, in particular, to the Risk Factors set out in Part II of this Document.

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## **EXPECTED TIMETABLE OF PRINCIPAL EVENTS**

Publication of this Document	9 October 2007
Admission becomes effective and dealings in the Ordinary Shares expected to commence on AIM	12 October 2007
Expected date for Ordinary Shares to be credited to CREST accounts	12 October 2007
Despatch of definitive share certificates in respect of the Ordinary Shares in certificated form to members by no later than	19 October 2007

## **ADMISSION STATISTICS**

Admission Price per Ordinary Share	US\$ 0.03
Number of Ordinary Shares in issue at the date of this Document	1,173,680,800
Market capitalisation following Admission at the Admission Price	US\$35,210,424

## DIRECTORS, SECRETARY AND ADVISERS

<b>Directors:</b>	Christopher George Edward Nightingale ( <i>Executive Chairman</i> ) Richard Anthony Finlayson Lascelles ( <i>Non-Executive</i> ) Bay Yew Chuan ( <i>Non-Executive</i> ) Noel Meaney ( <i>Non-Executive</i> )
	all of c/o the offices of David Lim & Partners of 50 Raffles Place #17-01 Singapore Land Tower Singapore 048623
<b>Company Secretary:</b>	Joanna Teng
<b>Registered Office:</b>	50, Raffles Place #17-01, Singapore Land Tower Singapore 048623
<b>Nominated Adviser and Broker:</b>	Beaumont Cornish Limited 10-12 Cophall Avenue London EC2R 7DE
<b>Auditors and Reporting Accountants:</b>	Rees Pollock 35 New Bridge Street London EC4V 6BW
<b>Solicitors to the Company as to English law:</b>	Kerman & Co. LLP 200 Strand London WC2R 1DJ
<b>Solicitors to the Company as to Singapore Law:</b>	David Lim & Partners 50, Raffles Place #17-01, Singapore Land Tower Singapore 048623
<b>Principal Bankers:</b>	DBS Bank Ltd 8 Cross Street #28-01 PWC Building Singapore 048424
<b>Depository:</b>	Computershare Investor Services Plc P O Box 82 The Pavilions Bridgwater Road Bristol BS99 7NH United Kingdom
<b>Main Registrar:</b>	Lim Associates (Pte) Ltd 3 Church Street #-08-01 Samsung Hub Singapore 049483
<b>Branch Registrar:</b>	Computershare Investor Services (Channel Islands) Ltd. PO Box 83 Ordnance House 31 Pier Road St. Helier Jersey JE4 8PN Channel Islands
<b>Website:</b>	<a href="http://www.alternativenergy.com.sg">www.alternativenergy.com.sg</a>

## DEFINITIONS

A. In this Document, unless the context requires otherwise, the words and expressions set out below shall bear the following meanings:

“Act”	The Companies Act (Chap 50) of Singapore, as amended from time to time
“Admission”	admission of the Ordinary Shares in issue to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules
“Admission Price”	US\$ 0.03 per Ordinary Share
“AEL ESOS”	the share option scheme adopted by the Company on 2 July 2007 described in paragraph 6 of Part IV of this Document
“AEL Share Performance Plan”	the share performance plan adopted by the Company on 2 July 2007 described in paragraph 7 of Part IV of this Document
“AIM”	the Alternative Investment Market of the London Stock Exchange
“AIM Rules”	the rules for companies and rules for Nominated Advisers published by the London Stock Exchange governing admission to and the operation of AIM
“Beaumont Cornish”	Beaumont Cornish Limited of 10-12 Cophall Avenue, London EC2R 7DE, authorised and regulated by the Financial Services Authority
“Board”	the board of directors of the Company for the time being
“Company”	Alternative Energy Limited
“City Code”	the UK City Code on Takeovers and Mergers
“Combined Code”	the Combined Code (Principles of Good Governance and Code of Best Practice) as set out in the Listing Rules of the UK Listing Authority
“Company Law”	the law as governed by the Act
“CREST”	the computerised settlement system for trading securities in uncertificated form operated by Euroclear UK & Ireland Limited
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI2001/3755) as amended and any applicable rules made under those Regulations.
“Custodian”	the Depositary’s nominated custodian
“Depositary”	Computershare Investor Services Plc
“Depositary Interests”	dematerialised depositary interests representing underlying Ordinary Shares in the ratio of 1:1
“Directors”	the directors of the Company whose names appear on page 4
“Executive Directors”	a Director who performs an executive function within the Company
“Founder Shareholders”	those Shareholders who subscribed for Ordinary Shares at US\$1 per Ordinary Share each
“ISIN”	International Securities Identification Number
“London Stock Exchange”	London Stock Exchange plc
“Official List”	the Official List of the UK Listing Authority
“Ordinary Shares” or “Shares”	ordinary shares in the capital of the Company

“Pound” or “£”	Pound Sterling, the lawful currency of the United Kingdom
“S\$”	Singapore Dollars, the lawful currency of the Republic of Singapore
“Shareholders”	holders of Ordinary Shares
“US\$”	United States dollars, the lawful currency of the United States of America
“Uncertificated” or “in uncertificated form”	an Ordinary Share recorded in the Company’s register as being held in uncertificated form in CREST and title to which by virtue of the CREST Regulations may be transferred by means of CREST

- B. For the purposes of the AEL ESOS and the AEL Share Performance Plan (collectively, the “Schemes”):
- (a) in relation to a Shareholder (including, where the context requires, the Company), “control” means the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of that company;
  - (b) unless rebutted, a person who holds directly or indirectly, a shareholding of 15 per cent. or more of the Company’s issued share capital shall be presumed to be a Controlling Shareholder; and
  - (c) in relation to a Controlling Shareholder, his “associate” shall have the meaning ascribed to it by the Act.

## Part 1

### Information on the Company

#### Introduction

Alternative Energy Limited (the “**Company**”) is a newly incorporated company, registered in Singapore, which has been established for the purpose of making investments and/or acquisitions in the alternative energy technologies market and for research into and development of energy technologies, businesses and companies which offer an alternative to conventional fossil fuel and nuclear methods of generating household and industrial energy.

The Company’s equity interest in a proposed investment is likely to be a controlling stake and/or one where the Company is able to wield significant influence on its strategic directions. The proposed investments may either be quoted or unquoted and may be in companies, partnerships, joint ventures or direct interests in technologies or businesses in the alternative energy sector. While it is likely that the investments will be made in developmental or early stage companies, the Directors may decide that the Company should invest in more mature and established companies too. The Company may purchase foreign companies so that the companies acquired are either wholly owned subsidiaries or majority owned subsidiaries (where local laws may prevent a company being wholly owned by non-nationals). The Company may also invest in means of developing and exploiting any intellectual properties technologies or know-how which it acquires, which may result in the Company establishing separate companies in other jurisdiction for such purposes.

The Company will initially focus on opportunities in Asia and the European Union where the Directors believe that a number of opportunities exist to acquire interests in suitable alternative energy technologies and where the Directors have considerable business expertise, experience and networks. At the date of this Document, the main country of operation for the Company is the Republic of Singapore.

The Directors believe that current market conditions for alternative energy will provide an opportunity for significant financial return for a company which is able to invest in and develop technologies in the alternative energy sector and assist in the application and distribution of these technologies in the shortest possible time.

#### Strategy

The Directors are experienced in evaluating acquisition and investment prospects, quoted and unquoted, both in the European Union and Asia. They will however need to appoint key personnel to help them identify, research and properly evaluate possible investment opportunities in the alternative energy field (the “**Key Personnel**”). Shortly after Admission the Company intends to identify and then appoint suitably qualified and experienced individuals to fill the Key Personnel positions.

As well as taking on responsibility for the duties set out above, the Key Personnel will assist the Directors in establishing, where necessary, research and development facilities and to carry out appropriate due diligence into the suitability of potential companies, joint ventures or other investment opportunities brought to their attention.

The Directors believe that their broad collective experience in acquisitions, accounting, corporate and financial management together with their wide industry contacts and the opinion of the Key Personnel and where necessary, consultant experts mean that the Company will be in the best possible position to evaluate and exploit alternative energy technologies and products, and will enable the Company to achieve its objectives.

Investment propositions will be considered when the Directors consider that enhanced values may be achieved. A particular consideration will be to identify investments where the Directors believe that their expertise and experience, together with that of the Key Personnel, can be deployed to facilitate growth or unlock inherent value in the company acquired.

There is no limit in the number of projects in which the Company may invest. The Directors and the Key Personnel will conduct initial due diligence appraisals of potential projects, which may include research into the companies and their products and existing intellectual property, and

where they believe further investigation is warranted, they will appoint suitably qualified, and where appropriate, independent persons.

The Company intends to be an involved and active investor. Accordingly, the Company is likely to seek participation in the management of the board of directors of a company in which the Company invests with a view to improving the performance and use of its assets or properly protecting the intellectual property therein, in such ways as should result in an increase in the value of such a company. The Company hopes that the resulting benefit would provide a satisfactory return to the Shareholders.

The Company believes that a significant proportion of the resources of the Company will be invested and that a material investment will have been made within 18 months of Admission.

The Directors are currently reviewing potential investment and recruitment opportunities in line with the Company's strategy but have not, at this stage, approached any of the Key Personnel nor entered into any firm commitment in connection with any investment or appointment.

The Directors intend to seek the consent of its Shareholders for its investment strategy on an annual basis (at its Annual General Meeting) in order to comply with the guidance to Rule 8 of the AIM Rules. In the event no substantial investment is made within 18 months of Admission, it is the intention of the Directors to convene a general meeting of the Shareholders to consider whether to continue ongoing research into investment opportunities or to wind up the Company and distribute any surplus cash back to the Shareholders.

**Your attention is drawn to the Risk Factors set out in Part II of this Document.**

#### **Directors**

##### ***Christopher Nightingale*** (Chairman), age 49

A solicitor by profession, Mr. Nightingale is the Chairman of Global Voice Group Limited ([www.globalvoice.com](http://www.globalvoice.com)), a company that he co-founded in 2002 and which was listed on the Singapore Securities Exchange Trading Limited (SGX-ST) in 2004. Global Voice (through euNetworks) owns and operates Europe's highest capacity fibre network and provides mission critical communication infrastructure and services to large corporate companies, carriers, and service providers in more than 14 European cities including Frankfurt, London, Berlin and Amsterdam. Christopher obtained his law degree at the University of Leicester before gaining admission as a solicitor in England in 1983 and in Hong Kong in 1988. He practiced in London with Linklaters until 1987 before moving to Hong Kong, where he practiced as a senior assistant with Baker and McKenzie before becoming a partner in the Hong Kong office of Lovells. His practice encompassed a wide range of corporate and corporate finance work. He was the co-author of the textbook *Joint Ventures* (Longmans 1990 with Linklaters & Paines) and of the Longmans intelligence report on Russian and USSR corporate law (Longmans 1992).

##### ***Richard Lascelles*** (Non-Executive Director), age 63

Mr. Lascelles has over 39 years experience in corporate finance and investment and started his career in 1966 with Gerrard and National Limited, a leading City banking and discount house in the United Kingdom. In 1979, he started his own financial advisory and consulting company, Campden Financial Services Ltd. and its clients include companies in the media, property and hotels, technology and software industries. He also holds directorships in several private companies involved in development, investment and management of property and the software development of database applications.

##### ***Bay Yew Chuan*** (Non-Executive Director), age 64

Mr. Bay is the Vice Chairman of Store + Deliver + Logistics Pte. Ltd., a chemical logistics company formed by him and his partner. He is also currently a board member of the Singapore Chemical Industry Council and Chairman of the Trade and Commerce Committee; Chairman of the Singapore chapter of the Melbourne Business School Alumni; advisory committee member of the Millennium Institute; board member of the Rotary Family Service Center; and Chairman of the Ayer Rajah — Rotary Student Care Center. He is the past president of the Rotary Club of Singapore West from 1993 to 1994, and a recipient of the Rotarian of the Year award in 1992. Mr. Bay graduated from Melbourne University in 1964 with a Bachelor of Engineering (Electrical) and a Masters in Business Administration in 1969. He is a member of the Institute of Engineers

(UK) and Fellow of the Institute of Directors (UK). He has extensive experience in the energy industry, manufacturing, and trading. In the period 1982 to 1996, Mr. Bay was Company General Manager and Director of Amcol Holdings, a public listed conglomerate in Singapore, and was involved in manufacturing, trading, property development, and investment. The divisions in the manufacturing of lighting products, including energy saving devices, and plastic injection came under his portfolio.

**Noel Meaney** (Non-Executive Director), age 46

Mr. Meaney is co-founder and Executive Director of Global Voice Company Limited. A seasoned business professional he currently oversees the business operations, infrastructure deployment, product strategy, strategic alliance development and merger and acquisition activity of the Global Voice Company. Prior to founding Global Voice Company in early 2002, Noel worked for Metromedia Fiber Network in Europe, where he was responsible for the deployment of its metropolitan fiber-optic infrastructure and data centre, and the establishment of the company's commercial operations in Ireland, the UK and the Netherlands.

From 1994 to 2000, Noel worked for Computer Associates Inc. ("CA") and at the time of his departure was its Regional Vice President in Europe. Prior to joining CA, Noel was co-founder and CEO of General Systems Recovery Ltd, a company that specialised in Mobile Disaster Recovery, Contingency Planning and Risk Analysis. Noel saw the company through from early stage funding to profitability and successfully sold his shareholding in 1994. Noel is also a director of RCI, the holding company of Premier Data Centres, a Keppel/RCI joint venture company that builds, owns and operates datacentres in Europe.

**Employees**

The Company has not had any employees since its incorporation and currently has no employees other than Christopher Nightingale.

**Reasons for the Admission and Use of Proceeds**

As referred to above, the Company intends to research and where approved invest in alternative energy technologies and to eventually, through the Company or a company acquired in line with the investment strategy outlined in this Document, develop its own unique product based on the technologies acquired. The funds raised by the Company will be used to pay for the cost of reviewing potential opportunities, appointments and as and when they are identified and where appropriate, securing the right to make an investment. In addition, the funds raised by the Company will be utilised towards developmental activities in producing its own proprietary products and services. Finally, the funds will also be used for working capital.

The Company is seeking Admission to AIM in order to take advantage of that market's public profile, broad investor base, liquidity and access to institutional investors.

**Working Capital**

The Directors are of the opinion that, having made due and careful enquiry, the working capital available to the Company will, from the date of Admission, be sufficient for its present requirements, that is, for at least the next 12 months from the date of Admission.

**Current Trading, Future Prospects and Significant Trends**

The Company has not traded since incorporation. Following Admission, the Company will have approximately US\$7,499,997 in cash after paying the expenses of Admission.

The Directors believe that they are well placed to enhance the value of the Company through strategic investment as described under the heading "Strategy" in Part 1 of this Document. The Directors are currently reviewing potential investment opportunities which may fit the Company's investment criteria and which they intend to pursue although there is no guarantee that any negotiations will lead to an investment by the Company.

Save as disclosed in this Document, there have been no significant trends concerning the development of the business of the Company.

## **Dividend Policy**

The nature of the Company's business means that it is unlikely that the Directors will recommend a dividend in the early years following Admission. The Directors believe the Company should seek to generate capital growth for its Shareholders but may recommend distributions at some future date, depending upon the generation of sustainable profit, when it becomes commercially prudent to do so.

## **Taxation**

The attention of prospective investors is drawn to the taxation section in paragraph 14 of Part IV of this Document. These details are intended only as a general guide. If an investor is in any doubt as to his tax position he should consult his own independent financial adviser immediately.

## **Lock-in Arrangements**

The Founder Directors and related parties (each as defined in the AIM Rules) whose interests in the Company amount in aggregate to 72.4 per cent. of the issued Ordinary Shares on Admission, have undertaken not to dispose of any interest in their Ordinary Shares except in the limited circumstances allowed by the AIM Rules, for such periods (the "**Lock In Period**") as described in further detail in paragraph 5.3 of Part IV of this Document. Additionally, they have each agreed, following the expiry of the Lock In Period, to not dispose for a further 12 month period of any of their interests in the Ordinary Shares held by them other than through the Company's broker and in consultation with the Company's nominated advisor subject to being offered terms as to price and rates of commission at least as favourable as those being offered by any other broker at that time provided that such orderly market arrangement shall only be applicable to the Directors and their related parties (as defined in the AIM Rules) for so long as each Director remains a director of the Company during that relevant period.

## **The Share-Based Incentive Schemes**

The Company proposes to implement share-based incentive schemes in order to:

- (a) foster an ownership culture within the Company to build a stronger identification by the employee with the long-term prosperity of the Company and create value for the Shareholders of the Company;
- (b) motivate participants to achieve performance targets and a high level of contribution to the Company;
- (c) attract and retain talented key executives and directors of the Company whose contributions are essential to the long-term growth and profitability of the Company;
- (d) attract potential employees with the relevant skills to contribute to the Company; and
- (e) give recognition to the contribution made or to be made by the Executive Directors to the success of the Company.

To achieve the above objectives, the Company seeks to implement the following schemes:

- (a) the AEL ESOS; and
- (b) the AEL Share Performance Plan

collectively, the "**Schemes**".

The provisions of the Schemes take into account the provisions of the Act which allow share options granted to an employee of a company or its related corporation (including any director holding office in an executive capacity) to have validity periods of up to 10 years.

Unlike options granted under the AEL ESOS, the AEL Share Performance Plan contemplates the award of fully-paid Shares to key executives and Executive Directors after the pre-determined performance target(s) has been achieved. The plan is to reward and motivate the key executives and Executive Directors to achieve superior performance. The Company believes that with the AEL Share Performance Plan in place, it will be more effective than merely having pure cash performance bonuses in place to motivate the key executives and Executive Directors to work towards determined goals.

The AEL Share Performance Plan will allow the Company to target specific performance objectives and to provide an incentive for the key executives and Executive Directors to achieve these targets. The Directors believe that this will provide the Company with a flexible approach to provide performance incentives to its key executives and Executive Directors and, consequently, to improve performance and achieve sustainable growth for the Company in the changing business environment, and to foster a greater ownership culture amongst the key executives and Executive Directors.

In addition, awards granted under the AEL Share Performance Plan differ from options granted under the AEL ESOS in that a vesting period is normally imposed for options granted under the AEL ESOS before the options can be exercised, while such vesting period is not applicable to awards granted under the AEL Share Performance Plan. A performance target based award may be granted, for example, on the successful completion of a project and therefore, under the AEL Share Performance Plan, participants are encouraged to continue serving the Company beyond the achievement date of the pre-determined performance targets. An option may be granted, for example, as a supplement to the remuneration packages for employees. The Company believes that with both Schemes in place, it will strengthen and enhance the Company's ability in attracting and retaining suitable talents.

The number of new shares to be issued under both the Schemes and/or such other share-based incentive schemes of the Company will be subject to the maximum limit of 15 per cent. of the Company's total issued share capital.

#### **Rationale for participation by Non-Executive Directors**

While the AEL ESOS cater principally to Company executives, it is recognised that there are other persons who make significant contributions to the Company through their close working relationships with the Company, even though they are not employed within the Company. Such persons include the non-executive members of the Company's Board.

Our non-Executive Directors are persons from different professions and working backgrounds. The Company regards these persons as a valuable resource pool not only for which the Company is able to tap for business contacts and networking but also for their experiences and insights. As it may not always be possible to compensate such persons fully or appropriately solely by way of directors' fees, which currently is the Company's only means of remunerating them, the AEL ESOS will provide the Company with further means to give recognition to such persons for their special assistance and contribution.

We acknowledge that the contributions by our non-Executive Directors cannot be measured in the same way as full-time employees of the Company because of the different nature of their contributions and services. The grant of options to them under the AEL ESOS is intended only as a token of our Company's appreciation for their work. For the purpose of assessing the contributions of the non-Executive Directors, the Remuneration Committee will propose a performance framework comprising mainly non-financial performance measurement criteria such as the extent of involvement and responsibilities shouldered by the non-Executive Directors on the Board. In addition, the Committee will also consider the scope of advice given, the number of contacts and size of deals which the Company is able to procure from the contacts and recommendations of the non-Executive Directors.

The performance of our non-Executive Directors and hence the number of options that will eventually be granted will be dependent on (i) an evaluation of the criteria stated above; (ii) the financial performance of the Company and the Company as a whole; (iii) the prevailing market conditions at the time of grant; and (iv) the overall remuneration package of that non-Executive Director.

It is envisaged that the offer and grant of options, and hence the number of Shares to be issue to our non-Executive Directors based on the formula above will be relatively small, in terms of frequency and numbers. Based on this, our Directors are of the view that the participation by our non-Executive Directors in the AEL ESOS will not compromise their independent status.

#### **Corporate Governance**

The Company is incorporated in Singapore and, although the Ordinary Shares will be admitted to trading on AIM, the Company is not subject to the provisions of the City Code as the main

Takeover Panel does not regard the Company as resident in the UK, Channel Islands or the Isle of Man. Accordingly, the Company will not be subject to the City Code in the UK and a takeover of the Company would not be regulated by the UK authorities. Investors should therefore be aware that the protections afforded to shareholders by the City Code on Takeovers and Mergers, which are designed to regulate the way in which takeovers are conducted, will not be available. In addition, the Company is not subject to the provisions of the Singapore Code on Takeovers and Mergers (the “**Singapore Code**”) because the Singapore Code applies to companies listed on the Singapore Stock Exchange. Unlisted companies with 50 or more shareholders and with net tangible assets of S\$5 million or more merely observe the letter and spirit of the General Principles and Rules of the Singapore Code, where possible and appropriate. The Singapore Code is non-statutory and thus, it does not have the force of the law. It is therefore possible that an offeror may gain control of the Company in circumstances in which the non-selling shareholders do not receive or are not given the opportunity to receive, the benefit of any share premium paid to the selling shareholder(s).

As the Company grows, the Directors intend that it should develop policies and procedures which reflect the Combined Code, so far as is practicable, taking into account the size and nature of the Company.

The Directors have established an audit committee to receive and review reports from management and from the auditors relating to the interim and annual accounts and to the system of internal financial control. The Directors have also established a remuneration committee which will determine the terms and conditions of service of executive directors.

The Company has adopted and will operate a share dealing code consistent with Rule 21 of the AIM Rules and will take all proper and reasonable steps to ensure compliance by the Directors and any relevant employees.

In accordance with the provision of the AIM Rules, which require the nominated advisor and the Company to maintain regular contact so as to enable: (i) the nominated advisor to ensure the Company and the Directors continue to understand their obligations under the AIM Rules for Companies; and (ii) that the nominated advisor is kept up to date with developments at the Company, the Directors considered it appropriate to appoint a committee to ensure compliance with those rules (the “**AIM Rules Compliance Committee**”).

The AIM Rules Compliance Committee established by the Company comprises any two Directors of the Company and they have been given full power and authority to perform, approve, execute, deliver and/or issue all things which the AIM Rules Compliance Committee considers necessary or expedient in connection with the Company’s Admission to and trading on AIM, or any matter incidental thereto including, without limitation raising and discussing or issuing notification to the nominated advisor of:

- (a) any dealings by Directors in respect of any Ordinary Shares in which the Directors are interested;
- (b) any changes by any Shareholder holding 3 per cent. or more of any Ordinary Shares which increase or decrease such holding through any single percentage;
- (c) the resignation, dismissal or appointment of any Directors;
- (d) any change in the Company’s accounting reference date, registered office address or any change in its legal name;
- (e) any material change between the Company’s actual trading performance or financial condition and any profit forecast, estimate or projection made public on behalf of the Company;
- (f) any decision to make any payment in Ordinary Shares;
- (g) the reason for the application for Admission to trading on AIM or cancellation of any Ordinary Shares;
- (h) the occurrence and number of Ordinary Shares taken into and out of treasury;
- (i) the resignation, dismissal or appointment of the Company’s nominated advisor or broker from time to time;

- (j) any change in the website address operated by the Company including any changes in order to ensure continued compliance with Rule 26 of the AIM Rules for Companies;
- (k) the admission to any other exchange or trading platform of the Ordinary Shares; and
- (l) any changes relating to the Company in connection with its financial condition, sphere of activity, performance of its business and the expectation of its performance.

#### **CREST**

CREST is a UK electronic paperless share transfer and settlement system, which allows shares and other securities, (including depositary interests), to be held in electronic rather than paper form. With limited exceptions, only shares and other securities which are constituted under English law can be settled through the CREST system, regardless of the fact that they may be admitted to trading on AIM. As the Company is incorporated in Singapore its shares are therefore not eligible to be held through CREST and accordingly, the Company, via the Depositary, has established a depositary interest programme. The Depositary Interests are themselves UK securities and can be held within CREST. No temporary documents of title will be issued. All documents sent by or to a placee, or elsewhere at his direction, will be sent through the post at the placee's risk. Pending the despatch of definitive share certificates (as applicable), instruments of transfer will be certified against the register of members of the Company.

The Company, through the Depositary, has established a depositary arrangement in relation to which, the Depositary Interests established pursuant to a deed of trust executed by Depositary and representing Ordinary Shares, will be issued to shareholders who wish to hold their Ordinary Shares in electronic form within the CREST system. Depositary Interests will be issued on the basis of one Depositary Interests for each underlying Ordinary Share in the Company and the Depositary Interests have the same rights as the underlying Ordinary Shares and holders will be able to participate in the same manner as Shareholders in respect of, for example, dividends, bonus issues and voting entitlements. The Company, via the Depositary, has applied for the Depositary Interests representing Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in Ordinary Shares, represented by Depositary Interests, following Admission may take place within the CREST system if the relevant investors so wish. Depositary Interests will have the same ISIN as the underlying Ordinary Shares and will not require a separate application for admission to trading on AIM. The ISIN number of the Ordinary Shares is SG9999004659.

The Depositary Interests may be settled using this system. Please note that CREST is a voluntary system and holders of shares who wish to receive and retain share certificates will also be able to do so. Further details of the depositary arrangements are set out in paragraph 11 of Part IV of this Document.

Further information regarding the depositary arrangement and the holding of Ordinary Shares in the form of Depositary Interests is available from the Depositary. The Depositary may be contacted at Computershare Investor Services Plc, PO Box 82, The Pavilions, Bridgwater Road, Bristol; telephone +44 (0) 117 305 1075.

**Your attention is drawn to the Risk Factors in Part II of this Document and the Additional Information in Part IV of this Document.**

## PART II

### RISK FACTORS

An investment in the Company is speculative and involves a high degree of risk. The performance of the Company will be affected by changes in market conditions affecting the energy industry in general and the alternative energy industry in particular. Political or regulatory developments, timely completion of developmental programmes, the outcome of commercial negotiations and technical or operating factors also affect the performance of the Company.

In addition to the other information in this Document, the Directors consider the following risk factors are of particular relevance to the Company's activities and to any investment in the Company. It should be noted that this list is not exhaustive and that other risk factors may apply. Any one or more of these risk factors could have a materially adverse impact on the value of the Company and should be taken into consideration when assessing the Company as a potential investment.

The risks are not presented in any order of priority.

**Potential investors are advised to consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on investments of this kind before making any investment decisions. A prospective investor should carefully consider whether an investment in the Company is suitable in the light of his personal circumstances and the financial resources available to him. Prospective investors should also consider carefully all of the information set out in this Document and the risks attaching to the investment in the Company, including in particular, the risks described below, before making any investment decision.**

#### **Initial operational risks**

The Company will initially be dependent upon the ability of the Directors to identify suitable investment opportunities and implement the Company's strategy.

The Company may be unable to effect an investment in an identified opportunity, as a consequence of which resources might have been expended fruitlessly on investigative work and due diligence.

Notwithstanding the fact that an application will be made for the Ordinary Shares to be traded on AIM, this should not be taken as implying that there will be a "liquid" market in the Ordinary Shares. The market for shares in smaller public companies is less liquid than for larger public companies. Therefore, an investment in the Ordinary Shares may thus be difficult to realise. The Ordinary Shares will not be listed on the Official List. Investments in shares traded on AIM carry a higher degree of risk than investments in shares quoted on the Official List.

The price of the Ordinary Shares may be volatile, influenced by many factors, some of which are beyond the control of the Company. For example, the performance of the overall share market, other Shareholders buying or selling large numbers of Ordinary Shares, changes in legislation or regulations and general economic conditions.

The value of an investment in the Company could, for a number of reasons, go up or down. There is also the possibility that the market value of an investment in the Company may not reflect the true underlying value of the Company.

#### **Technical risk**

New technology, changing commercial circumstances and new entrants to the markets in which the Company operates may adversely affect the Company's value. Although the Directors believe that any major technical issues with the alternative energy technologies the Company may wish to develop will be overcome by the Directors and other Key Personnel, there can be no guarantee that as yet unforeseen, issues will not arise which could affect adversely the Company's on-going technical development, growth and business performance.

## **Manufacturing**

The Company has not built even proto-type products and has yet to manufacture a product in significant quantity. Mass manufacturing may identify problems and delays may be encountered at that stage, that were previously unforeseen, which in turn could damage the Company's relationships with its suppliers and customers, or prejudice its revenues under contracts.

## **Market perception**

As many alternative energy technologies are new, the market perception and acceptance of such technologies may not be as prompt as the Directors have anticipated. A failure to obtain market acceptance of the technologies will affect sales and thus profitability which could potentially affect the value of investor's holdings and the ability of the Company to raise further funds by the issue of further Ordinary Shares or otherwise.

## **Intellectual Property Protection**

The business of the Company is dependent on certain IP rights. Many participants in the alternative energy technology market have patents and patent applications and have demonstrated a readiness to pursue litigation based on allegations of patent or other IP infringement. The Company could incur substantial costs in defending or bringing a claim whether or not successful. A successful claim for infringement against the Company and its failure or inability to licence or develop the infringed IP on acceptable terms and on a timely basis, could harm the Company's business, operating results and, or financial performance.

No assurance is given that the Company will develop technology which is capable of being protected or that any protection gained will be sufficiently broad in its scope to protect the Company's IP rights and exclude competitors from similar technology. Further, there can be no assurance that:

- patent applications made in the future will be granted;
- patents granted to the Company will be sufficiently broad in scope to provide protection for the Company's IP rights against third parties;
- the validity or scope of any patents which may in the future be granted to the Company, or that claims in relation to the patents, will not be questioned or asserted by other parties; or
- a third party will not claim prior rights in relation to IP used by the Company.

## **Reliance on Strategic Relationships**

The Company intends to outsource the manufacture of components for its products to third parties. As demand and production volumes increase there is no guarantee that disruption at third party manufacturers will not affect adversely the Company.

## **Developmental risks**

While the Directors will endeavour to acquire the required technology, experience and business acumen to develop its products and services, unforeseen technical risks may occur or known technical problems may prove to be more difficult to solve than had earlier anticipated.

## **Wind risk**

In the wind power sector, average wind speeds in any period may be lower than projected or lower than wind speeds in prior years, thereby causing the financial performance of an investment to fall below its expected level.

## **Resource availability and constancy**

Wind energy facilities may be affected by fluctuations in wind speeds between years and also by abnormal weather conditions and changing wind patterns. Biomass facilities may be affected by the availability, or lack of availability, of fuel. Landfill gas facilities may be affected by the composition of waste at a landfill site, including waste added over time, and the size, depth, age, moisture content, exposure to air and compaction of that waste and whether a landfill is "open" or "closed" and the condition of the collection system used to capture the gas.

Revenues in respect of hydro-electric facilities may be significantly affected by hydrological events that impact the hydrological conditions of hydro-electric facilities such as low and high water flows within watercourses on which the facilities are located. In the event of severe flooding, hydro-electric facilities may be damaged.

### **Regulatory regime and permits**

The profitability of renewable energy facilities will be in part dependent upon the continuation of a favourable regulatory climate with respect to the continuing operations and the future growth and development of the independent power industry and environmentally preferred energy sources. States are continuing to negotiate and extend the international climate change regime established under the UN Framework Convention and the Kyoto Protocol. Any changes to the regime (dealing for instance with the legal status of emissions credits or their 'bankability' over different commitment periods) will need to be reflected as appropriate in both EU and domestic legislation. Projects which seek to take advantage of the 'flexible mechanisms' created under the Kyoto Protocol (including the Clean Development Mechanism ("CDM"), Joint Implementation and Emissions Trading) will need to comply with relevant international and domestic legal requirements, including the EU Emissions Trading Scheme and/or 'CDM-project-cycle' where relevant. Operations conducted under this ongoing international legislative process could give rise to political/sovereign risks where the ongoing approval of a 'Host Country' is needed for a project, in the same way as for any type of foreign direct investment.

### **Operating risks**

Renewable energy facilities encompass operations which are subject to environmental and safety standards and regulations imposed by relevant national regulatory bodies. Failure to operate facilities in strict compliance with applicable regulations and standards may expose owners or operators of facilities to claims and clean-up costs and possible enforcement actions. Any new law or regulation could require significant additional expenditure to achieve or maintain compliance.

The EU Renewables Directive has established Europe as the leading region for renewable energy investment. The UK has made regulations to promote the generation of electricity from renewable sources (the "**Renewable Obligation**") to require licensed electricity suppliers to source specified percentages of supplied electricity from renewable sources. Should the current governmental regulations or incentive programs be modified, wind power facilities and other renewable energy facilities may be adversely affected, which may have a material adverse effect on the returns to the Company. In particular, if such production tax credits were to become unavailable to the owners of wind power facilities, or the Renewables Obligation or country equivalent schemes were withdrawn as a result of a change in applicable legislation, the ability of the owners of wind power facilities and/or the borrowers under wind power loans to pay interest and principal on wind power loans may be adversely affected, which could adversely affect the returns to the Company. In the US, the operation of wind power facilities is also highly regulated. Government regulations and incentives such as Production Tax Credits in the United States and Emission Production Credits in some states of the United States currently have a favourable impact on wind power and landfill gas facilities. The owners of the wind power facilities currently receive production tax credits in the United States.

Failure to maintain or comply with necessary licences, consents or exemptions could result in a breach of regulatory requirements that may lead to the owner being precluded from operating the licensed renewable energy facility or at least constrained in undertaking such operations and could adversely affect the returns to the Company.

The operation of hydro-electric facilities is highly regulated. Water rights are generally owned by governments which reserve the right to control water levels. Biomass facilities are subject to government regulations, including environmental laws relating to emission levels, biomass supply agreements, and wood ash disposal agreements. Landfill gas facilities are also subject to government regulations, including environmental laws relating to types of waste, emissions levels, by-product disposal and landfill gas condensate. Any new law or regulation could require significant additional expenditure to achieve or maintain compliance.

**Equipment failure**

With respect to each renewable energy facility, there is a risk of equipment failure due to wear and tear, design error or operator error, among other things, which could adversely affect the returns to the Company.

**Counterparty risk**

Customers that purchase power generated by renewable energy facilities are typically large utilities which purchase power under PPAs or standard offer contracts. Although the Company will attempt to ensure that these customers have acceptable credit ratings, if for any reason such customers are unable or unwilling to fulfil their contractual obligations under the relevant PPAs or standard offer contracts, the returns to the Company could decline.

**Carbon trading risk**

It is not anticipated that the Company will derive a significant proportion of its revenue from the sale or trade of carbon credits although it is possible that the sale of such credits may be a profitable source of income for the Company and whilst there is no present reason to believe that the market price of credits will fall, their price is governed by market forces, which may lead to fluctuations in the price.

**Commodity prices**

Although large amounts of electricity generated by renewable energy are expected to be sold pursuant to PPAs or standard offer contracts, excess power of certain facilities may be sold in the open market. As a result, returns will, in part, depend upon prices paid for energy sold in the open market. Such commodity pricing will vary over time. Over the long term, fluctuations in market prices may impact adversely the returns to the Company.

**Volatility of component prices**

Prices of subcomponents such as photo voltaic cells or blades for small wind turbine may prove to be higher than expected. This will have an adverse impact on the business economics of the Company's performance.

**Financing and Market Acceptance**

The successful acquisition or development of the required technology and the subsequent product development phase will require substantial amount of working capital. The only sources of financing currently available to the Company are through the issue of additional equity capital or through bringing in partners to fund acquisition and developmental costs. The Company's ability to raise further funds will depend on the success of existing and acquired operations. The Company may not be successful in procuring the requisite funds on terms which are acceptable to it (or at all) and if such funding is unavailable, the Company may be required to reduce the scope of its operations and anticipated expansion.

Whilst the Directors believe that there exists a viable market for the Company's existing and proposed technology, there can be no assurance that such technology will prove to be an attractive alternative to conventional products in the area of use which the Directors have identified for exploitation. In the event that a viable market for the Company's technology cannot be created as envisaged by its business strategy, the Company may need to commit greater resources than are currently available to it in further developing its technology into a commercially viable product. There can be no assurance that the Company will have sufficient financial resources to fund such further development or that such development would be successful.

**Environmental factors**

The Company's operations will be subject to environmental and safety regulation (including regular environmental impact assessments and permitting) in all the jurisdictions in which it operates. This will include a wide variety of matters, such as prevention of waste, pollution and protection of the environment, labour regulations and worker safety. The regulations may change in a manner that may require stricter or additional standards than those currently in effect, a heightened degree of responsibility for companies and their directors and employees

and more stringent enforcement of existing laws and regulations. There may also be unforeseen environmental liabilities resulting from developmental activities, which may be costly to remedy. In particular, the acceptable level of pollution and the potential clean up costs and obligations and liability for toxic or hazardous substances for which the Company may become liable as a result of its activities may be impossible to assess against the current legal framework and current enforcement practices of the various jurisdictions.

### **Political and economic**

Projects in which the Company invests are likely to be in jurisdictions outside the UK and accordingly there will be a number of risks which the Company will be unable to control. Whilst the Company will make every effort to ensure it has robust commercial agreements covering its activities, there is a risk that the Company's activities will be adversely impacted by economic and political factors such as the imposition of additional taxes and charges, cancellation or suspension of licenses, expropriation, war, terrorism, insurrections and changes to laws governing energy. There is also the possibility that the terms of any licence the Company holds may be changed

### **Currency risk**

The Company will report its results in US Dollars, whilst a majority of its costs and revenues may be denominated in other currencies. This may result in additions to the Company's reported costs or reductions in the Company's reported revenues.

### **Impact of law in governmental regulation**

The Company and developers with whom the Company deals will need to comply with regulations relating to environmental, health and safety, land use and development standards. The institution and enforcement of such regulations could have the effect of increasing the expenditure relating to, in lowering the income or rate of return from, as well as adversely affecting the value of, the Company's assets. Changes in law relating to ownership of land could have an adverse effect on the value of the Ordinary Shares. New laws may be introduced, which may be retrospective and affect existing environmental planning, land use and development regulations.

### **Market risk**

The response to the market to the Company's product and services (if the Company successfully developed and bring these to market) is beyond the control of the Company. Other factors like the provider of subcomponents, contract manufacturers, the distribution channels and all the other activities in the supply chain affect the Company's ability to generate the projected return from its investment.

### **Competition**

The Company is likely to face competition from other entities operating in its business sector, many of which may have significantly greater resources than the Company. Traditional fossil fuel power providers with powerful governmental lobbies may create problems or at least uncertainties for the Company.

### **Legal systems**

If the Company makes investments in prospective alternative energy companies, some of the countries in which it may operate in could have legal systems that are less well developed than in the UK. This could result in risks such as: (i) potential difficulties in obtaining effective legal redress in the courts of such jurisdictions, whether in respect of a breach of law or regulation or in an ownership dispute; (ii) a higher degree of discretion on the part of governmental authorities; (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations; (iv) inconsistencies or conflicts between and within various laws, regulations, jurisdictions the commitment of local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licences and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that joint ventures, licences, licence applications or other

legal arrangements will not be adversely affected by the actions of government authorities or others and the effectiveness of and enforcement of such arrangements in these jurisdictions cannot be assured.

#### **Joint ventures**

The Company may enter into joint ventures. There is a risk that a joint venture partner does not meet its obligations and the Company suffers additional costs or other losses. It is also possible that the interests of the Company and those of its joint venture partners are not aligned resulting in project delays or additional costs and losses. The Company may have minority interests in the companies, partnerships and ventures in which it invests and may be unable to exercise control over the operations of such companies.

#### **Reliance on Key Personnel**

The success of the Company will be dependent on the services of key management and operating personnel, as well as the recruitment and retention of scientists, technicians and managers of sufficient skill, expertise and experience to enable the Company to identify suitable investment opportunities. Some of these individuals have not yet been identified. The Directors believe that the Company's future success will depend largely on its ability to attract and retain highly skilled and qualified individuals will be identified and employed or contracted on satisfactory terms or at all. If the Company fails to recruit or retain the necessary personnel or if the Company loses the services of any of its key personnel, its business could be materially and adversely affected.

#### **New company and lack of operating history**

The Company was incorporated on 26th December 2006. The Company is subject to all of the business risks and uncertainties associated with any new business venture, including the risk that the Company will not achieve its objectives and that the value of a member's investment in the Company could decline substantially. There can be no assurance that the Company will be able to achieve any returns or that the Company will be able to find a suitable number of attractive opportunities to meet its strategic objectives.

The Company will be focused on a programme of the acquisition and operation of new and innovative forms of renewable energy electricity generation and sales including the continuing research, development, improvement and, in time, commercialisation of renewable energy technology. This programme means that the Company is likely to remain cashflow negative for the foreseeable future. Although the Directors have confidence in the Company's future revenue earning potential, there can be no certainty that the Company will achieve or sustain revenues, profitability or positive cashflow from its operating activities.

#### **Tax related risks**

Certain countries may have tax regimes which may impose withholding tax on the profits or other returns derived from the projects in which the Company has an investment. This tax may be non-recoverable. It is anticipated that the rates of withholding tax will vary across jurisdictions and will change from time to time which could have a material and adverse affect on the Company's performance.

The tax regimes applying in the UK and Singapore may change, thereby affecting the Company's tax treatment in these jurisdictions.

#### **City code**

The City Code on Takeovers and Mergers will not apply to the Company as further described in Part I of this Document and therefore any takeover of the Company will be unregulated by any takeover authorities in the United Kingdom.

#### **Forward-looking statements**

This Document includes statements, estimates and projections of future trends and of the anticipated future performance of the Company, that are or may be deemed to be "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology including such terms as "believes", "estimates", "plans",

“anticipates”, “targets”, “aims”, “continues”, “expects”, “intends”, “may”, “will”, “would” or “should” or in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not matters of fact. They appear in a number of places throughout this Document and include statements regarding the Company’s intentions, beliefs or current expectations concerning among other things, the Company’s results of operations, financial condition, liquidity, prospects growth, strategies and the industries in which the Company operates. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. A number of factors could cause actual results and developments to differ markedly from those expressed or implied by the forward-looking statements including without limitation; conditions in the markets, the market position of the Company, earnings, financial position, cash flows, return on capital and operating margins, anticipated investments and capital expenditure, changing business or other market conditions and general economic conditions. These and other factors could adversely affect the outcome and financial effects of the plans and events described herein. Forward-looking statements contained in this Document based on past trends or activities hold not be taken as a representation that such trends or activities will continue in the future. Subject to any requirement under the AIM Rules or other legal or regulatory requirements, the Company undertakes no obligation to update or review any forward-looking statements, whether as a result of new information, future events or otherwise. Prospective investors should not place undue reliance on forward-looking statements, which speak only as of the date of this Document.

### **Minority interests**

The Company may have minority interests in companies, partnerships and ventures in which it invests and may not be able to exercise control over the operations of such companies. The management of targeted companies may not always welcome pro-active involvement and may be resistant to change.

### **Dividends**

There can be no assurance as to the level and frequency of dividends declared by the Company. The declaration, payment and amount of any future dividends of the Company is subject to the discretion of the Directors and will depend, amongst other things, upon the Company’s earnings, financial position, cash requirements and availability of profits as well as the provisions of relevant laws.

## PART III

### ACCOUNTANTS' REPORT ON ALTERNATIVE ENERGY LIMITED



REES POLLOCK

*Chartered Accountants*

35 New Bridge Street  
London EC4V 6BW

8 October 2007

The Directors  
Alternative Energy Limited  
50 Raffles Place  
#17-01 Singapore Land Tower  
Singapore 048623

The Directors  
Beaumont Cornish Limited  
10 – 12 Copthall Avenue  
London EC2R 7DE

Dear Sirs

#### **ALTERNATIVE ENERGY LIMITED ("THE COMPANY")**

We report on the financial information set out below. This financial information has been prepared for inclusion in the Document of the Company dated 8 October 2007 relating to the Admission of the Company to AIM, a market operated by the London Stock Exchange ("the Document").

#### **Introduction**

The Company was incorporated in Singapore on 26 December 2006 under the name of Alternative Energy Pte. Ltd., subsequently changing its name to Alternative Energy Limited.

On 7 August 2007 the Directors allotted and issued fully paid a total of 570,445,035 Ordinary Shares of no par value for cash of US\$3,858,336.

No dividends have been declared or paid by the Company.

#### **Basis of preparation**

No statutory financial statements have been prepared, audited or filed since incorporation.

The financial information set out below constitutes non-statutory audited financial statements prepared by the Directors for the purpose of the Document and covers the period from 26 December 2006 to 31 August 2007.

#### **Responsibility**

The financial information in this report is the responsibility of the Directors and has been approved by them.

The Directors of the Company are responsible for the contents of the Document in which this report is included. It is our responsibility to compile the financial information set out in our

report from the Company's underlying records, to form an opinion on the financial information and to report our opinion to you.

This report is required by Paragraph (a) of Schedule Two of the AIM Rules and is given for the purpose of complying with that regulation and for no other purpose.

Save for any responsibility arising under that regulation to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report.

#### **Basis of opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

#### **Opinion**

In our opinion, the financial information gives, for the purposes of the Document, a true and fair view of the state of affairs of the Company as at 31 August 2007 and of its results, cash flows and recognised income and expense for the period then ended in accordance with the basis of preparation and on the basis of International Financial Reporting Standards as described in note 1.

#### **Declaration**

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

Rees Pollock  
*Chartered Accountants*

## Income Statement

	<b>Period ended 31 August 2007 US\$</b>
<b>Continuing operations</b>	
Operating income	—
Administrative expenses	(7,099)
Operating loss	(7,099)
Investment revenues	17,169
<b>Profit for the period from continuing operations</b>	<u>10,070</u>
<b>Profit attributable to equity shareholders</b>	<u><u>10,070</u></u>

The accompanying notes form an integral part of this financial information.

## Statement of Changes in Equity

	Period ended 31 August 2007 US\$
Balance at 26 December 2006	—
Net profit for the period	10,070
Increase in share capital	3,858,336
Share flotation transaction costs	(210,489)
Balance at 31 August 2007	<u>3,657,917</u>

## Cashflow Statement

	Period ended 31 August 2007 US\$
<b>Cash flows from operating activities</b>	
Operating loss	(7,099)
Increase in trade and other payables	3,170
Net cash from operating activities	<u>(3,929)</u>
<b>Investing activities</b>	
Interest received	17,169
<b>Financing activities</b>	
Proceeds on issue of shares	3,858,336
Cash raised for shares not yet issued	2,624,999
Cash and cash equivalents at beginning of the period	—
Cash and cash equivalents at end of the period	<u>6,496,575</u>

## Balance Sheet

	Notes	As at 31 August 2007 US\$
<b>Current assets</b>		
Cash at bank and in hand		<u>6,496,575</u>
<b>Total assets</b>		<u><u>6,496,575</u></u>
<b>Current liabilities</b>		
Trade and other payables	4	<u>2,838,658</u>
<b>Total liabilities</b>		<u><u>2,838,658</u></u>
Net Assets		<u><u>3,657,917</u></u>
<b>Equity</b>		
Share capital	5	<u>3,647,847</u>
Retained earnings		<u>10,070</u>
		<u><u>3,657,917</u></u>

The accompanying notes form an integral part of this financial information.

## **NOTES TO THE FINANCIAL INFORMATION**

### **1a. General Information**

Alternative Energy Limited is a company incorporated in Singapore under the Singapore Companies Act. The address of the registered office is 50 Raffles Place, #17-01 Singapore Land Tower, Singapore 048623.

The financial information is presented in US Dollars.

### **1b. Basis of Preparation**

The financial information has been prepared under the historical cost convention.

The financial information has been prepared on the basis of all applicable IFRS, including all International Accounting Standards (IAS), Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC) interpretations issued by the International Accounting Standards Board (IASB) with effective dates for accounting periods beginning on or after 26 December 2006, together with those parts of the Companies Act 1985 applicable to companies reporting under IFRS and in accordance with the AIM Rules.

## **2. Summary of Significant Accounting Policies**

### **Foreign currencies**

#### *Functional and presentational currency*

The presentational currency of the Company is Singapore Dollars. The financial information has been prepared from accounts drafted in Singapore Dollars ("the underlying accounts") and converted into US Dollars at the rate prevailing on 31 August 2007.

#### *Transactions and balances*

In the preparation of the underlying accounts, transactions denominated in foreign currencies were translated into Singapore Dollars at the actual rates of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies were retranslated at rates ruling at the balance sheet date. All exchange gains and losses were taken to the income statement in the period in which they arose.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits with maturity of less than three months.

### **Financial instruments**

#### *Trade payables*

Trade payables are recognised initially at fair value and subsequently held at amortised cost. Trade payables are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

### **Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### **Financial liabilities and equity**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

### 3. Trade and Other Payables — Current

	As at 31 August 2007 US\$
Accruals	185,297
Other payables — to a director	28,362
Other payables — cash received for shares not yet issued	<u>2,624,999</u>
	<u>2,838,658</u>

'Other payables — cash received for shares not yet issued' includes US\$2,499,999 received from Perfection Group Limited, a company controlled by Christopher Nightingale, a director of the Company and US\$125,000 received from Noel Meaney, a director of the Company.

### 4. Share Capital

Allotted, called up and fully paid:

	As at 31 August 2007	
	No.	US\$
Ordinary shares of no par value	570,445,035	3,858,336
Issue costs	—	(210,489)
	<u>570,445,035</u>	<u>3,647,847</u>

On 7 August 2007 the Directors allotted and issued fully paid a total of 570,445,035 Ordinary Shares of no par value for cash of US\$3,858,336.

The company has no authorised share capital and the shares have no par value.

### 5. Post Balance Sheet Events

Subsequent to 31 August 2007 a further 601,569,098 shares were issued for proceeds of US\$3,891,663. Those proceeds included an amount of US\$2,624,999 which had been received by 31 August 2007 but not applied to the issue of shares by that date.

## PART IV

### ADDITIONAL INFORMATION

#### 1. The Company

- 1.1 The Company is registered in the Republic of Singapore, having been registered on 26 December 2006 under the Act with registered number 200619290H as a company limited by shares with the name "Alternative Energy Pte Ltd". On 11 July 2007 the Company was converted into a public limited company and changed its name to "Alternative Energy Limited".
- 1.2 The principal legislation under which the Company operates and the Ordinary Shares have been created is the Act and regulations made under the Act. The Company is also obliged to comply with specific obligations arising from other laws of the Republic of Singapore and those that relate to its activities in the various regions that it operates.
- 1.3 The liability of the members of the Company is limited.
- 1.4 The Company has no subsidiary or associated undertakings.
- 1.5 The Company's registered office is at 50 Raffles Place, #17-01 Singapore Land Tower, Singapore 048623. The Company's principal place of business is at the offices of David Lim & Partners of 50 Raffles Place, #17-01 Singapore Land Tower, Singapore 048623. The telephone number of the Company at its principal place of business is (65) 6532 2122.
- 1.6 The ISIN of the Company is SG9999004659.
- 1.7 The website address of the Company is [www.alternativenergy.com.sg](http://www.alternativenergy.com.sg)

#### 2. Share capital

- 2.1 On incorporation, the Company has an issued and paid up capital of US\$2.00 comprising two ordinary shares. The shares are issued to the subscriber to the memorandum of association of the Company, Christopher Nightingale.
- 2.2 By resolution dated 13 July 2007 the Company granted the Directors the power to allot and issue shares of the Company to such persons on such terms and conditions whether for cash or otherwise and with such rights and restrictions as they thought fit to impose and that such authority was to continue in force until the conclusion of the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.
- 2.3 On 21 August 2007 the paid-up capital of the Company increased from US\$2.00 to US\$3,858,334 by way of an allotment of 570,445,033 Ordinary Shares. On 8 October 2007 paid-up capital in the Company increased from US\$3,858,334 to US\$7,799,997 by way of an allotment of 603,235,763 Ordinary Shares.
- 2.4 As at Admission, 1,173,680,800 shares have been issued and fully paid.
- 2.5 The Companies (Amendment) Act 2005 came into effect on 30 January 2006. Among other things, the Companies Act was amended to abolish the concepts of par value, authorised capital, share premium and share discount. As a result of these amendments, as at 8 October 2007, the Company has an issued and paid-up ordinary capital of US\$7,799,997, comprising of 1,173,680,800 Shares and has no authorised share capital.
- 2.6 The Ordinary Shares will rank *pari passu* in all respects including the right to receive all dividends and other distributions declared, made or paid on the Ordinary Shares from the date of this Document.
- 2.7 In accordance with the power granted to the Directors by Article 11 of the Articles of Association of the Company, the Directors are empowered to allot or otherwise dispose of the unissued shares of the Company to such persons and on such terms and conditions and at such times as the Directors may determine free from pre-emption rights.

- 2.8 Save as disclosed in this Document, the Company does not have in issue any shares not representing the share capital and there are no outstanding convertible shares issued by the Company.
- 2.9 Save as disclosed in this Document:
- 2.9.1 no share or loan capital of the Company or any subsidiary is under option or has been agreed, conditionally or unconditionally, to be put under option;
  - 2.9.2 no persons have preferential subscription rights in respect of any authorised but unissued share or loan capital of the Company or any subsidiary;
  - 2.9.3 other than pursuant to the exercise of outstanding share options there is no present intention to issue any further share capital of the Company at the date of this Document;
  - 2.9.4 no share or loan capital of the Company has been issued or is now proposed to be issued fully or partly paid, either in cash or for a consideration other than cash;
  - 2.9.5 other than the AEL ESOS there are no arrangements in force involving the employees or Directors in the capital of the Company;
  - 2.9.6 no commission, discount, brokerage or any other special term has been granted by the Company or is now proposed in connection with the issue or the sale of any part of the share or loan capital of the Company;
  - 2.9.7 no fee and no founder, management or deferred shares have been issued by the Company;
  - 2.9.8 no amount or benefit has been paid or is to be paid or given to any promoter of the Company; and
  - 2.9.9 there are no acquisition rights and/or obligations over share capital of the Company and the Company has not given any undertakings to any party to issue further share capital.
- 2.10 As further described in Part I of this Document, the CREST Regulations do not provide for the direct holding and settlement of foreign securities in CREST and the Company has therefore appointed Computershare Investor Services Plc as the Depositary whereby they will constitute and issue Depositary Interests in respect of the Company's securities. The Ordinary Shares will be held by the Custodian and the Depositary shall pass on and ensure that the Custodian forwards on to the holders of Depositary Interests all rights and entitlements which it or the Custodian receives in or in respect of the Ordinary Shares evidenced by the Depositary Interests.
- 2.11 A detailed summary of the CREST and depositary arrangements are set out in paragraph 11 of this Part IV below.
- 2.12 Save as described above, the issued Ordinary Shares will be held in certificated form.
- 2.13 Other than as disclosed in this Document, none of the Ordinary Shares have been sold or are available in whole or in part to the public in conjunction with the application for the existing Ordinary Shares to be admitted to AIM.
- 2.14 There are no listed or unlisted securities by the Company not representing share capital.
- 2.15 Other than the current application for Admission, the Ordinary Shares have not been admitted to dealings on any recognised investment exchange nor has any application for such admission been made nor are there intended to be any other arrangements for there to be such dealings in the Ordinary Shares.
- 2.16 The Ordinary Shares will rank *pari passu* in all respects including the right to receive all dividends and other distributions declared, made or paid after Admission on the issued share capital.

- 2.17 As at the date of this Document, none of the Directors nor members of their families (as such expression is defined in the AIM Rules) holds a financial product whose value in whole or in part is determined directly or indirectly by reference to the price of Ordinary Shares.
- 2.18 No shares in the Company are currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.
- 2.19 No Ordinary Shares are held by or on behalf of the Company. There are no arrangements known to the Company the operation of which may at a subsequent date result in a change of control of the Company.
- 2.20 Save as summarised in this Document, there are no restrictions on the free transferability of the Ordinary Shares.
- 2.21 There have been no public takeover bids by third parties in respect of the Ordinary Shares since incorporation.
- 2.22 There are no mandatory takeover bids in existence in relation to the share capital of the Company and other than as set out in the Act there are no squeeze-out and sell-out rules in relation to the Ordinary Shares.

### **3. The Memorandum and Articles of Association — Rights Attaching to Shares and Powers of the Company**

The rights attaching to Ordinary Shares are set out in the Company's Memorandum and Articles of Association (together the "**Articles**") and in certain circumstances, are regulated by the Company Law and general law. The Articles may be inspected during normal business hours at the registered office of the Company.

The following is a summary of the more significant rights of the holders of Ordinary Shares. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of the Shareholders.

#### **(a) Objects**

The objects of the Company are set out in full in clause 3 of the Memorandum of Association and include, among other things, carrying on business as an investment and holding company able to acquire and hold interests of any kind.

#### **(b) General Meeting**

Each member is entitled to receive notice of and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to members under the Articles, the Company Law or the AIM Rules.

Without prejudice to any special rights, privileges or restrictions for the time being attached to any shares forming part of the capital of the Company, at a general meeting of the Company every holder of fully paid Ordinary Shares present in person or by a representative has one vote on a show of hands and every such holder present in person or by a representative, proxy or attorney has one vote per share on a poll. A member is not entitled to vote unless all calls due from him have been paid. The Directors have the power to require any member to disclose to the Company the identity of any person other than the member who has an interest in the shares held by the member and the nature of such interest. Failure to make such disclosure may result in the defaulting member not being entitled to vote at a meeting of the members. Where there are two or more joint holders registered of any share, such persons shall not have the right of voting individually in respect of such share but shall elect one of their number to represent them and to vote whether in person or by proxy in their name.

#### **(c) Issues of Further Shares**

The Directors may, on behalf of the Company, issue, grant options over or otherwise dispose of unissued shares to such persons on such terms and conditions and at such times as the Directors decide. However, the Directors must act in accordance with any restrictions imposed by the

Articles, the AIM Rules, the Company Law and any special rights for the time being attached to any class of shares.

**(d) Variation of Rights**

At present, the Company has in issue one class of shares only, namely the Ordinary Shares. If at any time the share capital of the Company is divided into different classes of shares, the rights attached to the shares in any class may be varied with the consent in writing of the holders of three-quarters of the issued shares of that class or with the sanction of a special resolution of the holders of the shares of that class.

**(e) Transfer of Shares**

Subject to the Articles, the Company Law, the CREST Singapore Requirements and the AIM Rules, Ordinary Shares are freely transferable. The Directors are empowered to implement such arrangements as they consider fit in accordance with and subject to the Company Law, CREST Singapore Requirements the AIM Rules and the rules of the London Stock Exchange to evidence and regulate the transfer of title to shares in the Company and for the approval or disapproval as the case may be of the registration of those shares.

The Shares may be transferred by means of the CREST UK system in accordance with CREST Singapore Requirements and AIM Rules or by transfer in writing in any usual or common form or in any other form acceptable to the Directors and permitted by the Company Law and the AIM Rules. The Directors may decline to register a transfer of Shares in the circumstance described to register a transfer of Shares when required by the Company's Articles of Association by law, by the AIM Rules or by the CREST Singapore Requirements.

**(f) Partly Paid Shares**

The Directors may, subject to compliance with the Company's Articles, the Company Law and the AIM Rules, issue partly paid shares upon which amounts are or may become payable at a future time(s) in satisfaction of all or part of the unpaid issue price.

**(g) Dividends**

The Company in general meeting may by ordinary resolution declare a dividend if the Directors have recommended a dividend and a dividend shall not exceed the amount recommended by the Directors. The Directors may declare and pay such interim dividends as appear to the Directors to be justified by the position of the Company. Dividends may only be declared out of profits available for distribution.

Subject to the rights of members holding shares with special rights to dividends (if any), all dividends in respect of Shares (including Ordinary Shares) are to be declared and paid proportionally to the amount paid up or credited as paid up on the Shares.

There are no fixed dividends or fixed dates on which an entitlement arises in respect of the Ordinary Shares of the Company or any other securities of the Company in issue. Dividends on the ordinary shares of the Company are not cumulative.

The Directors may deduct from any dividend payable in respect of a security any sums of money presently payable on account of calls in respect of the securities.

Dividends unclaimed for a period of five years after having been declared by the Company shall be forfeited and revert to the Company.

**(h) Winding Up**

Subject to the rights of members holding Shares with special rights in winding up (if any), if the Company is wound up, members (including holders of ordinary shares) will be entitled to participate in any surplus assets of the Company in proportion to the capital which at the commencement of the winding up is paid up, or ought to have been paid up, on the Shares held by them respectively.

**(i) Directors**

The Company's Articles state that the minimum number of directors is two and all Directors of the Company shall be natural persons.

**(j) Powers of the Directors**

The Directors have power to manage the business of the Company and may exercise all powers of the Company to the exclusion of the members, except as are required to be exercised by the Company in general meetings, whether by the Company Law and other law, the AIM Rules or the Articles.

**(k) Major Shareholders**

Nothing in the Articles confers on major Shareholders in the Company any voting rights which are different to those conferred on the holders of Ordinary Shares.

**(l) Pre-emption Rights**

Nothing in the Articles confers any pre-emption rights arising either in respect of an issue or sale of shares or on any other basis

**(m) Conversion Provisions**

There are no conversion rights in respect of the Ordinary Shares of the Company in issue.

**(n) Redemption Rights**

There are no redemption rights in respect of the Ordinary Shares of the Company in issue.

**4. Directors' and other interests**

4.1 The interests (all of which are beneficial unless stated otherwise) of the Directors and their immediate families and the persons connected with them (within the meaning of section 346 of the UK Companies Act 1985), which have been notified to the Company pursuant to either section 346 of the UK Companies Act 1985 or the Articles (or are required to be disclosed in the Register of Directors' Interests), in the issued share capital of the Company and the existence of which is known to or could with reasonable due diligence be ascertained by, any Director as at the date of this Document are as follows:

<b>Director</b>	<b>Number of Ordinary Shares</b>	<b>Percentage of issued share capital</b>
Christopher Nightingale <sup>(1)</sup>	500,000,000	42.6%
Richard Lascelles	25,000,000	2.1%
Bay Yew Chuan	25,000,000	2.1%
Noel Meaney	25,000,000	2.1%

Note:

(1) 499,999,998 Shares are held in Perfection Group Limited, a company whose entire issued and paid-up ordinary shares are directly held by Christopher Nightingale.

4.2 Save as disclosed above, none of the Directors nor any member of their respective immediate families nor any person connected with the Directors has any interest, whether beneficial or non-beneficial, in any share capital of the Company.

4.3 There are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Directors.

4.4 Save as otherwise disclosed in this Document, no Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company since its incorporation and which remains in any respect outstanding or unperformed.

- 4.5 Save as disclosed in paragraph 4.1 above, the Company is only aware of the following persons who, immediately following Admission, directly or indirectly, jointly or severally, hold or will hold 3 per cent., or more of the ordinary share capital of the Company or exercise or could exercise control over the Company.

<b>Name</b>	<b>Number or Ordinary Shares</b>	<b>Percentage of issued share capital</b>
Alternative Energy Investment Limited	476,000,000	40.6%
Perfection Group Limited	499,999,998	42.6%
Maxi Surplus Investment	50,000,000	4.3%

The voting rights of the persons listed in this paragraph do not differ from the voting rights of the other Shareholders.

- 4.6 Christopher George Edward Nightingale has entered into a service agreement dated 9 October 2007 under which he has been appointed as the Executive Chairman and as a director of the Company, with effect from 12 October 2007. The appointment will continue until terminated upon 24 months' written notice by the Company after 31 December 2008 or on 12 months written notice from Mr Nightingale at any time. He will receive an initial salary of US\$20,000 per annum paid monthly in arrears. This salary shall be reviewed by the Company annually on 1 January, with the first review on 1 January 2008. Under the contract Mr Nightingale shall not during the term of his service or for a period of six months thereafter be directly or indirectly engaged or interested in any capacity with any business or trade within the same or similar industry as the Company. There are no benefits on termination specified in the service agreement for any of the Directors.
- 4.7 The services of Richard Anthony Finlayson Lascelles, Bay Yew Chuan and Noel Meaney (together, the "Non-Executives Directors") of the Company, are each provided under the terms of separate non-executive letters of appointment dated 9 October 2007 respectively commencing with effect from Admission. Each of the Non-Executive Directors' letter of appointment is subject to termination upon one months written notice by either party. Each Non-Executive Director shall receive, an initial gross fee of US\$20,000 per annum, paid quarterly in arrears. The Letter of Appointment provides that the Non-Executive Directors will devote one day per month to the Company, together with such preparation time as reasonably required. Any additional services or duties of any Non-Executive Director shall be agreed in writing with the Board from time-to-time. There are no benefits on termination specified in the letters of appointment for any of the Non-Executive Directors.
- 4.8 Save as disclosed in paragraph 4.7 above and the Lock-In Deed (as described in paragraph 5.3 below), there are no contracts, existing or proposed, between any Director and the Company.
- 4.9 There is no arrangement under which any Director has agreed to waive future emoluments nor has there been any waiver of emoluments during the financial year immediately preceding the date of this Document.
- 4.10 It is estimated that under the arrangements currently in force, the aggregate remuneration and benefits in kind to be paid to the Directors for the 12 months ending December 2007 will be approximately US\$20,000.

4.11 In addition to the directorships in the Company the Directors hold or have held the following directorships within the five years immediately prior to the date of this Document:

<b>Name</b>	<b>Current Directorships</b>	<b>Past Directorships</b>
Christopher Nightingale	Appleby Castle Limited Eunetworks Fiber UK Limited Stuart Renaissance Limited Northumbra (Garden) Limited Northumbra (Courtyard) Limited Northumbra (North Lodge) Limited Stuart Renaissance Limited Northumbra Ltd Westmoreland Ltd Clinika Associates Limited Muscle Inc. Pte Ltd Chateau De.Thil Pte Ltd Perfectknight Limited Global Voice Group Limited GV Networks Pte Ltd European Fiber Networks Asset GmbH Serico GmbH European Fiber Networks GND GmbH Global Voice Networks BVI euNetworks Ireland Private Fiber Limited euNetworks B.V. euNetworks SAS euNetworks Fiber UK limited euNetworks BVBA	Northumbria Finance PLC
Richard Lascelles	Campden Financial Services Limited Victory Land Limited Owlcastle Limited Minevco Limited Actual Limited	Victory Investments Limited Tamaris Healthcare Limited Lifecare International Limited WTS Capital Limited I2S Limited Easier plc World Trade Systems plc Superbase Developers plc Vantage Corporation Limited
Bay Yew Chuan	Store + Deliver + Logistics Pte Limited Dragon International Consultant Pte Limited Impact Holdings Pte Limited Real Capital International Limited Luckford Group Limited Roma Property Limited Dragon World Group Limited Gainful Creation Limited Singapore Chemical Industry Council Limited Diversified Chemical Solutions Pte Limited	Impact Credit Pte Limited Vac Klean Pte Limited

<b>Name</b>	<b>Current Directorships</b>	<b>Past Directorships</b>
Noel Meaney	Eunetworks Fiber UK Limited Glasfarne IT Consulting Limited Eunetworks AG Eunetworks BVI Eunetworks BV Real Capital International European Fiber Networks GND GmbH Global Voice Networks BVI enNetworks Ireland Private Fiber Limited Global Voice Group Limited Premier Datacenters Limited GV Networks Pte Ltd	Paix Ireland Limited Allenmeaney Limited Inland Fiber Telecoms Limited

4.12 Details of the length of time in which Directors in the financial period of the Company to 31 December 2007 have been in office are as follows:

<b>Name</b>	<b>Commencement of period of office</b>
Christopher Nightingale	26 December 2006
Richard Lascelles	8 October 2007
Bay Yew Chuan	31 July 2007
Noel Meaney	8 October 2007

4.13 Richard Lascelles was a non-executive director of two companies, Beechisle Limited and Cranley Financial Services Limited, that went into creditors voluntary liquidation in 1992. Both companies were dissolved in 1995. No adverse comment or criticism of the directors was made.

4.14 Save as disclosed in this Document, none of the Directors has:

4.14.1 any unspent convictions in relation to indictable offences;

4.14.2 had any bankruptcy order made against him or entered into any voluntary arrangements;

4.14.3 been a director of a company which has been placed in receivership, compulsory liquidation, creditors voluntary liquidation, administration, been subject to a company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;

4.14.4 been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

4.14.5 been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within 12 months after he ceased to be a partner in that partnership;

4.14.6 been publicly criticised by any statutory or regulatory body (including recognised professional bodies); or

4.14.7 been disqualified by a court from acting as a director of any company or from acting in the management or conduct of affairs of a company.

## 5. Material contracts

The following contracts, not being contracts entered into in the ordinary course of business of the Company, have been entered into by the Company and are or may be material:

### 5.1 *Nominated Adviser Agreements*

On 9 February 2007 the Company entered into an engagement letter with Beaumont Cornish under which Beaumont Cornish agreed to act as the Company's nominated adviser and to advise and assist the Company in respect of the AIM Rules for 18 months from Admission and thereafter, unless terminated by written notice by either party. The letter provides for the payment to Beaumont Cornish of a fee of £12,500 plus VAT on signature of the engagement letter, a further fee of £12,500 plus VAT on publication of a ten day AIM announcement, and a further fee of £30,000 on Admission of the Company to AIM payable as Shares at the Admission Price. The engagement letter also contains indemnities from the Company to Beaumont Cornish.

On 9 October 2007 the Company entered into an agreement, pursuant to the engagement letter referred to above, conditional on Admission, pursuant to which the Company appointed Beaumont Cornish to act as the Company's nominated adviser for the purposes of the AIM Rules. Under the terms of this agreement Beaumont Cornish is to be paid a fee of £25,000 plus VAT per annum from Admission. The agreement provides that Beaumont Cornish will act as the Company's nominated advisor (and if applicable Rule 3 adviser) on any transaction which amounts to a reverse takeover under the AIM Rules for Companies with fees for such to be agreed at the time. The agreement is for an initial period of 18 months terminable thereafter by either party on 90 days' written notice. The agreement contains warranties given to Beaumont Cornish by the Company and its Directors.

### 5.2 *Broker Agreement*

On 9 October 2007 the Company entered into an agreement with Beaumont Cornish under which Beaumont Cornish agreed to act as brokers to the Company. The agreement is effective from Admission for a period of a year and is terminable on one month's notice by the Company or until the Company concludes its first acquisition or transaction which amounts to a reverse takeover whereupon Beaumont Cornish will resign as the Company's broker.

### 5.3 *Lock-In Deeds*

A Lock-In Deed has been entered into on 9 October 2007 by the Founder Shareholders, Directors and related parties (as defined in the AIM Rules) (together the "**Locked-In Persons**"), the Company and Beaumont Cornish pursuant to which each of the Locked-In Persons has undertaken to Beaumont Cornish and the Company that save in specified circumstances not to sell or otherwise dispose of, or agree to sell or dispose of any of their interests in the Ordinary Shares for a period of 12 months from the date of Admission.

Additionally for the 12 month period following the expiry of the relevant lock in period as specified above each of the Locked-In Persons has agreed to not to dispose of any of their interests in the Ordinary Shares held by them other than through the Company's broker and in consultation with the Company's nominated advisor subject to being offered terms as to price and rates of commission at least as favourable as those being offered by any other broker at that time provided that the locked in person remains a director or a related party under the AIM rules.

Save as disclosed above, there are no contracts (other than contracts entered into in the ordinary course of business) which have been entered into by the Company since its incorporation and which are or may be material.

### 5.4 *Disbursement Agent*

The Company has on 27 September 2007 appointed Ee Peng Liang Consultants Pte Ltd ("**EPLC**") to act as disbursement agent and for the provision of accounting services. EPLC is a leading accounting and payroll services provider in Singapore servicing local and international clients. It is a member of Boardroom Limited, which is the largest provider of corporate secretarial, share registration, accounting and payroll services in Singapore and is listed on the main board of the Singapore Securities Exchange Trading Limited.

The services to be provided by EPLC includes:

5.4.1 book-keeping;

5.4.2 compiling profit and loss account and balance sheet;

5.4.3 preparing the year-end financial statements in compliance with the Financial Reporting Standards, liaising with auditors and tax agent; and

5.4.4 acting as disbursement agent by receiving instructions to make payment of invoices and employee expense claims, issue of payment vouchers, preparation of cheques and mailing of signed cheques to payees.

The Company shall on Admission pay to EPLC S\$600.00 as an engagement fee. EPLC will further receive S\$1,800.00 per quarter for book-keeping services (up to 30 transactions), a further S\$600.00 for closing the Company's annual accounts, with S\$1,500.00 — S\$2,000.00 for preparation of the Company's annual statutory accounts. EPLC's annual retainer for liaising with the Company's auditors shall be between S\$500.00 and S\$1,000.00.

The fee for acting as the Company's disbursement agent is S\$300.00 to S\$400.00 per month depending on the number of transactions processed on behalf of the Company.

## 6. The AEL ESOS

The following is a summary of the principal rules of the AEL ESOS.

### 6.1 Eligibility

The following persons shall be eligible to participate in the AEL ESOS:

- (a) Company executives (including Executive Directors) who have attained the age of 21 years; and
- (b) Non-Executive Directors who, in the opinion of our remuneration committee (the "**Committee**"), have contributed or will contribute to the success of the Company.

Controlling Shareholders and their associates are not eligible to participate in the AEL ESOS.

### 6.2 Option Entitlements

The selection of persons eligible (the "**Participant**") and the number of Shares comprised in options to be offered to a Participant shall be determined at the absolute discretion of the Committee, who shall take into account criteria such as the Participant's rank, job performance, years of service, potential for future development and his contribution to the success and development of the Company.

### 6.3 Size and Duration of the AEL ESOS

The total number of new shares over which options may be granted pursuant to the AEL ESOS (the "**Options**"), when added to the number of new Shares issued and issuable in respect of all options granted thereunder and all awards granted under the AEL Share Performance Plan (the "**Award**") and/or under such other share-based incentive schemes of the Company shall not exceed fifteen per cent. (15 per cent.) of the issued share capital of the Company on the day preceding the relevant date of grant.

The AEL ESOS shall continue in force at the discretion of the Committee, subject to a maximum period of ten years commencing on the date the AEL ESOS is adopted by the Company in general meeting, provided always that the AEL ESOS may continue beyond the above stipulated period with the approval of Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

Notwithstanding the expiry or termination of the AEL ESOS, any outstanding options held by Participants prior to such expiry or termination will continue to remain valid.

#### **6.4 Grant of Options**

Options may be granted, at the discretion of the Committee, at any time during the period when the AEL ESOS is in force.

An Option may be granted subject to such conditions as may be determined by the Committee in its absolute discretion on the date of grant of that Option.

#### **6.5 Exercise Price of Options**

The exercise price on grant may not be set at a level lower than the market value of the Shares at the time of grant.

#### **6.6 Operation of the AEL ESOS**

All Options granted pursuant to the AEL ESOS have a life-span of ten years for Options granted to Company Executives while those granted to Non-Executive Directors shall have a life-span of five years.

Shares allotted and issued on the exercise of Options shall be subject to all the provisions of the Articles of Association of the Company, and shall rank *pari passu* in all respects with the then existing issued Shares, save for any dividends, rights, allotments or other distributions for which the record date falls before the date on which the Option is exercised.

Holders of the Shares shall undertake to the Company that they will not sell, realise, dispose of or transfer any part of their shareholdings in the Company for a period of three months commencing on the date the Shares are allotted and issued to them on the exercise of Options.

Special provisions relating to the lapsing or earlier exercise of Options apply in certain circumstances, including the following:

- (a) the Participant ceasing to be in the employment of the Company for any reason whatsoever;
- (b) the ill health, injury, disability or death of a Participant;
- (c) the bankruptcy of a Participant;
- (d) the misconduct of a Participant;
- (e) a take-over, winding-up or reconstruction of the Company;
- (f) a compromise or arrangement, proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies;
- (g) a members' solvent voluntary winding-up (other than for amalgamation or reconstruction) of the Company; or
- (h) if an order or an effective resolution is passed for the winding-up of the Company on the basis of its insolvency.

### **7. The AEL Share Performance Plan**

The following is a summary of the principal rules of the AEL Share Performance Plan for key executives and Executive Directors.

#### **7.1 Eligibility**

Company executives and Executive Directors who, in the opinion of the Committee, have contributed or will contribute to the success of the Company shall be eligible to participate in the AEL Share Performance Plan.

Non-Executive Directors, Controlling Shareholders and their associates are not eligible to participate in the AEL Share Performance Plan.

## 7.2 Awards

Awards represent the right of a Participant to receive fully paid Shares free of charge, upon the Participant achieving prescribed performance target(s). Awards are released once the Committee is satisfied that the prescribed performance target(s) have been achieved. There are no vesting periods beyond the performance achievement periods.

The selection of a Participant and the number of Shares which are the subject of each Award to be granted to a Participant in accordance with the AEL Share Performance Plan shall be determined at the absolute discretion of the Remuneration Committee, which shall take into account criteria such as the Participant's rank, job performance, years of service and potential for future development, the Participant's contribution to the success and development of the Company and the extent of effort required to achieve the performance target within the performance period.

The Committee shall decide, in relation to each Award to be granted to a Participant:

- (a) the date on which the Award is to be vested;
- (c) the prescribed performance target(s);
- (d) the performance period during which the prescribed performance target(s) are to be satisfied; and
- (e) the extent to which the Shares under that Award shall be released on the prescribed performance target(s) being satisfied (whether fully or partially) or exceeded, as the case may be, at the end of the prescribed performance period. No Shares under the Award shall be released for the portion of the prescribed performance target(s) that is not satisfied by the Participant at the end of the prescribed performance period.

Awards may be granted at any time in the course of a financial year. An Award letter confirming the Award and specifying, *inter alia*, in relation to the Award, the prescribed performance target(s) and the performance period during which the prescribed performance target(s) are satisfied, will be sent to each Participant as soon as reasonably practicable after the making of an Award.

Special provisions for the vesting and lapsing of Awards apply in certain circumstances, including the following:

- (1) the termination of the employment of a Participant;
- (2) the ill health, injury, disability or death of a Participant;
- (3) the bankruptcy of a Participant;
- (4) the misconduct of a Participant;
- (5) the Participant, ceasing to be an Executive Director of the Company or the relevant subsidiary of the Company for any reason whatsoever; and
- (6) a take-over, winding-up or reconstruction of the Company.

## 7.3 Size and duration of the AEL Share Performance Plan

The total number of new Shares which may be issued pursuant to Awards granted under the AEL Share Performance Plan, when added to the number of New Shares issued and issuable in respect of all Options granted under the AEL ESOS shall not exceed fifteen per cent. (15 per cent.) of the issued share capital of the Company on the day preceding the relevant date of Award.

The AEL Share Performance Plan shall continue in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing on the date the AEL Share Performance Plan is adopted by the Company in general meeting, provided always that the AEL Share Performance Plan may continue beyond the above stipulated period with the approval of Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

Notwithstanding the expiry or termination of the AEL Share Performance Plan, any Awards made to Participants prior to such expiry or termination will continue to remain valid.

#### **7.4 Operation of the AEL Share Performance Plan**

The Company will have the flexibility to deliver Shares to Participants upon vesting of their Awards by way of an issue of new Shares, deemed to be fully paid upon their issuance and allotment.

New Shares allotted and issued on the release of an Award shall rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the relevant vesting date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

Holders of the new Shares shall undertake to the Company that they will not sell, realise, dispose of or transfer any part of their shareholdings in the Company for a period of three months commencing on the date the new Shares are allotted and issued to them on the release of Awards.

The Committee has the right to make computational adjustments in relation to the set performance target(s) based on the audited results of the Company or the Company, as the case may be, to take into account such factors as the Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events, and the right to amend the performance target(s) if the Committee decides that a changed performance target would be a fairer measure of performance.

### **8. Adjustments and alterations under the Schemes**

#### **8.1 Variation of Capital**

If a variation in the issued ordinary share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction, subdivision, consolidation or distribution) shall take place, then:

- (a) (i) in the case of the AEL ESOS, the subscription price for the Shares, the nominal amount, class and/or number of Shares comprised in an Option to the extent unexercised; and
- (ii) in the case of the AEL Share Performance Plan, the nominal amount, class and/or number of Shares which are the subject of an Award to the extent not yet vested; and/or
- (b) the nominal amount, class and/or number of Shares over which future Options may be granted under the AEL ESOS or future Awards may be granted under the AEL Share Performance Plan,

shall be adjusted in such manner as the Committee may determine to be appropriate.

In the case of the AEL ESOS, no such adjustment shall be made if as a result, the subscription price shall fall below the nominal amount of a Share.

Any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the auditors (acting only as experts and not arbitrators) to be in their opinion, fair and reasonable.

#### **8.2 Modifications or Alterations to the Schemes**

Each of the rules of the respective Schemes may be modified and/or altered from time to time by a resolution of the Committee, subject to compliance with the applicable Singapore law and such other regulatory authorities as may be necessary.

However, no modification or alteration shall adversely affect the rights attached to Options or Awards granted prior to such modification or alteration except with the written consent of such number of Participants under the relevant Scheme who, if they exercised their Options in full or if their Awards were released to them, would

thereby become entitled to not less than three-quarters in nominal amount of all the Shares which would be issued upon exercise in full of all outstanding Options or Awards under the relevant Scheme, as the case may be.

No alteration shall be made to the rules of any of the Schemes to the advantage of the holders of the Options or Awards, as the case may be, except with the prior approval of Shareholders in general meeting.

## **9. Disclosures in annual reports**

The following disclosures (as applicable) will be made by the Company in its annual report for so long as the Schemes continue in operation:

- (a) the names of the members of the Committee administering the Schemes.
- (b) in respect of the following Participants of the Schemes (where applicable):
  - (i) Directors of the Company;
  - (ii) Controlling Shareholders and their associates; and
  - (iii) Participants who have been granted Options under the AEL ESOS and those Executive Directors who have received Shares pursuant to the release of Awards granted under the AEL Share Performance Plan which, in aggregate, represent five per cent. (5 per cent.) or more of the aggregate of the total number of new Shares available under the AEL ESOS and the AEL Share Performance Plan collectively,
- (c) the following particulars relating to Options granted under the AEL ESOS:
  - (i) Options granted during the financial year under review (including terms);
  - (ii) aggregate number of Shares comprised in Options granted since the commencement of the AEL ESOS to the end of the financial year under review;
  - (iii) aggregate number of Shares arising from Options exercised since the commencement of the AEL ESOS to the end of the financial year under review; and
  - (iv) aggregate number of Shares comprised in Options outstanding as at the end of the financial year under review; and
  - (v) total number of new Shares issued to such Participant under the AEL ESOS and/or the AEL Share Performance Plan during the financial year under review.
- (d) In relation to the AEL Share Performance Plan, the following particulars:
  - (i) the aggregate number of Shares comprised in Awards vested since the commencement of the AEL Share Performance Plan to the end of the financial year under review;
  - (ii) the aggregate number of new Shares issued which are comprised in Awards vested during the financial year under review; and
  - (iii) the aggregate number of Shares comprised in Awards which have not been released as at the end of the financial year under review.

## **10. Role and composition of the Remuneration Committee**

The Remuneration Committee (the "RC") of the Company will be designated as the committee responsible for the administration of the Schemes, and will comprise Directors as may be nominated by the Board to administer the Schemes.

The RC oversees executive development in the Company with the aim of building capable and committed management teams, through focused management and progressive policies which can attract and retain a pool of talented executives to meet the current and future growth of the Company.

A Participant of the Scheme who is a member of the RC shall not be involved in its deliberations in respect of Options or Awards (as the case may be) to be granted to or held by that member of the RC.

## **11. CREST and the depositary arrangements**

The Ordinary Shares are in registered form. It is proposed that, with effect from Admission, Ordinary Shares may be delivered, held and settled in CREST by means of the creation of dematerialised depositary interests representing such Ordinary Shares. Pursuant to a method under which transactions in international securities may be settled through the CREST system, the Depositary will issue the Depositary Interests. The Depositary Interests will be independent securities constituted under English law which may be held and transferred through the CREST system.

The Depositary Interests will be created pursuant to, and issued on the terms of the deed poll executed by, the Depositary on 6 June 2007 in favour of the holders of the Depositary Interests from time to time (the “**Deed Poll**”). The Deed Poll is summarised in paragraph 11.1 below. Prospective holders of Depositary Interests should note that they will have no rights in respect of the underlying Ordinary Shares, or the Depositary Interests, representing them against CREST or its subsidiaries.

Ordinary Shares will be transferred or issued to an account for the Depositary held by the Custodian. The Depositary shall pass on, and shall ensure that the Custodian passes on, to the holder of all Depositary Interests all rights and entitlements which the Depositary or Custodian receives in respect of the Ordinary Shares such as any such rights or entitlements to cash distributions, to information to make choices and elections, and to attend and vote at general meetings.

The Depositary Interests will have the same security code (ISIN) as the underlying Ordinary Shares and will not require a separate application for admission to trading on AIM.

The depositary services and custody agreement is summarised in paragraph 11.2 below and the share registrar agreement is summarised in paragraph 11.3 below.

### **11.1 Depositary Interest — Terms of the Deed Poll**

Prospective subscribers for and purchasers of the Ordinary Shares are referred to the Deed Poll available for inspection at the offices of Kerman & Co LLP or by written request to the Depositary (subject to a reasonable copying charge). In summary, the Deed Poll contains, among other things, provisions to the following effect which are binding on holders of Depositary Interests.

The Depositary will hold (itself or through its nominated Custodian), as bare trustee, the Ordinary Shares issued by the Company and all and any rights and other securities, property and cash attributable to the Ordinary Shares and pertaining to the Depositary Interests for the benefit of the holders of the relevant Depositary Interests.

Holders of the Depositary Interests warrant, among other things, that the securities in the Company transferred or issued to the Custodian on behalf of the Depositary and for the account of the holders of Depositary Interests are free and clear from all liens, charges, encumbrances or third party interests and that such transfers or issues are not in contravention of the Company’s Articles nor any contractual obligation, law or regulation. The holder of Depositary Interests indemnifies the Depositary for any losses it incurs as a result of breach of this warranty.

The Depositary and the Custodian must pass on to Depositary Interests holders and exercise on behalf of Depositary Interest holders all rights and entitlements received or to which they are entitled in respect of the Ordinary Shares which are capable of being passed on or exercised. Rights and entitlements to cash distributions, to information to make choices and elections and to attend and vote at meetings shall, subject to the Deed Poll, be passed on to the holders of Depositary Interests upon being received by the Custodian and in the form in which they are received by the

Custodian together with any amendments and additional documentation necessary to effect such passing-on.

The Depositary shall re-allocate any Ordinary Shares of distributions which are allocated to the Custodian and which arise automatically out of any right or entitlement of Ordinary Shares already held by the Custodian to holders of Depositary Interests *pro rata* to the Ordinary Shares held for their respective accounts provided that the Depositary shall not be required to account for any fractional entitlements arising from such re-allocation and shall donate the aggregate fractional entitlements to charity.

The Deed Poll contains provisions excluding and limiting the Depositary's liability. For example, the Depositary shall not incur any liability to any holder of Depositary Interests or to any other person for any loss suffered or incurred arising out of or in connection with the transfer and prospective holders of the Depositary Interests and Ordinary Shares should refer to the terms of the Deed Poll and the Articles of Association of the Company to ensure compliance with the relevant provisions.

The Depositary may compulsorily withdraw the Depositary Interests (and the holders of Depositary Interests shall be deemed to have requested their cancellation) if certain events occur. These events include where the Depositary believes that ownership of the DI may result in a pecuniary disadvantage to the Depositary or the Custodian or where the Depositary Interests are held by a person in breach of the law. If these events occur the Depositary shall make such arrangements for the deposited property as it sees fit, including sale of the deposited property and delivery of the net proceeds thereof to the holder of the Depositary Interests in question.

Holders of Depositary Interests are responsible for the payment of any tax, including stamp duty reserve tax ("SDRT") on the transfer of their Depositary Interests.

#### **11.2 Depositary Interest — Terms of Depositary Services and Custody Services Agreement**

The terms of the depositary services and custody services agreement dated 9 October 2007 between the Company and the Depositary (the "**Depositary Agreement**") relate to the Depositary's Appointment as Depositary and Custodian in relation to the Ordinary Shares.

Subject to earlier termination, the Depositary is appointed for a fixed term of two years and thereafter until terminated by either party giving not less than six months' notice.

The depositary services and custody services include the issue and cancellation of depositary interests and maintaining the Depositary Interests register.

In the event of termination, the parties agree to phase out the Depositary's operations in an efficient manner without adverse effect on members and the Depositary shall deliver to the Company (or as it may direct) all documents and other records relating to the Depositary Interests which is in its possession and which is the property of the Company.

#### **11.3 Share Register — Terms of the Principal Registrar Agreement**

The terms of the principal registrar agreement dated 9 October 2007 between the Company and the Registrar (the "**Registrar Agreement**") under which the Company appoints the Registrar to maintain the Company's principal share register in Singapore and provide certain other services as are summarised below.

The Registrar will perform various services in its capacity as Registrar, including maintenance of the register in Singapore; maintenance or divided instruction records; registration of share transfers; preparation and despatch of dividend warrants; supplying to the Company, as soon as reasonably practicable, all necessary information so that the register be open for inspection at the registered office of the Company; and arranging for the provision of facilities for the holding of general meetings including the distribution of ballot papers in the event of a poll, and the provision of scrutineers of any vote, if required.

The agreement can be terminated by either party on the giving of six months' written notice, at any time by notice on an insolvency event occurring in relation to the other party or at any time if either party commits a material breach of its obligations which that party has failed to make good within 30 days of receipt of notice.

The Registrar shall not be liable to the Company for any loss sustained by the Company for whatever reason provided that the Registrar shall remain liable for any loss arising as a result of fraud negligence or wilful default by the Registrar.

## **12. Litigation**

There are no governmental, legal or arbitration proceedings (including, to the knowledge of the Directors, any such proceedings which are pending or threatened by or against the Company) which may have or have had during the 12 months immediately preceding the date of this Document a significant effect on the financial position of the Company.

## **13. Working capital**

The Directors are of the opinion that, having made due and careful enquiry, the working capital available to the Company will, from the date of Admission, be sufficient for its present requirements, that is, for at least the next 12 months from the date of Admission.

## **14. Taxation**

### **14.1 General**

The following statements are of a general and non-exhaustive nature based on the Directors' understanding of the current tax legislation and practice of the tax authorities in Republic of Singapore and the United Kingdom and may not apply to certain shareholders in the Company, such as dealers in securities, insurance companies and collective investment schemes. They relate to persons who are resident and ordinarily resident in the United Kingdom for United Kingdom tax purposes, who are beneficial owners of Ordinary Shares and who holds their Ordinary Shares as an investment.

An investment in the Company involves a number of complex tax considerations. Changes in tax legislation in any of the countries in which the Company will have investments or in the Republic of Singapore or the United Kingdom (or in any other country in which a subsidiary of the Company through which investments are made, is located), or changes in tax treaties negotiated by those countries, could adversely affect the return from the Company to investors.

Prospective investors should consult their professional tax advisers on the potential tax consequences of subscribing for, purchasing, holding, converting or selling Ordinary Shares under the laws of their country and/or state of citizenship, domicile or residence.

### **14.2 Singapore taxation**

The statements made herein regarding taxation are general in nature and based on certain aspects of the tax laws of Singapore and administrative guidelines issued by the relevant authorities in force as of the date of this offering memorandum and are subject to any changes in such laws or administrative guidelines, or in the interpretation of these laws or guidelines, occurring after such date, which changes could be made on a retroactive basis. The following is a summary of the material Singapore tax consequences to a holder of the Shares who are not resident in Singapore. The statements below are not to be regarded as advice on the tax position of any holder of the Shares or of any person acquiring, selling or otherwise dealing with the Shares or on any tax implications arising from the acquisition, sale or other dealings in respect of the Shares. The statements made herein do not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Shares and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules. Prospective holders of the Shares are advised to consult their own tax advisors as to

the Singapore or other tax consequences of the acquisition, ownership of or disposition of the Shares, including, in particular, the effect of any foreign, state or local tax laws to which they are subject.

### **14.3 General overview of Singapore Taxation**

Non-resident corporate taxpayers are subject to income tax on income that is accrued in or derived from Singapore, and on foreign income received or deemed received in Singapore, subject to certain exceptions. A non-resident individual is subject to income tax on the income accrued in or derived from Singapore.

The corporate tax rate in Singapore is 20.0 per cent. from the Year of Assessment 2007 (i.e. financial year ended 2006) and this rate has been reduced to 18.0 per cent. with effect from the Year of Assessment 2008 (i.e. — financial year ended 2007). In addition, from the Year of Assessment 2008, three-quarters of up to the first \$10,000 of a company's normal chargeable income, and one-half of up to the next \$290,000 of the company's normal chargeable income are exempt from tax. The remaining chargeable income (after the partial tax exemption) will be taxed at the applicable corporate tax rate. The partial tax exemption does not apply to Singapore dividends received by companies.

A tax exemption scheme for qualifying newly incorporated Singapore companies is applicable from Year of Assessment 2005. Under this exemption scheme with effect from the Year of Assessment 2005, the first \$100,000 of their normal chargeable income (excluding Singapore dividends) for each of their first three consecutive years of assessment would be exempt from tax.

Singapore tax resident individuals are subject to tax based on progressive scale. The top marginal rate is 20.0 per cent. for the Year of Assessment 2007 (i.e. calendar year 2006).

A corporation will be regarded as resident in Singapore if the control and management of its business is exercised in Singapore. An individual is tax resident in Singapore in a year of assessment if in the preceding year, he or she was physically present in Singapore or exercised an employment in Singapore (other than as a director of a company) for 183 days or more, or if he or she resides in Singapore.

### **14.4 Shares**

#### **14.1.1 Dividend distributions**

Dividends received in respect of the Shares by either a resident or non-resident of Singapore are not subject to Singapore withholding tax.

#### **14.1.2 Singapore Dividend distributions — new one-tier corporate tax system**

A new one-tier corporate tax system became effective from 1 January 2003 (subject to certain transitional rules). Under this new system, the tax on corporate profits is final and dividends paid by a Singapore resident company will be tax exempt in the hands of a shareholder, regardless of whether the shareholder is a company or an individual and whether or not the shareholder is a Singapore tax resident. Accordingly, under the one-tier corporate tax system, no further Singapore income tax will be imposed on the dividends received by a non-resident holder of Shares.

#### **14.1.3 Singapore capital gains on disposal of shares**

Singapore does not impose tax on capital gains. However, there are currently no specific laws or regulations which address the characterisation of capital gains; hence gains or profits may be construed to be of an income nature and subject to tax, especially if they arise from activities which the Inland Revenue Authority of Singapore regards as the carrying on of a trade or business in Singapore. Thus, any gains or profits from the disposal of the Shares are not taxable in Singapore unless the seller is regarded as carrying on a trade or business (e.g. one of dealing in securities) in Singapore, in which case such gains or profits would be taxable as trading profits.

#### **14.1.4 Singapore stamp duty**

There is no stamp duty payable in respect of the issuance and holding of Shares. Where Shares evidenced in certificated form are transferred, stamp duty is payable on the instrument of transfer of the Shares at the rate of S\$2.00 for every S\$1,000 or part thereof of the consideration for, or market value of, the Shares, whichever is higher. The stamp duty is borne by the purchaser unless there is an agreement to the contrary. However, no stamp duty is payable if no instrument of transfer is executed (such as in the case of scripless shares, where the transfer of shares is through The Central Depository (Pte) Limited which does not require instruments of transfer to be executed, or if the instrument of transfer is executed outside Singapore. However, stamp duty may be payable if the instrument of transfer which is executed outside Singapore is subsequently received in Singapore.

#### **14.1.5 Singapore Estate duty**

Singapore estate duty is imposed on the value of immovable property situated in Singapore owned by an individual who was at the time of death not domiciled in Singapore, subject to specific exemption limits. Movable assets of an individual who at the time of death was not domiciled in Singapore are exempt from estate duty with respect to death occurring on or after 1 January 2002.

Singapore estate duty is imposed on the value of immovable property situated in Singapore and on movable property, wherever it may be situated, owned by an individual who was at the time of death domiciled in Singapore, subject to specific exemption limits. The Shares are considered to be movable property situated in Singapore as our Company is a company incorporated in Singapore.

Singapore estate duty is payable to the extent that the value of the shares aggregated with other assets subject to Singapore estate duty exceeds S\$600,000. Unless other exemption limits apply to other assets, for example, the separate exemption limit for residential properties, any excess beyond S\$600,000 will be taxed at 5 per cent. on the first S\$12,000,000 of the individual's Singapore dutiable assets and thereafter at 10 per cent.

#### **14.1.6 Singapore Goods and Services Tax ("GST")**

The sale of shares by an investor belonging in Singapore through a SGX-ST member or to another person belonging in Singapore is an exempt supply not subject to GST. Any GST directly or indirectly incurred by the investor in respect of this exempt supply would not be recoverable from the Singapore Controller of GST.

Where the shares are sold by a GST-registered investor in a course of or furtherance of a business carried on by him to a person belonging outside Singapore and that person is outside Singapore when the sale is executed, the sale of the shares should generally, subject to satisfaction of certain conditions, be considered a taxable sale subject to GST at 0 per cent. Any GST incurred by a GST-registered investor in making of this supply in the course of furtherance of a business carried on by him may be recovered from the Comptroller of GST.

Charges on brokerage, handling and clearing services rendered by a GST registered person belonging in Singapore in connection with the investor's purchase, sale or holding of shares will be subject to GST at the current rate of 7 per cent. (with effect from 1 July 2007). Similar services rendered to an investor belonging outside Singapore should qualify for zero-rate.

#### **14.5 UK taxation general and implication for UK Residents of Investing in Alternative Energy Limited**

The following information is intended only to provide a general outline of the taxation implication to UK residents of an investment in Ordinary Shares.

The statements set out below are intended only as a general guide to the tax position based on current UK tax legislation and H.M. Revenue and Customs practice and apply

only to certain categories of UK persons. The summary does not purport to be a complete analysis or listing of all the potential tax consequences of holding Ordinary Shares. Prospective purchasers of Ordinary Shares are advised to consult their own tax advisers concerning the consequences under any tax laws of the acquisition, ownership and disposition of Ordinary Shares in the Company. In particular, Shareholders are advised to consider the potential impact of any relevant Double Tax Agreement on their shareholding. Shareholders who may be subject to tax in any jurisdiction other than the United Kingdom should consult their professional advisers without delay.

The statements do not cover all aspects of UK taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Ordinary Shares in the Company by particular investors. The statements apply only to Shareholders who are the beneficial owners of the Ordinary Shares but are not applicable to all categories of Shareholders, and in particular are not addressed to:

- 14.5.1 Shareholders who do not hold their Ordinary Shares as capital assets;
- 14.5.2 Shareholders who own (directly or indirectly) 10 per cent. or more of the Company;
- 14.5.3 special classes of Shareholders such as dealers in securities or currencies, broker-dealers, or investment companies;
- 14.5.4 Shareholders who hold Ordinary Shares are part of straddles, hedging or conversion transactions; or
- 14.5.5 Shareholders who hold Ordinary Shares in connection with a trade, profession or vocation carried on in the UK (whether through a branch or agency or otherwise).

Except where indicated, the statements below in respect of the taxation of dividends and distribution and the taxation of chargeable gains only cover the principal UK tax consequences of holding Ordinary Shares for holders who are resident in the UK for tax purposes, although it should be noted that special rules, which are not covered, apply to such holders of Ordinary Shares who are not domiciled in the UK.

#### **14.6 UK taxation of dividends and distributions**

The Company will not be required to withhold UK tax from dividends paid on the Ordinary Shares. Dividends will be paid by the Company together with a tax credit which is equivalent to one-ninth of the amount of the dividend. For the UK resident tax payer the tax credit can be set against UK tax liability in respect of the dividend but is not repayable. Any Shareholder who is resident in the UK, or who carries on a trade, profession or vocation in the UK to which the shares are attributable, will generally be subject to UK tax on income in respect of any dividends paid on the shares. Dividends paid to UK resident companies are not included in the calculation of corporation tax of the corporate shareholder. A Shareholder resident outside the UK may also be subject to foreign taxation on dividend income under local law.

#### **14.7 UK taxation of chargeable gains**

A disposal, or deemed disposal, of Ordinary Shares in the Company by a Shareholder who is either resident or ordinarily resident for tax purposes in the UK will, depending on the Shareholder's circumstances and subject to any available exemption or relief, give rise to a chargeable gain or allowable loss for the purposes of the taxation of chargeable gains in the UK. Broadly, Shareholders who are not resident or ordinarily resident for tax purposes in the UK will not be liable for the tax on capital gains realised on the disposal of their Ordinary Shares unless such Ordinary Shares are used, held or acquired for the purpose of a trade, profession or vocation carried on in the UK through a branch or agency or for the purpose of such branch or agency, or, in the case of companies through use as a UK permanent establishment. Such Shareholders may be subject to foreign taxation on any gain under local law.

A Shareholder who is an individual and who has, on or after 17 March 1998, temporarily ceased to be resident or ordinarily resident for tax purposes in the UK for a period of less than five complete tax years and who disposed of the Ordinary Shares during that period may also be liable to UK taxation of chargeable gains (subject to any available exemption or relief) as if, broadly, the disposal was made in such Shareholder's year of return to the UK.

**It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them by consulting their own professional tax advisers before investing in Ordinary Shares. Taxation consequences will depend on particular circumstances.**

**Neither the Company nor any of its officers, employees, agents and advisers accepts any liability or responsibility in respect of taxation consequences connected with an investment in Ordinary Shares in the Company.**

## **15. General**

15.1 The accounting reference date of the Company is 31 August. The Company will publish its first half yearly report for the six month period ending 28 February 2008 on or before 30 May 2008. The Company will publish its annual accounts for the year ending 31 August 2008 on or before 28 February 2009. The interim accounts for the six month period ending 28 February 2009 will be published on or before 30 May 2009.

15.2 The expenses of and incidental to the Admission including registration and London Stock Exchange fees, professional fees, consulting and investor relations services and the costs of printing and distribution, are estimated to amount to approximately US\$300,000 (including applicable VAT), all of which will be payable by the Company.

Save as disclosed in this Document, no person (excluding professional advisers otherwise disclosed in this Document and trade suppliers) has:

15.2.1 received, directly or indirectly, from the Company within 12 months preceding the date of this Document; or

15.2.2 entered into contractual arrangements (not otherwise disclosed in this Document) to receive, directly or indirectly, from the Company on or after Admission any of the following:

(a) fees totalling £10,000 or more; or

(b) securities in the Company with a value of £10,000 or more; or

(c) any other benefit with a value of £10,000 or more at the date of admission.

15.3 The financial information contained in Part III of this Document does not constitute full statutory accounts as referred to in section 240 of the Act.

15.4 Rees Pollock has given and not withdrawn its written consent to the issue of this Document with the inclusion of its reports and references to its name in the form and context in which they appear.

15.5 Beaumont Cornish has given and not withdrawn its written consent to the issue of this Document with the inclusion of its name and references to its name in the form and context in which they appear.

15.6 David Lim & Partners has given and not withdrawn its written consent to the issue of this Document with the inclusion of its name and references to its name in the form and context in which they appear.

15.7 Save as set out in this Document, the Directors are not aware of any exceptional factors that have influenced the Company's activities.

15.8 Save as set out in this Document, no commission is payable by the Company to any person in consideration of his agreeing to subscribe for securities to which this Document relates or of his procuring or agreeing to procure subscriptions for such securities.

15.9 The Ordinary Shares will be admitted to trading on AIM at US\$0.03 per share.

- 15.10 Save as disclosed in this Document, no payment (including commissions) or other benefit has been or is to be paid or given to any promoter of the Company.
- 15.11 Save as disclosed in this Document, there are no patents or other intellectual property rights, licences or particular contracts which are, or may be, of fundamental importance to the business of the Company.
- 15.12 Save as disclosed in this Document, there are no investments in progress which are significant.
- 15.13 There has been no significant change in the financial or trading position of the Company which has occurred since the end of the last financial period.

**16. Documents available for inspection**

Copies of the following documents will be available for inspection at the offices of Kerman & Co. LLP at 200 Strand, London WC2R 1DJ during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this document until at least 30 days after the date of Admission:

- 16.1 the memorandum and articles of association of the Company;
- 16.2 the Accountants' Report set out in Part III of this Document;
- 16.3 the Directors' consultancy agreements referred to in paragraph 4.6 of this Part IV;
- 16.4 the material contracts referred to in paragraph 5 of this Part IV; and
- 16.5 the letters of consent referred to in paragraphs 15.4, 15.5 and 15.6 of this Part IV.

9 October 2007

