

3CENERGY LIMITED

(Company Registration No. 197300314D)
(Incorporated in the Republic of Singapore)

PROPOSED DISPOSAL OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF (I) 3C PROPERTY CONSULTANTS PTE. LTD.; AND (II) ORIENTIS SOLUTIONS SDN BHD

All capitalized terms which are used in this announcement but not otherwise defined shall have the meanings ascribed to them in the announcement dated 12 June 2023 (the "RTO Announcement").

1. INTRODUCTION

- 1.1 On 12 June 2023, the Board of Directors (the "**Board**" or the "**Directors**") of 3Cenergy Limited ("**Company**" and together with its subsidiaries, the "**Group**") released the RTO Announcement informing shareholders of the Company ("**Shareholders**") that the Company has entered into a conditional sale and purchase agreement ("**Acquisition SPA**") with DTP Inter Holdings Corporation Pte. Ltd. ("**Seller**"), pursuant to which the Company shall purchase from the Seller shares representing the entire issued and paid-up ordinary shares in DTP Infinities Limited ("**Proposed Acquisition**").
- 1.2 Pursuant to the terms and conditions of the Acquisition SPA, the Company has agreed to complete a Business Disposal comprising, *inter alia*, the disposal for cash of Orientis Solutions Sdn Bhd ("**OSSB**") and 3C Property Consultants Pte Ltd ("**3CPC**"), and the waiver and release of all liabilities (including contingent liabilities) of the Company owing to OSSB and 3CPC on or before the completion of such disposal.
- 1.3 The Board wishes to inform Shareholders that on 6 July 2023, the Company has entered into separate conditional sale and purchase agreements (collectively, the "**Disposal SPAs**", and each a "**Disposal SPA**") with each of Ms Annie Low (Liu Anni) ("**Ms Low**") and a Ms Stella Chai Lu Ming ("**Ms Chai**") (collectively, the "**Purchasers**"), pursuant to which the Company shall sell, and Ms Low and Ms Chai shall purchase, the entire issued share capital of 3CPC and OSSB, respectively (collectively, the "**Sale Shares**"), free from all encumbrances and together with all rights attaching to them as at the date of completion of the sale and purchase (collectively, the "**Proposed Disposal**").
- 1.4 OSSB is a wholly owned subsidiary of the Company and is an integrated property development management firm offering architectural design, project financial feasibility assessment, engineering expertise and construction management services.
- 1.5 3CPC is a wholly owned subsidiary of the Company and provides real estate valuation and appraisal services on properties ranging from Housing and Development Board ("**HDB**") flats, private residential, commercial and industrial properties in Singapore.

- 1.6 As at the date of this announcement, each of OSSB and 3CPC has minimal business operations, as in view of the Proposed Acquisition, the Group's intention is to gradually wind down its existing business and operations carried out through 3CPC and OSSB.
- 1.7 The Purchasers were introduced to the Group by the former management of the Company to facilitate the Business Disposal. Ms Low was previously an employee of the Group when the Company was operating under the name HSR Global Limited, and Ms Chai is a personal contact of an ex-director of OSSB.
- 1.8 Based on the latest audited consolidated financial statements of the Company for financial year ended 31 December 2022 ("**FY2022**"):
- (a) the net asset values of 3CPC and OSSB was S\$116,788 and S\$29,979, respectively; and
 - (b) 3CPC and OSSB's aggregate audited net profit for FY2022 is approximately S\$380,175, comprising net loss attributable to 3CPC of approximately S\$514 and net profit attributable to OSSB of approximately S\$380,689.

Based on the net asset values of 3CPC and OSSB:

- (i) the disposal of 3CPC at the 3CPC Consideration (as defined below) represents a deficit of S\$91,288 over the net asset value of 3CPC; and
- (ii) the disposal of OSSB at the OSSB Consideration (as defined below) represents a deficit of approximately S\$29,688 (based on an exchange rate of S\$1:RM3.44 as at 5 July 2023) over the net asset value of OSSB.

In aggregate, the Proposed Disposal is expected to result in an estimated loss on disposal of approximately S\$120,976. Notwithstanding, the Company is of the view the Proposed Disposal is beneficial to the Group for the reasons set out in paragraph 3 below.

2. PRINCIPAL TERMS OF THE DISPOSAL SPAS

2.1 Consideration

The considerations for the Sale Shares comprise the following:

- (a) in respect of the entire issued share capital of 3CPC ("**3CPC Shares**"), an aggregate sum of Singapore Dollars Twenty Five Thousand Five Hundred (S\$25,500) ("**3CPC Consideration**"); provided that in the event any part of a security deposit of S\$7,500 paid by 3CPC to the HDB ("**HDB Deposit**") in connection with the appointment of 3CPC as a valuer on HDB's panel shall be utilised, deducted or forfeited by the HDB for any reason whatsoever on or before completion of the sale and purchase of the 3CPC Shares, other than through the fault of Ms Low, the 3CPC Consideration shall be reduced by such amount equivalent to the part of the HDB Deposit that is utilised, deducted or forfeited by HDB; and

- (b) in respect of the entire issued share capital of OSSB ("**OSSB Shares**"), an aggregate sum of Ringgit Malaysia One Thousand (RM1,000) (approximately S\$291 based on an exchange rate of S\$1: RM3.44 as at 5 July 2023 ("**OSSB Consideration**");

(collectively the "**Consideration**") shall be payable in cash.

The Consideration was agreed between the parties on a willing-buyer willing-seller basis and was arrived at by the Company after taking into account the net asset value of each of 3CPC and OSSB (including the cash and HDB Deposit to be held to the credit of 3CPC and OSSB as at Completion), the future business prospects of 3CPC and OSSB and the Group's intent to wind down their operations, as well as the rationale for the Proposed Acquisition as set out in the RTO Announcement.

2.2 **Conditions Precedent**

The agreement to sell and purchase the Sale Shares is conditional upon the satisfaction of the conditions set out in the Acquisition SPA (other than the completion of the Business Disposal, the Compliance Placement (as defined in the RTO Announcement), and the preparation of the Net Debt Statement (as defined in the RTO Announcement)) ("**Disposal Conditions**"). In the event the Acquisition SPA is terminated for any reason whatsoever before the completion of the Proposed Disposal, the Disposal SPAs shall automatically terminate.

2.3 **Option**

Pursuant to the Disposal SPAs, each of Ms Low and Ms Chai has granted the Company an option to require each of Ms Low and Ms Chai to sell the 3CPC Shares and OSSB Shares, respectively, to the Company for an aggregate sum equivalent to the consideration paid for such 3CPC Shares and OSSB Shares (each an "**Option**"). Each Option:

- (a) shall be exercisable by written notice at the sole and absolute discretion of the Company in the event the Acquisition SPA shall be terminated for any reason whatsoever after completion of the sale and purchase of the 3CPC Shares and OSSB Shares ("**Disposal Completion**"); and
- (b) shall automatically terminate upon: (i) the Acquisition SPA being completed in accordance with its terms; or (ii) the Disposal SPA being terminated for any reason whatsoever prior to Disposal Completion.

2.4 **Other Covenants**

- (a) Pursuant to the terms of the Disposal SPAs, the Company undertakes that at Disposal Completion the following amount of cash shall be maintained in 3CPC's and OSSB's bank accounts:
- (i) S\$10,000 in the 3CPC's bank account held and maintained with United Overseas Bank Limited;

- (ii) S\$8,000 in the 3CPC's bank account held and maintained with CIMB Bank Berhad; and
 - (iii) RM1,000 in OSSB's bank account held and maintained with Public Bank Berhad.
- (b) The Purchasers further agree and undertake with the Company that prior to the exercise or termination of the Options, the Purchasers shall:
- (i) use all endeavours to preserve and maintain in full force and effect 3CPC's and OSSB's corporate existence;
 - (ii) not cease, terminate or allow to lapse, all or any part of the existing businesses of 3CPC and OSSB as at Disposal Completion, and to procure that 3CPC and OSSB conduct their businesses in the ordinary course consistent with past practices;
 - (iii) maintain cash of not less than the amounts in each of the relevant bank accounts set out in paragraph 2.4(a) above;
 - (iv) not sell any or all of the Sale Shares to any other party and shall not dispose of or grant any option or right of pre-emption in respect of, any shares in 3CPC and OSSB or procure 3CPC and OSSB to create, purchase, allot or issue any class of share or loan capital; and/or
 - (v) not procure 3CPC and OSSB to acquire the whole or any substantial part of the undertaking, assets or business of any company, firm or other person.

2.5 Completion

Pursuant to the terms of the Disposal SPAs, the Disposal Completion shall take place on the date falling two (2) business days after the Disposal Conditions are satisfied.

3. RATIONALE FOR THE PROPOSED DISPOSAL

As disclosed in the RTO Announcement, the Company has agreed with the Seller to complete the Business Disposal comprising, *inter alia*, the disposal for cash of OSSB and 3CPC, and the waiver and release of all liabilities (including contingent liabilities) of the Company owing to OSSB and 3CPC on or before the completion of such disposal. Further, it is a condition precedent under the Acquisition SPA that the Business Disposal is completed prior to the completion of the Proposed Acquisition.

The Proposed Disposal is carried out in connection with and to facilitate the completion of the Proposed Acquisition and the Acquisition SPA. As stated in the RTO Announcement, the Company considers the Proposed Acquisition to be beneficial to the Group having considered the valuation of the Target Group as set out in the Initial Valuation, quality of the assets owned by the Target Group, the Existing Shareholder Loans Capitalisation, the prospects of the hospitality industry and the Target Group's business. For more details on the rationale for the Proposed Acquisition, Shareholders are advised to refer to the RTO Announcement.

4. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

4.1 Bases and Assumptions

The proforma financial effects of the Proposed Disposal on the net tangible assets (“NTA”) and earnings of the Group have been prepared based on the audited consolidated financial statements of the Group as at and for FY2022. The proforma financial effects of the Proposed Disposal are for illustrative purposes only and do not necessarily reflect the actual results and financial position of the Group following Disposal Completion.

The proforma financial effects of the Proposed Disposal have been prepared based on, *inter alia*, the following key bases and assumptions:

- (a) the financial effects on the Group’s earnings per Share are computed assuming that the Proposed Disposal was completed on 1 January 2022. The financial effects on the Group’s NTA and gearing are computed assuming that the Proposed Disposal was completed on 31 December 2022;
- (b) the carrying value of the assets and liabilities of the Company approximates their fair value; and
- (c) the analysis does not take into account the Proposed Acquisition, which will be completed after the Proposed Disposal.

4.2 NTA

	Before the Proposed Disposal	After the Proposed Disposal
NTA (S\$)	319,401	198,425
Number of Shares	3,067,053,978	3,067,053,978
NTA per Share (Singapore cents)	0.01	0.006

4.3 Earnings per Share (“EPS”)

	Before the Proposed Disposal	After the Proposed Disposal
Profit after tax attributable to Shareholders (S\$)	6,259,491	6,148,928
Number of Shares	3,067,053,978	3,067,053,978
EPS (Singapore cents)	0.20	0.20

5. RELATIVE FIGURES UNDER RULE 1006 OF THE CATALIST RULES

Rule 1005 of the Listing Manual Section B: Rules of Catalist Rules (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) provides that separate transactions completed within the last twelve (12) months may be aggregated and treated as if they were one transaction for the purpose of determining the classification of a transaction pursuant to Rule 1004 of the Catalist Rules. The Company has consulted with its sponsor, and given that the sale of the 3CPC Shares and the OSSB Shares are carried out concurrently and in connection with the Proposed Acquisition, the aggregation rule pursuant to Rule 1005 of the Catalist Rules should apply, for the purpose of determining how the transaction should be classified in accordance with Rule 1004 of the Catalist Rules.

The aggregate relative figures of the Proposed Disposal computed on the bases set out in Rule 1006 of the Catalist Rules, based on the latest announced audited consolidated financial statements of the Group for FY2022, are as follows:

Rule 1006	Bases of Calculation	Relative Figures
(a)	The aggregate net asset value of the assets to be disposed of as compared with the Group’s net asset value	45.95 ⁽¹⁾
(b)	The aggregate net profit attributable to the assets to be disposed of, compared with the Group’s net profit	5.18% ⁽²⁾
(c)	The aggregate value of the consideration given for the Proposed Disposal, compared with the Company’s market capitalisation based on the total number of issued shares excluding treasury shares	0.42% ⁽³⁾
(d)	The number of equity securities issued by the Company as consideration, compared with the number of equity securities of the Company in issue	Not applicable ⁽⁴⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group’s proved and probable reserves	Not applicable ⁽⁵⁾

Notes:

⁽¹⁾ Computed based on (i) 3CPC and OSSB’s aggregate net asset value as at 31 December 2022 of approximately S\$146,767 (comprising the net asset value of 3CPC of approximately S\$116,788 and net asset value of OSSB of approximately S\$29,979, respectively); and (ii) the Company’s net asset value as at 31 December 2022 of approximately S\$319,401.

⁽²⁾ Computed based on (i) 3CPC and OSSB’s aggregate audited net profit/loss for FY2022 of approximately S\$381,203 (as an absolute figure), which is derived from the absolute values of the net loss attributable to 3CPC of approximately S\$514 and the net profit attributable to OSSB of approximately S\$380,689; and (ii) the Group’s audited net profit for FY2022 of approximately S\$7.4 million. Net profit / (loss) is defined to be profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.

- (3) Computed based on the Consideration comprising S\$25,500 and RM1,000 (S\$291, based on an exchange rate of S\$1:RM3.44 as at 5 July 2023), and the Company's market capitalisation of approximately S\$6,134,108 (computed based on the Company's issued ordinary share capital of 3,067,053,978 shares and the volume weighted average price of the Shares of S\$0.002 on 5 July 2023, being the market day prior to the date of the Disposal SPA. The Company does not have any treasury Shares.
- (4) No equity securities will be issued by the Company in connection with the Proposed Disposal.
- (5) Rule 1006(e) of the Catalist Rules is not applicable as the Company is not a mineral, oil and gas company.

As the relative figures computed under Rules 1006(a) and (b) of the Catalist Rules exceed 5.0% but is below 50.0%, the Proposed Disposal would constitute a "discloseable transaction" pursuant to Chapter 10 of the Catalist Rules.

Nonetheless, pursuant to section 160(1) of the Companies Act 1967 of Singapore, the directors of a company must not carry into effect any proposals for disposing of the whole or substantially the whole of the company's undertaking or property unless those proposals have been approved by the company in a general meeting. As the businesses of the 3CPC and OSSB represent the sole remaining businesses of the Group as at the date of this announcement, the Proposed Disposal when carried out will constitute a disposal of the whole or substantially the whole of the Company's undertaking.

Accordingly, the Proposed Disposal is subject to, *inter alia*, the approval of Shareholders at a general meeting to be convened by the Company. The Company intends to convene an extraordinary general meeting ("EGM") to table the Proposed Disposal together with the Proposed Acquisition, for Shareholders' consideration and approval.

6. CASH COMPANY

- 6.1 As the businesses of 3CPC and OSSB represent the sole remaining businesses of the Group as at the date of this announcement, the Proposed Disposal when carried out will constitute a disposal of the whole or substantially the whole of the Company's undertaking.
- 6.2 Under Rules 1017(1)(a) and (b) of the Catalist Rules, if the assets of an issuer consist wholly or substantially of cash or short-dated securities, the issuer's securities would normally be suspended from trading until such time that the issuer has a business which is able to satisfy the requirements of the SGX-ST for a new listing. In addition, upon Disposal Completion, the Company must:
- (a) place 90.0% of its cash and short-dated securities (including existing cash balance and the consideration arising from the disposal(s) undertaken by the issuer) in an account opened with and operated by an escrow agent which is part of any financial institution licensed and approved by the Monetary Authority of Singapore ("**Escrow Account**"). The amount that is placed in the Escrow Account cannot be drawn down until the completion of the acquisition of a business which is able to satisfy the SGX-ST's requirements for a new listing, except for payment of expenses incurred in a reverse takeover approved by shareholders and pro-rata distributions to shareholders; and
 - (b) provide monthly valuations of its assets and utilisation of cash, and quarterly updates of milestones in obtaining a new business, to the market via SGXNET.

6.3 The Company intends to complete the Proposed Disposal and the Proposed Acquisition concurrently. Accordingly, following the Proposed Disposal, the assets of the Group should include the Target Group, and not consist wholly or substantially of cash or short-dated securities. Further, pursuant to the terms of the Disposal SPAs, the Company shall have the Options to re-acquire each of 3CPC and OSSB in the event the Acquisition SPA shall be terminated. Nonetheless, following Disposal Completion, the Company shall comply with the requirements of Rule 1017 of the Catalist Rules should the Disposal Completion not coincide with the completion of the Proposed Acquisition, resulting in the assets of the Company consisting wholly or substantially of cash or short-dated securities.

7. SERVICE CONTRACTS

The Company has not entered into any service contract with any person proposed to be appointed as director in connection with the Proposed Disposal.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDER

Save for the foregoing, none of the Directors or, as far as the Directors are aware, controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Disposal (other than in his capacity as a director or shareholder of the Company).

9. CIRCULAR AND DOCUMENTS AVAILABLE FOR INSPECTION

9.1 Circular

A circular setting out, amongst others, the terms and further details in relation to the Proposed Disposal and Proposed Acquisition, together with the notice of EGM, will be despatched by the Company to Shareholders in due course.

9.2 Documents Available for Inspection

Copies of each Disposal SPA will be made available for inspection during normal business hours at the registered office of the Company at 82 Ubi Avenue 4, #05-04 Edward Boustead Centre, Singapore 408832 for a period of three (3) months from the date of this announcement.

10. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Disposal, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

11. CAUTION IN TRADING

Shareholders and potential investors are advised to exercise caution in trading their shares as there is no certainty or assurance as at the date of this announcement that the Proposed Disposal and/or the Proposed Acquisition will be completed. The Company will make the necessary announcements when there are further material developments on the Proposed Disposal and the Proposed Acquisition. Shareholders are advised to read this announcement and any further announcements by the Company carefully, and should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Ong Pai Koo @ Sylvester
Independent Non-Executive Chairman
6 July 2023

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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