

3CENERGY LIMITED

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

PROPOSED PLACEMENT OF 101,637,891 NEW ORDINARY SHARES IN THE CAPITAL OF 3CENERGY LIMITED

Unless otherwise defined, all capitalised terms and references used herein shall bear the same meaning ascribed to them in the Company's offer information statement dated 20 April 2018 in relation to the rights issue.

1. Introduction

The board of directors (the "**Board**" or "**Directors**") of 3Cnergy Limited (the "**Company**") is pleased to announce that the Company has on 15 May 2018 entered into a subscription agreement (the "**Subscription Agreement**") with Catpital Private Limited (the "**Subscriber**"), pursuant to which the Subscriber has agreed to subscribe for an aggregate of 101,637,891 new ordinary shares in the capital of the Company (the "**Subscription Shares**") at an issue price of S\$0.022 per Subscription Share (the "**Subscription Price**") (such subscription, the "**Subscription**").

The Subscription Price of S\$0.022 is at a discount of approximately 7.56% to the weighted average price of S\$0.0238 for trades done on Catalist on 14 May 2018 (being the full preceding market day prior to the signing of the Subscription Agreement) up to the time that trading in the Shares was halted (which, for the avoidance of doubt, was prior to the signing of the Subscription Agreement) on 15 May 2018.

The Subscription Shares will, upon allotment and issue, rank *pari passu* in all respects with the existing issued ordinary shares of the Company (the "**Shares**") save that the Subscription Shares will not rank for any dividends, rights, allotments or other distributions the record date for which falls before the date of issue of the Subscription Shares. The Subscription Shares shall be issued free from all claims, pledges, mortgages, charges, liens and encumbrances.

No placement agent has been appointed in respect of the Subscription. Therefore, no commission or referral fees will be paid to any party in relation to the Subscription.

2. Conditions Precedent to the Subscription

Completion of the Subscription is conditional upon, *inter alia*,:

- (a) the receipt of the listing and quotation notice for the listing and quotation of and permission to deal in the Subscription Shares being obtained from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and such approval remaining valid and continuing to be in force and effect until the Completion Date and, where such approval is subject to conditions, such conditions being acceptable to the Company and the Subscriber and, to the extent that any conditions for the listing and quotation of the Subscription Shares on the SGX-ST Catalist Board are required to be fulfilled on or before Completion Date, they are so fulfilled;
- (b) the allotment, issue, and subscription of the Subscription Shares not being prohibited by any statute, order, rule or regulation promulgated or issued on or after the date of the Subscription Agreement by any legislative, executive or regulatory body or authority of Singapore;
- (c) the receipt by the Company and the Subscriber of all authorisations, consents, clearances, permissions and approvals as are necessary or required by the Company and the Subscriber under any and all applicable laws (including any corporate

approvals and authorisations of the Company and the Subscriber) and third parties, for or in respect of the Subscription;

- (d) the representations and warranties of the Company and each of the Subscriber being true, accurate and correct in all material respects as if made on the date of completion of the Subscription, with reference to the then existing circumstances and the relevant party having performed in all material respects all of its obligations herein to be performed on or before the date of completion of the Subscription; and
- (e) there being no introduction of or any change in any statute, regulation, order, policy or directive or in the interpretation or application thereof by any court or other competent authority which renders it unlawful for the Company or the Subscriber to perform their respective obligations under the Subscription Agreement.

In respect of the condition precedent set out in paragraph 2(a) above, the Company will be submitting an additional listing application to SGX-ST for the listing and quotation notice. The Company will make the necessary announcement once the listing and quotation notice has been obtained from SGX-ST.

3. Rationale for the Subscription and Use of Net Proceeds

Following the close of the Rights Issue, an aggregate of 101,637,891 Rights Shares out of a maximum 1,533,526,989 Rights Shares (determined as the Books Closure Date) remained unsubscribed (such 101,637,891 Rights Shares, the “**Unsubscribed Rights Shares**”).

The Board is of the view that it is in the Company’s best interests if subscribers could be procured for such number of Shares equivalent to the number of the Unsubscribed Rights Shares (being the Subscription Shares) in order that the Company may raise an amount equivalent to the proceeds of the Rights Issue as if all the Rights Shares had been fully subscribed for.

When the Subscription Shares are allotted and issued in full, the estimated net proceeds from the Subscription after deducting expenses incurred in connection with the Subscription is expected to amount to approximately S\$2,236,033.60. The Company intends to utilise 100% of the net proceeds for the purposes of (i) repaying the Term Loans; and (ii) financing working capital requirements of the Group. The proceeds arising from the Subscription shall be used in the same manner as the net proceeds arising from the Rights Issue as disclosed in the Company’s offer information statement dated 20 April 2018.

The Company will make an announcement as and when the proceeds from the Subscription are materially disbursed and whether such a use is in accordance with the stated use. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

Pending the deployment of the proceeds from the Subscription, such proceeds may be placed as deposits with financial institutions or invested in short-term money markets or debt instruments or for any other purposes on a short-term basis as the Directors may deem fit, from time to time.

For the purposes of Rule 810(1)(c) of the Catalist Rules, the Directors are of the opinion that:

- (i) after taking into consideration the present bank facilities of the Group (which have been fully drawn down as at the date hereof) and the net proceeds of the Rights Issue, the working capital available to the Group is sufficient to meet its present requirements and the Subscription is being undertaken for the reasons stated above; and
- (ii) after taking into consideration the present bank facilities (which have been fully drawn down as at the date hereof), the net proceeds of the Rights Issue and the net proceeds arising from the Subscription, the working capital available to the Group will

be sufficient to meet its present requirements.

4. Information on the Subscriber and how the Subscriber was identified

The details of the Subscriber are as follows:

Name of Subscriber	Number of Subscription Shares subscribed for
Catpital Private Limited	101,637,891

The Subscriber was introduced to the Company by a controlling shareholder of the Company as a strategic investor. The Subscriber's subscription of the Subscription Shares is for investment purposes only. The Subscriber is a company incorporated in Singapore with its principal business in investment holding. The beneficial owner of the Subscriber is Mr Lim Eng Hock.

The Subscriber is not an associate of a Director or substantial shareholder of the Company and does not fall within the categories set out in Rule 812(1) of the Listing Manual.

5. Moratorium

The Subscriber has undertaken to the Company that it shall not, for a period of 6 months commencing from and including the date of issue and allotment of the Subscription Shares to it, directly or indirectly offer, sell, contract to sell, transfer, pledge, grant any option to purchase, grant any security over, encumber or otherwise dispose of, any of the Subscription Shares.

6. Financial Effects of the Subscription

The financial effects of the Subscription on the Company and its subsidiaries (the "**Group**") set out below are purely for illustrative purposes only and do not reflect the future financial position or performance of the Company or the Group after completion of the Subscription.

The financial effects have been computed based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2017 and on the following assumptions:

- (a) the effect of the Subscription on the net tangible asset ("**NTA**") per Share is computed based on the assumptions that (i) 1,431,889,098 Rights Shares have been issued pursuant to the Rights Issue; and (ii) the Subscription was completed on 31 December 2017; and
- (b) the effect of the Subscription on the earnings per Share ("**EPS**") is computed based on the assumptions that (i) 1,431,889,098 Rights Shares have been issued pursuant to the Rights Issue; and (ii) the Subscription was completed on 1 January 2017.

	Before completion of the Subscription	After completion of the Subscription
Issued and paid-up share capital	S\$175,585,631	S\$177,821,665
Number of Shares	2,965,416,087	3,067,053,978
NTA per Share (cents)	4.02	3.96
Weighted average number of Shares	2,808,912,305	2,910,550,196
EPS (cents)	(0.12)	(0.12)

7. Mandate for the issue of the Subscription Shares

The Subscription Shares will be issued pursuant to the general mandate given by the shareholders of the Company at the annual general meeting of the Company held on 10 April 2018 for the Company to issue shares and convertible securities.

As at the date of this announcement, there are 1,533,526,989 Shares in the capital of the Company. The aggregate 101,637,891 Subscription Shares, when allotted and issued in full, will represent approximately 6.63% of the Company's existing and paid-up share capital of 1,533,526,989 Shares as at the date of this announcement, and approximately 3.31% of the enlarged issued and paid-up share capital of 3,067,053,978 Shares upon completion of the Subscription and the issuance of 1,431,889,098 Rights Issue pursuant to the Rights Issue. The issuance of the Subscription Shares will fall within the limit of the general mandate.

8. No Prospectus or Offer Information Statement to be issued

The Subscription will be undertaken by way of private placement in accordance with Section 272B of the Securities and Futures Act (Cap. 289) of Singapore. As such, no prospectus or offer information statement will be lodged with the Monetary Authority of Singapore in connection with the Subscription.

9. Interests of Directors and Substantial Shareholders

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Subscription (other than arising from their respective shareholdings in the Company, if any).

10. Directors' 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 Subscription, 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 the 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 the announcement in its proper form and context.

By Order of the Board

Anne Tong Kooi Lian
Managing Director and Chief Executive Officer
15 May 2018

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") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST and the SGX-ST and Sponsor assume 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. The contact person for the Sponsor is Mr Eric Wong (Director, Investment Banking), CIMB Bank Berhad, Singapore Branch, 50 Raffles Place #09-01 Singapore Land Tower, Singapore 048623, telephone (65) 6337 5115.