

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 - SUPPLEMENTAL AGREEMENTS TO THE SPA AND SELLER'S LOAN AGREEMENT

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. INTRODUCTION

The Board of Directors (the "**Board**" or the "**Directors**") of 3Cenergy Limited ("**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company has, on 22 August 2023, entered into a supplemental agreement to the SPA ("**SPA Supplemental**") and a supplemental agreement to the Seller's Loan Agreement ("**CLA Supplemental**", and together with the SPA Supplemental, the "**Supplemental Agreements**"), each with the Seller, to revise the terms and conditions of the SPA and Seller's Loan Agreement.

2. MATERIAL TERMS OF THE SUPPLEMENTAL AGREEMENTS

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

2.2 Revisions to the Estimated Consideration for the Sale Shares and the Adjustment Threshold

Pursuant to the SPA Supplemental, the computation of the Estimated Consideration and Adjustment Threshold (as disclosed in paragraphs 4.2(a) and (b)(i) of the RTO Announcement) have been revised as follows:

- (a) The Estimated Consideration has been revised from S\$389,248,262 to an amount equal to S\$443,807,420, comprising the following:
 - (i) S\$1,002,000,700, being the valuation of the Target Group of £596,500,000 as at 30 April 2023 ("**Updated Valuation**"), as translated at the Exchange Rate; and
 - (ii) deducting S\$558,193,280, being (a) S\$658,981,280, being the estimated net debt of the Group of £392,297,464 as at 31 July 2023, as translated at the Exchange Rate, less (b) S\$100,788,000, being the amount of an Additional Capitalisation of £60,000,000 to be undertaken in or around September 2023, or on such later date prior to the last calendar day of the calendar month prior to the date on which all of the Conditions Precedent (excluding the completion of the Business Disposal, the Compliance Placement, and the Net Debt

Statement) are satisfied or waived (the “**Subsequent Additional Capitalisation**”), as translated at the Exchange Rate.

- (b) In connection with the revision to the Estimated Consideration, the Adjustment Threshold has been revised to S\$22,190,371, being 5 per cent. of the revised Estimated Consideration set out in paragraph 2.2(a) above.

2.3 Revision to the amount of Seller’s Loan

Pursuant to the 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) has been revised from S\$2,000,000 to S\$5,450,000.

2.4 Rationale

Under the original terms and conditions of the SPA, the Estimated Consideration was based on a desktop valuation of the Target Group as at 1 April 2023 and an estimated net debt of the Target Group as at 30 June 2023.

The original terms and conditions of the SPA anticipates and provides for an adjustment to the Estimated Consideration based on, *inter alia*, the valuation of the Target Group as at 30 April 2023 to be determined based on the Updated Valuation Report. As at the date of this announcement, the Company has commissioned and received the Updated Valuation Report setting out the independent business valuation of the Target Group as at 30 April 2023. The Updated Valuation Report sets the valuation of the Target Group at the Updated Valuation of S\$1,002,000,700.

The revision to the Estimated Consideration was proposed by the Company and the Seller to take into account the Updated Valuation, the latest estimated net debt of the Target Group as at 31 July 2023 and the Subsequent Additional Capitalisation (which will be undertaken by the Target Group in or around September 2023, or on such later date prior to the Relevant Date). With the availability of the Updated Valuation Report, and updated estimate net debt figures, the Company is of the view that the revisions will provide the Company and Shareholders a more accurate and up-to-date estimate of the final consideration for the purchase of the Sale Shares.

The adjustment to the Adjustment Threshold is a consequential amendment following the revision to the Estimated Consideration.

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

3. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

3.1 In view of the revisions set out in paragraph 2 above, the revised pro forma financial effects of the Proposed Acquisition are set out below. The proforma 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	16,515,151	5,450
Add: PCL Loan Conversion Shares	757,575	250
Add: PPCF Shares ⁽¹⁾	1,970,000	650
After completion of the Proposed Acquisition	1,394,784,234	453,421

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	(47,839,603)
Number of Shares	3,067,053,978	30,670,539	1,394,784,234
NTA/ (NTL) per Share (Singapore cents)	0.01	1.04	(3.43)

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	1,394,784,234
EPS/ (LPS) (Singapore cents)	0.20	20.41	(4.16)

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	(47,839,603)
Gearing ratio (%) ⁽¹⁾	(88.4)	(88.4)	(1,403.1)

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. RELATIVE FIGURES UNDER RULE 1006 OF THE CATALIST RULES

In view of the revisions set out in paragraph 2 above, the revised relative figures of the Proposed Acquisition 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 set out below:

Rule 1006	Bases of Calculation	Relative Figures
(a)	The net asset value of the assets to be disposed of as compared with the Group's net asset value	Not applicable ⁽¹⁾
(b)	The net profit attributable to the Target Group, compared with the Group's net profit	(1,238)% ⁽²⁾
(c)	The aggregate value of the consideration given for the Proposed Acquisition, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	6,891% ⁽³⁾
(d)	The number of equity securities issued by the Company as consideration for the Proposed Acquisition, compared with the number of equity securities of the Company in issue	4,385% ⁽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⁾ Rule 1006(a) of the Catalist Rules is not applicable to an acquisition of assets.

⁽²⁾ Computed based on the Target Group's unaudited net loss for FY2022 of approximately S\$77,471,164, translated at an exchange rate of £1: S\$1.7032¹ and the Group's audited net profit for FY2022 of approximately S\$6.3 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 revised Estimated Consideration of S\$443,807,420, and the Company's market capitalisation of approximately S\$6,440,813 (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\$0.0021 on 21 August 2023, being the market day prior to the date of the SPA Supplemental. The Company does not have any treasury Shares.

⁽⁴⁾ Based on 1,344,870,969 Consideration Shares and the Company's ordinary issued share capital of 30,670,539 shares as at the date of this announcement (on a post-consolidation basis).

⁽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(c) and (d) of the Catalist Rules is in excess of 100%, and given that a change in control of the Company will arise immediately upon Closing as the Seller will hold approximately 97.6% of the enlarged issued share capital of the Company upon Closing and after the issuance of Consideration Shares, Conversion Shares, PCL Loan

¹ Being the average exchange rate for FY2022 as extracted from the Monetary Authority of Singapore.

Conversion Shares and PPCF Shares, the Proposed Acquisition remains a “reverse takeover” pursuant to Chapter 10 of the Catalist Rules. Accordingly, the Proposed Acquisition remains subject to, *inter alia*, the approval of Shareholders at the EGM as well as the approval of the SGX-ST.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the SPA, Seller’s Loan Agreement, the SPA Supplemental and the CLA Supplemental 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.

6. 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
23 August 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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