
Unaudited Financial Statements and Dividend Announcement for the Third Quarter and Nine Months Ended 30 September 2021

The Board of Directors of 3Cenergy Limited (the “Company”) is pleased to announce the unaudited consolidated results for third quarter and nine months ended 30 September 2021. The figures presented in this announcement have not been audited or reviewed by the auditors of the Company.

In view of the material uncertainty relating to going concern issued by the Company’s independent auditors, Mazars LLP, on the audited financial statements of the Group for the financial year ended 31 December 2020, the Company is required by the Singapore Exchange Securities Trading Limited (the “Exchange”) to announce its quarterly financial statements pursuant to Catalist Rule 705(2).

This announcement has been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “Sponsor”). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “SGX-ST”) and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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**Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the Third Quarter and Nine Months Ended 30 September 2021**

	Note	(Unaudited)	(Unaudited)	Increase /	(Unaudited)	(Unaudited)	Increase /
		3Q21	3Q20	(decrease)	9M21	9M20	(decrease)
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue		35	61	(42.6)%	111	164	(32.3)%
Cost of services rendered		(23)	(39)	(41.0)%	(69)	(114)	(39.5)%
Gross profit		12	22	(45.5)%	42	50	(16.0)%
Other operating income	5	2	66	(97.0)%	22	193	(88.6)%
Sales and distribution expenses		-	-	N.M.	-	(2)	N.M.
General and administrative expenses		(138)	134	N.M.	(1,405)	(1,233)	13.9 %
Finance costs	6	(451)	(468)	(3.6)%	(1,346)	(1,543)	(12.8)%
Loss before tax	7	(575)	(246)	133.7 %	(2,687)	(2,535)	6.0 %
Income tax expense	8	-	(4)	N.M.	-	(9)	N.M.
Loss for the period		(575)	(250)	130.0 %	(2,687)	(2,544)	5.6 %
Other comprehensive (loss) income							
Items that may be reclassified subsequently to profit & loss							
- Exchange differences on translation of financial statements of foreign subsidiaries		20	62	(67.7)%	(73)	(5)	1,360.0 %
Other comprehensive loss for the period, net of tax		20	62	(67.7)%	(73)	(5)	1,360.0 %
Total comprehensive loss for the period		(555)	(188)	195.2 %	(2,760)	(2,549)	8.3 %
Attributable to:							
Owners of the Company		(575)	(250)	130.0 %	(2,687)	(2,544)	5.6 %
Loss for the period		(575)	(250)	130.0 %	(2,687)	(2,544)	5.6 %
Attributable to:							
Owners of the Company		(555)	(188)	195.2 %	(2,760)	(2,549)	8.3 %
Total comprehensive (loss) income for the period		(555)	(188)	195.2 %	(2,760)	(2,549)	8.3 %
Loss per share attributable to the owners of the Company (cents per share)							
Basic		(0.02)	(0.01)	100.0 %	(0.09)	(0.08)	12.5 %
Diluted		(0.02)	(0.01)	100.0 %	(0.09)	(0.08)	12.5 %
Loss per share (cents per share)							
Basic		(0.02)	(0.01)	100.0 %	(0.09)	(0.08)	12.5 %
Diluted		(0.02)	(0.01)	100.0 %	(0.09)	(0.08)	12.5 %

Notes:

N.M. – Not meaningful

Statement of Financial Position
As at 30 September 2021

Note	Group		Company	
	30 Sep 2021	31 Dec 2020	30 Sep 2021	31 Dec 2020
	S\$'000	S\$'000	S\$'000	S\$'000
Assets				
Non-current assets				
Property, plant and equipment	16	20	4	5
Land held for property development	85,111	86,273	-	-
Other intangible assets	17	68	-	-
Investments in subsidiaries	-	-	8,646	2,088
	85,144	86,361	8,650	2,093
Current assets				
Trade receivables	31	22	-	-
Other receivables and deposits	118	128	1	1
Prepayments	12	10	11	6
Amount due from subsidiaries	-	-	30,510	37,078
Tax recoverable	5	3	-	-
Cash and cash equivalents	1,937	2,071	507	784
Pledged fixed deposit	48	48	-	-
	2,151	2,282	31,029	37,869
Total assets	87,295	88,643	39,679	39,962
Equity and liabilities				
Current liabilities				
Trade payables	9	28	1	1
Other payables and accruals	4,583	2,591	192	237
Contract liabilities	514	443	-	-
Amount due to subsidiaries	-	-	777	754
Lease liabilities	9	1	1	1
Bank borrowings	9	17,875	-	-
	22,982	21,180	971	993
Non-current liabilities				
Lease liabilities	9	3	3	4
Bank borrowings	9	28,791	-	-
Deferred tax liabilities	-	1	-	-
	28,795	29,185	3	4
Total liabilities	51,777	50,365	974	997
Net assets	35,518	38,278	38,705	38,965
Equity attributable to owners of the Company				
Share capital	143,292	143,292	177,822	177,822
Accumulated losses and other reserves	(107,774)	(105,014)	(139,117)	(138,857)
Net equity	35,518	38,278	38,705	38,965
Total equity and liabilities	87,295	88,643	39,679	39,962

Consolidated Statement of Cash Flows for the period ended 30 September 2021

Note	Group	
	(Unaudited)	(Unaudited)
	30 Sep 2021	30 Sep 2020
	S\$'000	S\$'000
Cash flows from operating activities		
Loss before taxation	(2,687)	(2,535)
Adjustments for:		
Depreciation of property, plant and equipment	7	4
Gain on disposal of property, plant and equipment		-
Amortisation of other intangible assets	7	51
Interest income		(8)
Interest expense	6	1,346
Unrealised exchange differences		458
		(7)
Operating cash flows before changes in working capital	(836)	(1,018)
(Increase)/Decrease in receivables	(2)	29
Increase/(Decrease) in contract liabilities	71	(18)
Decrease in payables	(165)	(213)
Cash used in operations	(932)	(1,220)
Interest received	8	17
Interest paid	(1,207)	(1,105)
Income tax paid	(2)	(5)
Net cash used in operating activities	(2,133)	(2,313)
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	-	58
Net cash from investing activities	-	58
Cash flows from financing activities		
Proceeds from shareholders loan	2,000	2,200
Principal elements of lease payments	(1)	(15)
Repayment of bank borrowings	-	(2,694)
Net cash from / (used) in financing activities	1,999	(509)
Net decrease in cash and cash equivalents	(134)	(2,764)
Cash and cash equivalents at beginning of the period	2,071	5,689
Cash and cash equivalents at end of the period	1,937	2,925

Statements of Changes in Equity
for the period ended 30 September 2021

	Attributable to owners of the Company			
	Share capital	Translation reserve	Accumulated losses	Total equity
	\$'000	\$'000	\$'000	\$'000
<u>Group</u>				
Balance at 1 January 2020	143,292	(158)	(97,794)	45,340
Loss for the period	-	-	(2,544)	(2,544)
Other comprehensive income for the period, net of tax	-	(5)	-	(5)
Total comprehensive income for the period	-	(5)	(2,544)	(2,549)
Balance at 30 September 2020	143,292	(163)	(100,338)	42,791
Balance at 1 January 2021	143,292	(176)	(104,838)	38,278
Loss for the period	-	-	(2,687)	(2,687)
Other comprehensive loss for the period, net of tax	-	(73)	-	(73)
Total comprehensive loss for the period	-	(73)	(2,687)	(2,760)
Balance at 30 September 2021	143,292	(249)	(107,525)	35,518

	Attributable to owners of the Company			
	Share capital	Translation reserve	Accumulated losses	Total equity
	\$'000	\$'000	\$'000	\$'000
<u>Company</u>				
Balance at 1 January 2020	177,822	-	(131,893)	45,929
Profit for the period representing				
Total comprehensive income for the period	-	-	(331)	(331)
Balance at 30 September 2020	177,822	-	(132,224)	45,598
Balance at 1 January 2021	177,822	-	(138,857)	38,965
Loss for the period representing				
Total comprehensive loss for the period	-	-	(260)	(260)
Balance at 30 September 2021	177,822	-	(139,117)	38,705

Selected Notes to the Nine Months Financial Statements

1. Corporate information

3Cenergy Limited (the Company) is incorporated in the Republic of Singapore. The registered office and principal place of business of the Company is located at 380 Jalan Besar, #16-01 Arc 380, Singapore 209000.

These condensed nine months financial statements as at and for the nine months ended 30 September 2021 comprise the Company and its subsidiaries (collectively, the Group).

The principal activity of the Company is that of investment holding. The principal activities of its significant subsidiaries relate to property development, architectural design, project financial feasibility assessment, engineering expertise and construction management services

2. Basis of preparation

The condensed nine months financial statements for the nine months ended 30 September 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed nine months financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and the performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed nine months financial statements are presented in Singapore dollar which is the Company’s functional currency.

2.1 New and amended standards adopted by the Group

A number of amendments to accounting standards relevant to its operations have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of estimates and judgements

In preparing the condensed nine months financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In the process of applying the Group’s accounting policies, management is of the opinion that any instances of application of judgements are not expected to have significant effect on the amounts recognised in the financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next nine months period are discussed below:

Recoverable amount of land held for property development

The recoverable amount of land held for property development is determined based on fair value less costs of disposal.

In determining fair value less costs of disposal, it requires the application of significant judgement and estimate in determining the appropriate valuation methodology to be used, use of subjective assumptions and various unobservable inputs. It is underpinned by several assumptions which include price per square metre of market comparable used, adjusted for the timing, location, tenure, category of land use, plot ratio, size and others.

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4 Segment and revenue information

The Company considers that the entire Group's operations constitute a single business segment, which is real estate and property development consultancy and two geographical segments which are Singapore and Malaysia. Accordingly, no business segment information is presented.

	Revenue from external customers		Non-current assets	
	9 months ended 30 Sep		9 months ended 30 Sep	
	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	41	48	4	5
Malaysia	70	116	85,140	90,171
	111	164	85,144	90,176

5 Other operating income

	(Unaudited) 3M21	(Unaudited) 3M20	Increase / (decrease)	(Unaudited) 9M21	(Unaudited) 9M20	Increase / (decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Government grants	-	5	N.M.	14	26	(46.2)%
Interest income	2	3	(33.3)%	8	17	(52.9)%
Gain on disposal of property, plant and equipment	-	58	N.M.	-	58	N.M.
Miscellaneous income	-	-	N.M.	-	92	N.M.
	2	66	(97.0)%	22	193	(88.6)%

Notes: N.M. – Not meaningful

6 Finance costs comprised the following:

	(Unaudited) 3M21	(Unaudited) 3M20	Increase / (decrease)	(Unaudited) 9M21	(Unaudited) 9M20	Increase / (decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest on lease liabilities	-	-	N.M.	-	1	N.M.
Loan interest expense	451	468	(3.6)%	1,346	1,542	(12.7)%
	<u>451</u>	<u>468</u>	<u>(3.6)%</u>	<u>1,346</u>	<u>1,543</u>	<u>(12.8)%</u>

7 Loss before tax is stated after charging the following:

	(Unaudited) 3M21	(Unaudited) 3M20	Increase / (decrease)	(Unaudited) 9M21	(Unaudited) 9M20	Increase / (decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
After charging:						
Staff costs (including directors' remuneration)	35	92	(62.0)%	148	230	(35.7)%
Depreciation of plant and equipment	1	2	(50.0)%	4	5	(20.0)%
Amortisation of other intangible assets	17	17	- %	51	51	- %
Directors fees	14	14	- %	42	42	- %
Rental of premises	1	-	N.M.	2	18	(88.9)%
Net foreign exchange (gain)/loss	(128)	(413)	(69.0)%	432	28	1,442.9 %
Professional fees	3	-	N.M.	7	64	(89.1)%
	<u>3</u>	<u>-</u>	<u>N.M.</u>	<u>7</u>	<u>64</u>	<u>(89.1)%</u>

8 Income tax comprised the following:

	(Unaudited) 3M21	(Unaudited) 3M20	Increase / (decrease)	(Unaudited) 30 Sep 2021	(Unaudited) 30 Sep 2020	Increase / (decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Current income tax expense	-	4	N.M.	-	9	N.M.
Deferred tax expense	-	-	N.M.	-	-	N.M.
	<u>-</u>	<u>4</u>	<u>N.M.</u>	<u>-</u>	<u>9</u>	<u>N.M.</u>

Notes: N.M. – Not meaningful

9. Borrowings

Principal amount repayable in one year or less, or on demand

As at 30 Sep 2021		As at 31 Dec 2020	
Secured	Unsecured	Secured	Unsecured
<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
17,876	-	18,118	-

Principal amount repayable after one year

As at 30 Sep 2021		As at 31 Dec 2020	
Secured	Unsecured	Secured	Unsecured
<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
28,794	-	29,184	-

The Group's borrowings mainly consist of bank borrowings and lease liabilities.

The bank borrowings are solely attributable to the term loans and revolving facilities recorded in 3C Marina Park Sdn. Bhd. ("3C Marina") which owns the legal and beneficial title to several parcels of undeveloped lands in Puteri Harbour, Johor Bahru, Malaysia (the "CN Lands").

3C Marina has a non-current term loan facilities of RM89 million (S\$28.79 million) from Public Bank Berhad ("PBB"). These term loans are secured by a charge over the CN Lands and a general debenture that created a fixed and floating charge over the assets of 3C Marina. The short term bank borrowings of RM55 million (S\$17.88 million) which is also under 3C Marina comprises several revolving facilities from PBB. The revolving credit facilities are secured by a charge over the CN Lands and a second general debenture that created a fixed and floating charge over the assets of 3C Marina.

The lease liabilities related to office equipment leasing for the Group's operations. The lease for the office equipment is payable in 60 monthly installments with effect from April 2019.

Other Information required under Listing Manual

1(a)(i) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

(A) Share Capital

There has been no change in the Company's total number of issued shares of 3,067,053,978 and share capital for the nine-month period ended 30 September 2021.

(B) Convertibles and treasury shares

There were no outstanding convertibles, treasury shares and subsidiary holdings held or issued as at 30 September 2020 and 30 September 2021.

1(a)(ii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Company	
As at 30-Sep-21	As at 31-Dec-20
Total number of issued shares (excluding treasury shares)	3,067,053,978
	3,067,053,978

The Company has no treasury shares as at 30 September 2020, 31 December 2020 and 30 September 2021.

1(a)(iii) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

1(a)(iv) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditor.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion.

- (a) Updates on the efforts taken to resolve each outstanding audit issues.
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

The Company is mandatorily required pursuant to the requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST") to commence quarterly reporting of its financial statements with effect from 7 February 2020 in view of the material uncertainty relating to going concern issued by the Company's statutory auditor in its annual report for the financial year ended 31 December 2019. A grace period of one year has been extended to the Company by the SGX-ST. For the avoidance of doubt, the Company is required to commence reporting its quarterly financial statements from the third quarter period from 1 July 2021 to 30 September 2021 by 14 November 2021.

4. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	(Unaudited) 30-Sep-21	(Unaudited) 30-Sep-20
Loss per share (in cents):-		
(a) Basic loss based on the weighted average number of ordinary shares on issue	(0.09)	(0.08)
(b) On fully diluted basis	(0.09)	(0.08)
Weighted average number of shares used in computation of basic earnings per share	3,067,053,978	3,067,053,978

Basic loss per ordinary share is computed by dividing the net loss attributable to the equity holders in each financial period by the weighted average number of ordinary shares in issue during the respective financial period.

The Group has no dilution in its earnings per share as at 30 September 2021 and 30 September 2020.

5. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on; and (b) immediately preceding financial year.**

	Group		Company	
	(Unaudited) 9M21	(Audited) 31-Dec-20	(Unaudited) 9M21	(Audited) 31-Dec-20
Net asset value ("NAV") per ordinary share based on issued share capital (in cents)	1.16	1.25	1.26	1.27
Number of Issued shares (excluding treasury shares)	3,067,053,978	3,067,053,978	3,067,053,978	3,067,053,978

The NAV per ordinary share for the Group and the Company as at 30 September 2021 and 31 December 2020 were calculated based on the respective NAV for the Group and the Company divided by the number of issued shares (excluding treasury shares) as at the respective balance sheet date.

6. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

INCOME STATEMENT

3rd quarter ended 30 September 2021 ("3M21") vs 3rd quarter ended 30 September 2020 ("3M20")

Overview

The Group's loss, net of tax had increased from S\$0.25 million in 3M20 to S\$0.58 million in 3M21 mainly due to increase in general and administrative expenses by S\$0.27 and decrease in other operating income by S\$64,000 respectively, which was being offset by the decrease in other operating income of S\$107,000.

Revenue

The Group's revenue is mainly derived from project management services rendered by Orientis Solutions Sdn Bhd ("OSSB") and it has decreased by approximately S\$26,000 or 42.6% from S\$61,000 in 3M20 to S\$35,000 in 3M21. The decrease was mainly due to lower revenue contributed from property valuation services as a result of lower valuation case volume in 3M21 as compared to 3M20.

Cost of services rendered

Cost of services rendered has decreased by approximately S\$16,000 or 41.0% from S\$39,000 in 3M20 to S\$23,000 in 3M21. The decrease was mainly due to reduction in valuation costs, as well as in staff costs arising from change in staff costs allocation in line with time spent.

Gross profit

The Group's gross profit has decreased from S\$22,000 in 3M20 to S\$12,000 in 3M21 mainly due to lower revenue recorded from property valuation services rendered.

Other operating income

Other operating income has decreased by approximately S\$64,000 or 97.0% from S\$66,000 in 3M20 to S\$2,000 in 3M21. The decrease was mainly due to absence of gain on disposal of property, plant and equipment of S\$58,000 that was recorded in 3M20.

General and administrative expenses (“G&A Expenses”)

G&A Expenses comprised mainly salaries and related costs, professional fees, foreign exchange gain or loss, annual listing expenses and land related costs. The increase in G&A Expenses from positive S\$134,000 in 3M20 to negative \$138,000 in 3M21 is mainly due to higher foreign exchange loss recorded in 3M21 as compared to 3M20 due to a weaker RM against SGD.

9 months ended 30 September 2021 (“9M21”) vs 9 months ended 30 September 2020 (“9M20”)

Overview

The Group's loss, net of tax had increased from S\$2.54 million in 9M20 to S\$2.69 million in 9M21 mainly due to decrease in other operating income of S\$171,000 and increase in general and administrative expenses of S\$172,000, which was being offset by the decrease in finance costs of S\$197,000.

Revenue

The Group's revenue is mainly derived from project management services rendered by Orientis Solutions Sdn Bhd (“OSSB”) and it has decreased by approximately S\$53,000 or 32.3% from S\$164,000 in 9M20 to S\$111,000 in 9M21. The decrease was mainly due to lower revenue recognition attributable to stage of completion from a project management contract in 9M21 as compared to 9M20. OSSB provides architectural design, project financial feasibility assessment, engineering expertise and construction management services.

Cost of services rendered

Cost of services rendered has decreased by approximately S\$45,000 or 39.5% from S\$114,000 in 9M20 to S\$69,000 in 9M21. The decrease was mainly due to reduction in valuation costs, as well as staff costs arising from change in staff costs allocation in line with time spent.

Gross profit

The Group's gross profit has decreased slightly from S\$50,000 in 9M20 to S\$42,000 in 9M21 due to lower revenue recognition from a project management contract. The improvement in gross profit margin of 38% in 9M21 as compared to 31% in 9M20 is attributable to higher revenue contributed from property valuation services.

Other operating income

Other operating income comprised mainly interest income and government grants. Other operating income has decreased by approximately S\$171,000 or 88.6% from S\$193,000 in 9M20 to S\$22,000 in 9M21. The decrease was mainly due to the absence of gain on disposal of property, plant and equipment and miscellaneous income recorded in 9M21 as compared to 9M20. The miscellaneous income of S\$92,000 recorded in 9M20 was attributable to (i) reversal of income tax in 9M20 and (ii) reversal of provisions relating to office reinstatement which are no longer required in 9M20.

General and administrative expenses (“G&A Expenses”)

The G&A Expenses increased by approximately S\$172,000 or 13.9% from S\$1.23 million in 9M20 to S\$1.41 million in 9M21 mainly due to increase in foreign exchange loss of approximately S\$404,000 from S\$28,000 in 9M20 to S\$432,000 recorded in 9M21 due to a weaker RM against SGD. The increase in G&A Expenses was offset by the decrease in (i) land related costs as result of rebates in quit rent (by approximately S\$90,000), (ii) professional fees by approximately S\$57,000, (iii) staff costs as result of reduction in headcount (by approximately S\$44,000), (iv) rental of premises related expenses which was absent in 9M21 (by approximately S\$23,000), and (v) subscription fees related to listing fee of warrants which expired in 9M20 (by approximately S\$9,000) in 9M21 as compared to 9M20.

Finance Costs

Finance costs comprised mainly loan interest expense. Interest expense has decreased by approximately S\$0.2 million or 12.8% from S\$1.54 million in 9M20 to S\$1.35 million in 9M21 mainly due to a reduction in the interest-bearing loan principal amount payable and lower interest rates.

BALANCE SHEET

Land held for property development of S\$85.11 million as at 30 September 2021 relates to the land cost for the three parcels of undeveloped lands owned by 3C Marina. In the event that it is commercially viable to commence property development, land held for property development will be transferred to property development where the development activities can be completed within the Group’s normal operating cycle. The decrease in land held for property development is due to weakening of exchange rate, RM against SGD used in translation as at closing date.

Other intangible assets decreased by approximately S\$51,000 from S\$68,000 as at 31 December 2020 to S\$17,000 as at 30 September 2021 due to amortisation of assets over the financial periods.

Cash and cash equivalents decreased by 6.5% amounted to approximately S\$134,000 mainly due to payments made for loans interest and working capital purposes, offset by the drawdown of loan from Puteri Harbour Pte Ltd during the financial period.

Other payables and accruals increased by approximately S\$1.99 million from S\$2.59 million as at 31 December 2020 to S\$4.58 million as at 30 September 2021, mainly due to drawdown of the interest-free loan from Puteri Harbour Pte Ltd, a company owned by substantial shareholders of the Company.

Contract liabilities increased by S\$71,000 from S\$443,000 as at 31 December 2020 to S\$514,000 as at 30 September 2021. The increase was mainly due to the increase in progress billings recognised during the nine-month period ended 30 September 2021 for OSSB.

The current and non-current bank borrowings of the Group amounted to S\$46.67 million and S\$47.30 million as at 30 September 2021 and 31 December 2020 respectively. The bank borrowings reduced by S\$0.63 million due to weakening of exchange rate, RM against SGD used in translation as at closing date.

The Group reported a negative working capital of S\$20.83 million as at 30 September 2021 as compared to S\$18.90 million as at 31 December 2020 due to increase in loan from Puteri Harbour Pte Ltd. Outstanding cash balance as at 30 September 2021 stood at approximately S\$1.99 million. The Board of Directors of the Company hereby confirm that to the best of its knowledge, the Group is able to meet its short term debt obligations when they fall due. The ability of the Group to continue as a going concern is dependent on its ability to continue to obtain support from bank and to receive continued financial support from its substantial shareholders of the Group to pay their debts as and when they fall due.

CASH FLOW STATEMENT

Net cash used in operating activities in 9M21 was approximately S\$2.13 million, mainly due to an operating cash outflow of approximately S\$0.83 million before changes in working capital, interest paid of S\$1.21 million, and a decrease in payables of S\$0.17 million. This was partially offset by inflows from increase in contract liabilities of S\$71,000 during the financial period.

There were no cash flow generated from nor used in investing activities in 9M21.

Net cash generated from financing activities amounted to approximately S\$2 million in 9M21 mainly attributable to the inflows from the proceeds from shareholders loan of S\$2 million during the financial period.

The Group recorded a net decrease in cash and cash equivalents of approximately S\$0.13 million in 9M21.

7. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not Applicable.

8. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The COVID-19 pandemic has significantly impacted the economic sentiment globally including Malaysia. The property sector, especially in Johor, has contracted significantly in the past two years. This is now further compounded by the effects of a global economy slowdown prompted by the COVID-19 pandemic.

The Board is of the view that the adverse market conditions will persist, and it will not be commercially viable for the Group to proceed with the development of the CN Lands in the foreseeable future. Nonetheless, the bank borrowings (“Loan”) remain outstanding and the Board will continue to explore options in extracting value from the CN Lands, including their disposal, so as to improve the Group’s financial position.

9. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Whether the dividend is before tax, net of tax or tax-exempt

Not applicable.

(d) Date payable

Not applicable.

(e) Books closure date

Not applicable.

10. If no dividend has been declared or recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended as there were no profits for 9M21.

11. If the Group has obtained a general mandate from shareholders for Interested Person Transactions (“IPTs”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group had obtained a general mandate from shareholders for IPT which was approved at the Company’s annual general meeting on 27 April 2021.

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under Shareholders’ general mandate pursuant to Rule 920 of the Catalist Rules)	Aggregate value of all interested person transactions conducted under Shareholders’ general mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than S\$100,000)
	S\$	S\$
Publiq Development Group Sdn Bhd Project Consultancy Services & recovery of incidentals	-	145,991

12. Confirmation pursuant to Rule 720(1) of the Listing Manual

The Board of Directors of 3Cenergy Limited hereby confirms that the undertakings under Rule 720 (1) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, have been obtained from all the directors and executive officers as required in the format set out in Appendix 7H.

13. Update on the use of Rights Issue proceeds

The Company refers to its announcement of changes in the use of proceeds of the Rights Issue (the “**Re-allocation Announcement**”) dated 20 January 2020 and provides an update below. Unless otherwise defined, all capitalised terms shall have the meanings ascribed to them in the Re-allocation Announcement and offer information statement dated 20 April 2018.

Intended use of proceeds	Amount Allocated S\$'000	Cumulative amount utilised as per Re-allocation Announcement S\$'000	Cumulative amount utilised to-date S\$'000	Balance S\$'000
Expenses incurred in relation to Rights Issue ⁽¹⁾	258	(258)	(258)	-
Partial repayment of Term Loans	22,777	(18,377)	(22,777)	-
General working capital ⁽²⁾	8,467	(5,881)	(7,995)	472
Total	31,502	(24,516)	(31,030)	472

Notes:

- (1) Expenses incurred in relation to the Rights Issue relate to Professional Fees and Listing Fees.
- (2) General working capital includes directors' fees, salary related expenses, payment to supplier, expenses incurred in connection with the Land Development and other operating costs.

The use of proceeds from the Rights Issue as disclosed above is in accordance with the intended uses as disclosed in the Offer Information Statement and the Re-allocation Announcement.

The Board will continue to provide periodic announcements on the utilisation of the balance of the proceeds from the Rights Issue as and when the proceeds are materially disbursed and provide a status report on such use in its annual report and its quarterly, half yearly and full-year financial statements.

BY ORDER OF THE BOARD

Tong Kooi Ong
Non-Independent Non-Executive Chairman
Date: 10 November 2021

Negative confirmation pursuant to Rule 705(5).

The Board of Directors (the “Board”) of the Company hereby confirm that to the best of its knowledge, nothing has come to the attention of the Board which may render the unaudited financial results for the nine months ended 30 September 2021 for the Company and the Group set out above to be false or misleading in any material aspect.

On behalf of the Board of Directors

Tong Kooi Ong
Non-Independent Non-Executive Chairman

Loh Chen Peng
Lead Independent Director