

## **Unaudited Financial Statements and Dividend Announcement for the Half-Year Ended 30 June 2016**

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The Board of Directors of 3Cenergy Limited (the “Company”) is pleased to announce the unaudited consolidated results for the half-year ended 30 June 2016. The figures presented in this announcement have not been audited or reviewed by the auditors of the Company.

*This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, CIMB Bank Berhad, Singapore Branch (the “Sponsor”) for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “SGX-ST”). The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST and the SGX-ST and Sponsor assume no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Mr Eric Wong (Director, Investment Banking), CIMB Bank Berhad, Singapore Branch, 50 Raffles Place #09-01 Singapore Land Tower, Singapore 048623, telephone (65) 6337 5115.*

**Part I – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**

**1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Note	FOR THE 6 MONTHS ENDED		
	(Unaudited) 30 Jun 2016	(Unaudited) 30 Jun 2015	Increase / (decrease)
	S\$'000	S\$'000	%
<b>Continuing operations</b>			
	809	524	54.4 %
	(437)	(397)	10.1 %
	<b>372</b>	<b>127</b>	<b>193.4 %</b>
	353	281	25.6 %
	(2)	(2)	N.M.
	(1,739)	(1,712)	1.6 %
	(23)	(18)	27.7 %
	7	12	(41.7)%
	<b>(1,032)</b>	<b>(1,312)</b>	<b>(21.3)%</b>
	(64)	(11)	488.6 %
	<b>(1,096)</b>	<b>(1,323)</b>	<b>(17.1)%</b>
<b>Discontinued operation</b>			
	-	(899)	N.M.
	<b>(1,096)</b>	<b>(2,222)</b>	<b>(50.7)%</b>
<b>Other comprehensive income (loss)</b>			
Items that may be reclassified subsequently to profit & loss			
	-	(14)	N.M.
	-	(14)	
	<b>(1,096)</b>	<b>(2,236)</b>	<b>(51.0)%</b>
<b>Attributable to:</b>			
Owners of the Company			
	(1,096)	(1,323)	(17.1)%
	-	(899)	N.M.
	<b>(1,096)</b>	<b>(2,222)</b>	<b>(50.7)%</b>
<b>Attributable to:</b>			
	(1,096)	(1,337)	(18.0)%
	-	(899)	N.M.
	<b>(1,096)</b>	<b>(2,236)</b>	
<b>Loss per share from continuing operations attributable to the owners of the Company (cents per share)</b>			
	(0.91)	(1.10)	(17.1)%
	(0.91)	(1.10)	(17.1)%
<b>Loss per share (cents per share)</b>			
	(0.91)	(1.85)	(50.8)%
	(0.91)	(1.85)	(50.8)%

Notes:

N.M. – Not meaningful

## 1(a)(ii) Breakdown and explanatory notes to the consolidated statement of comprehensive income.

### Note 1 Other Income comprised the following:

	FOR THE 6 MONTHS ENDED		
	(Unaudited)	(Unaudited)	Increase /
	30 Jun 2016	30 Jun 2015	(decrease)
	S\$'000	S\$'000	%
<b>Continuing operations</b>			
Rental income	323	261	23.8 %
Interest income	19	16	18.8 %
Miscellaneous income	11	4	175.0 %
	<b>353</b>	<b>281</b>	<b>25.6 %</b>
<b>Discontinued operations</b>			
Rental income	-	249	N.M.
Government Grant	-	100	N.M.
Miscellaneous income	-	(6)	N.M.
	-	343	
	<b>353</b>	<b>624</b>	

Notes: N.M. – Not meaningful

### Note 2 Finance costs comprised the following:

	FOR THE 6 MONTHS ENDED		
	(Unaudited)	(Unaudited)	Increase /
	30 Jun 2016	30 Jun 2015	(decrease)
	S\$'000	S\$'000	%
<b>Continuing operations</b>			
Hire purchase interest	6	3	100.0 %
Other interest expense	17	15	13.3 %
	<b>23</b>	<b>18</b>	<b>27.8 %</b>
<b>Discontinued operations</b>			
Hire purchase interest	-	5	N.M.
Other interest expense	-	-	N.M.
	<b>23</b>	<b>23</b>	

Notes: N.M. – Not meaningful

**Note 3 Loss before tax is stated after charging the following:**

FOR THE 6 MONTHS ENDED		
(Unaudited) 30 Jun 2016	(Unaudited) 30 Jun 2015	Increase / (decrease)
S\$'000	S\$'000	%

**Continuing operations**

**After charging:**

Staff costs (including directors' remuneration)	333	289	15.2 %
Depreciation of plant and equipment	250	332	(24.7)%
Amortisation of other intangible assets	155	155	- %
Directors fees	71	85	(16.5)%
Rental of premises	377	560	(32.7)%
Fixed assets written off	33	-	N.M.
Professional fees	221	2	10,950.0 %

**Discontinued operations**

Staff costs (including directors' remuneration)	-	1,493	N.M.
Rental of premises	-	278	N.M.
Loss on Disposal of Investment	-	899	N.M.
(Write back) Allowance for doubtful debts	-	(458)	N.M.

Notes: N.M. – Not meaningful

**Note 4 Income tax comprised the following:**

FOR THE 6 MONTHS ENDED		
(Unaudited) 30 Jun 2016	(Unaudited) 30 Jun 2015	Increase / (decrease)
S\$'000	S\$'000	%

**Continuing operations**

Current Income tax expense	64	11	N.M.
	<b>64</b>	<b>11</b>	N.M.

**Discontinued operations**

Current Income tax expense	-	-	N.M.
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Notes: N.M. – Not meaningful

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	Group		Company	
	30 Jun 2016	31 Dec 2015	30 Jun 2016	31 Dec 2015
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	474	726	156	184
Other intangible assets	2,382	2,537	-	-
Investments in subsidiaries	-	-	6,193	6,193
Investment in joint venture	150	143	150	150
Goodwill	1,839	1,839	-	-
	<u>4,845</u>	<u>5,245</u>	<u>6,499</u>	<u>6,527</u>
<b>Current assets</b>				
Amount due from subsidiaries	-	-	66	13
Trade receivables	84	341	-	-
Other receivables and deposits	326	347	-	-
Prepaid operating expenses	142	26	47	20
Amount due from customers for project management contracts	84	-	-	-
Tax recoverable	-	12	-	-
Cash and cash equivalents	233	330	60	113
	<u>869</u>	<u>1,056</u>	<u>173</u>	<u>146</u>
<b>Total assets</b>	<u><b>5,714</b></u>	<u><b>6,301</b></u>	<u><b>6,672</b></u>	<u><b>6,673</b></u>
<b>Equity and liabilities</b>				
<b>Current liabilities</b>				
Amount due to subsidiaries	-	-	809	1,291
Trade payables	122	25	-	-
Other payables and accruals	982	833	643	328
Shareholder loan	3,785	2,850	3,785	2,850
Amount due to customers for project management contracts	-	393	-	-
Amount due to joint venture	196	161	196	161
Finance lease liabilities	88	85	54	52
Income tax payable	35	71	-	-
Provision for onerous contract	119	357	-	-
	<u>5,327</u>	<u>4,775</u>	<u>5,487</u>	<u>4,682</u>
<b>Non-current liabilities</b>				
Finance lease liabilities	168	210	95	122
Deferred taxation	728	729	-	-
	<u>896</u>	<u>939</u>	<u>95</u>	<u>122</u>
<b>Total liabilities</b>	<u><b>6,223</b></u>	<u><b>5,714</b></u>	<u><b>5,582</b></u>	<u><b>4,804</b></u>
<b>Net assets (liabilities)</b>	<u><b>(509)</b></u>	<u><b>587</b></u>	<u><b>1,090</b></u>	<u><b>1,869</b></u>
<b>Equity attributable to owners of the Company</b>				
Share capital	12,886	12,886	47,416	47,416
Accumulated losses and other reserves	(13,395)	(12,299)	(46,326)	(45,547)
<b>(Net capital deficiency) Net equity</b>	<u><b>(509)</b></u>	<u><b>587</b></u>	<u><b>1,090</b></u>	<u><b>1,869</b></u>
<b>Total equity and liabilities</b>	<u><b>5,714</b></u>	<u><b>6,301</b></u>	<u><b>6,672</b></u>	<u><b>6,673</b></u>

**1(b)(ii) Aggregate amount of Group's borrowings and debt securities.**

**Amount repayable in one year or less, or on demand**

As at 30 Jun 2016		As at 31 Dec 2015	
Secured	Unsecured	Secured	Unsecured
<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
88	3,785	85	2,850

**Amount repayable after one year**

As at 30 Jun 2016		As at 31 Dec 2015	
Secured	Unsecured	Secured	Unsecured
<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
168	-	210	-

The Group's borrowing mainly consist of shareholder loan and finance lease liabilities. On 8 January 2015, the Company signed a shareholder loan agreement with Phileo Capital Limited, the major shareholder. The loan committed of S\$5 million is non-interest bearing, and Phileo Capital Limited has agreed not to demand payment of the loan before 30 June 2016. On 10 May 2016, the Company signed a supplemental deed with Phileo Capital Limited to extend the committed loan until 31 December 2017. As at 30 June 2016, the shareholder loan is \$3.785million.

The finance lease liabilities related to purchase of office equipment and motor vehicles for the Group's operations. The finance lease for the office equipment is payable in 44 monthly installments with effect from July 2015. The finance lease for the motor vehicles is payable in 60 monthly installments with effect from December 2013.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	(Unaudited) 30 Jun 2016 S\$'000	(Unaudited) 30 Jun 2015 S\$'000
<b>Cash flows from operating activities</b>		
Loss before taxation *	(1,032)	(2,211)
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	250	332
(Reversal)/Allow ance for doubtful debts	-	(458)
Amortisation of intangible assets	155	155
Interest income	(19)	(16)
Interest expense	23	24
Property, plant and equipment w ritten off	33	-
Share of profit in a joint venture	(7)	(12)
Foreign exchange differences	-	(14)
<b>Operating cash flows before changes in working capital</b>	<b>(597)</b>	<b>(2,200)</b>
Decrease in receivables	162	796
Increase in inventories	-	12
Decrease in amount due to customers	(477)	(364)
Increase/(Decrease) in payables	246	(634)
Decrease in provision for onerous contract	(238)	-
<b>Cash used in operations</b>	<b>(904)</b>	<b>(2,390)</b>
Interest received	19	16
Interest expense	(23)	(24)
Income tax paid	(89)	(22)
<b>Net cash used in operating activities</b>	<b>(997)</b>	<b>(2,420)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(31)	-
Increase in amount due from Associate	-	(33)
<b>Net cash used in investing activities</b>	<b>(31)</b>	<b>(33)</b>
<b>Cash flows from financing activities</b>		
Increase/(Decrease) in amount due to Joint Venture	35	(1)
Increase in Shareholder loan	935	2,200
Repayment of obligations under finance lease	(39)	(51)
<b>Net cash from financing activities</b>	<b>931</b>	<b>2,148</b>
Net decrease in cash and cash equivalents	(97)	(305)
Cash and cash equivalents at beginning of the period	330	1,166
<b>Cash and cash equivalents at end of the period</b>	<b>233</b>	<b>861</b>
* Loss before tax:		
From continuing operations	(1,032)	(1,312)
From discontinued operations	-	(899)
	<b>(1,032)</b>	<b>(2,211)</b>

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	<b>Attributable to owners of the Company</b>			<b>Total equity</b>
	Share capital	Translation reserve	Retained earnings/ (Accumulated losses)	
	\$'000	\$'000	\$'000	\$'000
<b>Group</b>				
Balance at 1 January 2015	12,886	(45)	(6,384)	6,457
Loss for the period	-	-	(2,222)	(2,222)
Other comprehensive loss for the period, net of tax	-	(14)	-	(14)
Total comprehensive loss for the period	-	(14)	(2,222)	(2,236)
Balance at 30 June 2015	12,886	(59)	(8,606)	4,221
Balance at 1 January 2016	12,886	(401)	(11,898)	587
Loss for the period	-	-	(1,096)	(1,096)
Other comprehensive loss for the period, net of tax	-	-	-	-
Total comprehensive loss for the period	-	-	(1,096)	(1,096)
Balance at 30 June 2016	12,886	(401)	(12,994)	(509)

	<b>Attributable to owners of the parent</b>			<b>Total equity</b>
	Share capital	Translation reserve	Accumulated losses	
	\$'000	\$'000	\$'000	\$'000
<b>Company</b>				
Balance at 1 January 2015	47,416	-	(39,533)	7,883
Profit for the period representing total comprehensive income for the period	-	-	3,443	3,443
Balance at 30 June 2015	47,416	-	(36,090)	11,326
Balance at 1 January 2016	47,416	-	(45,547)	1,869
Loss for the period representing total comprehensive loss for the period	-	-	(779)	(779)
Balance at 30 June 2016	47,416	-	(46,326)	1,090



**1(d)(ii) 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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.**

**(A) Share Capital**

	Company	
	No of shares issued	Share capital S\$'000
Issued and fully paid:		
As at 1 January 2016	119,921,362	47,416
As at 30 June 2016	119,921,362	47,416

**(B) Convertibles and treasury shares**

The Company has no outstanding convertibles and treasury shares as at 30 June 2015, 30 June 2016 and 31 December 2015.

**1(d)(iii) 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-June-16	As at 31-Dec-15
Total number of issued shares (excluding treasury shares)	119,921,362	119,921,362

The Company had no treasury shares as at 30 June 2015, 30 June 2016 and 31 December 2015.

**1(d)(iv) A statement showing all sales, transfers, disposals, 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.

**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.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group had consistently applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period reported as in the audited financial statements for the financial year ended 31 December 2015.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not Applicable. There are no changes in the accounting policies, and methods of computation, including any required by an accounting standard.

**6. 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-Jun-16	(Unaudited) 30-Jun-15
<b>Loss per share from continuing operations (in cents):-</b>		
(a) Basic loss based on the weighted average number of ordinary shares on issue	(0.91)	(1.10)
(b) On fully diluted basis	(0.91)	(1.10)
Weighted average number of shares used in computation of basic earnings per share	<b>119,921,362</b>	119,921,362

	Group	
	(Unaudited) 30-Jun-16	(Unaudited) 30-Jun-15
<b>Loss per share from continuing and discontinued operations (in cents):-</b>		
(a) Basic loss per share based on the weighted average number of ordinary shares on issue	(0.91)	(1.85)
(b) On fully diluted basis	(0.91)	(1.85)
Weighted average number of shares used in computation of basic earnings per share	<b>119,921,362</b>	119,921,362

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.

There was no dilutive ordinary share in existence during the current financial period reported on and the previous corresponding period. Accordingly, the basic and fully diluted loss per share for the respective financial periods were the same.

7. **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) 30-Jun-16	(Audited) 31-Dec-15	(Unaudited) 30-Jun-16	(Audited) 31-Dec-15
Net asset value ("NAV") per ordinary share based on issued share capital (in cents)	(0.4)	0.5	0.9	1.6
Number of Issued shares	119,921,362	119,921,362	119,921,362	119,921,362

The NAV per ordinary share for the Group and the Company as at 30 June 2016 and 31 December 2015 were calculated based on the respective NAV for the Group and the Company divided by the number of issued shares as at the respective balance sheet date.

8. **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

### Overview

On 11 May 2015, the Company has entered into a conditional sale and purchase agreement with Mr. Liew Siow Gian, Patrick for the Disposal ("Disposal") of HSR International Realtors Pte Ltd and Hastor Property Services Pte Ltd ("HSR Group"). The Disposal was a strategic decision as the Company incurred losses in the last two financial years. The Disposal of HSR Group was completed on 6 July 2015 and HSR Group has ceased to be a subsidiary of the Company.

The Group's loss from continuing operations, net of tax had decreased from S\$1.3 million in the six months financial period ended 30 June 2015 ("HY2015") to S\$1.0 million in the six months financial period ended 30 June 2016 ("HY2016") mainly due to an increase in revenue from Orientis Solutions Sdn Bhd, of S\$0.3 million.

### Revenue (Continuing Operations)

The Group's total revenue has increased by approximately S\$0.3 million or 54% from S\$0.5 million in HY2015 to S\$0.8 million in HY2016. The increase was mainly due to revenue contribution from Orientis Solutions Sdn Bhd ("OSSB") which was acquired in July 2014. OSSB provides architectural design, project financial feasibility assessment, engineering expertise and construction management services.

### Gross profit (Continuing Operations)

With the increase in revenue, the Group's gross profit has increased by approximately S\$245,000 or 193.4% from S\$ 127,000 in HY2015 to S\$372,000 in HY2016. In addition, the gross profit margin has increased from 24.2% to 46.0% due to lower cost of services rendered.

### Other operating income (Continuing Operations)

Other income comprised mainly rental income, interest income and government grants. Other income has increased by approximately S\$72,000 or 25.6% from S\$281,000 in HY2015 to S\$353,000 in HY2016. The increase was mainly due to the increase in rental income of \$61,000 from sub-tenants.

## **Sales and distribution expenses (Continuing Operations)**

Sales and distribution expenses mainly comprised advertisement and promotion expenses, entertainment expenses, recruitment agent expenses and allowance for doubtful debts. Sales and distribution expenses remains the same as last year.

## **General and administrative expenses (“G&A Expenses”) (Continuing Operations)**

G&A Expenses comprised mainly salaries and related costs, audit fees, secretarial fees, tax fees, professional fees, rental, and printing and stationeries expenses. The G&A Expenses increased by approximately S\$27,000 or 1.6% from S\$1.712 million in HY2015 to S\$1.739 million in HY2016 mainly due to the increase in professional fees by approximately S\$219,000 from S\$2,000 in HY2015 to S\$221,000 in HY2016 as a result of the acquisition of Liberty Bridge Sdn Bhd. The increase was partially offset by the decrease in rental cost by approximately S\$183,000 or 32.7% from S\$560,000 in HY2015 to S\$377,000 in HY2016.

## **Finance Costs (Continuing Operations)**

Finance Costs comprised mainly interest expenses. Interest expense has increased by approximately S\$5,000 or 27.7% from S\$18,000 in HY2015 to S\$23,000 in HY2016 mainly due to increase in hire purchase interest and also increase in imputed interest payable on rental deposits received from sub-tenants.

## **BALANCE SHEET**

Property, plant and equipment decreased by S\$252,000 from S\$726,000 as at 31 December 2015 to S\$474,000 as at 30 June 2016. The decrease was mainly due to depreciation of assets of the Group.

Trade receivables decreased by approximately S\$257,000 from S\$341,000 as at 31 December 2015 to S\$84,000 as at 30 June 2016, mainly due to recovery of debts.

Prepaid operating expenses increased by approximately S\$116,000 from S\$26,000 as at 31 December 2015 to S\$142,000 as at 30 June 2016, mainly due to prepaid rental of the office premise at 3 Lorong 6 Toa Payoh of \$91,346 for the month of July.

Amount due from customers for project management contracts has increased to \$84,000 as at 30 June 2016. This amount was mainly from Orientis Solutions Sdn Bhd (“OSSB”). OSSB’s accounting policy of revenue recognition is based on percentage of completion. When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. The amount due from customers are recorded when costs incurred and recognised profit (less recognised losses) exceed progress billings.

Trade payables increased by approximately S\$97,000 from S\$25,000 as at 31 December 2015 to S\$122,000 as at 30 June 2015, mainly due to the rental cost of S\$97,740 owing for the premise at 3 Lorong 6 Toa Payoh.

Other payables increased by approximately S\$149,000 from S\$833,000 as at 31 December 2015 to S\$982,000 as at 30 June 2016, mainly due to professional fees incurred as a result of the acquisition of Liberty Bridge Sdn Bhd.

Provision for onerous contract relates to the rental cost and incidental expenses of the unused rented space at 3 Lorong 6 Toa Payoh up to the end of lease as at 30 September 2016. It had decreased by approximately S\$238,000 from S\$357,000 as at 31 December 2015 to S\$119,000 as at 30 June 2016 mainly due to reversal of the provision.

The Group reported a negative working capital of S\$4.46 million as at 30 June 2016 as compared to S\$3.7 million as at 31 December 2015. Cash balance outstanding as at 30 June 2016 stood at approximately S\$233,000.

## CASH FLOW STATEMENT

Net cash used in operating activities in HY2016 was approximately S\$997,000, mainly due to an operating cash outflow of approximately S\$597,000 before changes in working capital, decrease in amount due to customers for project management contracts of S\$477,000 and decrease in provision for onerous contract of S\$238,000. This was offset by a decrease in receivables of S\$162,000 and increase in payables of S\$246,000 during the financial period.

Net cash from investing activities in HY2016 was approximately S\$31,000, which was due to an increase in purchase of property, plant and equipment by Malaysia subsidiary.

Net cash from financing activities in HY2016 was approximately S\$931,000, which was mainly due to the increase in shareholder loan of S\$935,000 and partially offset with repayment of finance lease commitments.

The Group recorded a net decrease in cash and cash equivalents of approximately S\$97,000 in HY2016.

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

Not Applicable.

**10. 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.**

On 29 March 2016, the Company entered into a conditional sale and purchase agreement (“SPA”) with the respective companies: Icon Ventures Group Inc., Champion Brave Sdn Bhd, Golden Ring Worldwide Ltd and Metra Nominees Sdn Bhd (“Vendors”), for the acquisition of all the issued shares in Liberty Bridge Sdn Bhd (“Liberty”) at the consideration of S\$64 million, to be fully satisfied by way of allotment and issuance to the Vendors with an aggregate of 955,223,880 ordinary shares in the capital of the Company (“Shares”) at an issue price of S\$0.067 per Share (the “Acquisition”). On 11 August 2016, the Company was pleased to announce that the completion of the Acquisition had taken place.

Liberty owns the legal and beneficial title to several parcels of undeveloped lands in Puteri Harbour, Johor Bahru, Malaysia (the “CN Lands”). As at the date of the announcement, Liberty has not commenced any business activities save for preparatory work in respect of the development of the CN Lands.

The Company will continue with Liberty’s existing plan to develop the CN Lands into a mixed-use development featuring the largest tropical “Rambla” in Nusajaya, Malaysia. It consists of SOHO, 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. The Company intends to fund the development of the CN Lands with, *inter alia*, bank borrowings, proceeds from the sale of units in the development, and/or the issuance of new Shares and/or other financial instruments.

The Acquisition is in line with the Group’s diversification and expansion plans, which allows the Group to leverage and expand on its existing property development management business (including, providing architectural design, project financial feasibility assessment, engineering expertise and construction management services). As such, the Company believes that the Acquisition will increase Shareholders’ value and will act as the catalyst of growth for the Group.

Pursuant to Rule 723 of the Catalist Rules, the Company must ensure that at least 10% of the total number of issued Shares is at all times held by the public (“Minimum Free Float”). Further, under Rule 724 of the Catalist Rules, the SGX-ST may suspend trading in the Shares when the Minimum Free Float is lost, pending the restoration of the Minimum Free Float. The SGX-ST may allow the Company a period of three (3) months, or such longer period as it may agree, to raise the percentage of the Shares held in the hands of the Public to meet the Minimum Free Float.

Upon completion of the Acquisition on 11 August 2016, the Vendors and Phileo Capital own in aggregate approximately 94.93% of the share capital of the Company, while the public Shareholders hold approximately 4.68% of the share capital of the Company. Due to the loss of the Minimum Free Float, the Company had requested for a suspension of trading of its Shares with immediate effect after close of trading hours on 11 August 2016 until such time when the Minimum Free Float is restored.

As such, to restore the Minimum Free Float, the Company intends to undertake a compliance placement of up to 75,000,000 new shares at an issue price to be determined by the Company in consultation with the Sponsor and Financial Adviser and the Placement Agent and taking into account the market conditions at the time of the proposed compliance placement.

The slow economy in Malaysia is affecting all economic sectors. Recovery is not foreseeable in the current year given the current economic challenges. As such the Group expects business to remain challenging over the next 12 months.

## **11. 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.

## **12. If no dividend has been declared or recommended, a statement to that effect.**

No dividend has been declared or recommended for HY2016.

## **13. 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 extraordinary meeting on 9 April 2015.

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\$
<b>Publiq Development Group Sdn Bhd</b> Project Consultancy Services & recovery of incidentals	-	200,131
<b>Phileo Capital Limited</b> Shareholder loan	3,785,000	-

**14. 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.

**15. 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 half year ended 30 June 2016 for the Company and the Group set out above to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

Tong Kooi Lian  
Managing Director and Chief Executive Officer  
Date: 12 August 2016