

Unaudited Financial Statements and Dividend Announcement for the Financial Year Ended 31 December 2016

The Board of Directors of 3Cenergy Limited (the “Company”) is pleased to announce the consolidated results for the financial year ended 31 December 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	FULL YEAR ENDED		
	31 Dec 2016	31 Dec 2015	Increase / (decrease)
	S\$'000	S\$'000	%
Continuing operations			
Revenue	1,149	1,325	(13.3)%
Cost of services rendered and goods sold	(803)	(1,065)	(24.6)%
Gross profit	346	260	33.3 %
Other operating income	496	625	(20.7)%
Sales and distribution expenses	(8)	(7)	17.0 %
General and administrative expenses	(6,654)	(6,221)	7.0 %
Finance costs	(35)	(47)	(25.5)%
Share of profit in investment in a joint venture	7	3	133.3 %
Loss before tax from continuing operations	(5,848)	(5,387)	8.6 %
Income tax benefit (expense)	662	(49)	1,451.0 %
Loss from continuing operations, net of tax	(5,186)	(5,436)	(4.6)%
Discontinued operations			
Loss for the year from discontinued operations	-	(78)	N.M.
Loss for the year	(5,186)	(5,514)	(6.0)%
Other comprehensive loss			N.M.
Items that may be reclassified subsequently to profit & loss			
- Exchange differences on translation of financial statements of foreign subsidiaries	(1,939)	(356)	444.7 %
Other comprehensive loss for the year, net of tax	(1,939)	(356)	
Total comprehensive loss for the year	(7,125)	(5,870)	21.4 %
Attributable to:			
Owners of the Company			
Loss from continuing operations, net of tax	(5,186)	(5,436)	(4.6)%
Loss from discontinued operations, net of tax	-	(78)	N.M.
Loss for the year attributable to the owners of the Company	(5,186)	(5,514)	(6.0)%
Attributable to:			
Owners of the Company			
Total comprehensive loss from continuing operations, net of tax	(7,125)	(5,792)	23.0 %
Total comprehensive loss from discontinued operations, net of tax	-	(78)	N.M.
Total comprehensive loss for the year attributable to the owners of the Company	(7,125)	(5,870)	21.4 %
Loss per share from continuing operations attributable to the owners of the Company (cents per share)			
Basic	(1.00)	(4.53)	(77.9)%
Diluted	(1.00)	(4.53)	(77.9)%
Loss per share (cents per share)			
Basic	(1.00)	(4.60)	(78.3)%
Diluted	(1.00)	(4.60)	(78.3)%

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:

	FULL YEAR ENDED		
	31 Dec 2016	31 Dec 2015	Increase / (decrease)
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
<u>Continuing operations</u>			
Rental income	444	581	(23.6)%
Government Grant	1	-	N.M.
Interest income	32	33	(3.0)%
Miscellaneous income	19	11	72.7 %
	<u>496</u>	<u>625</u>	
<u>Discontinued operations</u>			
Rental income	-	248	N.M.
Government Grant	-	100	N.M.
Reversal of provision for legal costs	-	-	N.M.
Interest income	-	-	N.M.
Others	-	424	N.M.
	<u>-</u>	<u>772</u>	
	<u>496</u>	<u>1,397</u>	(64.5)%

Notes: N.M. – Not meaningful

Note 2 Finance costs comprised the following:

	FULL YEAR ENDED		
	31 Dec 2016	31 Dec 2015	Increase / (decrease)
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
<u>Continuing operations</u>			
Hire purchase interest	12	14	(14.3)%
Other interest expense	23	33	(30.3)%
	<u>35</u>	<u>47</u>	(25.5)%
<u>Discontinued operations</u>			
Hire purchase interest	-	5	N.M.
	<u>35</u>	<u>52</u>	

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

	FULL YEAR ENDED		
	31 Dec 2016	31 Dec 2015	Increase / (decrease)
	S\$'000	S\$'000	%
Continuing operations			
After charging:			
Staff costs (including directors' remuneration)	616	612	0.7 %
Depreciation of plant and equipment	439	713	(38.4)%
Amortisation of other intangible assets	180	309	(41.7)%
Directors fees	90	144	(37.5)%
Rental of premises	585	1,220	(52.0)%
Bad debts written off	7	55	(87.3)%
Impairment of other intangible assets	2,014	-	N.M.
Impairment of assets	-	158	N.M.
Impairment on goodwill	1,168	1,600	(27.0)%
Provision for onerous contract	-	357	N.M.
Stamp Duty	194	-	N.M.
Fixed assets written off	32	-	N.M.
Discontinued operations			
Staff costs (including directors' remuneration)	-	1,493	N.M.
Rental of premises	-	283	N.M.
Allowance for doubtful debts	-	458	N.M.
Loss on Disposal of Investment	-	508	N.M.

Notes: N.M. – Not meaningful

Note 4 Income tax comprised the following:

	FULL YEAR ENDED		
	31 Dec 2016	31 Dec 2015	Increase / (decrease)
	S\$'000	S\$'000	%
Continuing operations			
Current income tax (expense) /credit	(60)	(111)	45.9 %
Deferred tax credit	722	62	1,064.5 %
	662	(49)	
Discontinued operations			
Current income tax (expense) /credit	-	-	N.M.
Deferred tax credit	-	-	N.M.

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	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Assets				
Non-current assets				
Property, plant and equipment	282	726	127	184
Land held for property development	108,455	-	-	-
Goodwill	1,000	1,839	-	-
Other intangible assets	343	2,537	-	-
Investments in subsidiaries	-	-	96,626	6,193
Investment in joint venture	150	143	150	150
	<u>110,230</u>	<u>5,245</u>	<u>96,903</u>	<u>6,527</u>
Current assets				
Trade receivables	55	341	-	-
Other receivables and deposits	126	347	-	-
Property development cost	65,757	-	-	-
Prepayments	19	26	19	20
Amount due from subsidiaries	-	-	12	13
Tax recoverable	-	12	-	-
Cash and cash equivalents	4,059	330	3,656	113
	<u>70,016</u>	<u>1,056</u>	<u>3,687</u>	<u>146</u>
Total assets	<u>180,246</u>	<u>6,301</u>	<u>100,590</u>	<u>6,673</u>
Equity and liabilities				
Current liabilities				
Trade payables	1	25	-	-
Accruals and other payables	843	833	307	328
Provision for onerous contract	-	357	-	-
Amount due to customers for project management contracts	106	393	-	-
Amount due to subsidiaries	-	-	702	1,291
Amount due to joint venture	161	161	161	161
Finance lease liabilities	88	85	55	52
Bank borrowing	17,556	-	-	-
Shareholder loan	3,885	2,850	3,885	2,850
Income tax payable	-	71	-	-
	<u>22,640</u>	<u>4,775</u>	<u>5,110</u>	<u>4,682</u>
Non-current liabilities				
Finance lease liabilities	120	210	67	122
Bank borrowing	64,426	-	-	-
Deferred taxation	6	729	-	-
	<u>64,552</u>	<u>939</u>	<u>67</u>	<u>122</u>
Total liabilities	<u>87,192</u>	<u>5,714</u>	<u>5,177</u>	<u>4,804</u>
Net assets	<u>93,054</u>	<u>587</u>	<u>95,413</u>	<u>1,869</u>
Equity attributable to owners of the Company				
Share capital	112,478	12,886	147,008	47,416
Accumulated losses and other reserves	(19,424)	(12,299)	(51,595)	(45,547)
Net equity	<u>93,054</u>	<u>587</u>	<u>95,413</u>	<u>1,869</u>
Total equity and liabilities	<u>180,246</u>	<u>6,301</u>	<u>100,590</u>	<u>6,673</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 31 Dec 2016		As at 31 Dec 2015	
Secured	Unsecured	Secured	Unsecured
<u>S\$'000</u> 17,644	<u>S\$'000</u> 3,885	<u>S\$'000</u> 85	<u>S\$'000</u> 2,850

Amount repayable after one year

As at 31 Dec 2016		As at 31 Dec 2015	
Secured	Unsecured	Secured	Unsecured
<u>S\$'000</u> 64,546	<u>S\$'000</u> -	<u>S\$'000</u> 210	<u>S\$'000</u> -

The Group's borrowing mainly consist of bank borrowing, shareholder loan and finance lease liabilities.

The bank borrowing recorded in the Group is due to inclusion from the acquisition of 3C Marina Park Sdn. Bhd. (formerly known as Liberty Bridge Sdn Bhd) ("3C Marina") which owns the legal and beneficial title to several parcels of undeveloped lands in Puteri Harbour, Johor Bahru, Malaysia.

3C Marina has a non-current term loan facilities of RM200 million(S\$64.43 million) from Public Bank Berhad ("PBB"). These term loans are secured by a charge over the 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\$17.56 million) which is also from 3C Marina comprises of several revolving facilities from PBB. The revolving credit facilities are secured by a charge over the lands and a second general debenture that created a fixed and floating charge over the assets of 3C Marina.

On 8 January 2015, the Company signed a shareholder loan agreement with Phileo Capital Limited, the major shareholder. The loan is for a maximum amount of S\$5 million. The loan is non-interest bearing, and Phileo Capital Limited agreed not to demand repayment of the loan before 31 December 2017. As at 31 December 2016, the amount outstanding from the shareholder loan is \$3.89million.

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 are payable in 60 monthly installments with effect from December 2013 and 84 monthly installments with effect from November 2014.

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	
	As at 31 Dec 2016	As at 31 Dec 2015
	S\$'000	S\$'000
Cash flows from operating activities		
Loss before taxation	(5,848)	(5,465)
Adjustments for:		
Depreciation of property, plant and equipment	439	713
Amortisation of other intangible assets	180	309
Share of profit in investment in a joint venture	(7)	(3)
Gain on disposal of subsidiary	-	(430)
Bad debts written off	7	55
Impairment of Goodwill	1,168	1,600
Impairment of Plant and equipment	-	158
Impairment of other intangible assets	2,014	-
Fixed Assets Written Off	32	-
Provision for Onerous contract	-	357
Interest income	(32)	(33)
Interest expense	35	47
Unrealised exchange differences	217	9
Operating cash flows before changes in working capital	(1,795)	(2,683)
Decrease in receivables	574	1,220
Decrease in amount due to customers for project management accounts	(287)	(956)
Decrease in inventories	-	12
Decrease in payables	(189)	(493)
Decrease in provision for onerous contract	(357)	-
Cash used in operations	(2,054)	(2,900)
Interest received	32	33
Interest expense	(35)	(47)
Income tax paid	(117)	(98)
Net cash used in operating activities	(2,174)	(3,012)
Cash flows from investing activities		
Purchase of property, plant and equipment	(27)	(68)
Increase in Land Held for Property Development	(3,255)	-
Disposal of subsidiary	-	(503)
Cash inflow from acquisition of subsidiaries	313	-
Increase in amount due from associate	-	1
Net cash used in investing activities	(2,969)	(570)
Cash flows from financing activities		
Increase in Shareholders loan	1,035	2,850
Draw down of bank borrowing	2,899	-
Repayment of obligations under finance leases	(87)	(104)
Proceeds on issue of shares	5,025	-
Net cash from financing activities	8,872	2,746
Net increase/(decrease) in cash and cash equivalents	3,729	(836)
Cash and cash equivalents at beginning of the year	330	1,166
Cash and cash equivalents at end of the year	4,059	330

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 Company			
	Share capital	Translation reserve	Accumulated losses	Total equity
	\$'000	\$'000	\$'000	\$'000
Group				
Balance at 1 January 2015	12,886	(45)	(6,384)	6,457
Loss for the year	-	-	(5,514)	(5,514)
Other comprehensive loss for the year, net of tax	-	(356)	-	(356)
Total comprehensive loss for the year	-	(356)	(5,514)	(5,870)
Balance at 31 December 2015	12,886	(401)	(11,898)	587
Balance at 1 January 2016	12,886	(401)	(11,898)	587
Issuance of shares	99,592	-	-	99,592
Loss for the year	-	-	(5,186)	(5,186)
Other comprehensive loss for the year, net of tax	-	(1,939)	-	(1,939)
Total comprehensive loss for the year	-	(1,939)	(5,186)	(7,125)
Balance at 31 December 2016	112,478	(2,340)	(17,084)	93,054
	Attributable to owners of the parent			
	Share capital	Translation reserve	Accumulated losses	Total equity
	\$'000	\$'000	\$'000	\$'000
Company				
Balance at 1 January 2015	47,416	-	(39,533)	7,883
Loss for the year representing total comprehensive loss for the year	-	-	(6,014)	(6,014)
Balance at 31 December 2015	47,416	-	(45,547)	1,869
Balance at 1 January 2016	47,416	-	(45,547)	1,869
Issuance of shares	99,592	-	-	99,592
Loss for the year representing total comprehensive loss for the year	-	-	(6,048)	(6,048)
Balance at 31 December 2016	147,008	-	(51,595)	95,413

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
Issue of new Consideration Shares to acquire the entire issued share capital of 3C Marina Park Sdn Bhd	955,223,880	94,567
Issue of new Compliance Placement Shares	75,000,000	5,025
As at 31 December 2016	1,150,145,242	147,008

During the year, the Group had acquired all the issued shares in 3C Marina at the consideration of S\$94.6 million, by way of the allotment and issuance of 955,223,880 new shares in the capital of the company ("Consideration Shares"). In addition, the Company issued 75,000,000 new shares at \$0.067 per share to restore the minimum free float ("Compliance Placement") which was lost due to the completion of the acquisition in pursuant to Catalist Rule 723.

(B) Convertibles and treasury shares

The Company has no outstanding convertibles and treasury shares as at 31 December 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 31-Dec-16	As at 31-Dec-15
Total number of issued shares (excluding treasury shares)	1,150,145,242	119,921,362

The Company had no treasury shares as at 31 December 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 year 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 2016.

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	
	31-Dec-16	31-Dec-15
Loss per share from continuing operations (in cents):-		
(a) Basic loss based on the weighted average number of ordinary shares on issue	(1.00)	(4.53)
(b) On fully diluted basis	(1.00)	(4.53)
Weighted average number of shares used in computation of basic earnings per share	518,547,086	119,921,362

	Group	
	31-Dec-16	31-Dec-15
Loss per share from continuing and discontinued operations (in cents):-		
(a) Basic loss per share based on the weighted average number of ordinary shares on issue	(1.00)	(4.60)
(b) On fully diluted basis	(1.00)	(4.60)
Weighted average number of shares used in computation of basic earnings per share	518,547,086	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 year.

There was no dilutive ordinary share in existence during the current financial year reported on and the previous corresponding year. Accordingly, the basic and fully diluted loss per share for the respective financial year 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	
	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
Net asset value ("NAV") per ordinary share based on issued share capital (in cents)	8.09	0.5	8.30	1.6
Number of Issued shares	1,150,145,242	119,921,362	1,150,145,242	119,921,362

The NAV per ordinary share for the Group and the Company as at 31 December 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 29 March 2016, the Company had entered into a conditional sale and purchase agreement ("SPA") with 3C Marina for the acquisition of all the issued shares in 3C Marina, to be satisfied by way of the allotment and issuance of the Consideration Shares.

Pursuant to the SPA, the Company acquired 3C Marina which owns the legal and beneficial title to several parcels of undeveloped lands in Puteri Harbour, Johor Bahru, Malaysia. The acquisition of 3C Marina was completed on 11 August 2016.

The Group's loss from continuing operations, net of tax had decreased from approximately S\$5.51 million in FY2015 to approximately S\$5.19 million in FY2016 of S\$328,000 mainly due to the increase in income tax benefit of S\$0.71 million, which was being offset by an increased in general and administrative expenses of approximately S\$0.43 million.

Revenue (Continuing Operations)

The Group's total revenue has decreased by approximately S\$176,000 or 13.3% from S\$1.33 million in FY2015 to S\$1.15 million in FY2016. The decrease was mainly due to decrease in revenue contribution from OSSB. OSSB provides architectural design, project financial feasibility assessment, engineering expertise and construction management services.

Gross profit (Continuing Operations)

The Group's gross profit has increased by approximately S\$86,000 or 33.3% from S\$260,000 in FY2015 to S\$346,000 in FY2016 despite the slight decrease in revenue. This was mainly due to lower staff costs in OSSB.

Other operating income (Continuing Operations)

Other income comprised mainly rental income, interest income and other miscellaneous income. Other income has decreased by approximately S\$129,000 or 20.7% from S\$625,000 in FY2015 to S\$496,000 in FY2016. The decrease was mainly due to the decrease in rental income from S\$581,000 to S\$444,000 in FY 2015 and FY 2016 respectively due to the return of office premise.

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 has increased by approximately S\$433,000 or 7.0% from S\$6.22 million in FY2015 to S\$6.65million in FY2016. The increase was partly due to the impairment of intangible assets of S\$2.01 million, which was mainly offset by the decrease in rental of premises of S\$0.64 million and impairment of goodwill in S\$0.43 million. The impairment arose mainly from the effects of group consolidation of the existing contract between 3C Marina Park and Orientis following the acquisition of 3C Marina Park by the Company during the financial year.

Finance Costs (Continuing Operations)

Finance Costs comprised mainly interest expenses. Interest expense has decreased by approximately S\$12,000 or 25.5% from S\$47,000 in FY2015 to S\$35,000 in FY2016 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\$444,000 from S\$726,000 as at 31 December 2015 to S\$282,000 as at 31 December 2016. The decrease was mainly due to depreciation of assets of the Group of S\$439,000.

Land held for property development of S\$108.46 million as at 31 December 2016 relates to the land cost and borrowing cost capitalized for the two parcels of undeveloped lands held by 3C Marina which the Group has acquired on 11 August 2016. Land held for property development will be transferred to property development cost when development activities commence and are expected to be complete within the Company’s normal operating cycle.

Goodwill decreased by approximately S\$839,000 from S\$1.84 million as at 31 December 2015 to S\$1 million as at 31 December 2016, mainly due to an impairment of S\$1.17 million for OSSB and a movement of foreign exchange difference of S\$328,000.

Other intangible assets decreased by approximately S\$2.19 million from S\$2.54 million as at 31 December 2015 to S\$343,000 as at 31 December 2016, mainly due to an impairment of S\$2.01 million for OSSB and an amortization of \$0.18 million for the year.

Property development cost comprising costs of lands, direct materials, direct labour, other direct costs attributable overheads, borrowing costs and payments to subcontractors arising from the land held by 3C Marina which the Group has acquired on 11 August 2016. As at 31 December 2016, the property development cost was S\$65.76 million. The subsidiary obtained approval for the development of the land parcel on 23 January 2017.

Trade receivables decreased by approximately S\$286,000 from S\$341,000 as at 31 December 2015 to S\$55,000 as at 31 December 2016, mainly due to payment by trade receivables in Orientis Solutions Sdn Bhd.

Cash and cash equivalents increased by S\$3.73 million mainly due to proceeds received from the Compliance Placement.

Trade payables decreased by approximately S\$24,000 from S\$25,000 as at 31 December 2015 to S\$1,000 as at 31 December 2016, mainly due to the return of office premise on 30 September 2016.

Other payables increased by approximately S\$10,000 from S\$833,000 as at 31 December 2015 to S\$843,000 as at 31 December 2016, mainly due to the inclusion of other payables of 3C Marina for an amount of S\$275,000 which was offset by the decrease in payables of S\$208,000 for Whitehouse Holdings in relation to the return of office premise.

Amount due to contract customers decreased by approximately S\$287,000 from S\$393,000 as at 31 December 2015 to S\$106,000 as at 31 December 2016. The decrease was mainly due to the decrease in revenue recognized in 2016 for OSSB.

The increase in bank borrowing of S\$81.98 million was solely attributable to the inclusion of bank borrowing from 3C Marina. The reason for the bank borrowing is to finance the purchase of the lands and also for working capital purpose.

3C Marina has a non-current term loan facilities of RM200 million(S\$64.43 million) from Public Bank Berhad (“PBB”). These term loans are secured by a charge over the 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\$17.56 million) which is also from 3C Marina comprises of several revolving facilities from PBB. The revolving credit facilities are secured by a charge over the lands and a second general debenture that created a fixed and floating charge over the assets of 3C Marina. As at 31 December 2016, the total bank borrowing was S\$81.98 million.

On 8 January 2015, the Company signed a shareholder loan agreement with Phileo Capital Limited, the major shareholder. The loan is non-interest bearing. As at 31 December 2016, the amount outstanding from shareholder loan was \$3.89 million.

The Group reported a positive working capital of S\$47.38 million as at 31 December 2016 as compared to a negative working capital of S\$3.72 million as at 31 December 2015. Cash balance outstanding as at 31 December 2016 stood at approximately S\$4.06 million.

CASH FLOW STATEMENT

Net cash used in operating activities in FY2016 was approximately S\$2.1 million, mainly due to operating cash flow before changes in working capital of approximately S\$1.8 million and a decrease in provision for onerous contract of S\$357,000 and decrease in amount due to contract customers of S\$286,000. This was partially offset by a decrease in receivables of S\$574,000 during the financial year.

Net cash used in investing activities in FY2016 was approximately S\$2.97 million, mainly due to increase in land held for property development of S\$3.26 million and cash inflow of S\$313,000 due to the acquisition of 3C Marina.

Net cash from financing activities in FY2016 was approximately S\$8.87 million, mainly due to proceeds from issues of shares of S\$5.03 million, drawdown of bank borrowing of S\$2.9 million and also increase in shareholder loan of S\$1.04 million during the financial year.

The Group recorded a net increase in cash and cash equivalents of approximately S\$3.73 million in FY2016 as compared to a decrease of S\$836,000 in FY2015.

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.

Although the economy in Malaysia may be challenging, however, the Group is optimistic that the development of the lands held in 3C Marina may be an opportunity. In addition, the Group will be exploring equity fund raising to commence the first phase development of 3C Marina.

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 FY2016.

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 general meeting on 14 April 2016.

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	-	401,773
3C Marina Park Sdn Bhd ¹ Project Management Services & recovery of incidentals	-	230,969
Phileo Capital Limited Shareholder loan	1,035,000	-

Note: 1 – From 11 August 2016, 3C Marina Park Sdn Bhd has become a subsidiary of the Group.

Part II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14. Segmented revenue and results for the operating segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Segment information

Segment information is presented in respect of the Group's business and geographical segments.

The primary format — business segments is based on the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise corporate assets and expenses, interest income, interest expenses and related assets and liabilities.

(a) Business segments

The Group comprises of the following business segments:

1. Real estate agency
2. Real estate and property development consultancy

	Real estate agency (Discontinued Operations)		Real estate and property development consultancy		Adjustments and eliminations		Group Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Revenue by segment								
External customers	-	12,673	1,149	1,325	-	-	1,149	13,998
Results:								
Interest income	-	-	43	57	(11)	(24)	32	33
Depreciation	-	-	(369)	(620)	(70)	(93)	(439)	(713)
Other non-cash expenses	-	(458)	(3,222)	(1,813)	-	-	(3,222)	(2,271)
Segment results	-	(78)	(7,125)	(5,792)	-	-	(7,125)	(5,870)
Assets:								
Additions to non-current assets	-	-	27	68	-	-	27	68
Segment assets	-	-	180,246	6,301	-	-	180,246	6,301
Segment liabilities	-	-	87,192	5,714	-	-	87,192	5,714

(b) Geographical segments

	Revenue from external customers		Non-current assets	
	2016	2015	2016	2015
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Singapore	-	-	277	629
Malaysia	1,149	1,325	109,953	4,616
	<u>1,149</u>	<u>1,325</u>	<u>110,230</u>	<u>5,245</u>

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to item 14 of this announcement.

16. A breakdown of sales as follows:

	Group		
	1 Jan 2016 to 31 Dec 2016	1 Jan 2015 to 31 Dec 2015	Increase / (decrease)
	S\$'000	S\$'000	%
(a) Sales reported for first half year	809	12,848	(0.94)
Operating loss after tax reported for the first half			
(b) year	(1,096)	(2,222)	(0.51)
(c) Sales reported for second half year	340	1,150	(0.70)
Operating loss after tax reported for the second			
(d) half year	(4,090)	(3,292)	0.24

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not Applicable. No dividend has been recommended and declared for FY2016 and FY2015.

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10).

Tong Kooi Lian, who is the CEO and Managing Director of 3Cenergy Limited ("3CL") is the sister of Tong Kooi Ong, Non-Executive Chairman and a controlling shareholder of 3CL. Besides the disclosure above, there is no other individual who is occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10).

19. Update on the use of compliance placement proceeds

	Amount Allocated S\$'000	Amount utilised S\$'000	Balance S\$'000
Expenses incurred in relation to the 3C Marina Park Acquisition and Compliance Placement ¹	761	(678)	83
Working Capital ²	4,264	(1,698)	2,566
Total	5,025	(2,376)	2,649

Notes:

(1) Expenses incurred in relation to the 3C Marina Acquisition and Compliance Placement relate to Professional Fees, Placement Commission and Listing Fees.

(2) Working Capital consists of payments for company overheads, director fees, staff salaries and related expenses.

The use of proceeds from the Compliance Placement is in accordance with the intended use as disclosed in the Offer Information Statement.

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

BY ORDER OF THE BOARD

Tong Kooi Lian
Managing Director and Chief Executive Officer
Date: 22 February 2017