

Unaudited Financial Statements and Dividend Announcement for the Financial Year Ended 31 December 2017

The Board of Directors of 3Cenergy Limited (the “Company”) is pleased to announce the consolidated results for the financial year ended 31 December 2017. 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.

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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 2017	31 Dec 2016	Increase / (decrease)
	S\$'000	S\$'000	%
Revenue	370	1,149	(67.8)%
Cost of services rendered and goods sold	(975)	(803)	21.4 %
Gross (loss) profit	(605)	346	N.M.
Other operating income	133	496	(73.2)%
Sales and distribution expenses	(11)	(8)	37.5 %
General and administrative expenses	(2,834)	(6,654)	(57.4)%
Finance costs	(8)	(35)	(77.1)%
Share of (loss) profit in a joint venture	(45)	7	N.M.
Loss before tax	(3,370)	(5,848)	(42.4)%
Income tax (expense) credit	(38)	662	N.M.
Loss for the year	(3,408)	(5,186)	(34.3)%
Other comprehensive income (loss) for the year			
Items that may be reclassified subsequently to profit & loss			
- Exchange differences on translation of financial statements of foreign subsidiaries	1,552	(1,939)	N.M.
Other comprehensive income (loss) for the year, net of tax	1,552	(1,939)	N.M.
Total comprehensive loss for the year	(1,856)	(7,125)	(74.0)%
Attributable to:			
Owners of the Company	(3,408)	(5,186)	(34.3)%
Loss for the year	(3,408)	(5,186)	(34.3)%
Attributable to:			
Owners of the Company	(1,856)	(7,125)	(74.0)%
Total comprehensive loss for the year	(1,856)	(7,125)	(74.0)%
Loss per share attributable to the owners of the Company (cents per share)			
Basic	(0.25)	(1.00)	(75.0)%
Diluted	(0.25)	(1.00)	(75.0)%
Loss per share (cents per share)			
Basic	(0.25)	(1.00)	(75.0)%
Diluted	(0.25)	(1.00)	(75.0)%

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:

	FULL YEAR ENDED		
	31 Dec 2017	31 Dec 2016	Increase / (decrease)
	S\$'000	S\$'000	%
Rental income	-	444	N.M.
Government grants	1	1	- %
Interest income	99	32	209.4 %
Miscellaneous income	33	19	73.7 %
	133	496	

Notes: N.M. – Not meaningful

Note 2 Finance costs comprised the following:

	FULL YEAR ENDED		
	31 Dec 2017	31 Dec 2016	Increase / (decrease)
	S\$'000	S\$'000	%
Hire purchase interest	8	12	(33.3)%
Other interest expense	-	23	N.M.
	8	35	(77.1)%

Notes: N.M. – Not meaningful

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

	FULL YEAR ENDED		
	31 Dec 2017	31 Dec 2016	Increase / (decrease)
	S\$'000	S\$'000	%
After charging:			
Staff costs (including directors' remuneration)	574	616	(6.8)%
Depreciation of plant and equipment	131	439	(70.2)%
Amortisation of other intangible assets	69	180	(61.7)%
Directors fees	101	90	12.2 %
Rental of premises	131	585	(77.6)%
Bad debts w ritten off	-	7	N.M.
Impairment of other intangible assets	-	2,014	N.M.
Impairment on goodwill	1,000	1,168	(14.4)%
Stamp Duty	1	194	(99.5)%
Fixed assets w ritten off	-	32	N.M.

Notes: N.M. – Not meaningful

Note 4 Income tax comprised the following:

	FULL YEAR ENDED		
	31 Dec 2017	31 Dec 2016	Increase / (decrease)
	S\$'000	S\$'000	%
Current income tax expense	(40)	(60)	33.3 %
Deferred tax credit	2	722	(99.7)%
	(38)	662	

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 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	S\$'000	S\$'000	S\$'000	S\$'000
Assets				
Non-current assets				
Property, plant and equipment	190	282	75	127
Land held for property development	94,204	90,196	-	-
Goodwill	-	1,000	-	-
Other intangible assets	274	343	-	-
Investments in subsidiaries	-	-	85,815	68,015
Investment in joint venture	105	150	150	150
	94,773	91,971	86,040	68,292
Current assets				
Trade receivables	25	55	-	-
Other receivables and deposits	199	126	31	-
Property development cost	63,214	55,404	-	-
Prepayments	35	20	35	19
Amount due from subsidiaries	-	-	170	12
Cash and cash equivalents	8,080	4,016	6,074	3,656
Pledged fixed deposit	44	43	-	-
	71,597	59,664	6,310	3,687
Total assets	166,370	151,635	92,350	71,979
Equity and liabilities				
Current liabilities				
Trade payables	670	1	39	-
Accruals and other payables	771	843	278	307
Amount due to customers for project management contracts	174	106	-	-
Amount due to subsidiaries	-	-	701	702
Amount due to joint venture	127	161	127	161
Finance lease liabilities	90	88	57	55
Bank borrowing	31,242	17,556	-	-
Shareholder loan	-	3,885	-	3,885
Income tax payable	3	-	-	-
	33,077	22,640	1,202	5,110
Non-current liabilities				
Finance lease liabilities	31	120	10	67
Bank borrowing	44,984	64,426	-	-
Deferred tax liabilities	4	6	-	-
	45,019	64,552	10	67
Total liabilities	78,096	87,192	1,212	5,177
Net assets	88,274	64,443	91,138	66,802
Equity attributable to owners of the Company				
Share capital	109,554	83,867	144,084	118,397
Accumulated losses and other reserves	(21,280)	(19,424)	(52,946)	(51,595)
Net equity	88,274	64,443	91,138	66,802
Total equity and liabilities	166,370	151,635	92,350	71,979

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 2017		As at 31 Dec 2016	
Secured	Unsecured	Secured	Unsecured
<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
31,332	-	17,644	3,885

Amount repayable after one year

As at 31 Dec 2017		As at 31 Dec 2016	
Secured	Unsecured	Secured	Unsecured
<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
45,015	-	64,546	-

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

The bank borrowings are solely attributable to the term loans and revolving facilities recorded in 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 (the "CN Lands").

3C Marina has a non-current term loan facilities of RM137 million(S\$44.98 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 RM95 million (S\$31.24 million) which is also from 3C Marina comprises of term loans and 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.

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 2017	As at 31 Dec 2016
	S\$'000	S\$'000
Cash flows from operating activities		
Loss before taxation	(3,370)	(5,848)
Adjustments for:		
Depreciation of property, plant and equipment	131	439
Amortisation of other intangible assets	69	180
Share of loss/(profit) in a joint venture	45	(7)
Bad debts written off	-	7
Impairment of goodwill	1,000	1,168
Impairment of other intangible assets	-	2,014
Fixed assets written off	-	32
Interest income	(99)	(32)
Interest expense	8	35
Unrealised exchange differences	998	217
Operating cash flows before changes in working capital	(1,218)	(1,795)
(Increase)/decrease in receivables	(58)	573
Increase/(decrease) in amount due to customers for project management accounts	67	(287)
Increase/(decrease) in payables	341	(189)
Decrease in provision for onerous contract	-	(357)
Expenditure on land held for property development	(5,356)	(1,715)
Cash used in operations	(6,224)	(3,770)
Interest received	99	32
Interest paid	(3,928)	(1,575)
Income tax paid	(35)	(117)
Net cash used in operating activities	(10,088)	(5,430)
Cash flows from investing activities		
Purchase of property, plant and equipment	(26)	(27)
Cash inflow from acquisition of a subsidiary	-	314
Net cash (used in) / from investing activities	(26)	287
Cash flows from financing activities		
Decrease in amount due to a joint venture	(33)	-
(Repayment of)/increase in shareholders loan	(3,885)	1,035
(Repayment of)/draw down of bank borrowing	(7,504)	2,899
Repayment of obligations under finance leases	(87)	(87)
Placement of pledged fixed deposits	-	(43)
Proceeds on issue of shares	25,687	5,025
Net cash from financing activities	14,178	8,829
Net increase in cash and cash equivalents	4,064	3,686
Cash and cash equivalents at beginning of the year	4,016	330
Cash and cash equivalents at end of the year	8,080	4,016

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 2016	12,886	(401)	(11,898)	587
Issuance of shares	70,981	-	-	70,981
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	83,867	(2,340)	(17,084)	64,443
Balance at 1 January 2017	83,867	(2,340)	(17,084)	64,443
Issuance of shares	25,687	-	-	25,687
Loss for the year	-	-	(3,408)	(3,408)
Other comprehensive loss for the year, net of tax	-	1,552	-	1,552
Total comprehensive loss for the year	-	1,552	(3,408)	(1,856)
Balance at 31 December 2017	109,554	(788)	(20,492)	88,274
Company				
Attributable to owners of the Company				
	Share capital	Translation reserve	Accumulated losses	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2016	47,416	-	(45,547)	1,869
Issuance of shares	70,981	-	-	70,981
Loss for the year representing total comprehensive loss for the year	-	-	(6,048)	(6,048)
Balance at 31 December 2016	118,397	-	(51,595)	66,802
Balance at 1 January 2017	118,397	-	(51,595)	66,802
Issuance of shares	25,687	-	-	25,687
Loss for the year representing total comprehensive loss for the year	-	-	(1,351)	(1,351)
Balance at 31 December 2017	144,084	-	(52,946)	91,138

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

(A) Share Capital

	Company	
	No of shares issued	Share capital S\$'000
Issued and fully paid:		
As at 1 January 2017	1,150,145,242	118,397
Issue of new shares pursuant to the Rights cum Warrants Issue	383,381,747	25,687
As at 30 June 2017 / 31 December 2017	<u>1,533,526,989</u>	<u>144,084</u>

During the current financial year, the Company had on 31 May 2017 completed a rights issue of 383,381,747 new ordinary shares in the capital of the Company (the "Rights Shares") at an issue price of S\$0.067 for each Rights Share, with up to 766,763,494 free detachable warrants (the "Warrants"), each Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company (the "New Share") at an exercise price of S\$0.10 for each New Share, on the basis of one (1) Rights Share for every three (3) existing ordinary shares in the capital of the Company (the "Shares") held by the shareholders of the Company ("Rights cum Warrants Issue").

From 1 July 2017 to 31 December 2017, there were no changes in the Company's share capital.

(B) Convertibles and treasury shares

As at 31 December 2017, the Company had 766,763,494 outstanding Warrants, exercisable into 766,763,494 New Shares, representing approximately 50% of the total number of issued ordinary shares of the Company (excluding treasury shares). As at 31 December 2016, the Company had no outstanding convertible instruments.

As at 31 December 2016 and 31 December 2017, the Company did not hold any treasury shares and there were no subsidiary holdings.

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-17	As at 31-Dec-16
Total number of issued shares (excluding treasury shares)	<u>1,533,526,989</u>	<u>1,150,145,242</u>

The Company had no treasury shares as at 31 December 2017 and 31 December 2016.

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.

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

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial 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 year 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-17	31-Dec-16
Loss per share from continuing operations (in cents):-		
(a) Basic loss based on the weighted average number of ordinary shares on issue	(0.25)	(1.00)
(b) On fully diluted basis	(0.25)	(1.00)
Weighted average number of shares used in computation of basic earnings per share	1,377,023,207	518,547,086

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

The basic and fully diluted loss per share for the current financial year were the same as the outstanding Warrants have no dilutive effect because the market price of ordinary shares is lower than the exercise price (ie they are 'out of the money'). There was no dilutive ordinary share in existence for the previous financial year.

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-17	31-Dec-16	31-Dec-17	31-Dec-16
Net asset value ("NAV") per ordinary share based on issued share capital (in cents)	5.76	5.60	5.94	5.81
Number of Issued shares	1,533,526,989	1,150,145,242	1,533,526,989	1,150,145,242

The NAV per ordinary share for the Group and the Company as at 31 December 2017 and 31 December 2016 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 25 May 2017, the Company announced the completion of its Rights cum Warrants Issue and the Rights Shares and Warrants are listed on Catalist on 30 May 2017 and 31 May 2017 respectively.

The Group's loss, net of tax had decreased from approximately S\$5.19 million in FY2016 to approximately S\$3.41 million in FY2017 mainly due to the decrease in general and administrative expenses of S\$3.82 million, which was being offset by the increase in gross loss of S\$0.95 million, reduction in other operating income of S\$0.36 million and increase in income tax expense of S\$0.70 million.

Revenue

The Group's total revenue has decreased by approximately S\$779,000 or 67.8% from S\$1.15 million in FY2016 to S\$0.37 million in FY2017. The decrease was mainly due to a decrease in revenue contribution from Orientis Solutions Sdn Bhd ("OSSB") as a result of downward revision in contract sum for one of its projects. In addition, after completion of the acquisition of 3C Marina on 11 August 2016 which resulted in 3C Marina becoming a subsidiary of the Group, project management service revenue charged from OSSB to 3C Marina was eliminated at Group level as compared to an amount of S\$507,000 recorded in FY2016. OSSB provides architectural design, project financial feasibility assessment, engineering expertise and construction management services.

Gross profit

The Group's gross loss is S\$605,000 in FY2017 as compared to gross profit of S\$346,000 in FY2016. This was mainly attributable to project management expenses of approximately S\$649,000 incurred by OSSB on the development of CN Lands while its related project management service revenue was eliminated at Group level during the financial year. In addition, revenue is yet to be generated from the development of CN Lands as of FY2017.

Other operating income

Other income comprised mainly rental income, interest income, government grants and other miscellaneous income. Other income has decreased by approximately S\$363,000 or 73.2% from S\$496,000 in FY2016 to S\$133,000 in FY2017. The decrease was mainly due to the cessation of rental income after the return of office premise upon expiry of the lease.

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 has decreased by approximately S\$3.82 million or 57.4% from S\$6.65 million in FY2016 to S\$2.83 million in FY2017. The decrease was mainly due to the impairment of other intangible assets relating to contractual rights on project management contracts of S\$2.01 million recorded in FY2016 as compared to nil in FY2017. The decrease in G&A Expenses was also due to a decrease in rental cost, depreciation expense and premise related expenses by approximately S\$526,000, S\$232,000 and S\$125,000 respectively after the return of office premise upon expiry of the lease. In addition, total professional fees and stamp duty incurred in FY2017 also decreased by S\$558,000 as compared to FY2016.

Finance Costs

Finance Costs comprised mainly interest expenses. Interest expense has decreased by approximately S\$27,000 or 77.1% from S\$35,000 in FY2016 to S\$8,000 in FY2017 mainly due to a decrease in hire purchase interest and also a decrease in imputed interest payable on rental deposits received from sub-tenants.

Income Tax Expense

The Group’s income tax expense is S\$38,000 in FY2017 as compared to income tax credit of S\$662,000 in FY2016. This was mainly attributable to a reversal of deferred tax liabilities of S\$720,000 as a result of the write off of intangible assets in FY2016.

BALANCE SHEET

Property, plant and equipment decreased by S\$92,000 from S\$282,000 as at 31 December 2016 to S\$190,000 as at 31 December 2017. The decrease was mainly due to depreciation of non-current assets of the Group.

Land held for property development of S\$94.20 million as at 31 December 2017 relates to the land cost and borrowing cost capitalized for the two parcels of undeveloped lands held by 3C Marina. 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. Land held for property development increased by approximately \$4 million mainly due to capitalisation of borrowing cost.

Goodwill reduced by S\$1 million from S\$1 million as at 31 December 2016 to nil as at 31 December 2017, due to an impairment of S\$1 million provided.

Property development cost comprised 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. As at 31 December 2017, the property development cost was S\$63.21 million which had increased by approximately S\$7.81 million from S\$55.40 million as at 31 December 2016. The increase is mainly due to capitalisation of development costs and borrowing costs. 3C Marina obtained approval for the development and building plan of one of its land parcels on 23 January 2017 and 19 September 2017 respectively.

Cash and cash equivalents increased by approximately S\$4.06 million mainly due to proceeds received from the Rights cum Warrants Issue, which was partially offset by payments made for shareholder loan settlement, term loans instalments, land development expenses and working capital purposes.

Trade payables increased by S\$669,000 from S\$1,000 as at 31 December 2016 to S\$670,000 as at 31 December 2017, mainly due to the amount owing for the development expenses.

Other payables and accruals decreased by approximately S\$72,000 from S\$843,000 as at 31 December 2016 to S\$771,000 as at 31 December 2017, mainly due to decrease in accruals of loan interest and professional fees as at 31 December 2017. The decrease was also due to reclassification of certain amounts in trade nature from other payables to trade payables.

The current and non-current bank borrowings of the Group amounted to S\$76.23 million and S\$81.98 million as at 31 December 2017 and 31 December 2016 respectively. The bank borrowings reduced by S\$5.75 million because of repayments made during the financial year.

The current and non-current finance lease liabilities decreased by S\$87,000 from S\$208,000 as at 31 December 2016 to S\$121,000 as at 31 December 2017, mainly due repayments made during the financial year.

In accordance to the intended usage of proceeds from the Rights cum Warrants Issue as disclosed in the circular dated 5 April 2017, the Group has fully settled the shareholder loan of S\$3.89 million during the financial year.

The Group reported a positive working capital of S\$38.52 million as at 31 December 2017 as compared to S\$37.02 million as at 31 December 2016. Cash balance outstanding as at 31 December 2017 stood at approximately S\$8.12 million.

CASH FLOW STATEMENT

Net cash used in operating activities in FY2017 was approximately S\$10.09 million, mainly due to an operating cash outflow of approximately S\$1.22 million, expenditure on land held for property development of \$5.36 million and interest paid of S\$3.93 million. This was partially offset by an increase in payables of S\$341,000.

Net cash from financing activities in FY2017 was approximately S\$14.18 million, which was mainly due to proceeds from the Rights cum Warrants Issue of S\$25.69 million during the financial year, partially offset by the repayments of shareholder loan and bank borrowings of S\$3.89 million and S\$7.50 million respectively.

Net cash used in investing activities in FY2017 was S\$26,000 mainly due to a purchase property, plant and equipment.

The Group recorded a net increase in cash and cash equivalents of approximately S\$4.06 million in FY2017 as compared to an increase of S\$3.69 million in FY2016.

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.

The Group will focus on re-planning the development of CN Lands following deferment of the project and explore relevant business opportunities where feasible.

The Group continues to expect the property market conditions to remain challenging.

In addition, the Group will be exploring equity fund raising to repay bank borrowings and working capital.

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 FY2017.

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 annual general meeting on 20 April 2017.

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	-	353,293

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

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

(a) Geographical segments

	Revenue from external customers		Non-current assets	
	2017	2016	2017	2016
	S\$’000	S\$’000	S\$’000	S\$’000
Singapore	-	-	180	277
Malaysia	370	1,149	94,593	91,694
	<u>370</u>	<u>1,149</u>	<u>94,773</u>	<u>91,971</u>

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

Not applicable, as the Group only operates in a single business segment.

16. A breakdown of sales and results as follows:

	Group		
	1 Jan 2017 to 31 Dec 2017	1 Jan 2016 to 31 Dec 2016	Increase / (decrease)
	S\$'000	S\$'000	%
(a) Sales reported for first half year	201	809	(75.2)%
(b) Operating loss after tax reported for the first half year	(1,376)	(1,096)	25.5 %
(c) Sales reported for second half year	169	340	(50.3)%
(d) Operating loss after tax reported for the second half year	(2,032)	(4,090)	(50.3)%

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 FY2017 and FY2016.

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

Intended use of proceeds	Amount Allocated S\$'000	Amount utilised S\$'000	Balance S\$'000
Expenses incurred in relation to the 3CMP Acquisition and Compliance Placement ⁽¹⁾	761	(691)	70
Working Capital ⁽²⁾	4,264	(4,127)	137
Total	5,025	(4,818)	207

Notes:

- (1) Expenses incurred in relation to the 3C Marina Park Sdn Bhd ("3CMP") Acquisition and Compliance Placement relate to Professional Fees, Placement Commission and Listing Fees.
- (2) Working Capital consists of payments for Group operating expenses, 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 of the Compliance Placement.

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.

20. Update on the use of Rights Issue proceeds

The Company refers to its announcement of changes in the use of proceeds of the Rights cum Warrants Issue (the “Re-allocation”) dated 8 February 2018.

Intended use of proceeds	Amount allocated S\$’000	Amount utilised S\$’000	Balance S\$’000
Expenses incurred in relation to Rights Issue ⁽¹⁾	281	(281)	-
To carry out the first phase of the Land Development	8,161	(6,790)	1,371
Partial repayment of the Term Loans	13,360	(9,860)	3,500
Repayment of shareholder’s loan	3,885	(3,885)	-
Total	25,687	(20,816)	4,871

Note:

(1) Expenses incurred in relation to the Rights Issue relate to Professional Fees and Listing Fees.

The use of proceeds from the Rights cum Warrants Issue as disclosed above is in accordance with the intended use as stated in the announcement of the Re-allocation dated 8 February 2018 as well as intended uses as disclosed in the offer information statement of the Rights cum Warrants Issue.

The Board will continue to provide periodic announcements on the utilisation of the balance of the proceeds from the Rights cum Warrants Issue 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: 21 February 2018