
Unaudited Financial Statements and Dividend Announcement for the Half-Year Ended 30 June 2017

The Board of Directors of 3Cenergy Limited (the “Company”) is pleased to announce the unaudited consolidated results for the half-year ended 30 June 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	FOR THE 6 MONTHS ENDED		
	(Unaudited) 30 Jun 2017	(Unaudited) 30 Jun 2016	Increase / (decrease)
	S\$'000	S\$'000	%
Revenue	201	809	(75.2)%
Cost of services rendered and goods sold	(499)	(437)	14.2 %
Gross (loss) profit	(298)	372	N.M.
Other operating income	18	353	(94.9)%
Sales and distribution expenses	(7)	(2)	250.0 %
General and administrative expenses	(1,061)	(1,739)	(39.0)%
Finance costs	(4)	(23)	(82.6)%
Share of (loss) profit in a joint venture	(6)	7	N.M.
Loss before tax	(1,358)	(1,032)	31.6 %
Income tax expense	(18)	(64)	(71.9)%
Loss for the period	(1,376)	(1,096)	25.5 %
Other comprehensive loss			
Items that may be reclassified subsequently to profit & loss			
- Exchange differences on translation of financial statements of foreign subsidiaries	(249)	-	N.M.
Other comprehensive loss for the period, net of tax	(249)	-	N.M.
Total comprehensive loss for the period	(1,625)	(1,096)	48.3 %
Attributable to:			
Owners of the Company	(1,376)	(1,096)	25.5 %
Loss for the period	(1,376)	(1,096)	25.5 %
Attributable to:			
Owners of the Company	(1,625)	(1,096)	48.3 %
Total comprehensive loss for the period	(1,625)	(1,096)	48.3 %
Loss per share attributable to the owners of the Company (cents per share)			
Basic	(0.11)	(0.91)	(87.6)%
Diluted	(0.11)	(0.91)	(87.6)%
Loss per share (cents per share)			
Basic	(0.11)	(0.91)	(87.9)%
Diluted	(0.11)	(0.91)	(87.6)%

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 2017	(Unaudited) 30 Jun 2016	Increase / (decrease)
	S\$'000	S\$'000	%
Rental income	-	323	N.M.
Interest income	16	19	(15.8)%
Miscellaneous income	2	11	(81.8)%
	18	353	(94.9)%

Notes: N.M. – Not meaningful

Note 2 Finance costs comprised the following:

	FOR THE 6 MONTHS ENDED		
	(Unaudited) 30 Jun 2017	(Unaudited) 30 Jun 2016	Increase / (decrease)
	S\$'000	S\$'000	%
Hire purchase interest	4	6	(33.3)%
Other interest expense	-	17	N.M.
	4	23	(82.6)%

Notes: N.M. – Not meaningful

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

	FOR THE 6 MONTHS ENDED		
	(Unaudited) 30 Jun 2017	(Unaudited) 30 Jun 2016	Increase / (decrease)
	S\$'000	S\$'000	%
After charging:			
Staff costs (including directors' remuneration)	300	333	(9.9)%
Depreciation of plant and equipment	66	250	(73.6)%
Amortisation of other intangible assets	35	155	(77.4)%
Directors fees	70	71	(1.4)%
Rental of premises	66	377	(82.5)%
Fixed assets written off	-	33	N.M.
Professional fees	125	221	(43.4)%

Notes: N.M. – Not meaningful

Note 4 Income tax comprised the following:

	FOR THE 6 MONTHS ENDED		
	(Unaudited) 30 Jun 2017	(Unaudited) 30 Jun 2016	Increase / (decrease)
	S\$'000	S\$'000	%
Current Income tax expense	18	64	(71.9)%
	18	64	(71.9)%

Notes: N.M. – Not meaningful

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

	Group		Company	
	30 Jun 2017	31 Dec 2016	30 Jun 2017	31 Dec 2016
	S\$'000	S\$'000	S\$'000	S\$'000
Assets				
Non-current assets				
Property, plant and equipment	230	282	108	127
Other intangible assets	308	343	-	-
Investments in subsidiaries	-	-	68,015	68,015
Investment in joint venture	144	150	150	150
Goodwill	1,000	1,000	-	-
Land held for property development	90,912	90,196	-	-
	<u>92,594</u>	<u>91,971</u>	<u>68,273</u>	<u>68,292</u>
Current assets				
Amount due from subsidiaries	-	-	8,599	12
Trade receivables	30	55	-	-
Other receivables and deposits	170	126	21	-
Prepayments	26	20	26	19
Cash and cash equivalents	18,670	4,016	16,100	3,656
Pledged fixed deposit	42	43	-	-
Property development cost	59,216	55,404	-	-
	<u>78,154</u>	<u>59,664</u>	<u>24,746</u>	<u>3,687</u>
Total assets	<u>170,748</u>	<u>151,635</u>	<u>93,019</u>	<u>71,979</u>
Equity and liabilities				
Current liabilities				
Amount due to subsidiaries	-	-	702	702
Trade payables	75	1	-	-
Other payables and accruals	945	843	363	307
Shareholder loan	-	3,885	-	3,885
Amount due to customers for project management contracts	178	106	-	-
Amount due to joint venture	161	161	161	161
Finance lease liabilities	90	88	56	55
Bank borrowings	28,318	17,556	-	-
Income tax payable	2	-	-	-
	<u>29,769</u>	<u>22,640</u>	<u>1,282</u>	<u>5,110</u>
Non-current liabilities				
Finance lease liabilities	75	120	39	67
Bank borrowings	52,393	64,426	-	-
Deferred taxation	6	6	-	-
	<u>52,474</u>	<u>64,552</u>	<u>39</u>	<u>67</u>
Total liabilities	<u>82,243</u>	<u>87,192</u>	<u>1,321</u>	<u>5,177</u>
Net assets	<u>88,505</u>	<u>64,443</u>	<u>91,698</u>	<u>66,802</u>
Equity attributable to owners of the Company				
Share capital	109,554	83,867	144,084	118,397
Accumulated losses and other reserves	(21,049)	(19,424)	(52,386)	(51,595)
Net equity	<u>88,505</u>	<u>64,443</u>	<u>91,698</u>	<u>66,802</u>
Total equity and liabilities	<u>170,748</u>	<u>151,635</u>	<u>93,019</u>	<u>71,979</u>

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

Amount repayable in one year or less, or on demand

As at 30 Jun 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>
28,408	-	17,644	3,885

Amount repayable after one year

As at 30 Jun 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>
52,468	-	64,546	-

The Group's borrowings mainly consist of bank borrowings 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 RM163 million (S\$52.39 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 RM88 million (S\$28.32 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	
	(Unaudited) 30 Jun 2017 <u>S\$'000</u>	(Unaudited) 30 Jun 2016 <u>S\$'000</u>
Cash flows from operating activities		
Loss before taxation	(1,358)	(1,032)
Adjustments for:		
Depreciation of plant and equipment	66	250
Amortisation of intangible assets	35	155
Interest income	(16)	(19)
Interest expense	4	23
Fixed assets written off	-	33
Share of loss/(profit) in a joint venture	6	(7)
Unrealised exchange differences	535	-
Operating cash flows before changes in working capital	(728)	(597)
Increase/(Decrease) in receivables	(23)	162
Increase/(Decrease) in amount due to customers for project management contracts	72	(477)
(Decrease)/Increase in payables	(210)	246
Decrease in provision for onerous contract	-	(238)
Expenditure on land held for property development	(3,736)	-
Cash used in operations	(4,625)	(904)
Interest received	16	19
Interest paid	(1,568)	(23)
Income tax paid	(15)	(89)
Net cash used in operating activities	(6,192)	(997)
Cash flows from investing activities		
Purchase of plant and equipment	(4)	(31)
Net cash used in investing activities	(4)	(31)
Cash flows from financing activities		
Increase in amount due to joint venture	-	35
(Repayment of)/Increase in shareholder loan	(3,885)	935
Repayment of obligations under finance lease	(44)	(39)
Repayment of bank borrowings	(908)	-
Proceeds on issue of shares	25,687	-
Net cash from financing activities	20,850	931
Net increase/(decrease) in cash and cash equivalents	14,654	(97)
Cash and cash equivalents at beginning of the period	4,016	330
Cash and cash equivalents at end of the period	18,670	233

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
Loss for the period	-	-	(1,096)	(1,096)
Other comprehensive loss for the period, net of tax	-	-	-	-
Total comprehensive loss for the period	-	-	(1,096)	(1,096)
Balance at 30 June 2016	12,886	(401)	(12,994)	(509)
Balance at 1 January 2017	83,867	(2,340)	(17,084)	64,443
Issuance of shares	25,687	-	-	25,687
Loss for the period	-	-	(1,376)	(1,376)
Other comprehensive loss for the period, net of tax	-	(249)	-	(249)
Total comprehensive loss for the period	-	(249)	(1,376)	(1,625)
Balance at 30 June 2017	109,554	(2,589)	(18,460)	88,505

	Attributable to owners of the parent			
	Share capital	Translation reserve	Accumulated losses	Total equity
	\$'000	\$'000	\$'000	\$'000
Company				
Balance at 1 January 2016	47,416	-	(45,547)	1,869
Profit for the period representing	-	-	(779)	(779)
Total comprehensive income for the period	-	-	(779)	(779)
Balance at 30 June 2016	47,416	-	(46,326)	1,090
Balance at 1 January 2017	118,397	-	(51,595)	66,802
Issuance of shares	25,687	-	-	25,687
Loss for the period representing	-	-	(791)	(791)
Total comprehensive loss for the period	-	-	(791)	(791)
Balance at 30 June 2017	144,084	-	(52,386)	91,698

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	<u>1,533,526,989</u>	<u>144,084</u>

During the current financial period, 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").

(B) Convertibles and treasury shares

As at 30 June 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 30 June 2016, the Company had no outstanding convertible instruments.

As at 30 June 2016 and 30 June 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 30-June-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 has no treasury shares as at 30 June 2016, 30 June 2017 and 31 December 2016.

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

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 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 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	
	(Unaudited) 30-Jun-17	(Unaudited) 30-Jun-16
Loss per share (in cents):-		
(a) Basic loss based on the weighted average number of ordinary shares on issue	(0.11)	(0.91)
(b) On fully diluted basis	(0.11)	(0.91)
Weighted average number of shares used in computation of basic earnings per share	1,218,301,997	119,921,362

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

The basic and fully diluted loss per share for the current financial period were the same as the exercise price of the outstanding Warrants were higher than the issued ordinary shares' price. There was no dilutive ordinary share in existence for the previous financial period.

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-17	(Audited) 31-Dec-16	(Unaudited) 30-Jun-17	(Audited) 31-Dec-16
Net asset value ("NAV") per ordinary share based on issued share capital (in cents)	5.8	5.6	6.0	5.8
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 30 June 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 increased from S\$1.1 million in the six months financial period ended 30 June 2016 ("HY2016") to S\$1.4 million in the six months financial period ended 30 June 2017 ("HY2017") mainly due to project management expenses of approximately S\$0.32 million charged by Orientis Solutions Sdn Bhd ("OSSB") to 3C Marina for the development of CN Lands during the financial period. However, revenue is yet to be generated from the development of CN Lands as of HY2017.

Revenue

The Group's total revenue has decreased by approximately S\$608,000 or 75.2% from S\$809,000 in HY2016 to S\$201,000 million in HY2017. The decrease was mainly due to a decrease in revenue contribution from OSSB as a result of revision downward in contract sum for one of its projects. In addition, after completion of the acquisition of 3C Marina on 11 August 2016 when became a subsidiary of the Group, project management service revenue charged from OSSB to 3C Marina were eliminated at Group level as compared to an amount of S\$473,000 recorded in HY2016. OSSB provides architectural design, project financial feasibility assessment, engineering expertise and construction management services.

Gross (loss) profit

In HY2017, the Group's gross loss is S\$298,000 as compared to gross profit of S\$372,000 in HY2016. It is because project management expenses of approximately S\$320,000 charged by OSSB to 3C Marina for the development of CN Lands during the financial period. However, revenue is yet to be generated from the development of CN Lands as of HY2017.

Other operating income

Other income comprised mainly rental income, interest income and government grants. Other income has decreased by approximately S\$335,000 or 94.9% from S\$353,000 in HY2016 to S\$18,000 in HY2017. The decrease was mainly due to the cessation of rental income after the return of office premise upon expiry of the lease.

Sales and distribution expenses

Sales and distribution expenses mainly comprised advertisement and promotion expenses and entertainment expenses. Sales and distribution expenses remain insignificant as per the prior year.

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\$678,000 or 39% from S\$1.739 million in HY2016 to S\$1.061 million in HY2017 mainly due to the decrease in rental cost, depreciation expense and fixed assets written off by approximately S\$311,000, S\$184,000 and S\$33,000 respectively after the return of office premise upon expiry of the lease. The decrease in G&A Expenses was also due to a decrease in amortisation expense of other intangible assets by approximately S\$120,000 or 78.1% from S\$155,000 in HY2016 to S\$35,000 in HY2017.

Finance Costs

Finance Costs comprised mainly interest expenses. Interest expense has decreased by approximately S\$19,000 or 82.6% from S\$23,000 in HY2016 to S\$4,000 in HY2017 mainly due to a decrease in hire purchase interest and also a decrease in imputed interest payable on rental deposits received from sub-tenants.

BALANCE SHEET

Property, plant and equipment decreased by S\$52,000 from S\$282,000 as at 31 December 2016 to S\$230,000 as at 30 June 2017. The decrease was mainly due to depreciation of non-current assets of the Group.

Land held for property development of S\$90.91 million as at 30 June 2017 relates to the land cost and borrowing cost capitalised 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 \$0.72 million mainly due to capitalisation of borrowing cost.

Other intangible assets decreased by approximately S\$35,000 from S\$343,000 million as at 31 December 2016 to S\$308,000 as at 30 June 2017, due to amortisation of assets during the financial period.

Trade receivables decreased by approximately S\$25,000 from S\$55,000 as at 31 December 2016 to S\$30,000 as at 30 June 2017, mainly due to recovery of debts.

Other receivables and deposits increased by approximately S\$44,000 from S\$126,000 as at 31 December 2016 to S\$170,000 as at 30 June 2017, mainly due to additional deposits paid for development project during the financial period.

Cash and cash equivalents increased by approximately S\$14.65 million mainly due to proceeds received from the Rights cum Warrants Issue, which was partially offset by payments made for shareholder loan settlement, partial term loans settlement, land development expenses and working capital purposes.

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 30 June 2017, the property development cost was S\$59.22 million which had increased by approximately S\$3.82 million from S\$55.40 million as at 31 December 2016. The increase is mainly due to costs capitalised for development works progressively done up to 30 June 2017. 3C Marina obtained approval for the development of one of its land parcels on 23 January 2017.

Trade payables increased by S\$74,000 from S\$1,000 as at 31 December 2016 to S\$75,000 as at 30 June 2017, mainly due to the amount owing for the development expenses.

Other payables and accruals increased by approximately S\$102,000 from S\$843,000 as at 31 December 2016 to S\$945,000 as at 30 June 2017, mainly due to an increase in accruals of loan interest as at 30 June 2017.

Amount due to customers for project management contracts increased by S\$72,000 from S\$106,000 as at 31 December 2016 to S\$178,000 as at 30 June 2017. The increase was mainly due to the increase in progress billings recognised in 2017 for OSSB.

The current and non-current bank borrowings of the Group amounted to S\$80.71 million and S\$81.98 million as at 30 June 2017 and 31 December 2016 respectively. The bank borrowings reduced by S\$1.27 million because of repayments made during the financial period.

The current and non-current finance lease liabilities decreased by S\$43,000 from S\$208,000 as at 31 December 2016 to S\$165,000 as at 30 June 2017, mainly due repayments made during the financial period.

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 period.

The Group reported a positive working capital of S\$48.39 million as at 30 June 2017 as compared to S\$37.02 million as at 31 December 2016. Cash balance outstanding as at 30 June 2017 stood at approximately S\$18.67 million.

CASH FLOW STATEMENT

Net cash used in operating activities in HY2017 was approximately S\$6.19 million, mainly due to an operating cash outflow of approximately S\$730,000 before changes in working capital, increase in receivables of S\$23,000, decrease in payables of S\$210,000 and expenditure on land held for property development of S\$3.74 million. This was partially offset by an increase in amount due to customers for project management contracts of S\$72,000 during the financial period.

Net cash used in investing activities in HY2017 was approximately S\$4,000, which was due to the purchase of plant and equipment.

Net cash from financing activities in HY2017 was approximately S\$20.85 million, which was mainly due to the repayments of shareholder loan, finance lease commitments and bank borrowings of S\$3.89 million, S\$44,000 and S\$908,000 respectively, partially offset by proceeds from the Rights cum Warrants Issue of S\$25.69 million.

The Group recorded a net increase in cash and cash equivalents of approximately S\$14.65 million in HY2017.

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 the development of the CN Lands following completion of the acquisition of 3C Marina on 11 August 2016. The development of the CN Lands will be a long term business proposition for the Group as the development will take place over a period of more than ten years.

The Group continues to expect the property market conditions to remain challenging. However, the Group is positive that the development of the CN Lands may be an opportunity.

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 HY2017.

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 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	-	191,841

14. Confirmation pursuant to Rule 720(1) of the Listing Manual

The Board of Directors of 3Cenergy Limited hereby confirms that the undertakings under Rule 720 (1) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, have been obtained from all the directors and executive officers as required in the format set out in Appendix 7H.

15. Negative confirmation pursuant to Rule 705(5).

The Board of Directors (the “Board”) of the Company hereby confirm that to the best of its knowledge, nothing has come to the attention of the Board which may render the unaudited financial results for the half year ended 30 June 2017 for the Company and the Group set out above to be false or misleading in any material aspect.

16. 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 3C Marina Acquisition and Compliance Placement ⁽¹⁾	761	(691)	70
Working Capital ⁽²⁾	4,264	(3,580)	684
First Monthly Repayment of the Term Loans	-	-(⁽³⁾)	-
Total	5,025	(4,271)	754

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 Group operating expenses, director fees, staff salaries and related expenses.
- (3) Utilisation of Compliance Placement Proceeds for the first monthly repayment of the Term Loans had been fully restored with the Rights Shares proceeds following the completion of the Rights cum Warrants Issue.

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.

17. Update on the use of Rights Issue proceeds

Intended use of proceeds	Amount allocated S\$'000	Amount utilised S\$'000	Balance S\$'000
Expenses incurred in relation to Rights Issue ⁽¹⁾	302	(270)	32
To carry out the first phase of the Land Development	14,000	(4,943)	9,057
Partial repayment of the Term Loans	7,500	(3,343)	4,157
Repayment of shareholder's loan	3,885	(3,885)	-
Total	25,687	(12,441)	13,246

Notes:

(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 uses as disclosed in the Offer Information Statement.

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: 10 August 2017