

3CENERGY LIMITED
(Company Registration No.: 197300314D)
(Incorporated in Republic of Singapore)

ANNOUNCEMENT PURSUANT TO RULE 704(4) OF THE CATALIST RULES IN RELATION TO THE AUDITED FINANCIAL STATEMENTS

Emphasis of matter by the auditor on the audited financial statements for the financial year ended 31 December 2014

Pursuant to Rule 704(4) of Section B of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual (“**Catalist Rules**”), the Board of Directors (the “**Board**”) of 3Cenergy Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s independent auditor, Ernst & Young LLP has without modifying their opinion, included in the Independent Auditor’s Report an emphasis of matter in respect of the Group’s ability to continue as a going concern on the audited financial statements of the Group for financial year ended 31 December 2014 (the “**Audited Financial Statements**”).

A copy of the Independent Auditor’s Report and an extract of Note 2.1 to the Audited Financial Statements are attached to this announcement for information.

Shareholders of the Company are advised to read the Audited Financial Statements in its annual report for financial year ended 31 December 2014, which will be dispatched in due course.

By Order of the Board

Tong Kooi Lian
Managing Director and Chief Executive Officer
2 April 2015

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.

Independent auditor's report

For the financial year ended 31 December 2014

Independent auditor's report to the members of 3Cnergy Limited

Report on the Financial Statements

We have audited the accompanying financial statements of 3Cnergy Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 35 to 87, which comprise the balance sheets of the Group and the Company as at 31 December 2014, the statements of changes in equity of the Group and the Company and consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view

of the state of affairs of the Group and of the Company as at 31 December 2014 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Emphasis of matter

We draw attention to Note 2.1 to the financial statements which describes material uncertainties related to the use of the going concern assumption in the preparation of these financial statements.

The Group incurred a net loss of S\$5,203,000 during the financial year ended 31 December 2014 and as at that date, the Group's current liabilities exceeded its current assets by S\$747,000. In addition, the Company incurred a net loss of S\$4,361,000 during the year ended 31 December 2014 and as of that date, the Company's current liabilities exceeded its current assets by S\$874,000. These factors indicate a material uncertainty which may cast doubt about the Group and Company's abilities to continue as going concerns. As stated in Note 2.1, the Group and Company's abilities to continue as going concerns is dependent on the ability to drawdown on the shareholder loan agreement and the sufficiency of the loan amount to pay their debts as and when they fall due. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
2 April 2015

Extracted from Note 2.1 to the Audited Financial Statements of 3Cnergy Limited for the financial year ended 31 December 2014

2.1 Basis of preparation

The Group incurred a net loss of S\$5,203,000 (2013: S\$7,109,000) during the financial year ended 31 December 2014 and as at that date, the Group's current liabilities exceeded its current assets by S\$747,000. In addition, the Company incurred a net loss of S\$4,361,000 (2013: S\$11,175,000) during the year ended 31 December 2014 and as of that date, the Company's current liabilities exceeded its current assets by S\$874,000. These conditions indicate the existence of a material uncertainty that may cast doubt about the Group and Company's abilities to continue as going concerns.

Subsequent to the end of the reporting period, management has taken measures to improve the Group's financial position. On 8 January 2015, 3Cnergy Limited has signed a shareholder loan agreement with Phileo Capital Limited, the holding company of 3Cnergy Limited. As per the loan agreement, Phileo Capital Limited will disburse loan advances to 3Cnergy Limited to meet its day-to-day operating and working capital needs. The loan is for a maximum amount of S\$5 million. The unsecured loan is non-interest bearing, and Phileo Capital Limited agrees not to demand repayment of the loan before 30 June 2016. As of 02 April 2015, 3Cnergy Limited has received a loan of S\$1 million from Phileo Capital Limited.

The financial statements have been prepared on a going concern basis as the Directors are satisfied that the shareholder loan will be sufficient to enable the Group and Company to pay their debts as and when they fall due for a period of not less than twelve months from the date of the financial statements.

If the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheets. In addition, the Group and the Company may have to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made in the financial statements.