

Unaudited Financial Statements and Dividend Announcement for the Half-Year Ended 30 June 2015

The Board of Directors of 3Cenergy Limited (the “Company”) is pleased to announce the unaudited consolidated results for the half-year ended 30 June 2015. 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 2015	(Unaudited) 30 Jun 2014	Increase / (decrease)
	S\$'000	S\$'000	%
Revenue	12,848	13,016	(1.3)%
Cost of services rendered and goods sold	(12,097)	(12,112)	(0.1)%
Gross profit	751	904	(16.9)%
Other operating income	1,084	742	46.1 %
Sales and distribution expenses	(196)	(418)	(53.1)%
General and administrative expenses	(3,838)	(4,249)	(9.7)%
Finance costs	(24)	(34)	(29.4)%
Share of gain in a Joint Venture	12	-	N.M.
Loss before tax	(2,211)	(3,055)	(27.6)%
Income tax expense	(11)	(1)	N.M.
Loss for the period	(2,222)	(3,056)	(27.3)%
Discontinued operations			
Profit for the year from discontinued operations	-	-	N.M.
Attributable to:			
Owners of the Company			
Loss for the period, net of tax	(2,222)	(3,056)	(27.3)%
Loss for the period attributable to the owners of the Company	(2,222)	(3,056)	(27.3)%
Loss per share (cents per share)			
Basic	(1.85)	(3.10)	(40.3)%
Diluted	(1.85)	(3.10)	(40.3)%
Loss for the period	(2,222)	(3,056)	(27.3)%
Other comprehensive gain for the period, net of tax	(14)	(5)	180.0 %
Total comprehensive loss for the period	(2,236)	(3,061)	(27.0)%
Attributable to:			
Total comprehensive loss for the period, net of tax	(2,236)	(3,061)	(27.0)%
Total comprehensive loss for the period attributable to the owners of the Company	(2,236)	(3,061)	(27.0)%

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) 30 Jun 2015	(Unaudited) 30 Jun 2014	Increase / (decrease)
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
Rental income	249	561	(55.6)%
Interest income	16	32	(50.0)%
Miscellaneous income	361	149	142.3 %
Reversal of provision for doubtful debts	458	-	N.M.
	<u>1,084</u>	<u>742</u>	<u>46.1 %</u>

Notes: N.M. – Not meaningful

Note 2 Finance costs comprised the following:

	FOR THE 6 MONTHS ENDED		
	(Unaudited) 30 Jun 2015	(Unaudited) 30 Jun 2014	Increase / (decrease)
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
Finance Cost			
Hire purchase interest	7	4	75.0 %
Other interest expense	17	30	(43.3)%
	<u>24</u>	<u>34</u>	<u>(29.4)%</u>

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

	FOR THE 6 MONTHS ENDED		
	(Unaudited) 30 Jun 2015	(Unaudited) 30 Jun 2014	Increase / (decrease)
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
After charging:			
Staff costs (including directors remuneration)	2,170	2,136	1.6 %
Depreciation of plant and equipment	332	439	(24.4)%
Directors fees	85	85	- %
Rental of premises	838	851	(1.5)%
Allowance for doubtful debts	-	251	N.M.

Notes: N.M. – Not meaningful

Note 4 Income tax comprised the following:

	FOR THE 6 MONTHS ENDED		
	(Unaudited) 30 Jun 2015	(Unaudited) 30 Jun 2014	Increase / (decrease)
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
Income tax expense	<u>(11)</u>	<u>(1)</u>	<u>N.M.</u>

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 2015	Restated 31/12/2014	01 Jan 2014	30 Jun 2015	31 Dec 2014
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Assets					
Non-current assets					
Property, plant and equipment	1,032	1,370	2,856	-	-
Other intangible assets	2,691	2,846	-	-	-
Investments in subsidiaries	-	-	-	8,758	8,757
Investment in joint venture	152	140	-	150	-
Deposits	306	265	410	-	-
Goodwill	3,768	3,768	-	-	-
	7,949	8,389	3,266	8,908	8,757
Current assets					
Inventories	58	70	93	-	-
Amount due from subsidiaries	-	-	-	6,283	586
Trade receivables	2,842	3,345	4,835	-	-
Other receivables	260	171	119	-	-
Prepaid operating expenses	356	315	435	10	3
Amount due from associate	34	1	-	-	-
Amount due from joint venture	-	12	-	-	-
Cash and cash equivalents	861	1,166	6,775	299	341
	4,411	5,080	12,257	6,592	930
Total assets	12,360	13,469	15,523	15,500	9,687
Equity and liabilities					
Current liabilities					
Amount due to subsidiaries	-	-	-	1,519	1,613
Trade payables	2,425	2,289	4,916	-	-
Other payables and accruals	1,090	1,883	4,528	294	191
Shareholder loan	2,200	-	-	2,200	-
Amount due to contract customers	984	1,349	-	-	-
Amount due to joint venture	161	173	-	161	-
Finance lease liabilities	86	86	70	-	-
Provision for taxation	37	47	4	-	-
	6,983	5,827	9,518	4,174	1,804
Non-current liabilities					
Finance lease liabilities	262	313	262	-	-
Deferred taxation	797	797	56	-	-
Other payables and accruals	97	75	96	-	-
	1,156	1,185	414	-	-
Total liabilities	8,139	7,012	9,932	4,174	1,804
Equity attributable to owners of the Company					
Share capital	12,886	12,886	6,672	47,416	47,416
Retained earnings and other reserves	(8,665)	(6,429)	(1,081)	(36,090)	(39,533)
Total equity	4,221	6,457	5,591	11,326	7,883
Total equity and liabilities	12,360	13,469	15,523	15,500	9,687

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 2015		As at 31 Dec 2014	
Secured	Unsecured	Secured	Unsecured
<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
-	86	-	86

Amount repayable after one year

As at 30 Jun 2015		As at 31 Dec 2014	
Secured	Unsecured	Secured	Unsecured
<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
-	262	-	313

The finance lease liabilities related to purchase of office equipment and motor vehicle for the Group's operations. The finance lease for the office equipment is payable in 60 monthly installments with effect from March 2014. 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 2015	(Unaudited) 30 Jun 2014
	<u>S\$'000</u>	<u>S\$'000</u>
Cash flows from operating activities		
Loss before taxation	(2,211)	(3,055)
Adjustments for:		
Depreciation of property, plant and equipment	332	509
(Reversal)/Allowance for doubtful debts	(458)	251
Amortisation of intangible benefits	155	-
Interest income	(16)	(10)
Interest expense	24	35
Inventories written down	-	72
Share of gain in a Joint Venture	(12)	-
Foreign exchange differences	(14)	(5)
Operating cash flows before changes in working capital	(2,200)	(2,203)
Decrease in receivables	796	2,492
Increase in inventories	12	(40)
Decrease in amount due to customers	(364)	-
Decrease in payables	(634)	(3,534)
Cash used in operations	(2,390)	(3,285)
Interest received	16	10
Interest expense	(24)	(35)
Income tax refunded	(22)	5
Net cash used in operating activities	(2,420)	(3,305)
Cash flows from an investing activity		
Purchase of property, plant and equipment	-	(23)
Increase in amount due from Associate	(33)	-
Net cash from/(used in) an investing activity	(33)	(23)
Cash flows from a financing activity		
Decrease in amount due to Joint Venture	(1)	-
Increase in Shareholder loan	2,200	-
Repayment of obligations under finance lease	(51)	(33)
Net cash from/(used in) financing activities	2,148	(33)
Net decrease in cash and cash equivalents	(305)	(3,361)
Cash and cash equivalents at beginning of the period	1,166	6,775
Cash and cash equivalents at end of the period	861	3,414

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.

	Attributable to owners of the parent			Total equity
	Share capital	Translation reserve	Retained earnings/ (Accumulated losses)	
	\$'000	\$'000	\$'000	\$'000
Group				
Balance at 1 January 2014	6,672	(2)	(1,079)	5,591
Loss for the period	-	-	(3,056)	(3,056)
<u>Other comprehensive income</u>				
Other comprehensive income for the period, net of tax	-	(5)	-	(5)
Total comprehensive loss for the period	-	(5)	(3,056)	(3,061)
Balance at 30 June 2014	6,672	(7)	(4,135)	2,530
Balance at 1 January 2015 (as previously reported)	12,886	(45)	(6,282)	6,559
Adjustment (Note 1)	-	-	(102)	(102)
Balance at 1 January 2015 (restated)	12,886	(45)	(6,384)	6,457
Loss for the period	-	-	(2,222)	(2,222)
<u>Other comprehensive income</u>				
Other comprehensive income for the period, net of tax	-	(14)	-	(14)
Total comprehensive income for the period	-	(14)	(2,222)	(2,236)
Balance at 30 June 2015	12,886	(59)	(8,606)	4,221
	Attributable to owners of the parent			Total equity
	Share capital	Translation reserve	Accumulated losses	
	\$'000	\$'000	\$'000	\$'000
Company				
Balance at 1 January 2014	41,202	-	(35,172)	6,030
Total comprehensive income for the period	-	-	53	53
Balance at 30 June 2014	41,202	-	(35,119)	6,083
Balance at 1 January 2015 (as previously reported)	47,416	-	(39,533)	7,883
Total comprehensive income for the period	-	-	3,443	3,443
Balance at 30 June 2015	47,416	-	(36,090)	11,326

Notes:

Note 1: The adjustment is due to the additional amortisation of the other intangibles assets as a result of the finalisation of the purchase price allocation of Orientis Solutions Sdn Bhd.

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 2015	119,921,362	47,416
As at 30 June 2015	119,921,362	47,416

(B) Convertibles and treasury shares

The Company has no outstanding convertibles and treasury shares as at 30 June 2014, 30 June 2015 and 31 December 2014.

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-15	As at 31-Dec-14
Total number of issued shares (excluding treasury shares)	119,921,362	119,921,362

The Company had no treasury shares as at 30 June 2014, 30 June 2015 and 31 December 2014.

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.

Save as disclosed in paragraph 5 below, 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 2014.

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.

In the current financial period, the Group adopted all the new and revised Financial Reporting Standards ("FRSs") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2015.

Improvements to FRSs (January 2014)

Improvements to FRSs (February 2014)

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-15	(Unaudited) 30-Jun-14
Loss per share (in cents):-		
(a) Basic loss based on the weighted average number of ordinary shares on issue	(1.85)	(3.10)
(b) On fully diluted basis	(1.85)	(3.10)
Weighted average number of shares used in computation of basic earnings per share	119,921,362	98,492,791

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-15	(Audited) 31-Dec-14	(Unaudited) 30-Jun-15	(Audited) 31-Dec-14
Net asset value ("NAV") per ordinary share based on issued share capital (in cents)	3.5	5.5	9.4	6.6
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 2015 and 31 December 2014 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

The Group reported a lower loss from S\$3.0 million in the six months financial period ended 30 June 2014 ("HY2014") to S\$2.2 million in the six months financial period ended 30 June 2015 ("HY2015").

Revenue

The Group's total revenue has decreased by approximately S\$0.2 million or 1.3% from S\$13.0 million in HY2014 to S\$12.8 million in HY2015. Despite the revenue inclusion of Orientis Solutions Sdn Bhd which was acquired in July 2014, the decrease was mainly due to the property cooling measures introduced by the government in 2013 which have affected the Group's transaction volume.

Gross profit

With a slight decrease in revenue, the Group's gross profit decreased by approximately S\$0.1 million or 16.9% from S\$0.9 million in HY2014 to S\$0.8 million in HY2015.

Other operating income

Other income comprised mainly rental income, interest income, government grants and reversal of provision for doubtful debts. Other income has increased by approximately S\$0.4 million or 46.1% from S\$0.7 million in HY2014 to S\$1.1 million in HY2015. The increase was mainly due to the recovery of debts from developers for local projects which led to a reversal of provision for doubtful debts of S\$0.4 million in HY2015.

Sales and distribution expenses

Sales and distribution expenses mainly comprised advertisement and promotion expenses, entertainment expenses, recruitment agent expenses and allowance for doubtful debts. Sales and distribution expenses decreased by approximately S\$0.2 million or 53.1% from S\$0.4 million in HY2014 to S\$0.2 million in HY2015 mainly due to a decrease in provision for doubtful debts in HY2015 compared with HY2014.

General and administrative expenses ("G&A Expenses")

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 decreased by approximately S\$0.4 million or 9.7% from S\$4.2 million in HY2014 to S\$3.8 million in HY2015 partly due to the decrease in depreciation expense of S\$0.1million or 24.4% from S\$0.4 million in HY2014 to S\$0.3 million in HY2015 as a result of the provision for impairment of property, plant and equipment in HY2014 for Singapore subsidiaries. In HY2014, there was a higher professional fees as a result of the acquisition of Orientis Solutions Sdn Bhd in July 2014. Accordingly, lower professional fees in HY2015 was incurred.

Finance Costs

Finance Costs comprised mainly interest expenses. Interest expense decreased by approximately S\$10,000 or 32.4% from S\$34,000 in HY2014 to S\$24,000 in HY2015 mainly due to a decrease in imputed interest payable on rental deposits received from sub-tenants.

BALANCE SHEET

Property, plant and equipment decreased by S\$0.3 million from S\$1.3 million as at 31 December 2014 to S\$1.0 million as at 30 June 2015. The decrease was mainly due to depreciation of assets of the Group.

Trade receivables decreased by approximately S\$0.5 million from S\$3.3 million as at 31 December 2014 to S\$2.8 million as at 30 June 2015, mainly due to recovery of debts.

Trade payables increased by approximately S\$0.1 million from S\$2.3 million as at 31 December 2014 to S\$2.4 million as at 30 June 2015, mainly due to an increase in commission payable to salespersons arising from the introduction of the 100% commission scheme which commenced on 1 January 2015.

Other payables decreased by approximately S\$0.8 million from S\$1.9 million as at 31 December 2014 to S\$1.1 million as at 30 June 2015, mainly due to a decrease in provision for restructuring costs including provisions for legal costs relating to an investment sales project and bonus payout for Orientis Solutions Sdn Bhd.

The Group reported a negative working capital of S\$2.6 million as at 30 June 2015 as compared to S\$0.7 million as at 31 December 2014. Cash balance outstanding as at 30 June 2015 stood at approximately S\$0.9 million.

CASH FLOW STATEMENT

Net cash used in operating activities in HY2015 was approximately S\$2.4 million, mainly due to operating cash outflow of approximately S\$2.2 million before changes in working capital and a decrease in payables and amount due to contract customers. This was partially offset by a decrease in receivables during the financial period.

Net cash from investing activities in HY2015 was approximately S\$33,000, which was due to increase in amount due from Associate.

Net cash from financing activities in HY2015 was approximately S\$2.1 million, which was mainly due to the increase in shareholder loan of S\$2.2 million and partially offset with repayment of finance lease commitments.

The Group recorded a net decrease in cash and cash equivalents of approximately S\$0.3 million in HY2015.

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 11 May 2015, the Company has entered into a conditional sale and purchase agreement with Mr. Liew Siow Gian, Patrick for the Proposed Disposal of HSR International Realtors Pte Ltd. The Proposed Disposal is a strategic decision as the Company has been incurring losses in the last two financial years. HSR International Realtors Pte Ltd incurred losses of approximately S\$5.4 million and S\$5.2 million for financial years ended 31 December 2013 and 31 December 2014 respectively. The disposal of HSR International Realtors Pte Ltd was completed on 6 July 2015 and it has ceased to be a subsidiary of the Company.

The Company is of the view that the disposal of HSR International Realtors Pte Ltd is in the best interests of the Company and its Shareholders in consideration that the property industry is expected to remain challenging in the next twelve months, and the cash flow burden arising from high costs relating to the existing premises.

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 HY2015.

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 30 June 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\$
Publiq Development Group Sdn Bhd	Project Consultancy Services & recovery of incidentals	224,720

14. 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 2015 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 2015