

3CENERGY LIMITED

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

PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF DTP INFINITIES LIMITED - SECOND SUPPLEMENTAL AGREEMENTS TO THE SPA AND SELLER'S LOAN AGREEMENT

1. INTRODUCTION

1.1 The Board of Directors (the "**Board**" or the "**Directors**") of 3Cenergy Limited ("**Company**" and together with its subsidiaries, the "**Group**") refers to the following announcements:

- (a) announcements dated 12 June 2023 (the "**RTO Announcement**") which inform shareholders of the Company ("**Shareholders**") that the Company has entered into a conditional sale and purchase agreement ("**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**"); and
- (b) announcement dated 23 August 2023 which informs Shareholders that the Company has, on 22 August 2023, entered into supplemental agreements to revise the terms and conditions of the SPA and the Seller's Loan Agreement ("**Supplemental Agreements dated 23 August 2023**").

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

1.3 The Board wishes to announce that the Company has, on 25 October 2023, entered into a second supplemental agreement to the SPA ("**Second Supplemental SPA**") and a second supplemental agreement to the Seller's Loan Agreement ("**Second Supplemental CLA**", and together with the Second Supplemental SPA, the "**Second Supplemental Agreements**"), each with the Seller, to further revise the terms and conditions of the SPA and Seller's Loan Agreement, as amended and supplemented by the Supplemental Agreements dated 23 August 2023.

2. MATERIAL TERMS OF THE SECOND SUPPLEMENTAL AGREEMENTS

2.1 The key revisions to the SPA and Seller's Loan Agreement pursuant to the Second Supplemental Agreements are set out below.

2.2 Revision on the valuation of the Target Group

- (a) Revision

Pursuant to the Second Supplemental SPA, the computation of the Updated Net Valuation has been revised to be determined based on the valuation of the Target Group as at 30 June 2023 based on the full independent business valuation report of the Target Group as at 30 June 2023 (“**Updated Valuation Report – 30 June 2023**”) in substitute of the valuation of the Target Group as at 30 April 2023 based on the Updated Valuation Report of the Target Group as at 30 April 2023, less the Net Debt 2023 (as disclosed in Paragraph 4.2(b)(i) of the RTO Announcement).

(b) Rationale

Under the original terms and conditions of the SPA, the Updated Net Valuation was computed based on the valuation of the Target Group as at 30 April 2023 determined based on the independent business valuation report on the Target Group as at 30 April 2023, less the Net Debt 2023.

The revision to the valuation of the Target Group was proposed by the Company and the Seller to take into account the updated valuation of the Target Group. With the availability of the Updated Valuation Report – 30 June 2023, the Company is of the view that the revision will provide the Company and Shareholders a more accurate and up-to-date final consideration for the purchase of the Sale Shares.

2.3 Revision to the amount of Seller’s Loan

(a) Revision

Pursuant to the Second Supplemental Agreements, the aggregate principal amount made available for drawdown by the Company pursuant to the SPA and the Seller’s Loan Agreement (as disclosed in paragraphs 1.2(a) and 4.4 of the RTO Announcement, and paragraph 2.3 of the announcement on 23 August 2023) has been revised from S\$5,450,000 to S\$7,000,000.

(b) Rationale

The parties have proposed to enter into the Second Supplemental Agreements to increase the convertible loan facility provided by the Seller to cover additional Agreed Costs comprising additional professional fees not previously accounted for under the SPA and Seller’s Loan Agreement, as well as the additional operating expenses of the Group, primarily due to the extension of the project duration.

3. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

3.1 In view of the revisions set out in paragraph 2.3 above, the revised pro forma financial effects of the Proposed Acquisition are set out below. The pro forma financial effects of the Proposed Acquisition have been prepared based on, *inter alia*, the key bases and assumptions set out in paragraph 7.1 of the RTO Announcement.

3.2 Share capital

	No. of ordinary shares in the capital of the Company	Issued and paid-up share capital (S\$'000)
As at date of this announcement	3,067,053,978	3,264
After 100 : 1 Share Consolidation	30,670,539	3,264
Add: Consideration Shares	1,344,870,969	443,807
Add: Conversion Shares	21,212,121	7,000
Add: PCL Loan Conversion Shares	757,575	250
Add: PPCF Shares ⁽¹⁾	1,970,000	650
After completion of the Proposed Acquisition	1,399,481,204	454,971

Note:

⁽¹⁾ As mentioned in paragraph 9 of the RTO Announcement, the Company shall issue and allot 1,970,000 Shares to PPCF in partial settlement of their fees as FA.

3.3 Net Tangible Assets (“NTA”)/ Net Tangible Liabilities (“NTL”)

	Before the Proposed Acquisition	After the Share Consolidation	After the Share Consolidation and completion of the Proposed Transactions ⁽¹⁾
NTA/ (NTL) (S\$)	319,401	319,401	(46,289,603)
Number of Shares	3,067,053,978	30,670,539	1,399,481,204
NTA/ (NTL) per Share (Singapore cents)	0.01	1.04	(3.31)

Note:

⁽¹⁾ “**Proposed Transactions**” is defined as the Proposed Acquisition, the allotment and issuance of Consideration Shares, Conversion Shares, PCL Loan Conversion Shares and PPCF Shares.

3.4 Earnings per Share (“EPS”) / Loss per Share (“LPS”)

	Before the Proposed Acquisition	After the Share Consolidation	After the Share Consolidation and completion of the Proposed Transactions
Profit/(loss) after tax attributable to Shareholders (S\$)	6,259,491	6,259,491	(58,002,866)
Number of Shares	3,067,053,978	30,670,539	1,399,481,204
EPS/ (LPS) (Singapore cents)	0.20	20.41	(4.14)

3.5 Gearing

	Before the Proposed Acquisition	After the Share Consolidation	After the Share Consolidation and completion of the Proposed Transactions
Net borrowings (S\$)	(282,364)	(282,364)	671,256,906
Total shareholders' equity (S\$)	319,401	319,401	(46,289,603)
Gearing ratio (%) ⁽¹⁾	(88.4)	(88.4)	(1,450.1)

Note:

⁽¹⁾ Gearing is determined based on net borrowings divided by shareholders' equity. Net borrowings is calculated as borrowings plus trade and other payables and lease liabilities, less cash and cash equivalents.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the SPA, Seller's Loan Agreement, Second Supplemental SPA and Second Supplemental CLA are 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.

5. 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 Transactions (including the Proposed Acquisition) will be completed. The Company will make the necessary announcements when there are further material developments on the Proposed Transactions (including 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
26 October 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 announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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