

3CENERGY LIMITED

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

LOAN AGREEMENT ENTERED INTO BY 3C MARINA PARK SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY

1. Introduction

- 1.1 The board of directors of 3Cenergy Limited (the “**Company**” and its subsidiaries, collectively the “**Group**”) (the “**Board**”) wishes to announce that its wholly owned subsidiary, 3C Marina Park Sdn Bhd (“**3CMP**”) has on 19 March 2020 entered into a loan agreement with Puteri Harbour Pte Ltd (“**Lender**”) pursuant to which the Lender has agreed to grant a non-interest bearing loan of a principal sum of up to Singapore Dollars Sixteen Million Eight Hundred Thousand (S\$16,800,000.00) (“**Loan**”).
- 1.2 The maturity date of the Loan is the earlier of: (i) 31 March 2021; and (ii) such time the Group raises the necessary funds for 3CMP to meet its financial obligations when they fall due so that 3CMP can continue to operate as a going concern for the period up to 31 March 2021.
- 1.3 The Loan shall be disbursed by the Lender to 3CMP from time to time in one or more advances, each of which shall be for such amount as 3CMP may require to meet its repayment obligations under its existing banking facilities, day-to-day operational expenses and working capital needs.

2. Rationale

- 2.1 As at the date of this announcement, the Group has outstanding bank borrowings of approximately RM141.78 million (S\$46.73 million)⁽¹⁾ (“**Property Loan**”) on 3CMP’s properties located at Plot Nos. CN 1, CN 2 and CN 4, Puteri Harbour, 79000 Iskandar Puteri, Johor Darul Takzim, of which approximately RM29.97 million (S\$9.88 million)⁽¹⁾ is due in 2020. The Group intends to utilise the Loan to, *inter alia*, service the Property Loan.
- 2.2 The Company is of the view that the Loan by the Lender to be beneficial to the Group for the following reasons:
- (a) the Loan will allow the Group to meet its immediate to medium term payment obligations under the Property Loan, and provide 3CMP with funds for its working capital; and
 - (b) the Loan is interest-free, and while the Company explored other funding alternatives, including re-financing of the Property Loan and potential debt and equity investments from external third parties, none are on terms that are favourable compared to the Loan.

Note:

(1) For illustrative purposes, equivalent amounts in Singapore Dollars are translated based on an exchange rate of S\$1.00 = RM3.034

3. Information on the Lender

- 3.1 The Lender is a company incorporated under the law of Singapore. The Lender's shareholders comprise Phileo Capital Limited (50%) ("**Phileo Capital**"), Champion Brave Sdn Bhd (25%) ("**Champion Brave**"), Casi Management Sdn Bhd (12.5%) ("**Casi Management**") and Halfmoon Bay Capital Limited (12.5%) ("**Halfmoon Bay**").
- 3.2 Phileo Capital and Champion Brave are controlling shareholders of the Company, holding shares representing 42.71% and 20.76% of the issued share capital of the Company, respectively. The entire issued share capital of Phileo Capital is held by TMF Trustees Singapore Limited ("**TMF Trustees**"). The Group's Non-Independent Non-Executive Chairman, Mr Tong Kooi Ong ("**Mr Tong**") is deemed interested in the shares held by Phileo Capital as Mr Tong is the sole ultimate beneficial owner of Phileo Capital through TMF Trustees, the trustee of a family trust of which Mr Tong is the sole beneficiary.
- 3.3 Casi Management and Halfmoon Bay are substantial shareholders of the Company, holding shares representing 10.38% and 6.49% of the issued share capital of the Company, respectively.

4. Interested Person Transaction under Chapter 9 of the Catalist Rules

- 4.1 Transactions entered into between an issuer's "interested persons" and the issuer, its subsidiaries or associated companies (which the listed group or its interested persons have control over) are deemed "interested person transactions" and subject to Chapter 9 of the SGX-ST Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"). Where the value of the interested person transaction (being the amount at risk to the issuer) exceeds certain thresholds set out in Chapter 9 of the Catalist Rules, the transaction will be required to be announced or approved by shareholders in general meeting.
- 4.2 Pursuant to Rule 904(5) of the Catalist Rules, a director, chief executive officer, or controlling shareholder of the issuer, and the associates of such director, chief executive officer, or controlling shareholder of the issuer are deemed "interested persons" of the issuer.
- 4.3 The Lender, being an associate of Phileo Capital and Mr Tong, is deemed an interested person under the Catalist Rules, and the grant of the Loan to 3CMP by the Lender is deemed an interested person transaction.
- 4.4 Pursuant to Rule 909(3), in the case of borrowing of funds from an interested person, the value of the transaction is the interest payable on the borrowing. As the Loan is interest free, the value of the transaction (or amount at risk to the Company) is nil, and as such, no disclosure or approval from shareholders is required under Chapter 9 for the purposes of the Loan.

By Order of the Board

Tong Kooi Ong

Non-Independent Non-Executive Chairman

19 March 2020

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, CIMB Bank Berhad, Singapore Branch (the "**Sponsor**") in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalyst. This announcement has not been examined or approved by the SGX-ST and the SGX-ST 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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