

CIRCULAR DATED 28 FEBRUARY 2022

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, FINANCIAL, TAX, OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

This Circular is issued by 3Cnergy Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”). Capitalised terms appearing on the cover of this Circular shall have the same meanings as defined herein.

If you have sold or transferred all your ordinary shares in the capital of the Company held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward or inform of this Circular to the purchaser or transferee as arrangements will be made by CDP for a separate Circular, the Notice of Extraordinary General Meeting and the accompanying Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your ordinary shares in the capital of the Company represented by physical share certificate(s) you should immediately inform the purchaser or transferee or the stockbroker, bank or agent through whom the sale or transfer was effected that this Circular, the Notice of Extraordinary General Meeting, and the accompanying Proxy Form may be accessed via the websites of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and the Company.

*This Circular has been reviewed by the Company’s Sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”). This Circular has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Circular including the correctness of any of the statements or opinions made or reports contained in this Circular. The contact person for the Sponsor is Ms Foo Jien Jieng, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.*

This Circular has been made available on SGXNet (www.sgx.com) and the Company’s website (www.3cnergy.com.sg). A printed copy of this Circular will NOT be despatched to Shareholders.

Due to the current COVID-19 restriction orders in Singapore, Shareholders will not be able to attend the Extraordinary General Meeting (“**EGM**”) in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) watching the EGM proceedings via a live audio-visual webcast or live audio-only stream, (b) attending and participating in a virtual information session (“**VIS**”) via a live audio-visual webcast or live audio-only stream; (c) submitting questions in advance of the EGM, and/or (d) voting by proxy at the EGM.

Please refer to Section 12 (Action to be taken by Shareholders) of this Circular for further information, including the steps to be taken by Shareholders to participate at the EGM.

3CNERGY LIMITED

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

CIRCULAR TO SHAREHOLDERS

In relation to:

- (1) THE PROPOSED DISPOSAL OF 100% OF THE ISSUED AND PAID-UP CAPITAL OF 3C MARINA PARK SDN BHD AS A MAJOR TRANSACTION AND AN INTERESTED PERSON TRANSACTION; AND**
- (2) THE PROPOSED CAPITAL REDUCTION SUBJECT TO AND UPON COMPLETION OF THE PROPOSED DISPOSAL**

IMPORTANT DATES AND TIMES:

Last date and time for submission of questions in advance	:	8 March 2022 at 9.00 a.m.
Last date and time to pre-register to attend the VIS	:	9 March 2022 at 11.00 a.m.
Date and time of VIS	:	11 March 2022 at 11.00 a.m.
Last date and time to pre-register to attend the EGM	:	20 March 2022 at 2.30 p.m.
Last date and time for lodgement of Proxy Form	:	20 March 2022 at 2.30 p.m.
Date and time of EGM	:	22 March 2022 at 2.30 p.m.
Place of EGM and VIS	:	The EGM and VIS will be held by electronic means

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DEFINITIONS

In this Circular, the following definitions apply throughout unless the context requires otherwise or unless otherwise stated:

- “3CMP”** : 3C Marina Park Sdn Bhd, a wholly-owned subsidiary of the Company
- “3CMP Advances”** : The advances granted by the Company to 3CMP to service the PBB Loan instalments and for working capital purposes, as further defined in Section 2.1.2 of this Circular
- “Accumulated Losses”** : Has the meaning ascribed to it in Section 1.1(ii)(a) of this Circular
- “Announcement”** : Has the meaning ascribed to it in Section 1.1 of this Circular
- “associate”** : (a) in relation to any individual, including a Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more
- (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more
- “Audit Committee”** : The audit committee of the Company as at the date of this Circular

DEFINITIONS

“Balance Consideration”	: Has the meaning ascribed to it in Section 2.3.3(b) of this Circular
“Board”	: The board of directors of the Company as at the date of this Circular or from time to time, as the case may be
“Books Closure Date”	: The record date after the EGM to be determined by the Directors, in their sole and absolute discretion, for the purpose of determining the entitlement of Shareholders to the Proposed Cash Distribution
“Cash Consideration”	: Has the meaning ascribed to it in Section 2.3.3(a) of this Circular
“Cash Distribution Amount”	: Has the meaning ascribed to it in Section 1.1(ii)(b) of this Circular
“Casi Management”	: Casi Management Sdn Bhd, a Substantial Shareholder of the Company
“Catalist Rules”	: The SGX-ST Listing Manual Section B: Rules of Catalist, as may be amended, supplemented or modified from time to time
“CDP”	: The Central Depository (Pte) Limited
“Champion Brave”	: Champion Brave Sdn Bhd, a Controlling Shareholder of the Company
“Circular”	: This circular to Shareholders dated 28 February 2022
“Companies Act”	: The Companies Act 1967 of Singapore
“Company”	: 3Cnergy Limited
“Completion”	: The completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Sale and Purchase Agreement

DEFINITIONS

“Consideration”	: Has the meaning ascribed to it in Section 1.1(i) of this Circular
“Controlling Shareholder”	: A person who: (a) holds directly or indirectly 15.0% or more of all voting shares in the Company; or (b) in fact exercises control over Company
“CPF”	: The Central Provident Fund of Singapore
“Director”	: A director of the Company as at the date of this Circular or from time to time, as the case may be
“Effective Date”	: The date on which the Proposed Capital Reduction becomes effective
“EGM”	: The extraordinary general meeting of the Company to be convened and held, a notice of which is issued together with this Circular
“Entitled Shareholders”	: Has the meaning ascribed to it in Section 3.5.1(a) of this Circular
“Existing Share Capital”	: Means the issued and paid-up share capital of the Company as at the Latest Practicable Date comprising 3,067,053,978 Shares
“Expected Payment Date”	: Means the payment date of the Proposed Cash Distribution to be announced in due course
“Extended Long Stop Date”	: Has the meaning ascribed to it in Section 2.3.2 of this Circular
“FY2020”	: The financial year ended 31 December 2020
“FY2021”	: The financial year ended 31 December 2021
“Golden Ring”	: Golden Ring Worldwide Ltd, a Shareholder of the Company
“Group”	: The Company and its subsidiaries collectively

DEFINITIONS

“Halfmoon Bay”	: Halfmoon Bay Capital Limited, a Substantial Shareholder of the Company
“IFA”	: Xandar Capital Pte Ltd, the independent financial adviser to the Recommending Directors in relation to the Proposed Disposal
“IFA Letter”	: The letter dated 28 February 2022 from the IFA to the Recommending Directors in relation to the Proposed Disposal as set out in Appendix B to this Circular
“immediate family”	: In relation to a person, means the person's spouse, child, adopted child, step-child, sibling and parent
“Independent Shareholders”	: Shareholders who are deemed independent for the Proposed Disposal
“Independent Valuer”	: Knight Frank Malaysia Sdn Bhd
“Latest Practicable Date”	: 23 February 2022, being the latest practicable date prior to the issuance of this Circular
“Loan Agreement”	: Has the meaning ascribed to it in Section 2.5.3(i) of this Circular
“Long Stop Date”	: Has the meaning ascribed to it in Section 2.3.2 of this Circular
“LPS”	: Loss per Share
“Market Day”	: A day on which the SGX-ST is open for trading in securities
“NTA”	: Net tangible asset
“Notice of EGM”	: The notice of EGM as set out on pages N-1 to N-5 of this Circular
“Ordinary Resolution 1”	: The ordinary resolution to approve the Proposed Disposal as set out in the Notice of EGM

DEFINITIONS

“PBB Loan”	: The bank financing granted by Public Bank Berhad to 3CMP for the acquisition of the Properties, as further defined in Section 2.1.2 of this Circular
“Phileo Capital”	: Phileo Capital Limited, a Controlling Shareholder of the Company
“Properties”	: The parcels of vacant undeveloped commercial land owned by 3CMP, as further defined in Section 2.1.1 of this Circular
“Properties Loan”	: Has the meaning ascribed to it in Section 2.5.3(i) of this Circular
“Proposed Capital Reduction”	: Has the meaning ascribed to it in Section 1.1(ii) of this Circular
“Proposed Cash Distribution”	: Has the meaning ascribed to it in Section 1.1(ii)(b) of this Circular
“Proposed Disposal”	: Has the meaning ascribed to it in Section 1.1(i) of this Circular
“Proposed Transactions”	: Has the meaning ascribed to it in Section 1.1 of this Circular
“Proxy Form”	: The proxy form in respect of the EGM as set out in this Circular
“Purchaser”	: Puteri Harbour Pte Ltd
“Recommending Directors”	: Directors who are considered independent for the purposes of the Proposed Disposal, namely Mr Loh Chen Peng, Mr Ong Pai Koo @ Sylvester and Ms Au Foong Yee
“Relevant Shareholders”	: Has the meaning ascribed to it in Section 2.3.2(c) of this Circular
“Resolution”	: Ordinary Resolution 1 or Special Resolution 2, as the context permits

DEFINITIONS

“Register of Members”	: The register of members of the Company
“RM”	: Ringgit Malaysia, the currency of Malaysia
“Sale Shares”	: Has the meaning ascribed to it in Section 1.1(i) of this Circular
“Securities Account”	: A securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
“SFA”	: Securities and Futures Act 2001 of Singapore
“Share”	: An ordinary share in the issued share capital of the Company
“Shareholders”	: Registered holders of ordinary shares in the capital of the Company, except where the registered holder is CDP, in which case the term “Shareholders” shall in relation to such Shares mean the Depositors whose Securities Accounts maintained with CDP are credited with Shares
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“SOHOs”	: Small offices/home offices
“Solvency Statement”	: The solvency statements to be given by the Directors as required under Section 78C of the Companies Act for the purpose of the Proposed Capital Reduction
“SPA Conditions”	: The conditions precedent to the sale and purchase of the Sale Shares, as further defined in Section 2.3.2 of this Circular
“Special Resolution 2”	: The special resolution to approve the Proposed Capital Reduction, of which not less than 21 days’ notice of the EGM shall have been given
“SRS”	: Supplementary Retirement Scheme

DEFINITIONS

“ Substantial Shareholder ”	: A person (including a corporation) who has an interest, directly or indirectly, in 5.0% or more of the total number of Shares
“ S\$ ” and “ cents ”	: Singapore Dollars and cents, the currency of Singapore
“ Tan Sri Wan Azmi ”	: Tan Sri Wan Azmi bin Wan Hamzah
“ Valuation Certificate ”	: Has the meaning ascribed to it in Section 2.1.3 of this Circular
“ Valuation Report ”	: Has the meaning ascribed to it in Section 2.1.3 of this Circular
“ VIS ”	: The virtual information session to be held prior to the EGM

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the respective meanings ascribed to them in Section 81SF of the SFA.

The terms “**subsidiary**” and “**related corporations**” shall have the meanings ascribed to them respectively in the Companies Act.

The terms “**entity at risk**”, “**interested person**”, “**interested person transaction**” and “**transaction**” shall have the meaning ascribed to it in Rule 904 of the Catalist Rules.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference in this Circular to “**Rule**” or “**Chapter**” is a reference to the relevant rule or chapter in the Catalist Rules.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or reenacted. Any term defined under the Companies Act, the Catalist Rule or any modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act or the Catalist Rules or any modification thereof, as the case may be.

Any reference to a time of day and date in this Circular shall be a reference to Singapore time and date, unless otherwise stated.

DEFINITIONS

Any discrepancies in tables included in this Circular between the listed amounts and the totals are due to rounding; accordingly, the figures shown as totals in certain tables may not be an aggregation of the figures that precede them.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “anticipate”, “believe”, “estimate”, “expect”, “forecast”, “intend”, “plan”, “project”, “strategy”, and similar expressions or future or conditional verbs such as “could”, “if”, “may”, “might”, “should”, “will”, and “would”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information.

These forward-looking statements, including but not limited to, statements as to revenue and profitability; any expected growth; any expected industry prospects and trends; planned strategy and future expansion plans; any other matters that are not historical facts; and any other matters discussed in this Circular, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company’s and the Group’s actual future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements.

Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements.

Shareholders should not place undue reliance on such forward-looking statements. The Group, the Directors, the executive officers of the Company are not representing or warranting to you that the actual future results, performance or achievements of the Company and the Group will be as those discussed in those statements. The respective actual future results may differ materially from those anticipated in these forward-looking statements as a result of the risks faced by the Company and the Group.

Further, the Company disclaims any responsibility to update or revise any forward-looking statements for any reason, even if new information becomes available or other events occur in the future, subject to compliance with all applicable laws and regulations and/or the rules of the SGXST and/or any other regulatory or supervisory body or agency.

LETTER TO SHAREHOLDERS

3CENERGY LIMITED

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

Directors:

Ong Pai Koo @ Sylvester (Independent Non-Executive Chairman)
Loh Chen Peng (Lead Independent Director)
Au Foong Yee (Non-Independent Non-Executive Director)

Registered office:

380 Jalan Besar
#16-01 Arc 380
Singapore 209000

28 February 2022

To: The Shareholders of 3Cnergy Limited

Dear Sir/Madam

- (1) THE PROPOSED DISPOSAL OF 100% OF THE ISSUED AND PAID-UP CAPITAL OF 3C MARINA PARK SDN BHD AS A MAJOR TRANSACTION AND AS AN INTERESTED PERSON; AND
- (2) THE PROPOSED CAPITAL REDUCTION SUBJECT TO AND UPON COMPLETION OF THE PROPOSED DISPOSAL

1. INTRODUCTION

1.1 EGM

On 23 February 2022, the Company issued an announcement ("**Announcement**") that:

- (i) the Company has entered into a conditional sale and purchase agreement dated 23 February 2022 with the Purchaser, Puteri Harbour Pte Ltd, pursuant to which the Company has agreed to sell to the Purchaser, and the Purchaser has agreed to purchase, the entire issued ordinary shares ("**Sale Shares**") of 3CMP, a wholly-owned subsidiary of the Company, for an aggregate consideration of S\$36.0 million ("**Consideration**"), subject to the terms and conditions of the Sale and Purchase Agreement ("**Proposed Disposal**"); and
- (ii) subject to the completion of the Proposed Disposal, a capital reduction exercise ("**Proposed Capital Reduction**") is proposed to be carried out by the Company pursuant to Section 78A read with Section 78C of the Companies Act. The Proposed Capital Reduction will involve:
 - (a) a write-off of the accumulated losses of the Company based on the latest audited financial statements of the Company for FY2020 to the extent of S\$138,857,331 ("**Accumulated Losses**"); and

LETTER TO SHAREHOLDERS

- (b) a cash distribution (“**Proposed Cash Distribution**”) by the Company to the Shareholders for each Share held by a Shareholder as at a Books Closure Date to be determined by the Directors amounting to an aggregate distribution of approximately S\$35.7 million (“**Cash Distribution Amount**”).

In connection with the Announcement, the Directors are convening an EGM to be held on 22 March 2022 at 2.30 p.m. via electronic means to seek Shareholders’ approval for the Proposed Disposal and the Proposed Capital Reduction (collectively, the “**Proposed Transactions**”).

1.2 **Circular to Shareholders**

The purpose of this Circular is to provide Shareholders with information relating to, and to seek Shareholders’ approval for, the abovementioned Proposed Transactions. Shareholders’ approval will be sought at the EGM, notice of which is set out on pages N-1 to N-5 of this Circular.

1.3 **Disclaimers**

The SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made, or reports contained in this Circular. If a Shareholder is in any doubt as to the course of action he/she should take, he/she should consult his/her bank manager, stockbroker, solicitor, accountant, tax adviser or other independent adviser immediately.

1.4 **Legal Adviser**

The Company has appointed Donaldson & Burkinshaw LLP as the legal adviser to the Company as to Singapore law in relation to the Proposed Transactions.

1.5 **Inter-Conditional Resolutions**

Shareholders should note that the passing of Ordinary Resolution 1 in respect of the Proposed Disposal and Special Resolution 2 in respect of the Proposed Capital Reduction set out in the Notice of EGM are inter-conditional. As such, if any one of Ordinary Resolution 1 or Special Resolution 2 is not passed, the remaining Resolution will not be carried.

2. **THE PROPOSED DISPOSAL**

2.1 **Information on 3CMP**

2.1.1 Background information on 3CMP

3CMP owns the legal and beneficial title to three (3) parcels of vacant undeveloped commercial land namely, Lot Nos. 194830, 194831 and 194832 held under Title Nos. GRN 600873, GRN

LETTER TO SHAREHOLDERS

600874 and GRN 600875 respectively (previously known as Lot Nos. PTD 201580, PTD 201581 and PTD 201582 held under Title Nos. HSD 570815, HSD 570816 and HSD 570817 respectively), all located within Mukim of Pulai, District of Johor Bahru, State of Johor Darul Takzim, Malaysia (collectively, the “**Properties**”). The sole principal activity of 3CMP is property development and as at the Latest Practicable Date, the assets of 3CMP comprise substantially the Properties.

The Group acquired 3CMP in August 2016, with the intention to develop the Properties into a mixed-use development consisting of SOHOs, serviced apartments, condominium, office lots, office tower, hotel, street front retail and activity retail, a mixed development with predominantly residential components and complemented with retail and commercial components.

Since the acquisition of 3CMP, the Group had to defer the development of the Properties for a variety of reasons, including but not limited to regulatory changes in Malaysia to proposed integrated developments, government announcement on a freeze on approvals for residential properties above RM1.0 million, and a property market that had generally deteriorated. Further, due to the outbreak of the COVID-19 pandemic, the Government of Malaysia has, pursuant to regulations made under the Prevention and Control of Infectious Diseases Act 1988, implemented various restrictions on movements and gatherings. Similar measures have been implemented by the Government of Singapore. The COVID-19 pandemic and measures to control movement and gatherings, and other measures which authorities in Singapore, Malaysia and/or the region implemented have adversely affected the economy and further dampened the Malaysian property market.

2.1.2 Funding for the acquisition of the Properties

The Properties were acquired by 3CMP with bank financing from Public Bank Berhad (“**PBB Loan**”). As at the Latest Practicable Date, the total outstanding PBB Loan is approximately S\$46.46 million (RM143.59 million) of which S\$1.40 million (RM4.34 million) is due over the course of 2022.

The Company had granted advances to 3CMP (“**3CMP Advances**”) to service the PBB Loan instalments and interests which were due and payable to Public Bank Berhad, as well as for working capital purposes. The 3CMP Advances were capitalised by the Company from time to time. As at the Latest Practicable Date:

- (a) the aggregate amount of 3CMP Advances granted was S\$54.74 million (RM166.33 million), of which:
 - (i) an aggregate amount of S\$17.8 million (RM55.16 million) was capitalised in the financial year ended 31 December 2017;
 - (ii) an aggregate amount of S\$16.27 million (RM50.0 million) was capitalised in in FY2021; and
 - (iii) the balance of S\$20.67 million (RM61.17 million) was capitalised in February 2022; and

LETTER TO SHAREHOLDERS

- (b) no 3CMP Advances are due and outstanding from 3CMP.

The Group has also raised funds through a non-interest bearing Properties Loan granted by the Purchaser, details of which are set out in Section 2.5.3 of this Circular.

2.1.3 NTA and book value of 3CMP and the Properties

Based on the audited consolidated financial information of the Group for FY2020 and the unaudited consolidated financial information of the Group for FY2021, the NTA/book value (including the adjusted NTA/book value) and net loss of 3CMP and the book value of the Properties are as follows:

	(Audited) FY2020 (Exchange Rate S\$1:RM3.036)	(Unaudited) FY2021 (Exchange Rate S\$1:RM3.089)
NTA / book value	S\$1.16 million (RM3.5 million)	S\$9.57 million (RM29.57 million)
Adjusted NTA / book value	S\$38.1 million (RM114.67 million) ⁽¹⁾	S\$30.13 million (RM90.74 million) ⁽²⁾
Net loss	S\$6.5 million (RM19.81 million)	S\$7.76 million (RM23.94 million)
Book value of Properties	S\$86.27 million (RM261.91 million)	S\$79.40 million (RM245.30 million)

Notes:

- (1) Adjusted for the capitalisation of the balance 3CMP Advances of S\$16.27 million and S\$20.67 million and foreign exchange translation adjustment. For more details, please refer to Sections 2.1.2(a)(ii) and (iii) above.
- (2) Adjusted for the capitalisation of the balance 3CMP Advances of S\$20.67 million and foreign exchange translation adjustment. For more details, please refer to Section 2.1.2(a)(iii) above.

In November 2019, the Company commissioned the Independent Valuer, Knight Frank Malaysia Sdn Bhd, to carry out a market valuation of the Properties as at 31 December 2019, and appointed the Independent Valuer as the exclusive real estate agent to sell the Properties by way of a public tender. For more details on the public tender, please refer to Section 4.1 of this Circular. Based on an updated valuation report dated 15 February 2022 ("**Valuation Report**") commissioned by the Company and prepared by the Independent Valuer in respect

LETTER TO SHAREHOLDERS

of the Properties, the market value¹ of the Properties as at 31 December 2021 was S\$81.25 million (or approximately RM251.0 million based on an exchange rate of S\$1.00 : RM3.089).

The valuation certificate in respect of the Valuation Report ("**Valuation Certificate**") is reproduced and appended in its entirety in Appendix A to this Circular.

2.2 Information on the Purchaser

The Purchaser is a company incorporated under the law of Singapore. The Purchaser has four (4) shareholders comprising:

- (a) Phileo Capital, a company incorporated in the British Virgin Islands, holding 50.0% of the issued share capital of the Purchaser. Phileo Capital is a Controlling Shareholder holding Shares representing 47.21% of Existing Share Capital;
- (b) Champion Brave, an investment holding company incorporated in Malaysia, holding 25.0% of the issued share capital of the Purchaser. Champion Brave is a Controlling Shareholder holding Shares representing 20.76% of Existing Share Capital;
- (c) Casi Management, an investment holding company incorporated in Malaysia, holding 12.5% of the issued share capital of the Purchaser. Casi Management is a Substantial Shareholder holding Shares representing 10.38% of the Existing Share Capital; and
- (d) Halfmoon Bay, an investment holding company incorporated in the British Virgin Islands, holding 12.5% of the issued share capital of the Purchaser. Halfmoon Bay is a Substantial Shareholder holding Shares representing 6.49% of the Existing Share Capital.

The directors of the Purchaser comprise Tan Sri Tong Kooi Ong, Ms Lee Wen Ling, Tan Sri Wan Azmi bin Wan Hamzah ("**Tan Sri Wan Azmi**") and Mr Krian Upatkoorn.

Separately, Tan Sri Wan Azmi holds 100% of the issued share capital of Golden Ring. Golden Ring is a Shareholder holding 119,402,985 Shares representing 3.89% of the Existing Share Capital.

As Phileo Capital is a Controlling Shareholder of the Company and holds shares representing more than 30.0% of the issued share capital of the Purchaser, the Purchaser is an associate of a Controlling Shareholder and deemed an interested person under Catalist Rules. For more details of the Proposed Disposal as an interested person transaction, please refer to Section 2.5 of this Circular.

¹ For the purpose of the Valuation Report, "market value" was defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion. In arriving at the valuation, the Independent Valuer considered the sales of similar or substitute properties and related market data, and established a value estimate by making adjustments for differences in factors that affect value.

LETTER TO SHAREHOLDERS

2.3 Principal Terms of the Sale and Purchase Agreement

2.3.1 Consideration for the Sale Shares

The Consideration for the Sale Shares is S\$36.0 million. The Consideration was arrived at arm's length on a 'willing buyer willing seller' basis between the Purchaser and the Company, and after taking into account the following:

- (a) the financial results and position of 3CMP based on the audited financial information of the Group for FY2020 and the unaudited financial information of the Group for FY2021, including without limitation the NTA/book value of 3CMP and the outstanding PBB Loan;
- (b) the rationale for and benefits to the Group arising from the Proposed Disposal, details of which are set out in Section 4.1 of this Circular;
- (c) the Valuation Report; and
- (d) the historical operating track record of 3CMP.

Based on the unaudited consolidated financial information of the Group for FY2021, and assuming that the balance 3CMP Advances of S\$20.67 million outstanding as at 31 December 2021 has been capitalised on 31 December 2021:

- (i) the Consideration represents an excess of approximately S\$5.87 million over the adjusted NTA/book value of the Sale Shares of S\$30.13 million; and
- (ii) the net gain on disposal of the Sale Shares is approximately S\$5.57 million having taken into account estimated incidental costs such as professional fees.

Please refer to Section 2.7 of this Circular for details on the use of net sale proceeds from the Proposed Disposal.

2.3.2 Conditions Precedent

The agreement to sell and purchase the Sale Shares is conditional upon the following conditions precedent ("**SPA Conditions**") having been satisfied (or waived by the relevant party):

- (a) the passing at a general meeting of the Company of:
 - (i) the requisite resolutions to approve the Proposed Disposal as an interested person transaction and a major transaction under the Catalist Rules, and any transactions contemplated under the Sale and Purchase Agreement; and
 - (ii) the resolution, by way of a special resolution, to approve the Proposed Capital Reduction;

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- (b) the expiry of the 6 week statutory period beginning from the date of the passing of the resolution for the Proposed Capital Reduction without any objection raised by the creditors of the Company;
- (c) the execution of a moratorium deed by each of Phileo Capital, Champion Brave, Casi Management, Halfmoon Bay and Golden Ring (collectively, the “**Relevant Shareholders**”) not to transfer, sell or dispose of any legal or beneficial interests in their respective shareholding of such number of Shares held by them as set out in the Sale and Purchase Agreement until after the Books Closure Date;
- (d) if required by the Company, evidence satisfactory to the Company that each Relevant Shareholder has withdrawn the Shares held by them as book-entry securities and deposited with the CDP into script form and delivered such script certificates with the company secretary of the Company;
- (e) the consent by contractual parties (including without limitation, Public Bank Berhad) to the Proposed Disposal having been obtained where the terms of any contracts contain any restriction or prohibition on the change in control of the shareholdings and/or the Board or includes any right to terminate exercisable prior to or as a result of any matter contemplated by the Sale and Purchase Agreement, written confirmation in a form and on terms (if any) satisfactory to the Purchaser by the counterparties thereto, of the waiver of such restrictions or prohibition in relation to any such change arising from the transactions under the Sale and Purchase Agreement or any such right to terminate (including without limitation, the waiver by Public Bank Berhad of the fulfilment of certain requirements of the facilities granted to 3CMP); and
- (f) the licences, authorisations, orders, grants, confirmation, permissions, registrations and other approvals necessary or desirable for or in respect of the proposed acquisition of the Sale Shares by the Purchaser having been obtained from appropriate governments, governmental, courts or other regulatory bodies on terms satisfactory to the Purchaser and such licences, authorisations, orders, grants, confirmations, permissions, registrations and other approvals remaining in full force and effect.

If the SPA Conditions are not satisfied or waived on or before six (6) months from the date of the Sale and Purchase Agreement (“**Long Stop Date**”), the parties may, by mutual agreement in writing, extend the Long Stop Date to a later date (“**Extended Long Stop Date**”), provided that the failure by a party to satisfy the SPA Condition is capable of remedy. If the parties do not extend the Long Stop Date in such event, or if any of the SPA Conditions is not satisfied or waived on or before the Extended Long Stop Date, save as expressly provided herein, the Sale and Purchase Agreement (other than the surviving provisions) shall ipso facto terminate without the need for notice and thereafter, neither the Company nor the Purchaser shall have any claim against the other under it, save for any claim arising from antecedent breaches of the Sale and Purchase Agreement.

2.3.3 Settlement of the Consideration

The Consideration shall be satisfied as follows:

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- (a) a cash sum of S\$4.32 million shall be paid to the Company on Completion (“**Cash Consideration**”); and
- (b) the balance consideration of S\$31.68 million (“**Balance Consideration**”) shall be paid or deemed paid by the set-off against the aggregate Cash Distribution Amount due to the Relevant Shareholders pursuant to the Proposed Cash Distribution and for this purpose, the Company and the Purchaser shall execute, and the Purchaser shall procure that all the Relevant Shareholders execute, a set-off letter in the form as set out in the Sale and Purchase Agreement.

2.3.4 Capitalisation of advances from the Company

Pursuant to the terms of the Sale and Purchase Agreement, the Company agrees that it shall, immediately prior to completion of the Proposed Disposal, capitalise all loans together with interest advanced by the Company to 3CMP into new ordinary shares of 3CMP and the Sale Shares shall, for the avoidance of doubt, include all such newly issued shares. Accordingly, all 3CMP Advances will be capitalised into ordinary shares and be sold to the Purchaser as part of the Sale Shares under the Sale and Purchase Agreement.

As at the Latest Practicable Date, 3CMP Advances aggregating S\$54.74 million (RM166.33 million) was granted to 3CMP to service the PBB Loan instalments and interests which were due and payable and for working capital purposes. The 3CMP Advances were fully capitalised by the Company and as at the Latest Practicable Date, no 3CMP Advances are due and outstanding from 3CMP.

2.3.5 Company’s obligations in relation to the conduct of 3CMP

The Company shall collaborate in good faith with the Purchaser in relation to all material matters concerning the business and affairs of 3CMP and in consultation and with the consent of the Purchaser, such consent shall not be unreasonably withheld or delayed. Without prejudice to the foregoing provision, the Company shall undertake to procure and ensure that, between the date of the Sale and Purchase Agreement and Completion, 3CMP:

- (a) shall carry on its business as a going concern in the ordinary and usual course as carried on prior to the date of the Sale and Purchase Agreement; and
- (b) shall maintain in force all existing approvals, permits, consents and licences in respect of the Properties and the proposed development on the Properties.

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2.4 Relative figures under Chapter 10 of the Catalyst Rules

The relative figures for the Proposed Disposal as computed on the bases set out in Rule 1006 of the Catalyst Rules and the latest announced unaudited consolidated financial information of the Group for FY2021 are as follows:

Rule	Basis	%
1006(a)	Net asset value of 3CMP, compared with the Group's net asset value	102.3
1006(b)	Net loss ⁽¹⁾ attributable to 3CMP, compared with the Group's net loss	89.8
1006(c)	Aggregate value of the consideration received, compared with the Company's market capitalisation ⁽²⁾ based on the total number of issued Shares (excluding treasury shares).	97.8
1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable ⁽³⁾
1006(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. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable ⁽⁴⁾

Notes:

- (1) "Net loss" means loss including discontinued operations that have not been disposed and before income tax and non-controlling interests. 3CMP's net loss, based on the latest announced unaudited consolidated financial information of the Group for FY2021, amounted to approximately S\$8.65 million.
- (2) Under Rule 1002(5) of the Catalyst Rules, "market capitalisation" is determined by multiplying the number of Shares in issue by the weighted average price of such Shares transacted on the market day preceding the date of the Sale and Purchase Agreement. Accordingly, the market capitalisation of the Company is based on 3,067,053,978 Shares in issue and the weighted average price of S\$0.012 of the Shares transacted on 22 February 2022, being the last market date preceding the date of the Sale and Purchase Agreement that the Shares were traded, and as such the market capitalisation for the purposes of the Proposed Disposal is S\$36.80 million.
- (3) Rule 1006(d) of the Catalyst Rules is not applicable to a disposal of assets.
- (4) Rule 1006(e) of the Catalyst Rules is not applicable as the Company is not a mineral, oil and gas company.

As the relative figures computed on the basis set out in Rules 1006(a), 1006(b) and 1006(c) of the Catalyst Rules exceed 50.0%, the Proposed Disposal is classified as a "major transaction" under Chapter 10 of the Catalyst Rules, and pursuant to Rule 1014 of the Catalyst Rules, the Proposed Disposal shall be conditional upon the approval of Shareholders in the EGM to be convened by the Company.

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In addition, Section 160 of the Companies Act provides that the directors of a company shall 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 general meeting. As the Proposed Disposal represents a substantial part of the business and undertaking of the Company, the Company is also required under Section 160 of the Companies Act to obtain the approval of the Shareholders for the Proposed Disposal.

The resolution to seek Shareholders' approval for the Proposed Disposal is set out in Ordinary Resolution 1 in the Notice of EGM.

2.5 **The Proposed Disposal as an Interested Person Transaction**

2.5.1 Relationship between the Purchaser and the Group

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 the requirements in Chapter 9 of the 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 a general meeting.

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. An associate includes any company in which (a) a director, chief executive officer or controlling shareholder (being an individual); and (b) a controlling shareholder (being a company), have an interest of 30.0% or more.

As mentioned in Section 2.2 of this Circular, the shareholders of the Purchaser include Phileo Capital who is a Controlling Shareholder. Phileo Capital holds more than 30.0% of the issued share capital of the Purchaser. Accordingly, the Purchaser is an associate of a Controlling Shareholder and is deemed an interested person under the Catalist Rules.

2.5.2 The Proposed Disposal as an Interested Person Transaction

As the Purchaser is an interested person under the Catalist Rules, the Proposed Disposal is deemed an interested person transaction under the Catalist Rules.

Based on the latest audited consolidated financial information of the Group for FY2020, the NTA of the Group was approximately S\$38.21 million. The Consideration for the Sale Shares is S\$36.0 million, representing approximately 94.2% of the NTA of the Group as at 31 December 2020.

As the Consideration exceeds 5.0% of the latest audited NTA of the Group, the Proposed Disposal is an interested person transaction subject to approval by Independent Shareholders

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at the EGM to be convened. Pursuant to Rule 919 of the Catalist Rules the aforementioned interested person and its associates are required to abstain from voting on the resolution approving each interested person transaction at the EGM to be convened.

2.5.3 Aggregate value of interested person transactions with the Purchaser

As at the Latest Practicable Date:

- (i) the Purchaser has granted 3CMP a non-interest bearing loan of a principal sum of up to S\$16.8 million ("**Properties Loan**") pursuant to a loan agreement dated 19 March 2020 and supplemented by a supplemental deed dated 19 March 2021 (collectively, the "**Loan Agreement**");
- (ii) S\$4.2 million of the Properties Loan has been drawn down and the Properties Loan has been taken into account in arriving at the NTA/book value of 3CMP at Section 2.1.3 above; and
- (iii) save for the Proposed Disposal and the Properties Loan, no other interested person transaction has been entered into by the Group in FY2021 or the current financial year ending 31 December 2022, whether with the Purchaser or its associates.

As the Properties Loan is non-interest bearing, as at the Latest Practicable Date, the aggregate value of transactions entered into with the Purchaser for the financial year ending 31 December 2021 is S\$36.0 million, being the Consideration payable by the Purchaser for the Proposed Disposal.

2.6 **IFA Opinion**

2.6.1 Pursuant to Rule 921(4)(a) of the Catalist Rules, the Company has appointed the IFA to advise the Recommending Directors on whether the Proposed Disposal is on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

2.6.2 The IFA's opinion is extracted from paragraph 5 of the IFA Letter and set out in italics as follows and capitalised terms used within these reproduced statements bear the meanings defined for them in the IFA Letter:

"We set out below a summary of the key factors we have taken into our consideration on our assessment of the Proposed Disposal:

- (a) *the Consideration of S\$36.0 million represents a premium of approximately S\$4.78 million (or 15.3%) to the RNAV of 3CMP as at 31 December 2021;*
- (b) *the Company has attempted to sell the Properties but did not receive any offer in the public tender held between January and March 2020;*

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- (c) *the Proposed Disposal is expected to improve the Group's financial position and alleviate its immediate working capital needs, and the need to continue sourcing funding resources to service the PBB Loan and the Properties Loan;*
- (d) *3CMP reported losses for its past three completed financial years and the development order for the Properties has lapsed with no renewal made as at the Latest Practicable Date. Accordingly, it is unlikely for 3CMP to turnaround its financial performance for the current financial year ending 31 December 2022;*
- (e) *the P/RNAV ratio of 3CMP implied by the Consideration is higher than the P/NAV ratios of the Comparable Companies; and*
- (f) *other considerations as set out in paragraph 4.6 above.*

Accordingly, after taking into account the above factors and the information made available to us as at the Latest Practicable Date, we are of the opinion that, on balance, the terms of the Proposed Disposal are on normal commercial terms and are not prejudicial to the interest of the Company and its minority Shareholders.

- 2.6.3 The IFA Letter is reproduced and appended in its entirety in Appendix B to this Circular and Shareholders are advised to read the IFA Letter in its entirety carefully.

2.7 Use of proceeds

The net sale proceeds from the Proposed Disposal, after deducting all costs and expenses, is estimated to be approximately S\$35.7 million, all of which will be applied for the Proposed Cash Distribution (if approved by Shareholders).

3. PROPOSED CAPITAL REDUCTION AND PROPOSED CASH DISTRIBUTION

3.1 Details of the Proposed Capital Reduction

3.1.1 Proposed Capital Reduction

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of approximately S\$177.8 million comprising 3,067,053,978 Shares. The Company does not have any outstanding convertibles, treasury shares and subsidiary holdings.

The purpose of the Proposed Capital Reduction is partly to cancel issued and paid-up share capital of the Company no longer represented by available assets due to the Accumulated Losses. The Accumulated Losses arose mainly due to allowance for impairment loss in investment in subsidiaries, loss on disposal of investment in subsidiary, allowance for doubtful debts for amount due from subsidiaries and operating expenses.

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In connection with the Proposed Capital Reduction, the Company will also make the Proposed Cash Distribution of the Cash Distribution Amount.

3.1.2 Amount to be distributed under the Proposed Capital Reduction

The Cash Distribution Amount is approximately S\$35.7 million in aggregate and will be distributed, *pro-rata*, to all the Shareholders as at the Books Closure Date, subject to the conditions set out in Section 3.4 below having been satisfied. The respective entitlement of the Shareholders to the Cash Distribution Amount is equal to approximately S\$0.01164 per Share based on the Existing Share Capital of 3,067,053,978 Shares as at the Latest Practicable Date.

The actual amount per Share to be received by each Shareholder pursuant to the Proposed Capital Reduction will be based on the total number of Shares in existence as at the Books Closure Date. The aggregate Cash Distribution Amount to be paid to each Shareholder pursuant to the Proposed Capital Reduction and the Proposed Cash Distribution will be adjusted by rounding down any fractions of a cent to the nearest cent, where applicable.

3.1.3 Illustration of Proposed Cash Distribution

The following illustrates the position of a Shareholder who holds one (1), 10, 100 and 1,000 Shares as at the Books Closure Date:

No. of Shares held	Amount payable to a Shareholder pursuant to the Proposed Cash Distribution
1	S\$0.01 (rounding down to the nearest cent)
10	S\$0.11
100	S\$1.16
1,000	S\$11.64

3.1.4 No cancellation of Shares or change in shareholdings

The Proposed Capital Reduction will not result in any change in the number of Shares held by any Shareholder. Each Shareholder will hold the same number of Shares before and immediately after the Proposed Capital Reduction. Accordingly, assuming the Shareholders have not dealt in the Shares, each Shareholder will hold the same number of Shares before and immediately after the Proposed Capital Reduction.

3.2 **Funds for the Proposed Cash Distribution**

The Proposed Cash Distribution will be funded from the sale proceeds from the Proposed Disposal. Any Cash Distribution Amount payable to the Relevant Shareholders will be set-off against the Balance Consideration payable by the Purchaser in respect of the Proposed Disposal, and no cash will be distributed to such Relevant Shareholders up to the amount equivalent to the Balance Consideration. For more details, please refer to Section 2.3.3 of this Circular.

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3.3 Solvency Statement

In determining the Proposed Cash Distribution to Shareholders, the Board has ensured that the Company will have retained sufficient working capital to support its existing operations and pay its debts. As at the Latest Practicable Date, the aggregate outstanding debts of the Company amount to approximately S\$95,000.

Pursuant to this and in compliance with the provisions of Section 78C of the Companies Act, each Director will make a Solvency Statement confirming:

- (a) that, as regards the Company's situation at the date of the Solvency Statement, there is no ground on which the Company could be found to be unable to pay its debts;
- (b) where:
 - (i) it is intended to commence winding up of the Company within the period of 12 months immediately after the date of the Solvency Statement, the Company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or
 - (ii) it is not intended so to commence winding up, the Company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the Solvency Statement; and
- (c) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the Proposed Capital Reduction, become less than the value of its liabilities (including contingent liabilities).

Pursuant to Section 78C(4) of the Companies Act, copies of the Solvency Statements are required to be made available for inspection at the EGM, as well as at the registered office of the Company for a period of six (6) weeks beginning with the date of the EGM.

As the Company will conduct the EGM by electronic means only and Shareholders will not be able to physically attend the EGM, pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the Company will make available copies of the Solvency Statements on SGXNet at URL <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL <http://www.3cenergy.com.sg/>.

Copies of the Solvency Statements will also be made available for inspection at the registered office of the Company at 380 Jalan Besar, #16-01 Arc 380, Singapore 209000 during normal business hours for six (6) weeks beginning with the date of the EGM. Due to the mandatory safe distancing measures issued by the Singapore Ministry of Health in relation to the COVID-19 outbreak, please contact the Company at enquiries@3cenergy.com.sg at least three (3) working days' in advance to make a prior appointment to attend at the registered office of the Company to inspect the Solvency Statements.

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3.4 Conditions for the Proposed Capital Reduction

The Proposed Capital Reduction is subject to, *inter alia*:

- (a) the completion of the Proposed Disposal;
- (b) the Directors making the Solvency Statement in relation to the Proposed Capital Reduction and compliance with other relevant solvency requirements as required by the Companies Act;
- (c) the approval of the Shareholders by way of a special resolution for the Proposed Capital Reduction (that is, 75.0% of those voting) at the EGM;
- (d) compliance with the relevant publicity requirements as prescribed in the Companies Act;
- (e) no application having been made for the cancellation of the Shareholders' resolution approving the Proposed Capital Reduction by any creditor of the Company within the timeframe prescribed in the Companies Act, or if such application was made, the withdrawal or dismissal thereof by the judicial authorities; and
- (f) the Company after the end of six (6) weeks (but before the end of eight (8) weeks) beginning with the date on which the Proposed Capital Reduction was approved by the Shareholders, lodging with the Accounting and Corporate Regulatory Authority of Singapore:
 - (i) a statement made by the Directors confirming that the requirements under Section 78C(1)(c) and Section 78C(3) (if applicable) of the Companies Act have been complied with, and that no application for cancellation of the resolution has been made; and
 - (ii) a notice containing the Proposed Capital Reduction information.

The Company will make an immediate announcement to update Shareholders if any of the conditions for the Proposed Capital Reduction as set out in this Section 3.4 is not met.

3.5 Administrative Procedures for the Proposed Cash Distribution

The following sections set out the administrative procedures for the Proposed Cash Distribution

3.5.1 Books Closure Date

- (a) Persons registered in the Register of Members and Depositors whose Securities Accounts are credited with Shares as at the Books Closure Date will be considered for purposes of the Proposed Cash Distribution, on the basis of such number of Shares registered in their names or standing to the credit of their Securities Accounts as at the Books Closure Date ("**Entitled Shareholders**").

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On the Expected Payment Date, the Entitled Shareholders will receive a sum of approximately S\$0.01164 for each Share held by them as at the Books Closure Date.

- (b) Subject to the satisfaction of the conditions set out in Section 3.4, the Company will make further announcements in due course as soon as reasonably practicable to notify Shareholders of:
- (i) the Books Closure Date;
 - (ii) the Effective Date, and
 - (iii) the Expected Payment Date.

3.5.2 Deposit of Scrip Shares with CDP

Entitled Shareholders who hold Shares registered in their own names in the Register of Members and who wish to deposit their Shares with CDP prior to the Books Closure Date must deliver the existing share certificates in respect of their Shares, together with the duly executed instruments of transfer in favour of CDP, at least 12 Market Days prior to the Books Closure Date, in order for their Securities Accounts to be credited with the relevant Shares by the Books Closure Date.

3.5.3 Payment pursuant to the Cash Distribution

- (a) *Entitled Shareholders holding Scrip Shares*

Shareholders whose Shares are registered in the Register of Members as at the Books Closure Date will have the cheques for payment of their entitlements under the Proposed Cash Distribution despatched to them by ordinary post at their own risk addressed to their respective addresses in the Register of Members on the Expected Payment Date. The Company shall not be liable for any loss in transmission.

- (b) *Entitled Shareholders who are Depositors*

Shareholders who are Depositors and who have Shares standing to the credit of their Securities Accounts as at the Books Closure Date will have the cheques for payment of their entitlements under the Proposed Cash Distribution despatched to them by CDP by ordinary post at their own risk on the Expected Payment Date. Alternatively, such Depositors will have payment of their entitlements under the Cash Distribution made in such other manner as they may have agreed with CDP for the payment of dividends or other distributions on the Expected Payment Date. Neither the Company nor CDP shall be responsible or liable for any loss in transmission.

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3.6 Taxation

Shareholders should note that the following statements are not to be regarded as advice on the tax position of any Shareholder or any tax implication arising from the Proposed Capital Reduction and Proposed Cash Distribution. Shareholders who are in doubt as to their respective tax positions or such tax implications or who may be subject to tax in a jurisdiction outside Singapore should consult their own tax advisers or other independent advisers.

For Singapore income tax purposes, payments made by a Singapore resident company to shareholders pursuant to share capital reductions are generally classified as either a return of capital (which is a capital gain not subject to tax) or a receipt of dividends (which is tax-empty under the one-tier corporate tax system). As such, for Singapore income tax purposes, any gains from such transactions are generally not taxable unless the proceeds constitute taxable revenue gains or profits from a trade or business carried on by the shareholders.

In relation to the Proposed Cash Distribution to be made to Shareholders pursuant to the Proposed Capital Reduction, as the amount to be paid to Shareholders pursuant to the Proposed Cash Distribution will be paid out of the reduction of the existing issued and paid-up share capital of the Company, the Proposed Cash Distribution should generally be regarded as a return of capital, and is therefore not taxable in Singapore for Shareholders, unless the proceeds constitute taxable revenue gains or profits from a trade or business carried on by Shareholders.

4. RATIONALE FOR THE PROPOSED TRANSACTIONS

4.1 Rationale for the Proposed Disposal

The Group acquired 3CMP in August 2016, with the intention to develop the Properties into a mixed-use development consisting of SOHOs, serviced apartments, condominium, office lots, office tower, hotel, street front retail and activity retail, a mixed development with predominantly residential components and complemented with retail and commercial components.

Since the acquisition of 3CMP, the Group had to defer the development of the Properties for a variety of reasons, including but not limited to regulatory changes in Malaysia to proposed integrated developments, government announcement on a freeze on approvals for residential properties above RM1.0 million, and a property market that had generally deteriorated. As mentioned in the previous sections to this Circular, following the outbreak of the COVID-19 pandemic, the Government of Malaysia and the Government of Singapore have implemented various measures such as restrictions on movement and gatherings to curb the spread of COVID-19. While the full impact of the COVID-19 pandemic cannot be determined now as it continues to evolve, the continuous spread of COVID-19 and the measures which authorities in Singapore, Malaysia and/or the region have implemented (or may implement in the future) have adversely affected the economy and further dampened the Malaysian property market.

3CMP has obtained the PBB Loan for the acquisition of the Properties. As at the Latest Practicable Date, the total outstanding PBB Loan is approximately S\$46.46 million (RM143.59

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million), of which S\$1.40 million (RM4.34 million) is due in the course of 2022. As at the Latest Practicable Date, 3CMP has cash in hand of approximately S\$0.24 million.

The Company had considered various options for raising funds, including a rights issue to shareholders, to fund the repayment of the PBB Loan. However, in view of the deterioration of the property market, in particular the State of Johor, and the funding needed to be raised to service the PBB Loan, the Company was not confident that the rate of subscription from minority shareholders would be sufficient to enable the Company to maintain the required public float for continued listing on the Catalist Board.

On 23 January 2020, the Company called a public tender for the proposed sale of the Properties through Knight Frank Malaysia Sdn Bhd, (“**Public Tender**”). The reserve price for the Public Tender was RM265.0 million, based on amongst others the valuation of the Properties as at 31 December 2019. The Public Tender closed on 12 March 2020 with the Company receiving no offers for the Properties.

As the Group’s cash resources were depleting, on 19 March 2020, 3CMP entered into the Loan Agreement with the Purchaser to obtain from the Purchaser the Properties Loan, being a non-interest bearing loan of a principal sum of up to S\$16.8 million, to meet, *inter alia*, 3CMP’s repayment obligations under its existing banking facilities. Under the terms of the Loan Agreement, the Properties Loan will be due for repayment on the earlier of: (i) 31 March 2022; 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 2022.

The COVID-19 regulatory restrictions and adverse market conditions are expected to persist. It will thus not be commercially viable for the Group to proceed with the development of the Properties in the foreseeable future. Meanwhile, the PBB Loan remains outstanding and is due for repayment. The Properties Loan granted by the Purchaser is only available up to 31 March 2022 and is only sufficient to service part of the PBB Loan.

By disposing of 3CMP, the Group will no longer be required to service the PBB Loan and the Properties Loan. As such, the Proposed Disposal is expected to improve the Group’s financial position and alleviate its immediate working capital needs, and the need to continue sourcing for funds to service the PBB Loan and the Properties Loan.

Following the Proposed Disposal, the Group will continue to focus on its current businesses of integrated property development management and real estate valuation and appraisal services. Such businesses are undertaken by the Group’s subsidiaries, Orientis Solutions Sdn Bhd and 3C Property Consultants Pte. Ltd., and have been the only revenue generating businesses of the Group.

4.2 **Rationale for the Proposed Capital Reduction**

The Proposed Capital Reduction will comprise the writing-off of the Accumulated Losses and the Proposed Cash Distribution.

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The writing off the Accumulated Losses will enable the Group to restructure the finances of the Company and serve to rationalise the balance sheet of the Company for it to be an accurate reflection of the financial position of the Company. In addition, the writing-off of the Accumulated Losses will facilitate future equity-related fund raising exercises to recapitalise and strengthen the balance sheet of the Company. The Company would also be in a better position to retain profits and enhance its ability to pay future dividends, when appropriate, if the Accumulated Losses are written off. The Directors will take into consideration the present and future funding needs of the Company and the Group before declaring any dividends.

Separately, the Proposed Cash Distribution would return to Shareholders, as at the Books Closure Date, the Cash Distribution Amount which comprises the paid-up capital in excess of the immediate requirements of the Company. The Proposed Capital Reduction and Proposed Cash Distribution, if effected, would result in the Company having a more efficient capital structure, thereby also improving Shareholders' return on equity. In determining the level of capital to be returned to Shareholders, the Company has ensured that it retains sufficient working capital for the remaining business of integrated property development management and real estate valuation and appraisal services (which have been the only revenue generating businesses of the Group), and operational needs.

5. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTIONS

5.1 Assumptions

The pro forma financial effects of the Proposed Disposal and the Proposed Capital Reduction are purely for illustrative purposes. The pro forma financial effects have been prepared based on the unaudited consolidated financial statements of the Group for FY2021, being the most recently completed financial year, and on the following key bases and assumptions:

- (a) for the purposes of illustrating the financial effects on the NTA per Share of the Group, it is assumed that the Proposed Disposal (and the capitalisation of the then outstanding 3CMP Advances) and the Proposed Capital Reduction had been completed on 31 December 2021;
- (b) the NTA per Share is computed based on the 3,067,053,978 Shares in issue (excluding treasury Shares) as at 31 December 2021, and the LPS of the Group is computed based on the weighted average number of 3,067,053,978 Shares in issue for FY2021;
- (c) for the purposes of illustrating the financial effects of the Proposed Disposal and the Proposed Capital Reduction on the LPS of the Group, it is assumed that the Proposed Disposal (and the capitalisation of the then outstanding 3CMP Advances) and the Proposed Capital Reduction had been completed on 1 January 2021;
- (d) the effect of the Proposed Capital Reduction on the paid-up capital, NTA and LPS of the Company takes into account the write-off the of Accumulated Losses of the Company based on the latest audited financial statements of the Company for FY2020 to the extent of S\$138,857,331 and the Proposed Cash Distribution of approximately S\$35.7 million; and

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- (e) the computation does not take into account any expenses that may be incurred in relation to the Proposed Disposal and/or the Proposed Capital Reduction.

5.2 Share Capital

	Before the Proposed Disposal and Proposed Capital Reduction	After the Proposed Disposal and before Proposed Capital Reduction	After the Proposed Disposal and Proposed Capital Reduction
No. of Shares	3,067,053,978	3,067,053,978	3,067,053,978
Paid-up capital (S\$)	177,821,664	177,821,664	3,264,333

5.3 NTA

	Before the Proposed Disposal and Proposed Capital Reduction	After the Proposed Disposal and before Proposed Capital Reduction	After the Proposed Disposal and Proposed Capital Reduction
NTA attributable to Shareholders (S\$ million)	29.55	35.88	0.18
NTA per Share (cents)	0.96	1.17	0.01

5.4 LPS

	Before the Proposed Disposal and Proposed Capital Reduction	After the Proposed Disposal and before Proposed Capital Reduction	After the Proposed Disposal and Proposed Capital Reduction
Loss attributable to Shareholders (S\$'000)	8,647	2,621	2,621
Loss per Share (cents)	0.28	0.09	0.09

LETTER TO SHAREHOLDERS

6. RECOMMENDATIONS

6.1 Audit Committee's Statement in respect of the Proposed Disposal

The Audit Committee of the Company comprises Mr Loh Chen Peng (Lead Independent Director), Mr Ong Pai Koo @ Sylvester (Independent Non-Executive Chairman), and Ms Au Foong Yee (Non-Independent Non-Executive Director). The Chairman of the Audit Committee is Mr Loh Chen Peng.

As at the Latest Practicable Date, Ms Au Foong Yee directly holds 2,000,000 Shares representing 0.07% of the total issued share capital of the Company. Other than by reason only of being a holder of Shares, all the members of the Audit Committee do not have any interests in the Proposed Disposal and are accordingly deemed to be independent for the purposes of the Proposed Disposal.

The Audit Committee, having considered and reviewed, *inter alia*, the rationale for the Proposed Disposal, the terms of the Sale and Purchase Agreement, the financial effects of the Proposed Disposal and the Valuation Report, the Audit Committee concurs with the opinion of the IFA and is satisfied that, the terms of the Proposed Disposal are on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

Accordingly, the Audit Committee recommends that the Independent Shareholders vote in favour of the Proposed Disposal to be proposed at the EGM.

6.2 Directors' Recommendations in respect of the Proposed Transactions

Having considered and reviewed, *inter alia*, the rationale for the Proposed Transactions, the terms of the Sale and Purchase Agreement, the financial effects of the Proposed Transactions, the Valuation Report, as well as the advice of the IFA in the IFA Letter and the views of the Audit Committee as set out in Section 6.1 of this Circular, the Recommending Directors (comprising all Directors as at the Latest Practicable Date, and all of whom are deemed independent for the purposes of the Proposed Transactions) are of the opinion that the Proposed Transactions are in the best interests of the Company and the Shareholders. Accordingly, the Recommending Directors recommend that:

- (a) Independent Shareholders vote in favour of Ordinary Resolution 1; and
- (b) Shareholders vote in favour of Special Resolution 2,

set out in the Notice of EGM.

7. ABSTENTION FROM VOTING

Rule 919 of the Catalist Rules requires that interested persons and their associates must not vote on any Shareholders' resolutions approving the interested persons transaction.

LETTER TO SHAREHOLDERS

The shareholders of the Purchaser comprise (a) Phileo Capital; (b) Champion Brave; (c) Casi Management; and (d) Halfmoon Bay. Each of Phileo Capital and Champion Brave is a Controlling Shareholder, and each of Casi Management and Halfmoon Bay is a Substantial Shareholder. The directors of the Purchaser comprise Tan Sri Tong Kooi Ong, Ms Lee Wen Ling, Tan Sri Wan Azmi and Mr Krian Upatkoorn. Separately, Tan Sri Wan Azmi holds 100% of the issued share capital of Golden Ring. Golden Ring is a shareholder of the Company holding 119,402,985 Shares representing 3.89% of the issued share capital of the Company as at the Latest Practicable Date. For more details on the shareholders of the Purchaser, please refer to Section 2.2 of this Circular.

For the purpose of Rule 919, each of the Purchaser, Phileo Capital and Tan Sri Tong Kooi Ong has undertaken (i) to abstain from voting at the EGM in relation to the Proposed Disposal and to not appoint the Chairman of the EGM as proxy; and (ii) to ensure that their associates will abstain from voting at such EGM.

Additionally, for good corporate governance, while each of Champion Brave, Casi Management, Halfmoon Bay and Golden Ring is not an interested person for the purposes of the Proposed Disposal, each of Champion Brave, Casi Management, Halfmoon Bay and Golden Ring will abstain from voting at the EGM in relation to the Proposed Disposal and will not appoint the Chairman of the EGM as proxy.

8. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of Directors and Substantial Shareholders in the Shares of the Company, as at the Latest Practicable Date, are as follows:

	Direct Interest (No. of Shares)	Deemed Interest (No. of Shares)	Total Interest	
			No. of Shares	% of Existing Share Capital
Directors				
Loh Chen Peng	-	-	-	-
Ong Pai Koo @ Sylvester	-	-	-	-
Au Foong Yee ⁽¹⁾	2,000,000	-	2,000,000	0.07
Substantial Shareholders				
Phileo Capital Limited	1,447,947,840	-	1,447,947,840	47.21
TMF Trustees Singapore Limited ⁽²⁾	-	1,447,947,840	1,447,947,840	47.21
Tan Sri Tong Kooi Ong ⁽³⁾	-	1,447,947,840	1,447,947,840	47.21
Halfmoon Bay Capital Limited	199,004,973 ⁽⁴⁾	-	199,004,973	6.49
Tan Sri Wan Azmi bin Wan Hamzah ⁽⁵⁾	-	318,407,958	318,407,958	10.38
Champion Brave Sdn. Bhd.	636,815,920	-	636,815,920	20.76

LETTER TO SHAREHOLDERS

	Direct Interest (No. of Shares)	Deemed Interest (No. of Shares)	Total Interest	
			No. of Shares	% of Existing Share Capital
Tan Sri Lee Oi Hian ⁽⁶⁾	-	636,815,920	636,815,920	20.76
Casi Management Sdn Bhd	318,407,958 ⁽⁷⁾	-	318,407,958	10.38
Tan Sri Dato' Surin Upatkoon ⁽⁸⁾	-	318,407,958	318,407,958	10.38

Notes:

- (1) The Shares are held by Ms Au Foong Yee jointly with her spouse, Mr Lu Ping Liang.
- (2) By virtue of Section 4 of the SFA, TMF Trustees Singapore Limited ("**TMF Trustees**") is deemed interested in the Shares held by Phileo Capital Limited which is 100% held by TMF Trustees.
- (3) By virtue of Section 4 of the SFA, Tan Sri Tong Kooi Ong ("**Tan Sri Tong**") is deemed interested in the Shares held by Phileo Capital Limited as Tan Sri Tong is the sole ultimate beneficial owner of Phileo Capital Limited through TMF Trustees, the trustee of a family trust of which Tan Sri Tong is the sole beneficiary.
- (4) The entire Shares are held in the name of Citibank Nominees Singapore Pte Ltd.
- (5) By virtue of Section 4 of the SFA, Tan Sri Wan Azmi bin Wan Hamzah is deemed interested in the Shares held by Golden Ring Worldwide Ltd and Halfmoon Bay Capital Limited as he holds 100% and 28.57% of shares in Golden Ring Worldwide Ltd and Halfmoon Bay Capital Limited, respectively.
- (6) By virtue of Section 4 of the SFA, Tan Sri Lee Oi Hian is deemed interested in the Shares held by Champion Brave Sdn. Bhd. as he is a 99.99% majority shareholder of Champion Brave Sdn. Bhd..
- (7) The entire Shares are held in the name of UOB Kay Hian Pte Ltd for Metra Nominees Sdn Bhd, appointed nominee for Casi Management Sdn Bhd.
- (8) By virtue of Section 4 of the SFA, Tan Sri Dato' Surin Upatkoon is deemed interested in the Shares held by Casi Management Sdn Bhd as he is a 92.72% majority shareholder of Casi Management Sdn Bhd.

Save as disclosed in this Circular, none of the Directors and/or Substantial Shareholder has any interest, direct or indirect, in the Proposed Transactions other than through their office as Directors and/or their respective shareholdings in the Company.

9. SERVICE CONTRACT

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal and there are no service contracts arising from the Proposed Disposal.

LETTER TO SHAREHOLDERS

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Transactions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular 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 Circular in its proper form and context.

11. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-5 of this Circular, will be held by way of electronic means on 22 March 2022 at 2.30 p.m. for the purpose of considering and, if thought fit, passing with or without modifications, Ordinary Resolution 1 and Special Resolution 2 set out in the Notice of EGM.

12. ACTION TO BE TAKEN BY SHAREHOLDERS

Due to the mandatory safe distancing measures issued by the Singapore Ministry of Health in relation to the COVID-19 outbreak, the Company will conduct the EGM by electronic means only and Shareholders will not be able to physically attend the EGM. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) watching the EGM proceedings via a live audio-visual webcast or live audio-only stream, (b) attending and participating in a VIS via a live audio-visual webcast or live audio-only stream; (c) submitting questions in advance of the EGM, and/or (d) voting by proxy at the EGM.

Please refer to pages N-1 to N-5 for further details. Shareholders who wish to attend and vote at the EGM must complete, sign and return the Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, not less than forty-eight (48) hours before the time fixed for the EGM.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the current registered office of the Company at 380 Jalan Besar, #16-01 Arc 380, Singapore 209000 during normal business hours for three (3) months from the date of this Circular:

- (a) the Sale and Purchase Agreement;
- (b) the Valuation Report (together with the Valuation Certificate);

LETTER TO SHAREHOLDERS

- (c) the IFA Letter;
- (d) the annual report of the Company for FY2020;
- (e) the letters of consent from the Independent Valuer and the IFA; and
- (f) the constitution of the Company.

Due to the mandatory safe distancing measures issued by the Singapore Ministry of Health in relation to the COVID-19 outbreak, please contact the Company at enquiries@3cenergy.com.sg at least three (3) working days' in advance to make a prior appointment to attend at the registered office of the Company to inspect the documents.

Yours faithfully,
For and on behalf of the Board of Directors of
3CENERGY LIMITED

Ong Pai Koo @ Sylvester
Independent Non-Executive Chairman

APPENDIX A – VALUATION CERTIFICATE

PRIVATE & CONFIDENTIAL

3Cnergy Limited

380 Jalan Besar
#16-01 ARC 380
Singapore 209000

Date: 15th February 2022

Reference No.: V/JB/21/119/tsy

Dear Sir,

VALUATION CERTIFICATE FOR THREE PARCELS OF COMMERCIAL LAND HELD UNDER LOT NOS. 194830, 194831 AND 194832 HELD UNDER TITLE NOS. GRN 600873, GRN 600874 AND GRN 600875 RESPECTIVELY (PREVIOUSLY KNOWN AS LOT NOS. PTD 201580, PTD 201581 AND PTD 201582 HELD UNDER TITLE NOS. HSD 570815, HSD 570816 AND HSD 570817 RESPECTIVELY), ALL LOCATED WITHIN MUKIM OF PULAI, DISTRICT OF JOHOR BAHRU, STATE OF JOHOR DARUL TAKZIM (HEREINAFTER REFERRED AS THE "SUBJECT PROPERTIES")

We refer to your instruction for our firm to provide a valuation of the Subject Properties which were valued by us under Reference No. V/JB/21/119/tsy dated 15th February 2022.

This valuation is prepared for the purpose of **Submission to the Singapore Exchange Securities Trading Limited (SGX), and/or the Catalyst continuing sponsor of the 3Cnergy Limited, and inclusion into the annual report or shareholders' circular (if applicable); inspection by shareholders of 3Cnergy Limited; and Financial Reporting;** in which is in compliance with Malaysian Financial Reporting Standard (MFRS) 13 Fair Value Measurement, which take into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participants that would use the asset in its highest and best use. The highest and best use of a non-financial asset takes into account the use of the asset that is physically possible, legally permissible and financially feasible.

The basis of valuation adopted is the **Market Value** which is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

We have conducted the site inspection on **27th December 2021** and **6th January 2022**; and we were specifically instructed by the Client to adopt **31st December 2021** as the material date of valuation. We have also conducted title searches at the Pejabat Tanah dan Galian Johor on 21st December 2021 but these are done to establish title particulars relevant to this Valuation only. We recommend that **official title searches** be conducted and further legal advice be sought to verify the abovementioned title particulars.

For the purpose of this Valuation Certificate, we have summarised the relevant facts and information included in our Valuation Report and outlined the key factors which have been considered in arriving at our opinion of the Market Value. This Certificate does not contain all the necessary data and information included in the Valuation Report.

This Valuation Certificate is prepared in accordance with the General Principles Adopted and Limiting Conditions and Standard Terms of Business for Valuation; as enclosed at the end of this Certificate.

Knight Frank Malaysia Sdn Bhd (Co. No. 585479-A) (VE (1) 0141/1)

Brief description of the Subject Properties is as attached below.

IDENTIFICATION OF PROPERTY

Legal Description	Lot Nos. 194830, 194831 and 194832 held under Title Nos. GRN 600873, GRN 600874 and GRN 600875 respectively (previously known as Lot Nos. PTD 201580, PTD 201581 and PTD 201582 held under Title Nos. HSD 570815, HSD 570816 and HSD 570817 respectively), all located within Mukim of Pulai, District of Johor Bahru, State of Johor Darul Takzim.
Address	Plot Nos. CN1, CN2 and CN4, Puteri Harbour, 79000 Iskandar Puteri, Johor Darul Takzim.
Type of Property	Three (3) parcels of vacant commercial land.
Term of Reference	WE NOTED THAT A SINGLE-STOREY SALES GALLERY WAS ERECTED ON THE SOUTH-WESTERN CORNER OF LOT 194832 (PLOT NO. CN2). IN ACCORDANCE TO THE LETTER OF APPROVAL DATED 12TH APRIL 2017 ISSUED BY MAJLIS PERBANDARAN JOHOR BAHRU TENGAH (MPJBT), WE NOTED THAT THE SAID SALES GALLERY IS APPROVED ONLY AS A TEMPORARY BUILDING UNDER A TEMPORARY PERMIT WHICH REQUIRES YEARLY RENEWAL. IN VIEW THAT IT IS ONLY A TEMPORARY BUILDING BUILT ON COMMERCIAL LAND WE HAVE EXCLUDED THE SALES GALLERY IN OUR VALUATION AND VALUED THE SUBJECT PROPERTIES AS THREE (3) PARCELS OF VACANT COMMERCIAL LAND; AND WE WERE SPECIFICALLY INSTRUCTED BY THE CLIENT TO ADOPT <u>31ST DECEMBER 2021</u> AS THE MATERIAL DATE OF VALUATION.

Title Particulars The following table outlines the title particulars of the Subject Properties: -

Summary of Title Particulars

Lot No.	Title No.	Land Area*		Quit Rent (per annum)
		sq. metre	sq. feet	
Lot 194830 (previously PTD 201580)	GRN 600873 (previously HSD 570815)	62,220	669,730	RM366,324.00
Lot 194831 (previously PTD 201581)	GRN 600874 (previously HSD 570816)	71,640	771,126	RM421,596.00
Lot 194832 (previously PTD 201582)	GRN 600875 (previously HSD 570817)	38,540	414,841	RM226,968.00

Note:

*We note that the land area of the final surveyed titles and provisional titles (previous titles) are different. For the purpose of this Valuation, we have adopted the final surveyed titles' land area in our calculation.

Tenure	: Interest in perpetuity, in respect of all titles.
Registered Proprietor	: 3C Marina Park Sdn Bhd.; in respect of all titles.
Category of Land Use	: Buildings; in respect of all titles.

Express Conditions	: i) "Tanah ini hendaklah digunakan untuk Bangunan Bertingkat bagi tujuan Perdagangan, dibina mengikut pelan yang diluluskan oleh Pihak Berkuasa Tempatan yang berkenaan".
	ii) "Segala kekotoran dan pencemaran akibat daripada aktiviti ini hendaklah disalurkan / dbuang ke tempat-tempat yang telah ditentukan oleh Pihak Berkuasa berkenaan".
	iii) "Segala dasar dan syarat yang telah ditetapkan dan dikuatkuasakan dari semasa ke semasa oleh Pihak Berkuasa berkenaan hendaklah dipatuhi".
	in respect of all titles.
Restriction-In-Interest	: i) "Tuan punya tanah tidak dibenarkan menawar atau menjual unit-unit (parcels) bangunan yang akan dibina di atas tanah ini melainkan bangunan telah mula dibina mengikut pelan yang diluluskan oleh Pihak Berkuasa Tempatan yang berkenaan".
	ii) "Petak-petak bangunan yang didirikan di atas tanah ini apabila sahaja bertukar miliknya kepada seorang Bumiputera / Syarikat Bumiputera maka tidak boleh terkemudian daripada itu dijual, dipajak atau dipindahmilik dengan apa cara sekalipun kepada orang Bukan Bumiputera / Syarikat Bukan Bumiputera tanpa persetujuan Pihak Berkuasa Negeri".
	iii) "Petak-petak bangunan yang didirikan di atas tanah ini tidak boleh dijual atau dipindahmilik dengan apa cara sekalipun kepada Bukan Warganegara / Syarikat Asing tanpa persetujuan Pihak Berkuasa Negeri".
	in respect of all titles.
Encumbrance	: Charged to Public Bank Berhad vide Presentation No. 23540/2017, registered on 13 th April 2017.
Endorsement	: "Pindaan Cukai Tanah" vide Presentation No. 7346/2019, registered on 28 th October 2019.

PROPERTY DESCRIPTION

Location

The Subject Properties are located between Kota Iskandar and Emerald Bay in Puteri Harbour, a premium waterfront development along the Straits of Johor in Iskandar Puteri, Johor Bahru. Johor Bahru city centre is located approximately 24 kilometres by road due north-east of the Subject Properties.

The Subject Properties are accessible from Johor Bahru city centre via Persiaran Abu Bakar Sultan, Lebuhraya Persisiran Pantai (Coastal Highway) exiting to Lebuhraya Kota Iskandar, Persiaran Dato Bentara Luar, Persiaran Nakhoda Boulevard leading to Lot 194830 and Lot 194831 (Plot Nos. CN1 and CN4). Access is then continued onto Nakhoda Avenue and Puteri Boulevard North leading to Lot 194832 (Plot No. CN2).

Site Description

The Subject Site comprise three (3) parcels of vacant commercial land, each of them enjoys dual frontage position. Brief descriptions of the respective sites are tabulated as below:-

	Lot 194830	Lot 194831	Lot 194832
Plot No.	CN1	CN4	CN2
Shape	Irregular	Irregular	Regular
Land Area	6.2220 hectares (about 15.37 acres / 62,220 sq. metres / 669,730 sq. feet)	7.1640 hectares (about 17.70 acres / 71,640 sq. metres / 771,126 sq. feet)	3.8540 hectares (about 9.52 acres / 38,540 sq. metres / 414,841 sq. feet)
Frontage	211.38 metres (about 693 feet) onto Persiaran Nakhoda Boulevard	248.06 metres (about 814 feet) onto Persiaran Nakhoda Boulevard	150.40 metres (about 493 feet) onto Puteri Boulevard North
Depth	324.78 metres (about 1,065 feet) onto Persiaran Tun Sri Lanang Avenue	283.80 metres (about 931 feet) onto Nakhoda Avenue	183.77 metres (about 603 feet) onto Persiaran Tun Sri Lanang Avenue

The subject site is generally flat in terrain and lies higher than the frontage metalled roads. The site boundaries which expose to the frontage roads are generally demarcated by metal sheets fencing whilst the remaining site boundaries are not demarcated by any form of fencing.

At the date of our inspection on 31st December 2021, we noted that Lot 194830 (Plot No. CN1) has been cleared while the remaining two (2) plots are under light weeds and vegetation except for the south-western corner of Lot 194832 (Plot No. CN2) which was erected upon with a temporary single-storey sales gallery which is unoccupied as at the date of valuation.

For the purpose of this Report and Valuation, we have excluded the said sales gallery in our valuation and valued the Subject Properties as three (3) parcels of VACANT commercial land.

Planning Approval

The Subject Properties are designated for commercial use as expressly stipulated in the respective title document.

Vide photocopy of approved master development order plan of Puteri Harbour which bearing reference number MPJBT(PB/SWT)2/9(42)Jld.10 dated 20th October 2014, we noted that the Subject Properties are approved for mixed commercial development with the following plot ratio.

Lot No.	Plot No.	Land Area (square metres)	Approved Plot Ratio	Approved Gross Floor Area (square feet)
Lot 194830 (PTD 201580)	CN1	62,220	3.81	2,551,671
Lot 194831 (PTD 201581)	CN4	71,640	3.68	2,837,743
Lot 194832 (PTD 201582)	CN2	38,540	5.57	2,310,663

Vide photocopy of another approved development order plan bearing reference number MPJBT(PB/SWT)2/9(42)Jld.10(i) dated 23rd January 2017, we also noted that PTD 201580 (Plot No. CN1) was approved for mixed commercial development which consists of the following development components:-

PROPERTY DESCRIPTION (CONT'D)

**Planning Approval
(cont'd)**

Phase	Block	Number of Storey	Development Components	Number of Unit
1	A	5	Double-storey shops Three (3)-storey SOHO	44 144
	B	5	Double-storey shops Three (3)-storey SOHO	52 168
	C	5	Double-storey shops Three (3)-storey SOHO	56 180
2	-	3	Three (3)-storey care centre Double-storey commercial space	67 2
3	F1	35	Condominium	258
	F2	35	Condominium	258
4	E	39	SOHO	802
			Single-storey shops	9
			Double-storey shops	6
5	-	1	Private car park	-
6	D	6	Hotel	-
Total				2,046

Our verbal enquires with the client and Planning Department of Majlis Bandaraya Iskandar Puteri (MBIP) reveals that the development order dated 23rd January 2017 has lapsed as no form of construction work took place before the expiry date of 23rd January 2018 and no renewal was made. As such and for the purpose of our Valuation, we have disregarded this approved development order in our valuation.

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MARKET VALUE

Date of Valuation	We were specifically instructed by the Client to assess the Market Value of the Subject Properties as of 31 st December 2021.
Basis of Valuation	The Market Value is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.
Valuation Methodology	In arriving at our opinion of the Market Value of the Subject Properties, we have adopted the Comparison Approach in our Valuation.

Comparison Approach

This approach considers the sales of similar or substitute properties and related market data, and establishes a value estimate by adjustments made for differences in factors that affect value. In general, a property being valued (Subject Property) is compared with sales of similar properties that have been transacted in the open market. Listings and offers may also be considered.

We wish to draw attention that the title to the Subject Properties carry the restriction-in-interests which stipulates as below:-

- i) “Tuan punya tanah tidak dibenarkan menawar atau menjual unit-unit (parcels) bangunan yang akan dibina di atas tanah ini melainkan bangunan telah mula dibina mengikut pelan yang diluluskan oleh Pihak Berkuasa Tempatan yang berkenaan”.
- ii) “Petak-petak bangunan yang didirikan di atas tanah ini apabila sahaja bertukar miliknya kepada seorang Bumiputera / Syarikat Bumiputera maka tidak boleh terkemudian daripada itu dijual, dipajak atau dipindahmilik dengan apa cara sekalipun kepada orang Bukan Bumiputera / Syarikat Bukan Bumiputera tanpa persetujuan Pihak Berkuasa Negeri”.
- iii) “Petak-petak bangunan yang didirikan di atas tanah ini tidak boleh dijual atau dipindahmilik dengan apa cara sekalipun kepada Bukan Warganegara / Syarikat Asing tanpa persetujuan Pihak Berkuasa Negeri”.

In this regard, our valuation is on the basis that written consent from the State Authority in respect of the aforesaid restriction in interest will not be unreasonably withheld.

WE NOTED THAT A SINGLE-STOREY SALES GALLERY WAS ERECTED ON THE SOUTH-WESTERN CORNER OF LOT 194832 (PLOT NO. CN2). IN ACCORDANCE TO THE LETTER OF APPROVAL DATED 12TH APRIL 2017 ISSUED BY MAJLIS PERBANDARAN JOHOR BAHRU TENGAH (MPJBT), WE NOTED THAT THE SAID SALES GALLERY IS APPROVED ONLY AS A TEMPORARY BUILDING UNDER A TEMPORARY PERMIT WHICH REQUIRES YEARLY RENEWAL. IN VIEW THAT IT IS ONLY A TEMPORARY BUILDING BUILT ON COMMERCIAL LAND WE HAVE EXCLUDED THE SALES GALLERY IN OUR VALUATION AND VALUED THE SUBJECT PROPERTIES AS THREE (3) PARCELS OF VACANT COMMERCIAL LAND; AND WE WERE SPECIFICALLY INSTRUCTED BY THE CLIENT TO ADOPT 31ST DECEMBER 2021 AS THE MATERIAL DATE OF VALUATION.

MARKET VALUE (CONT'D)

Having regard to the foregoing, our opinion of the **Market Value** of the interest in perpetuity in the Subject Properties, with benefit of vacant possession and subject to the titles being free from all encumbrances (including the existing charge to Public Bank Berhad), good, marketable and registrable, as at 31st December 2021 is tabulated as below:-

LOT NO.	MARKET VALUE
Lot 194830 (Plot No. CN1)	RM87,000,000/- (Ringgit Malaysia : Eighty Seven Million Only).
Lot 194831 (Plot No. CN4)	RM97,000,000/- (Ringgit Malaysia : Ninety Seven Million Only).
Lot 194832 (Plot No. CN2)	RM67,000,000/- (Ringgit Malaysia : Sixty Seven Million Only).
Total	RM251,000,000/- (Ringgit Malaysia : Two Hundred and Fifty One Million Only).

For all intents and purposes, this Certificate should be read in conjunction with our Valuation Report bearing Reference No. V/JB/21/119/tsy dated 15th February 2022.

For and on behalf of
KNIGHT FRANK MALAYSIA SDN BHD
(Johor Branch Office)



CHOY WEI YINN DEBBIE
Registered Valuer, V-1056, MRICS, MRISM



Note: Please note that this certificate shall only be valid provided always that a signature of our authorised signatory and an official seal have been affixed hereto.

Encl: General Principles Adopted and Limiting Conditions and Standard Terms of Business for Valuation

GENERAL PRINCIPLES ADOPTED AND LIMITING CONDITIONS IN THE PREPARATION OF VALUATION REPORTS

These are the general principles and limiting conditions upon which our Valuation Reports are normally prepared; they apply unless we have specifically mentioned otherwise in the body of the report.

1) MALAYSIAN VALUATION STANDARDS

This Valuation Report is carried out in accordance with the Malaysian Valuation Standards published by the Board of Valuers, Appraisers, Estate Agents and Property Managers.

Where applicable, we have also made reference to other established valuation manuals and standards such as the International Valuation Standards (IVS) and the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual.

2) CONFIDENTIALITY

This Valuation Report is confidential to the client or to whom it is addressed and for the specific purpose to which it refers. It may only be disclosed to other professional advisors assisting the client in respect of that purpose, but the client shall not disclose the report to any other party and / or person. Accordingly, our Valuation Report is to be relied on by the client and no other party. No responsibility is accepted to any other party and neither the whole, nor any part of the Valuation Report or Certificate or reference thereto may be included in any published document, circular or statement, nor published in any way, nor in any communication with third parties, without our prior written approval of the form and context in which it may appear. We shall bear no responsibility nor be held liable to any party in any manner whatsoever in the event of any unauthorised publications of the Valuation Report, whether in part or in whole.

3) USE OF VALUATION REPORT

The opinion of value expressed in this Valuation Report shall only be used by the addressee for the purpose stated or intended in this Valuation Report. We are not responsible for any consequences arising from the Valuation Report or any part thereof being relied upon by any other party whatsoever or for any information therein being quoted out of context. You may not otherwise reproduce, distribute, transmit, post or disclose the content of the Report without our prior written consent.

4) SOURCE OF INFORMATION

This Valuation Report has been prepared on the basis that full disclosure of all information and facts which may affect the valuation have been made known to us and we cannot accept any liability or responsibility for information or facts that have been suppressed or not disclosed to us.

Where it is stated in the Valuation Report that information has been supplied by the sources listed, this information is deemed to be reliable and no responsibility is accepted should it be proven otherwise, be it express or implied. All other information stated without being attributed directly to another party is deemed to be from our searches of records, examination of documents or relevant sources. This Valuation Report has been prepared on the basis that full disclosure of all information and facts which may affect the valuation have been made known to ourselves and we cannot accept any liability or responsibility in any event, unless such full disclosure has been made to us.

5) TITLE SEARCH

Whenever possible, a private title search is conducted at the relevant Land Registry / Office but this is done to establish title particulars relevant to valuation only. Whilst we may have inspected the title of the property as recorded in the Register Document of Title, we cannot accept any responsibility for its legal validity or as to the accuracy and timeliness of the information extracted or obtained from the relevant Land Registry / Office. Legal advice may be sought to verify the title details, if required.

6) TOWN PLANNING AND OTHER STATUTORY REGULATIONS

Information on Town Planning is obtained from the Structure Plan, Local Plan and Development Plans published by the relevant Authority. Whilst we may make verbal enquiries, we do not normally carry out requisitions with the various public authorities to confirm that the property is not adversely affected by any public schemes such as road and drainage improvements. If reassurance is required, we recommend that verification be obtained from your lawyers or other professional advisors.

Our valuation is prepared on the basis that the premises and any improvements thereon comply with all relevant statutory regulations (including fire safety and building regulations). It is assumed that they have been, or will be issued with a Certificate of Fitness for Occupation / Certificate of Completion and Compliance by the competent authority.

7) LEASES AND TENANCIES

Enquiries as to the financial standing of actual or prospective lessees or tenants are not normally made unless specifically requested. Where properties are valued with the benefit of lettings, it is therefore assumed that the lessees or tenants are capable of meeting their obligations under the lease or tenancy and that there are no arrears of rent or undisclosed breaches of covenants and / or warranties.

8) DEVELOPMENT AGREEMENTS

Unless otherwise stated, no considerations are made in our valuation for any joint venture agreement, development rights agreement or other similar contracts.

9) MEASUREMENTS AND AGE OF BUILDING

All measurements are carried out in accordance with the Uniform Method of Measurement of Buildings issued by The Royal Institution of Surveyors, Malaysia or such other building measurement standards as acceptable and agreed to by the client. Where the age of the building is estimated, this is for guidance only.

For properties situated outside Malaysia, the appropriate / applicable methods of measurement such as the International Property Measurement Standards (IPMS) are used in parallel with the Uniform Method of Measurement of Buildings (UMMB).

10) SITE SURVEYS

We have not conducted any land survey to ascertain the actual site boundaries. For the purpose of this valuation, we have assumed that the dimensions correspond with those shown in the title document, certified plan or any relevant agreement.

11) STRUCTURAL SURVEYS

While due care has been taken to note building defects in the course of inspection, no structural surveys nor any testing of services were made nor we inspected any woodwork or other parts of the structure which were covered or inaccessible. We are therefore unable to express an opinion or advice on the condition of uninspected parts and this Report should not be taken as making any implied representation or statement on such parts. Whilst any defects or items of disrepair may be noted during the course of inspection, we are not able to give any assurance in respect of any rot, termite or pest infestation or other hidden defects.

12) SITE CONDITIONS, SOIL INVESTIGATION AND CONTAMINATION

We do not carry out investigations on the property or neighbouring land in order to determine the suitability of the ground conditions and services for the existing or any new development, nor have we undertaken any archaeological, ecological or environmental surveys. Unless we are otherwise informed, our valuation is on the basis that these aspects are satisfactory and that, where development is proposed, no extraordinary expenses or delays will be incurred during the construction period.

No soil investigation has been carried out to determine the suitability of soil conditions and / or availability of services for the existing or any future development or planting as well as the continued use of the property in its current condition or for any redevelopment.

We have not carried out investigations into the past and present use of either the property or of any neighbouring land to establish whether there has been any contamination or if there is any potential for contamination to the property and are therefore, unable to account and report for such contamination in our Valuation Report.

13) DELETERIOUS OR HAZARDOUS MATERIALS

No investigations have been carried out to determine whether or not any deleterious or hazardous materials had been used in the construction of the property (building) or had since been incorporated and we are, therefore, unable to account or report on any such material in our Valuation Report.

14) DISEASE OR INFESTATION

Whilst due care is taken to note the presence of any disease or infestation, we have not carried out any tests to ascertain possible latent infestations or diseases affecting crops or stock. We are therefore unable to account for such in our Valuation Report.

15) OUTSTANDING DEBTS

In the case of buildings where works are in hand or have recently been completed, no allowances are made for any liability already incurred, but not yet discharged, in respect of completed works, or obligations in favour of contractors, sub-contractors or any members of the professional or design team.

16) TAXATION, ENCUMBRANCES, STATUTORY NOTICES AND OUTGOINGS

Unless otherwise stated, no allowances are made in our valuation for any expense of realisation or for taxation which might arise in the event of a disposal, deemed or otherwise. We have considered the property as if free and clear of all charges, lien and all other encumbrances which may be secured thereon. We also assumed the property is free of statutory notices and outgoing (including all outstanding maintenance fee and / or service charges + sinking funds applicable for stratified properties).

17) ATTENDANCE

The instruction and the valuation assignment do not automatically bind us to attendance in court or to appear in any enquiry before any government or statutory body in connection with the valuation unless agreed when the instruction were given or subsequently agreed upon.

18) VALIDITY PERIOD OF VALUATION REPORT

A Valuation Report is current as at the valuation date only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value. No warranty can be given as to the maintenance of this value into the future. A periodical valuation review is recommended.

19) LIMITATION OF LIABILITY

Although every care has been taken in preparing the Valuation Report, if it is proven that there is an apparent negligence on the part of the Valuer, the liability of this valuation (whether arising from this valuation, negligence or any other cause whatsoever) is limited in respect of any event or series of events to the actual loss or damage sustained subject to a liability cap to be mutually agreed between client and the Valuer and clearly set out in the terms of engagement.

STANDARD TERMS OF BUSINESS FOR VALUATION

These Standard Terms of Business comprise a part of our Letter of Engagement. The following Standard Terms of Business apply to all valuations and appraisals undertaken by Knight Frank Malaysia Sdn Bhd unless specifically agreed otherwise in confirming instructions and so stated within the main body of the valuation report.

1. DEFINITIONS

- 1.1 'Terms' means the terms of business set out in this agreement and include any other terms and conditions set out or referred to in our Letter of Engagement. These Terms apply to all services that you instruct us to provide and cannot be varied or amended except in writing and signed by you and Knight Frank.
- 1.2 'Client' (referred to throughout as 'you') means the person, company, firm or other legal entity named in our Letter of Engagement. Knight Frank will not accept instructions to act for any alternative person, company, firm or other legal entity nor will these Terms apply unless we have agreed in writing to act for that alternative entity.
- We reserve the right to refuse to act for such an alternative entity until (if at all) we have undertaken due diligence to fulfill our internal credit, anti-money laundering and risk obligations. In the event that we are instructed to act for a single purpose corporate vehicle we reserve the right to require and be provided with a parent company guarantee for our fees before accepting instructions to act.
- 1.3 'Knight Frank' means Knight Frank Malaysia Sdn Bhd (Co. No. 585479-A).
- 1.4 'Letter of Engagement' means the instruction letter, proposal or tender which is sent to you with these Terms. In the event that there is any conflict between the terms set out in this agreement and the Letter of Engagement, the terms in the Letter of Engagement shall take precedence.
- 1.5 'Services' means the specific services set out in the Letter of Engagement and any other services which we agree to provide in writing.

2. OUR FEES

- 2.1 The client shall pay to Knight Frank fees as set out in our Letter of Engagement. In addition, the client will reimburse Knight Frank the cost of all reasonable out-of-pocket expenses that maybe incurred, unless stated otherwise.
- 2.2 We reserve the right to impose an interest of 10% per annum on the outstanding balance of the invoice which is not settled in full within 14 days from the date of the invoice. If we should find it necessary to use legal representatives or collection agents to recover monies due, you will be required to pay all costs and disbursements so incurred.
- 2.3 If before the valuation is concluded:-
- (a) you end this instruction at any stage, we will charge abortive fees; or
 - (b) you delay the instruction by more than [6] months or materially alter the instruction
- And in each case such fees will be calculated on the basis of reasonable time and expenses incurred, or the amount specified in the Letter of Engagement.
- 2.4 Where the valuation is for loan security purposes, and we agree to accept payment of our fee from the borrower, the fee remains due from you until payment is received by us. Additionally, payment of our fee is not conditional upon the loan being drawn down or any conditions of the loan being met.

3. INVOICING AND PAYMENT

We will be entitled to issue an invoice and our fees will become due for payment free from any discount, deduction set-off or counter claim:

- i) within 14 days from the date of invoice; or
- ii) when you withdraw your instructions, in which case Clause 2.3 applies.

4. TAXES

The fees, disbursements and expenses referred to in these Terms unless otherwise stated in the Letter of Engagement are all subject to the addition of Service Tax / GST where applicable (and any other taxes worldwide which may arise).

5. LIMITATIONS ON LIABILITY

- 5.1 Our valuation is confidential to the party to whom it is addressed for the stated purpose as agreed between the client and Knight Frank and no liability is accepted to any third party for the whole or any part of its contents. Liability will not subsequently be extended to any other party save on the basis of written and agreed instructions; this may incur an additional fee.
- 5.2 Neither the whole or any part of Knight Frank's report / letter and valuation nor any reference thereto may be included in any document, circular or statement nor published in any way whatsoever whether in hard copy or electronically (including on any web-site) without our prior written approval of the form and context in which it may appear.
- 5.3 The client agrees not to bring any claims arising out of or in connection with this agreement against any member, employee, shareholder or consultant of Knight Frank.
- Those individuals will not have a personal duty of care to the client and any such claim for losses must be brought against Knight Frank.
- 5.4 Knight Frank will not be liable in respect of any of the following:
- i) for any services outside the scope of the services agreed to be performed by Knight Frank;
 - ii) to any third party; or
 - iii) in respect of any direct or indirect consequential losses or loss of profits.
- 5.5 Where any loss is suffered by you for which Knight Frank and any other person are jointly and severally liable to you, the loss recoverable by you from Knight Frank shall be limited so as to be in proportion to Knight Frank's relative contribution to the overall fault.
- 5.6 Our maximum total liability for any direct loss or damage whether caused by our negligence or breach of contract or otherwise is limited to RM20 million, unless otherwise stated.
- 5.7 Nothing in these Standard Terms (or in our Letter of Engagement) shall exclude or limit our liability in respect of fraud or for death or personal injury caused by our negligence or for any other liability to the extent that such liability may not be excluded or limited as a matter of law.

6. INDEMNITIES

You agree to indemnify Knight Frank against all costs, claims, charges and expenses which Knight Frank shall incur by reason of (but not limited to):

- i) Use of any of Knight Frank's work for purposes other than those agreed by Knight Frank.
- ii) Misrepresentation by you or with your authority to third parties of advice given by Knight Frank.
- iii) Misrepresentation to third parties of the extent of Knight Frank's involvement in any particular project.

7. ASSIGNMENT

Neither this agreement nor any of its terms may be assigned by either you or Knight Frank to any third party unless agreed in writing.

8. COMPLAINT PROCEDURE

If you have any concerns about our service, please raise them in the first instance with the valuer concerned. If this does not result in a satisfactory resolution, please contact the relevant Head of Department.

9. GOVERNING LAW

These Terms of Business shall be governed by and construed in accordance with the laws of Malaysia.

APPENDIX B – IFA LETTER

28 February 2022

3Cnergy Limited
380 Jalan Besar
#16-01 ARC 380
Singapore 209000

Attention: The Recommending Directors
Being the Board of Directors of the Company, all of whom are considered independent for the purposes of the Proposed Disposal (as defined herein)

Dear Sirs

LETTER FROM XANDAR CAPITAL PTE LTD TO THE RECOMMENDING DIRECTORS OF 3CENERGY LIMITED (THE “COMPANY”) IN RESPECT OF THE PROPOSED DISPOSAL OF 100% OF THE ISSUED AND PAID-UP SHARE CAPITAL IN 3C MARINA PARK SDN BHD TO PUTERI HARBOUR PTE LTD AS AN INTERESTED PERSON TRANSACTION

Unless otherwise defined or the context otherwise requires, all terms used herein have the same meaning as defined in the circular to shareholders of the Company (“Shareholders”) dated 28 February 2022 (the “Circular”).

1. INTRODUCTION

On 23 February 2022 (the “**Announcement Date**”), the Company announced that it has entered into a conditional sale and purchase agreement dated 23 February 2022 (the “**Sale and Purchase Agreement**”) with Puteri Harbour Pte Ltd (the “**Purchaser**”) pursuant to which the Company has agreed to sell to the Purchaser, and the Purchaser has agreed to purchase, the entire issued ordinary shares (the “**Sale Shares**”) of 3C Marina Park Sdn Bhd (“**3CMP**”), a wholly-owned subsidiary of the Company, for an aggregate consideration of S\$36,000,000 (the “**Consideration**”), subject to the terms and conditions of the Sale and Purchase Agreement (the “**Proposed Disposal**”).

1.1 Interested Person Transaction

The Purchaser is a company incorporated under the law of Singapore.

Phileo Capital Limited, a controlling Shareholder of the Company, holds 50% of the issued share capital of the Purchaser. Accordingly, the Purchaser is an ‘associate’ of a controlling Shareholder of the Company, and deemed an ‘interested person’ within the meaning of Chapter 9 of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited (the “**Catalist Rules**”).

The Proposed Disposal is therefore, an ‘interested person transaction’ under Chapter 9 of the Catalist Rules.

The aggregate value of the Proposed Disposal represents approximately 94.2% of the Group's latest audited net tangible assets of S\$38.21 million as at 31 December 2020.

Rule 906(1) of the Catalyst Rules provides that an issuer must obtain shareholders' approval for any interested person transaction of a value equal to, or more than (a) 5% of the group's latest audited net tangible assets; or (b) 5% of the group's latest audited net tangible assets, when aggregated with other transactions entered into with the same interested person during the same financial year.

As the value of the Proposed Disposal exceeds 5% of the Group's latest audited net tangible assets of S\$38.21 million as at 31 December 2020, the Proposed Disposal is an interested person transaction subject to the approval of the Shareholders who have no interest in the Proposed Disposal (the "**Independent Shareholders**") under Chapter 9 of the Catalyst Rules.

1.2 IFA's Scope of Opinion

Xandar Capital Pte Ltd ("**Xandar Capital**") has been appointed to advise the board of directors of the Company, all of whom are considered independent of the Proposed Disposal (the "**Recommending Directors**") on whether (a) the Proposed Disposal is on normal commercial terms and (b) whether the Proposed Disposal is prejudicial to the interest of the Company and its minority Shareholders.

This letter, which is prepared pursuant to Rule 921(4)(a) of the Catalyst Rules, sets out our evaluation of the Proposed Disposal and our advice to the Recommending Directors thereon (this "**IFA Letter**"). This IFA Letter forms part of the Circular issued by the Company in connection with the Proposed Disposal.

2. TERMS OF REFERENCE

Xandar Capital is not and was not involved in any aspect of the negotiations entered into by the Company or in the deliberations leading up to the decision of the Recommending Directors to, *inter alia*, undertake the Proposed Disposal. Accordingly, we do not, by this IFA Letter, warrant the merits of the Proposed Disposal, other than to express an opinion on whether (a) the Proposed Disposal is on normal commercial terms; and (b) whether the Proposed Disposal is prejudicial to the interest of the Company and its minority Shareholders.

Our terms of reference do not require us to evaluate or comment on the rationale for, legal, strategic or commercial merits and/or risks of the Proposed Disposal. We have not conducted any in-depth review of the business, operations or financial condition of the Company and its subsidiaries (the "**Group**"). We have also not relied on any financial projections or forecasts in respect of the Company or the Group nor did we have access to their business plans, financial projections and forecasts. We are not required to express and we do not express any view herein on the growth prospects, financial position and earnings potential of the Company or the Group after the completion of the Proposed Disposal. We are also not expressing any view herein as to the prices at which the Shares may trade in the absence of or upon completion of the Proposed Disposal. Such evaluation shall remain the sole responsibility of the Recommending Directors, although we may draw upon their

views (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this IFA Letter.

In the course of our evaluation and for the purpose of our opinion in relation to the Proposed Disposal, we have held discussions with the Recommending Directors and the management of the Company (the “**Management**”) and their professional advisers, and have examined and relied on publicly available information collated by us as well as information provided and representations made to us, both written and verbal, by the Recommending Directors, the Management and their professional advisers, including information contained in the Circular. We have not independently verified such information or representations, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information or representations. We have nevertheless made reasonable enquiries and exercised our judgment as we deemed necessary or appropriate on the reasonable use of such information and found no reason to doubt the accuracy or reliability of the information.

We have relied upon the assurance of the Recommending Directors that the Recommending Directors collectively and individually accept full responsibility for the accuracy of the information given in the Circular and confirm, after making all reasonable enquiries that, to the best of their knowledge and belief, the Circular constitutes full and true disclosure of all material facts about the Proposed Disposal and the Group, and the Recommending Directors are not aware of any facts the omission of which would make any statement in the Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Recommending Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context. In relation to this IFA Letter, the Recommending Directors have confirmed that the facts stated, with respect to the Proposed Disposal and the Group, are to the best of their knowledge and belief, fair and accurate in all material aspects.

We have not made any independent evaluation or appraisal of the assets or liabilities (including without limitation, real properties) of the Company or the Group. The Company commissioned Knight Frank Malaysia Sdn Bhd (the “**Independent Valuer**”) to perform a valuation on the three parcels of vacant commercial land held by 3CMP for purposes of the financial reporting of the Group and for inclusion in the Circular. The valuation report from the Independent Valuer dated 15 February 2022 (the “**Valuation Report**”) is a document for inspection for a period of three months from the date of the Circular. A copy of the certificate of valuation summarising the key details of the Valuation Report (the “**Valuation Certificate**”) is appended as Appendix A to the Circular. We are not involved and assume no responsibility for the Valuation Report or the Valuation Certificate. We have not made any independent verification of the matters and bases set out in the Valuation Report or the Valuation Certificate. Accordingly, no representation or warranty, express or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of the Valuation Report or the Valuation Certificate. Saved for the Valuation Report and the Valuation Certificate, we have not been furnished with any evaluation or appraisal of any assets of the Company or the Group.

Our opinion is based upon prevailing market, economic, industry, monetary and other conditions (where applicable) and the information made available to us as of the Latest Practicable Date. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should further take note of any announcements relevant to their consideration of the Proposed Disposal which may be released by the Company after the Latest Practicable Date.

In arriving at our opinion, we did not consider the specific investment objectives, financial situation, tax consequences, risk profile or unique needs and constraints of any Shareholder or any specific group of Shareholders. We recommend that any individual Shareholder or group of Shareholders who may require specific advice in relation to his or their investment objectives or portfolios should consult his or their legal, financial, tax or other professional advisers immediately.

The Company has been separately advised by its own advisors in the preparation of the Circular (other than this IFA Letter). We have no role or involvement and have not provided any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Circular (other than this IFA Letter). Accordingly, we take no responsibility for and express no views, express or implied, on the contents of the Circular (other than this IFA Letter).

Our opinion is for the use and benefit of the Recommending Directors in their consideration of the Proposed Disposal and the recommendation made by the Recommending Directors to the Independent Shareholders shall remain their responsibility.

Our opinion in relation to the Proposed Disposal should be considered in the context of the entirety of this IFA Letter and the Circular.

Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Recommending Directors nor the Shareholders may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purposes (except for the Proposed Disposal) at any time and in any manner without our prior written consent.

We recommend that the Recommending Directors advise the Independent Shareholders to read these pages carefully.

3. THE PROPOSED DISPOSAL

3.1 ABOUT 3CMP

The Group acquired 3CMP, a property development company, in August 2016.

3CMP owns the legal and beneficial title to three parcels of vacant commercial land comprising Lot Nos. 194830, 194831 and 194832 held under Title Nos. GRN 600873, GRN 600874 and GRN 600875 respectively (previously known as Lot Nos. PTD 201580, PTD 201581 and PTD 201582 held under Title Nos. HSD 570815, HSD 570816 and HSD 570817 respectively), all located within Mukim of Pulai, District of Johor Bahru, State of Johor Darul Takzim (the “**Properties**”).

The Group had intended to develop the Properties into a mixed-use development consisting of small offices/home offices (“**SOHOs**”), serviced apartments, condominium, office lots, office tower, hotel, street front retail and activity retail, a mixed development with predominantly residential components and complemented with retail and commercial components.

Since the acquisition of 3CMP, the Group had to defer the development of the Properties for a variety of reasons, including but not limited to regulatory changes in Malaysia to proposed integrated developments, government announcement on a freeze on approvals for residential properties above Ringgit Malaysia (“**RM**”) 1.0 million, and a property market that had generally deteriorated. Further, due to the outbreak of the COVID-19 pandemic, the Government of Malaysia has, pursuant to regulations made under the Prevention and Control of Infectious Diseases Act 1988, implemented various restrictions on movements and gatherings. Similar measures have been implemented by the Government of Singapore. The COVID-19 pandemic and measures to control movement and gatherings, and other measures which authorities in Singapore, Malaysia and/or the region may implement is expected to adversely affect the economy and further dampen the Malaysian property market. As at the date of the Circular, the assets of 3CMP comprise substantially the Properties which are all located in Malaysia.

The Properties were acquired by 3CMP with bank financing from Public Bank Berhad (“**PBB Loan**”). As at the date of the Circular, the total outstanding PBB Loan is approximately RM143.59 million (S\$46.46 million) of which RM4.34 million (S\$1.40 million) is due over the course of 2022.

The Company had granted advances to 3CMP (“**3CMP Advances**”) to service the PBB Loan instalments and interests which were due and payable. The 3CMP Advances were capitalised by the Company from time to time. As at the date of the Circular, no 3CMP Advances is due and outstanding from 3CMP.

3.2 RATIONALE FOR THE PROPOSED DISPOSAL

Information on the rationale for the Proposed Disposal is set out in Section 4.1 of the Circular and Shareholders are advised to read the information carefully.

We summarised as follows:

- (a) since the acquisition of 3CMP in 2016, the Group had to defer the development of the Properties for a variety of reasons;
- (b) the Malaysian property market has generally deteriorated since the acquisition of 3CMP and the COVID-19 pandemic is expected to affect the economy and further dampen the Malaysian property market. It is thus not commercially viable for the Group to proceed with the development of the Properties in the foreseeable future;
- (c) 3CMP has obtained the PBB Loan for the acquisition of the Properties but given the deferred development of the Properties, 3CMP does not generate sufficient internal financial resources to service the PBB Loan;
- (d) the Company launched a public tender in January 2020 for the proposed sale of the Properties through the Independent Valuer and received no offers for the Properties at the close of the public tender in March 2020;
- (e) 3CMP is currently relying the non-interest bearing loan facility of up to S\$16.8 million (of which S\$4.2 million has been drawn down as at the Latest Practicable Date) from the Purchaser (the “**Properties Loan**”) pursuant to a loan agreement dated 19 March 2020 to service the PBB Loan, and the Properties Loan will be due for repayment on 31 March 2022 as announced by the Company on 19 March 2021;
- (f) by disposing 3CMP, the Group will no longer be required to service the PBB Loan and the Properties Loan; and
- (g) the Proposed Disposal is expected to improve the Group’s financial position and alleviate its immediate working capital needs, and the need to continue sourcing funding resources to service the PBB Loan and the Properties Loan.

3.3 THE KEY TERMS OF THE SALE AND PURCHASE AGREEMENT

We summarised the key terms of the Sale and Purchase Agreement as follows:

Date of the Sale and Purchase Agreement	23 February 2022
Subject of the Proposed Disposal	100% of the issued capital of 3CMP, including new shares in the capital of 3CMP arising from the capitalisation of 3CMP Advances.
Consideration	S\$36.0 million

- Mode of settlement of the Consideration
- (a) a cash sum of approximately S\$4.32 million (the “**Cash Consideration**”) payable to the Company upon completion of the Proposed Disposal; and
 - (b) the balance consideration of approximately S\$31.68 million (“**Balance Consideration**”) shall be paid or deemed paid by the set-off against the aggregate amount due to the shareholders and directors of the Purchaser (who are also Shareholders of the Company) pursuant to the proposed cash distribution by the Company to distribute an aggregate amount of approximately S\$35.7 million to its Shareholders (the “**Proposed Cash Distribution**”) in connection with the capital reduction exercise proposed to be carried out by the Company (the “**Proposed Capital Reduction**”) pursuant to Section 78A read with Section 78C of the Companies Act 1967 of Singapore (the “**Companies Act**”).

Conditions precedent

The Proposed Disposal is conditional upon conditions precedent (the “**SPA Conditions**”) having been satisfied (or waived by the relevant party) including but not limited to the following:

- (a) Shareholders’ approval for the Proposed Disposal and the Proposed Cash Distribution;
- (b) the expiry of the six (6) week statutory period beginning from the date of passing of the resolution for the Proposed Capital Reduction without any objection raised by the creditors of the Company; and
- (c) the consent by contractual parties (including without limitation, Public Bank Berhad) to the Proposed Disposal.

If the SPA Conditions are not satisfied or waived on or before six (6) months from the date of the Sale and Purchase Agreement (the “**Long Stop Date**”), the parties may, by mutual agreement in writing, extend the Long Stop Date to a later date, provided that the failure by a party to satisfy the SPA Condition is capable of remedy.

3.4 THE BASIS OF THE CONSIDERATION

The Consideration for the Sale Shares is S\$36.0 million. The Consideration was arrived at arm's length on a 'willing buyer willing seller' basis between the Purchaser and the Company, and after taking into account, the following:

- (a) the financial results and position of 3CMP based on the audited financial information of the Group for FY2020 and the unaudited financial information of the Group for FY2021, including without limitation the net tangible assets ("NTA")/book value of 3CMP and the outstanding PBB Loan;
- (b) the rationale for and benefits to the Group arising from the Proposed Disposal;
- (c) the Valuation Report; and
- (d) the historical operating track record of 3CMP.

Based on the unaudited consolidated financial information of the Group for FY2021, and assuming that the 3CMP Advances of S\$20.67 million outstanding as at 31 December 2021 has been capitalised on 31 December 2021:

- (i) the Consideration represents an excess of approximately S\$5.87 million over the adjusted NTA/book value of the Sale Shares of S\$30.13 million; and
- (ii) the net gain on disposal of the Sale Shares is approximately S\$5.57 million having taken into account estimated incidental costs such as professional fees.

3.5 USE OF PROCEEDS

We note that, subject to receipt of Shareholders' approval for the Proposed Disposal and the Proposed Cash Distribution, the Company intends to apply all the net proceeds from the Proposed Disposal for the Proposed Cash Distribution.

3.6 ABOUT THE PURCHASER

The Purchaser is a company incorporated under the law of Singapore.

As at the date of the Circular, the shareholders of the Purchaser are as follows:

Name	Shareholding interests in the Purchaser
Phileo Capital Limited ("Phileo Capital")	50.0%
Champion Brave Sdn Bhd ("Champion Brave")	25.0%
Casi Management Sdn Bhd ("Casi Management")	12.5%

<u>Name</u>	<u>Shareholding interests in the Purchaser</u>
Halfmoon Bay Capital Limited (“ Halfmoon Bay ”)	12.5%
Total	<u>100.0%</u>

Phileo Capital and Champion Brave are both controlling shareholders of the Company, holding shares representing 47.21% and 20.76% of the issued share capital of the Company, respectively.

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.

The directors of the Purchaser comprise Tan Sri Tong Kooi Ong, Ms Lee Wen Ling, Tan Sri Wan Azmi bin Wan Hamzah and Mr Krian Upatkoon.

Tan Sri Wan Azmi bin Wan Hamzah holds 100% of the issued capital of Golden Ring Worldwide Ltd (“**Golden Ring**”) which holds 119,402,985 Shares representing 3.89% of the issued share capital of the Company as at the date of the Circular.

Each of Phileo Capital, Champion Brave, Casi Management, Halfmoon Bay and Golden Ring (collectively, the “**Relevant Shareholders**”) will execute a set-off letter (in the form as set out in the Sale and Purchase Agreement) to set-off the Balance Consideration against the aggregate amount due to the Relevant Shareholders pursuant to the Proposed Cash Distribution (the “**Set-off Arrangement**”).

Based on the shareholdings of the Relevant Shareholders in the Company, we calculated the proportion of the Consideration borne by the Purchaser and the Relevant Shareholders to be as follows:

<u>The Relevant Shareholders</u>	<u>S\$’000</u>
Phileo Capital	16,854
Champion Brave	7,413
Casi Management	3,706
Halfmoon Bay	2,316
Golden Ring	<u>1,390</u>
Total Balance Consideration via the Set-off Arrangement	31,679

	S\$'000
Cash Consideration	4,321
Consideration	36,000

3.7 ABSTENTION FROM VOTING

The Purchaser, Phileo Capital and Tan Sri Tong Kooi Ong have undertaken (i) to abstain from voting at the extraordinary general meeting in relation to the Proposed Disposal and to not appoint the chairman of the extraordinary general meeting as proxy; and (ii) to ensure that their associates will abstain from at the extraordinary general meeting.

Champion Brave, Casi Management, Halfmoon Bay and Golden Ring will also abstain from voting at the extraordinary general meeting in relation to the Proposed Disposal and will not appoint the chairman of the extraordinary general meeting as proxy.

4. EVALUATION OF THE PROPOSED DISPOSAL

In our evaluation of the Proposed Disposal, we have given due consideration to the following key factors:

- (a) the revalued net asset value of 3CMP;
- (b) alternative disposal options of the Properties;
- (c) the rationale for the Proposed Disposal;
- (d) the historical financial performance of 3CMP;
- (e) comparison with companies comparable to 3CMP;
- (f) financial effects of the Proposed Disposal; and
- (g) other relevant considerations.

These factors are discussed in greater detail in the ensuing paragraphs.

4.1 THE REVALUED NET ASSET VALUE OF 3CMP

As at 31 December 2021, 3CMP's net asset value comprised the following:

	<u>RM'000</u>
Current assets	2,332
Current liabilities	<u>(133,837)</u>
Net current liabilities	(131,505)
Non-current assets	245,329
Non-current liability	<u>(84,252)</u>
Net asset value ("NAV")	<u><u>29,572</u></u>
Closing exchange rate of S\$1.00 to RM as at 31 December 2021	3.089
NAV (S\$'000 equivalent)	9,573

(a) Assets

The current assets of 3CMP comprised mainly deposits with banks of approximately RM1.90 million as at 31 December 2021. No adjustment is required for the current assets of 3CMP.

The non-current assets of 3CMP comprised mainly the Properties which had a net book value of approximately RM245.30 million as at 31 December 2021.

As mentioned earlier, the Company has commissioned the Independent Valuer to provide a valuation on the Properties as at 31 December 2021. Based on the Valuation Report, the market value of the Properties was RM251.0 million, representing a revaluation surplus of approximately RM5.70 million (equivalent to S\$1.85 million) to 3CMP.

(b) Liabilities

The current liabilities of 3CMP comprised principally the 3CMP Advances which amounted to approximately RM61.17 million and term loan/revolving credit of approximately RM59.34 million (mainly current portion of the PBB Loan) as at 31 December 2021.

As mentioned in Section 2.1.2 of the Circular, the 3CMP Advances were capitalised by the Company from time to time and as at the date of the Circular, all outstanding

3CMP Advances were capitalised and no 3CMP Advances is due and outstanding from 3CMP.

Accordingly, for purposes of calculating the revalued NAV (“RNAV”) of 3CMP as at 31 December 2021, 3CMP Advances of RM61.17 million as at 31 December 2021 will be re-classified from liabilities to share capital.

The non-current liability of 3CMP refers to the non-current portion of the PBB Loan. No adjustment is required.

(c) The RNAV per Share

Save as disclosed above, the Company confirmed that there is no other event subsequent to 31 December 2021 which would materially affect the NAV of 3CMP as at the Latest Practicable Date.

Based on the above, we made the following adjustments to 3CMP’s NAV:

	<u>RM’million</u>
3CMP’s NAV as at 31 December 2021	29.57
Add: Revaluation surplus on the Properties	5.70
Add: 3CMP Advances capitalised	<u>61.17</u>
3CMP’s RNAV	<u><u>96.44</u></u>
Closing exchange rate of S\$1.00 to RM as at 31 December 2021	3.089
3CMP’s RNAV in Singapore dollars	31.22

The Consideration of S\$36.0 million represents a premium of approximately S\$4.78 million (or 15.3%) to the RNAV of 3CMP as at 31 December 2021.

We also wish to highlight that the above RNAV of 3CMP is based on the market value of the Properties as opined by the Independent Valuer which assumes a hypothetical sale of the Properties. However, such a hypothetical scenario is made without considering factors including but not limited to market conditions and availability of buyers which may affect the actual realised value of the assets. As mentioned in Section 4.1 of the Circular, the Company launched a public tender in January 2020 for the proposed sale of the Properties through the Independent Valuer and received no offers for the Properties at the close of the public tender in March 2020.

4.2 ALTERNATIVE DISPOSAL OPTIONS OF THE PROPERTIES

We note that the Company has commissioned the Independent Valuer as its agent to conduct a tender exercise for the sale of the Properties. The tender commenced on 8 January 2020 and closed on 12 March 2020. The reserve price for the public tender was RM265.0 million which was then lower than the value of RM280 million stated in the valuation report prepared for the tender. No offer was received in the public tender.

4.3 THE RATIONALE FOR AND BENEFITS OF THE PROPOSED DISPOSAL

The rationale for and benefits of the Proposed Disposal is set out in Section 4.1 of the Circular.

Given the deferment in the development of the Properties, 3CMP has been unable to generate any revenue to service the PBB Loan.

The Proposed Disposal is expected to improve the Group's financial position and alleviate its immediate working capital needs, and the need to continue sourcing funding resources to service the PBB Loan.

4.4 THE HISTORICAL FINANCIAL PERFORMANCE OF 3CMP

The salient historical consolidated financial results of 3CMP for FY2019, FY2020 and FY2021 (the "Track Record Period") are set out below:

RM'000	FY2019	FY2020	FY2021
Revenue	-	-	-
Loss before tax	(94,234)	(19,813)	(23,936)
Loss for the year	(94,252)	(19,813)	(23,936)

As set out above, 3CMP did not generate any revenue during the Track Record Period. This is because its sole revenue generating asset, being the Properties, has not commenced development.

The losses registered by 3CMP were due mainly to impairment losses arising from the fair value of the Properties and finance costs in relation to the PBB Loan.

We note from the Valuation Certificate that the development order dated 23 January 2017 for the Properties has lapsed as no form of construction work took place before the expiry date of 23 January 2018 and no renewal was made as at the date of valuation. The Company confirms that 3CMP has not renewed the development order for the Properties as at the Latest Practicable Date. It is also not commercially viable for the Group to proceed with the development of the Properties in the foreseeable future. Accordingly, it is unlikely for 3CMP to turnaround its financial performance for the current financial year ending 31 December 2022.

4.5 COMPARISON WITH COMPANIES COMPARABLE TO 3CMP

3CMP is a property development company with its sole development property in Malaysia. Comparison is therefore made to companies listed in Singapore and Malaysia whose business is comparable to the Group (the “**Comparable Companies**”) to assess the valuation statistics implied by the Consideration for 3CMP against the valuation statistics of the Comparable Companies as implied by their last traded prices as at the Latest Practicable Date.

Given that 3CMP has been loss making and does not have profit or earnings before interest, tax, depreciation and amortisation for the latest financial year, earnings ratios such as price-to-earnings ratio and enterprise value to earnings before interest, tax, depreciation and amortisation ratio will not be meaningful. Hence, for purposes of the comparison, we have only referred to the price-to-NAV (“**P/NAV**”) ratio.

P/NAV ratio illustrates the market price of a company’s shares relative to the NAV per share as recorded in its financial statements. The NAV is defined as total assets less total liabilities, and excludes, where applicable, minority or non-controlling interests. The NAV figure provides an estimate of the value of a company assuming the sale of all its assets at its book value, the proceeds which are first used to settle its liabilities and obligations with the balance available for distribution to its shareholders. Comparisons of companies using NAVs are affected by differences in their respective accounting policies, in particular their depreciation and asset valuation policies. We have not made any such adjustments in our analysis.

Shareholders should note that the list of the Comparable Companies is not exhaustive and the identified Comparable Companies may not be directly comparable to 3CMP in terms of asset base, business activities, scale of operations, target markets, risk profile, track record, future prospects and other relevant criteria. Comparisons may also be affected, *inter alia*, by differences in their accounting policies. For a more meaningful comparison, we have selected companies with market capitalisation of between S\$10 million and S\$200 million as at the Latest Practicable Date.

In view of the above, it should be noted that any comparison made with respect to the Comparable Companies merely serves as an illustration and that the conclusions drawn from the comparisons may not necessarily reflect the perceived valuation of 3CMP as at the Latest Practicable Date.

We set out in the table below the list of the Comparable Companies:

Comparable Companies	Business Activities
Aspen Group Holdings Ltd / listed on the SGX-ST	Aspen (Group) Holdings Limited operates as a holding company. The company, through its subsidiaries, offers real estate services. Aspen (Group) Holdings Limited owns and develops single family homes, residential complexes, shopping centers, resorts, fitness and financial centers, and resorts. Aspen (Group) Holdings Limited serves customers in Malaysia and Singapore.
Iskandar Waterfront City Berhad / listed on Bursa Malaysia	Iskandar Waterfront City Berhad is an investment holding company. The company provides property development, construction, and property management services. Iskandar Waterfront City Berhad also develops residential and commercial properties and is involved in the construction of infrastructure.
Tambun Indah Land Bhd / listed on Bursa Malaysia	Tambun Indah Land Bhd develops real estate. The company builds residential projects including attached terrace homes, villas, condominium towers, and bungalows in Malaysia.
Teladan Setia Group Berhad / listed on Bursa Malaysia	Teladan Setia Group Berhad operates as a real estate developer. The company develops residential properties. Teladan Setia Group Berhad serves customers in Malaysia.
Titijaya Land Berhad / listed on Bursa Malaysia	Titijaya Land Berhad operates as a real estate development company. The company develops mixed-used properties, including residential, commercial, and industrial parks in Malaysia.

Source: Bloomberg L.P.

The statistics of the Comparable Companies are computed based on the last traded prices as at the Latest Practicable Date and latest publicly available financial results. We set out in the table below the financial ratios of the Comparable Companies as at the Latest Practicable Date.

Comparable Companies	Latest reported financial period	Market Capitalisation¹⁾ (S\$m)	Net profit /(loss) attributable to equity holders⁽¹⁾ (S\$m)	NAV (S\$m)	P/NAV ratio (times)
Aspen Group Holdings Ltd	31-Dec-21	82.3	(24.5)	159.2	0.52
Iskandar Waterfront City Berhad	30-Sep-21	103.5	(7.6)	255.6	0.41
Tambun Indah Land Bhd	30-Sep-21	108.5	15.2	220.0	0.50
Teladan Setia Group Berhad	30-Sep-21	162.9	10.2	149.7	1.10
Titijaya Land Berhad	30-Sep-21	104.5	(4.2)	349.1	0.30

Comparable Companies	Latest reported financial period	Market Capitalisation ¹⁾ (S\$m)	Net profit /(loss) attributable to equity holders ⁽¹⁾ (S\$m)	NAV (S\$m)	P/NAV ratio (times)
Maximum					1.10
Minimum					0.30
Mean					0.57
Median					0.50
3CMP	31-Dec-21	-	(7.8)	31.2	1.15 ⁽²⁾

Source: Bloomberg L.P., annual reports and/or announcements of the respective Comparable Companies.

Notes:

- (1) Refers to the profits / (loss) of the respective Comparable Companies for the latest available last twelve months financial period.
- (2) Based on the RNAV of 3CMP set out in paragraph 4.1 of this IFA Letter.

The P/RNAV ratio of 3CMP implied by the Consideration is higher than the P/NAV ratios of the Comparable Companies.

In the process of identifying Comparable Companies, we note that the trading of the shares of three (3) SGX-ST-listed property development companies with concentration of property development in Johor, Malaysia has been suspended. The reasons for the suspension of the trading of these shares, include but are not limited to, inability to repay creditors / loans due to decline in the sale of units of their property development in Johor, Malaysia.

4.6 OTHER CONSIDERATIONS

In determining whether the terms of the Proposed Disposal are on normal commercial terms and if they are prejudicial to the interests of the Independent Shareholders, we have also considered the following:

(a) Fund-raising options

The Company had considered various options for raising funds, including a rights issue to shareholders, to fund the repayment of the PBB Loan. However, in view of the deterioration of the property market, in particular the State of Johor, and the funding needed to be raised to service the PBB Loan, the Company was not confident that the rate of subscription from minority shareholders would be sufficient to enable the Company to maintain the required public float for continued listing on the Catalist Board.

(b) Financial effects of the Proposed Disposal

The full text of the proforma financial effects of the Proposed Disposal is set out in Section 5 of the Circular.

Based on the financial effects presented in the Circular:

- (a) the NTA per Share as at 31 December 2021 will improve from 0.96 cents to 1.17 cents; and
- (b) the loss per Share for FY2021 will improve from 0.28 cents to 0.09 cents.

(c) Set-off Arrangement

The Set-off Arrangement is no different from the receipt of full cash of S\$36.0 million from the Purchaser and the distribution of the net proceeds of S\$35.7 million from the Proposed Disposal to Shareholders pursuant to the Proposed Cash Distribution.

The Set-off Arrangement also reduces the cost arising from the remittance of monies from the Purchaser to the Company and from the Company to the Relevant Shareholders.

(d) Abstention from voting

The Purchaser, Phileo Capital, Champion Brave, Casi Management, Halfmoon Bay and Golden Ring will abstain from voting at the extraordinary general meeting on the resolution in relation to the Proposed Disposal.

The Purchaser, Phileo Capital and Tan Sri Tong Kooi Ong will also ensure that their associates will abstain from voting at the extraordinary general meeting.

5. OPINION

We set out below a summary of the key factors we have taken into our consideration on our assessment of the Proposed Disposal:

- (a) the Consideration of S\$36.0 million represents a premium of approximately S\$4.78 million (or 15.3%) to the RNAV of 3CMP as at 31 December 2021;
- (b) the Company has attempted to sell the Properties but did not receive any offer in the public tender held between January and March 2020;
- (c) the Proposed Disposal is expected to improve the Group's financial position and alleviate its immediate working capital needs, and the need to continue sourcing funding resources to service the PBB Loan and the Properties Loan;
- (d) 3CMP reported losses for its past three completed financial years and the development order for the Properties has lapsed with no renewal made as at the

Latest Practicable Date. Accordingly, it is unlikely for 3CMP to turnaround its financial performance for the current financial year ending 31 December 2022;

- (e) the P/RNAV ratio of 3CMP implied by the Consideration is higher than the P/NAV ratios of the Comparable Companies; and
- (f) other considerations as set out in paragraph 4.6 above.

Accordingly, after taking into account the above factors and the information made available to us as at the Latest Practicable Date, we are of the opinion that, on balance, the terms of the Proposed Disposal are on normal commercial terms and are not prejudicial to the interest of the Company and its minority Shareholders.

This IFA Letter is addressed to the Recommending Directors for their benefit, in connection with and for the purpose of their consideration of the terms of the Proposed Disposal. Any decision made by the Directors in relation to the Proposed Disposal shall remain their responsibility.

This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
XANDAR CAPITAL PTE LTD

LOO CHIN KEONG
EXECUTIVE DIRECTOR

PAULINE SIM POI LIN
HEAD OF CORPORATE FINANCE

NOTICE OF EXTRAORDINARY GENERAL MEETING

3CENERGY LIMITED

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

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (“**EGM**”) of 3Cnergy Limited (“**Company**”) will be held by electronic means, on Tuesday, 22 March 2022 at 2.30 p.m., for the purpose of considering and, if thought fit, passing with or without any modifications, the following resolutions. All capitalised terms used in this notice of EGM which are not defined herein shall have the meanings ascribed to them in the circular to shareholders of the Company dated 28 February 2022 (“**Circular**”) in relation to the Proposed Transactions.

Shareholders should note that the passing of Ordinary Resolution 1 and Special Resolution 2 set out in this Circular are inter-conditional. As such, if any one of Ordinary Resolution 1 or Special Resolution 2 is not passed, the remaining Resolution will not be carried.

ORDINARY RESOLUTION 1:

THE PROPOSED DISPOSAL OF 100% OF THE ISSUED AND PAID-UP CAPITAL OF 3C MARINA PARK SDN BHD AS A MAJOR TRANSACTION AND AN INTERESTED PERSON TRANSACTION

That, contingent upon passing Special Resolution 2, approval be and is hereby given:

- (a) for the disposal by the Company of its entire ownership of 3C Marina Park Sdn Bhd to Puteri Harbour Pte Ltd pursuant to the terms and subject to the conditions set out in the Sale and Purchase Agreement dated 23 February 2022 entered into between the Company and Puteri Harbour Pte Ltd, being an “interested person transaction” and a “major transaction” under Chapters 9 and 10 of the Catalist Rules respectively and a disposal of the whole or substantially the whole of the Company’s undertaking or property under Section 160 of the Companies Act; and
- (b) the Directors or any of them be and are hereby authorised to complete and do any and all such acts and things (including executing all such documents as may be required) as they may, in their absolute discretion deem fit, expedient or necessary to give effect to this ordinary resolution.

SPECIAL RESOLUTION 2:

PROPOSED CAPITAL REDUCTION SUBJECT TO AND UPON COMPLETION OF THE PROPOSED DISPOSAL

That, pursuant to Section 78A read with Section 78C of the Companies Act and Article 52 of the Constitution of the Company and contingent upon passing Ordinary Resolution 1:

- (a) the issued and paid-up share capital of the Company be reduced by the sum of S\$174,557,331 and such reduction be effected by:

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (i) the reduction of the issued and paid-up share capital of the Company by S\$138,857,331 by cancelling the issued and paid-up share capital of the Company which is unrepresented by available assets to the extent of S\$138,857,331, and such credit arising from the cancellation of the issued and paid-up capital be applied to cancel the Accumulated Losses of the Company based on the latest audited financial statements of the Company for the financial year ended 31 December 2020 to the extent of S\$138,857,331; and
 - (ii) the reduction of the issued and paid-up share capital of the Company by S\$35.7 million and returning the sum of up to S\$35.7 million (“**Proposed Cash Distribution**”) from the issued and paid-up share capital of the Company to the Entitled Shareholders on the basis of S\$0.01164 for each Share held by an Entitled Shareholder or on his behalf as at the Books Closure Date; and
- (b) the Directors be authorised to do all such acts and things (including, without limitation, entering into all such transactions, arrangements and agreements and executing all such documents) as they may consider necessary or expedient for the purposes of giving effect to this special resolution.

**BY ORDER OF THE BOARD OF DIRECTORS
OF 3CENERGY LIMITED**

Ong Pai Koo @ Sylvester
Independent Non-Executive Chairman
28 February 2022
Singapore

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes on the alternative arrangements for the EGM

1. Pre-Registration

(a) Pre-Registration to attend the EGM

The EGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the EGM are set out in this notice of EGM. This notice of EGM may be accessed at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL <http://www.3cnergy.com.sg/>.

Shareholders (including CPF and SRS investors) will not be able to attend the EGM physically. Shareholders (including CPF and SRS investors) who wish to participate at the EGM may watch the EGM proceedings through a live audio-visual webcast via their mobile phones, tablets or computers ("**EGM Live Webcast**") or live audio-only stream. To do so, shareholders (including CPF and SRS investors) must pre-register their details including full name, NRIC/Passport/Company Registration No., contact number and email address on the Company's EGM pre-registration website at the URL <https://complete-corp.com/3cnergy-egm/> by 2.30 p.m. on Sunday, 20 March 2022 ("**EGM Registration Deadline**") for the Company to verify their status as shareholders.

Verified shareholders (including CPF and SRS investors) will receive an email by 12.00 p.m. on Monday, 21 March 2022, containing instructions to access the EGM Live Webcast or live audio-only stream for the EGM. Shareholders (including CPF and SRS investors) must not forward the link or their log-in details to third persons who are not shareholders and who are not entitled to attend the EGM proceedings.

Shareholders (including CPF and SRS investors) who do not receive an email by 12.00 p.m. on Monday, 21 March 2022 but have registered before the EGM Registration Deadline should email to 3cnergy-egm@complete-corp.com for assistance.

(b) Pre-Registration to attend the VIS

A VIS will be held for shareholders (including CPF and SRS investors) prior to the EGM, at 11.00 a.m. on Friday, 11 March 2022 where the Company will endeavour to address all substantial and relevant questions received by the Questions Deadline (as defined in paragraph (2)(a) below) from shareholders (including CPF and SRS investors) in relation to the resolutions to approve the Proposed Transactions as set out in the Notice of EGM. Shareholders (including CPF and SRS investors) will also be able to ask questions live via the online chat box function during the VIS.

Shareholders (including CPF and SRS investors) who wish to participate in the VIS through a live audio-visual webcast via their mobile phones, tablets or computers ("**VIS Live Webcast**") or live audio-only stream must pre-register their details including full name, NRIC/Passport/Company Registration No., contact number and email address on the Company's EGM pre-registration website at the URL <https://complete-corp.com/3cnergy-egm/> by 11.00 a.m. on Wednesday, 9 March 2022 ("**VIS Registration Deadline**") for the Company to verify their status as shareholders.

Verified shareholders (including CPF and SRS investors) will receive an email by 12.00 p.m. on Thursday, 10 March 2022, containing instructions to access the VIS Live Webcast or live audio-only stream for the VIS. Shareholders (including CPF and SRS investors) must not forward the link or their log-in details to third persons who are not shareholders and who are not entitled to attend the VIS proceedings.

Shareholders (including CPF and SRS investors) who do not receive an email by 12.00 p.m. on Thursday, 10 March 2022 but have registered before the VIS Registration Deadline should email to 3cnergy-egm@complete-corp.com for assistance.

NOTICE OF EXTRAORDINARY GENERAL MEETING

2. Submission of Questions:

The Company will not be addressing any questions raised by the shareholders (including CPF and SRS investors) during the EGM Live Webcast and live audio-only stream of the EGM. Verified shareholders (including CPF and SRS investors) who have any questions in relation to any agenda item of this notice may:

- (a) send their questions to the Company in advance, by 9.00 a.m. on Tuesday, 8 March 2022, via email to 3cenergy-egm@complete-corp.com or post to 380 Jalan Besar, #16-01, ARC 380, Singapore 209000 ("**Questions Deadline**"). When submitting questions, shareholders should provide their details including full name, NRIC/Passport/Company Registration No., contact number and email address for verification purposes; or
- (b) submit their questions via an online chat box function during the VIS to be held prior to the EGM.

The Company will endeavour to address all substantial and relevant comments, queries and/or questions received from shareholders (i) at the VIS; and (ii) 72 hours prior to the closing date and time for the lodgement of the proxy forms.

The Company will publish the minutes, or provide a link for shareholders to access the recording of the VIS on SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL <http://www.3cenergy.com.sg/> 72 hours prior to the closing date and time for the lodgement of the proxy forms.

3. Submission of Proxy Form:

A shareholder (including CPF and SRS investors) will not be able to vote through the EGM Live Webcast and live audio-only stream and voting is only through submission of proxy form. If a shareholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the chairman of the EGM (the "**Chairman**") as his/her/its proxy to vote on his/her/its behalf at the EGM. In appointing the Chairman as proxy, a shareholder (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the proxy form, failing which the appointment of the Chairman as proxy for that resolution will be treated as invalid.

The accompanying proxy form for the EGM is made available with this notice of EGM on the SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL <http://www.3cenergy.com.sg/> on the same day. A printed copy of this notice of EGM and the proxy form will not be despatched to shareholders.

For CPF or SRS investors who wish to appoint the Chairman as their proxy, they should approach their respective agents to submit their votes at least seven (7) working days before the EGM, i.e. by 5.00 p.m. on Friday, 11 March 2022.

The instrument appointing the Chairman as proxy must be:

- (a) deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02 Singapore 068898; or
- (b) emailed to: sg.is.proxy@sg.tricorglobal.com.

In either case, not less than forty-eight (48) hours before the time appointed for the holding of the EGM, i.e. by 2.30 p.m. on Sunday, 20 March 2022.

Any incomplete/improperly completed proxy form (including proxy form which is not appointing the Chairman as proxy) will be rejected by the Company.

A shareholder who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above. In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for shareholders to submit completed proxy forms by post, shareholders are strongly encouraged to submit completed proxy forms electronically via email.

NOTICE OF EXTRAORDINARY GENERAL MEETING

The Company shall be entitled to reject the instrument appointing the Chairman as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman as proxy (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the Chairman as proxy). In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing the Chairman as proxy lodged if such shareholders are not shown to have shares entered against their names in the Depository Register as at 72 hours before the time appointed for the EGM, as certified by The Central Depository (Pte) Limited to the Company.

4. Circular:

The circular in respect of the Proposed Transactions dated 28 February 2022 may be accessed from the SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL <http://www.3cenergy.com.sg/>. No printed copy will be sent to shareholders.

Personal data privacy:

By (i) submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof; (ii) completing the pre-registration(s) in accordance with this notice of EGM, or (iii) submitting any question prior to the EGM in accordance with this notice of EGM, a shareholder of the Company consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents or service providers) for the following purposes:

- (a) the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof), the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), processing of the pre-registration for purposes of granting access to shareholders to the "live" webcast or "live" audio feed of the EGM or VIS proceedings and providing them with any technical assistance where necessary, addressing substantial and relevant questions from members received before the EGM and if necessary, following up with the relevant members in relation to such questions, and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**");
- (b) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and
- (c) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

PROXY FORM

3CENERGY LIMITED

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

PROXY FORM

(Please see notes overleaf before completing this Proxy Form)

Important:

1. The extraordinary general meeting of the Company ("**EGM**") is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the EGM are set out in the notice of EGM dated 28 February 2022 which has been uploaded on SGXNet and the Company's website on the same day.
2. A member will not be able to attend the EGM in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint Chairman of the EGM as his/her/its proxy to vote on his/her/its behalf at the EGM. In appointing Chairman of the EGM as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment of Chairman of the EGM as proxy for that resolution will be treated as invalid.
3. For CPF or SRS investors who wish to appoint the Chairman of the EGM as their proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the EGM, i.e. by 5.00 p.m. on 11 March 2022.
4. Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the EGM as a member's proxy to vote on his/her/its behalf at the EGM.

I/We,.....(Name) NRIC/Passport/Co. Reg No.....Of..... (Address) being a member/members* of 3Cenergy Limited (the "**Company**") hereby appoint the **Chairman of the EGM**, as my/our proxy to vote for me/us on my/our behalf at the Extraordinary General Meeting ("**EGM**" or the "**Meeting**") of the Company to be held by way of electronic means on **Tuesday, 22 March 2022 at 2.30 p.m.** (Singapore time) and at any adjournment thereof.

(Voting will be conducted by poll. If you wish the Chairman of the EGM as your proxy to cast all your votes for or against a resolution to be proposed at the EGM, please indicate with a "✓" in the space provided under "For" or "Against". If you wish the Chairman of the EGM as your proxy to abstain from voting on a resolution to be proposed at the EGM, please indicate with a "✓" in the space provided under "Abstain". Alternatively, please indicate the number of shares that the Chairman of the EGM as your proxy is directed to vote "For" or "Against" or to abstain from voting. **In the absence of specific directions, the appointment of the Chairman of the EGM as your proxy will be treated as invalid.**)

Resolutions	Number of votes for ⁽¹⁾	Number of votes against ⁽¹⁾	Abstain ⁽¹⁾
Ordinary Resolution 1: To approve the Proposed Disposal as a Major Transaction and an Interested Person Transaction			
Special Resolution 2: To approve the Proposed Capital Reduction			

⁽¹⁾ If you wish to abstain or exercise all your votes "For" or "Against", please tick within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated thisday
of2022

Signature(s) of Shareholder(s) or,
Common Seal of Corporate Shareholder

Total Number of Shares in:	No. of Shares
(i) CDP Register	
(ii) Register of Members	
Total	

* Delete where inapplicable

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS FORM

PROXY FORM

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of shares. If you have shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this instrument of proxy shall be deemed to relate to all the shares held by you.
2. A member will not be able to vote through the live audio-visual webcast and live audio-only stream and voting is only through submission of proxy form. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint Chairman of the EGM as his/her/its proxy to vote on his/her/its behalf at the EGM. In appointing Chairman of the EGM as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the proxy form, failing which the appointment of Chairman of the EGM as proxy for that resolution will be treated as invalid.
3. The Chairman of the EGM, as a proxy, need not be a member of the Company.
4. The instrument appointing Chairman of the EGM as proxy, duly executed, must be:
 - (a) deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02 Singapore 068898; or
 - (b) emailed to: sq.is.proxy@sq.tricorglobal.com,

in either case, not less than forty-eight (48) hours before the time appointed for the holding of the EGM, i.e. by 2.30 p.m. on Sunday, 20 March 2022. A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above. In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

5. The instrument appointing Chairman of the EGM as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where such instrument is executed by a corporation, it must be executed under its common seal or under the hand of an officer or attorney duly authorised.
6. Where an instrument appointing Chairman of the EGM as proxy is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7. The Company shall be entitled to reject the instrument appointing Chairman of the EGM as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing Chairman of the EGM as proxy (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing Chairman of the EGM as proxy). In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing Chairman of the EGM as proxy lodged if such members are not shown to have shares entered against their names in the Depository Register as at 72 hours before the time appointed for the EGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy

By submitting a proxy form appointing proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the notice of the EGM dated 28 February 2022.