NauticAWT Limited
(Company Registration No: 201108075C)

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE HALF YEAR ENDED 30 JUNE ("1H") 2019

*This announcement has been prepared by NauticAWT Limited (the "**Company**") and its contents have been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made, or reports contained in this announcement.

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Overview of NauticAWT Limited

NauticAWT Limited, together with its subsidiaries (the "**Group**") is a Singapore based company currently engaging more than 60 employees in subsidiaries and offices in Mexico, Dubai, Mumbai, Malaysia, Singapore and Brunei. Ultra High-Performance Concrete and Composites ("**UHPC**") are our business - we develop and produce UHPC products and we offer UHPC based solutions and services for multiple industries including:

- Renewables Industries
- Ports and Offshore Industries
- Civil Construction Industries
- Energy and Mining Industries

Our UHPC products, which are manufactured at our automated production facility in Malaysia, are marketed under the trade name **NaX™** dry-mix series. The nano-engineered products are composed of selected silica and bauxite aggregates coupled with cementitious pozzolans and proprietary blend of chemical additives.

In a constantly changing and dynamic world, our organization must continually adapt and fine-tune our offerings in order to remain relevant and attractive to both clients, personnel and investors. Since our inception in 2011, through the listing on the Catalist Board of the SGX-ST in Singapore in July 2015 to present day, the Group has strived to move with the times, whilst retaining the overall ethics, service excellence, quality and ethos of the founding organisation.

Our evolution is symbolized in the adoption of our new brand, **NAUTEC** – which we believe precisely aligns itself with the original branding, expertise and cutting edge UHPC materials range NaX™ which is synonymous with the original company Nautic, together with a renewed emphasis on the technologies that will allow us to drive the business forward.

PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

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 immediately preceding year

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Group		
	Unaudited 1H2019 US$	**Unaudited 1H2018 US$**	**Increase/ (Decrease) %**
Continuing operations			
Revenue	3,545,979	4,687,578	(24.4)
Cost of sales	(1,938,377)	(2,783,147)	(30.4)
Gross profit	1,607,602	1,904,431	(15.6)
Distribution expenses	(222,554)	(257,484)	(13.6)
Administrative expenses	(1,427,646)	(1,811,723)	(21.2)
Other income	6,956	56,210	(87.6)
Finance costs	(349,663)	(177,991)	96.4
Loss before tax	(385,305)	(286,557)	34.5
Income tax credit	-	41,781	N/M
Loss for the period from continuing operations	(385,305)	(244,776)	57.4
Discontinued operations			
Loss for the period from discontinued operations	(58,343)	(104,641)	(44.2)
Loss for the period	(443,648)	(349,417)	27.0
Other comprehensive (loss) income			
Item that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	(19,544)	31,459	N/M
Total other comprehensive (loss) income for the period	(19,544)	31,459	N/M
Total comprehensive loss for the period	(463,192)	(317,958)	45.7
Loss attributable to:			
Owners of the Company	(443,648)	(349,417)	27.0
Total comprehensive loss attributable to:			
Owners of the Company	(463,192)	(317,958)	45.7

N/M: *Not Meaningful*

1(a)(ii) The total comprehensive loss include the following charges (credits):

	Group		
	Unaudited 1H2019 US$	**Unaudited 1H2018 US$**	**Increase/ (Decrease) %**
Depreciation of property, plant and equipment	351,899	372,469	(5.5)
Amortisation of intangible assets	15,096	15,096	-
Finance costs	354,456	304,104	16.6
Allowance for doubtful debts	-	285	N/M
Write off (Write back) of obsolete inventories	60	(15,667)	N/M
One-off NauticAWT Performance Share Plan ("**PSP**") expense	-	485,702	N/M
Loss on disposal of plant and equipment	10,336	-	N/M
Net foreign exchange loss	39,141	15,940	N/M
Interest income	-	(17,165)	N/M
Write back of deferred tax liabilities	-	(52,589)	N/M

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.

Consolidated Statement of Financial Position

	Group		Company	
	Unaudited 30-Jun-19 US$	Audited 31-Dec-18 US$	Unaudited 30-Jun-19 US$	Audited 31-Dec-18 US$
ASSETS				
Current assets				
Cash and bank balances	107,220	38,624	51,766	1,317
Trade receivables	1,688,048	1,530,842	9,992,182	9,849,410
Other receivables	1,055,055	903,574	356,547	265,287
Inventories	388,158	556,127	-	-
Contract assets	748,409	479,755	-	-
	3,986,890	3,508,922	10,400,495	10,116,014
Assets classified as held for sale	3,549	4,877	-	-
Total current assets	3,990,439	3,513,799	10,400,495	10,116,014
Non-current assets				
Property, plant and equipment	6,933,713	7,299,905	584,678	630,592
Intangible assets	1,161,442	1,109,606	1,112,806	1,060,970
Investment in subsidiaries	-	-	545,423	546,423
Other receivables	-	-	2,920,436	2,867,936
Total non-current assets	8,095,155	8,409,511	5,163,343	5,105,921
Total assets	12,085,594	11,923,310	15,563,838	15,221,935
LIABILITIES AND EQUITY				
Current liabilities				
Trade payables	897,912	1,136,829	-	-
Other payables	6,607,359	5,456,053	17,990,369	15,929,959
Government grant received	355,130	355,130	355,130	355,130
Liabilities for trade bills discounted with recourse	82,212	137,272	-	-
Bank loan and advances	561,084	697,956	-	-
Loan from directors	249,477	136,078	249,477	136,078
	8,753,174	7,919,318	18,594,976	16,421,167
Liabilities directly associated with assets classified as held for sale	238,407	219,142	-	-
Total current liabilities	8,991,581	8,138,460	18,594,976	16,421,167
Non-current liabilities				
Bank loan and advances	3,070,305	3,149,748	-	-
Loan from directors	561,083	624,459	561,083	624,459
Convertible notes and loans	2,814,147	2,639,143	2,814,147	2,639,143
Other payables	234,427	494,257	234,427	494,257
Total non-current liabilities	6,679,962	6,907,607	3,609,657	3,757,859
Total liabilities	15,671,543	15,046,067	22,204,633	20,179,026
Capital and reserves				
Share capital	7,733,885	7,733,885	7,733,885	7,733,885
Other capital reserve	1,166,251	1,166,251	1,166,251	1,166,251
Share options reserve	108,639	108,639	108,639	108,639
Foreign currency translation reserve	26,419	45,963	-	-
Accumulated losses	(12,621,143)	(12,177,495)	(15,649,570)	(13,965,866)
Capital deficiency	(3,585,949)	(3,122,757)	(6,640,795)	(4,957,091)
Total liabilities and net capital deficiency	12,085,594	11,923,310	15,563,838	15,221,935

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:

(A) the amount repayable in one year or less, or on demand;

30-Jun-19		31-Dec-18	
Secured	**Unsecured**	**Secured**	**Unsecured**
US$	**US$**	**US$**	**US$**
643,296	1,080,540	835,228	745,636

(B) the amount repayable after one year;

30-Jun-19		31-Dec-18	
Secured	**Unsecured**	**Secured**	**Unsecured**
US$	**US$**	**US$**	**US$**
3,070,305	3,609,657	3,149,748	3,757,859

Details of any collateral

Bank borrowings

The Group's bank borrowings are secured by the following:

(a) Assignment of an insurance policy;
(b) Fixed charge over all assets of two subsidiaries (31 December 2018: two subsidiaries);
(c) Fixed and floating charge over all assets of a subsidiary (31 December 2018: a subsidiary); and
(d) A charge over the property of a subsidiary (31 December 2018: a subsidiary);

The following securities had been discharged during 1H2019 as the bank loan had been fully repaid in February 2019:

(a) A charge over the Project Account of a subsidiary; and
(b) Assignment of an offtake agreement by a subsidiary.

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.

Consolidated Statement of Cash Flows

	Group	
	Unaudited 1H2019 US$	**Unaudited 1H2018 US$**
Operating activities		
Loss before tax from continuing operations	(385,305)	(286,557)
Loss before tax from discontinued operations	(58,343)	(104,641)
Adjustments for:		
Depreciation of property, plant and equipment	351,899	372,469
Amortisation of intangible assets	15,096	15,096
Loss on disposal of property, plant and equipment	10,336	-
Allowance for doubtful debts	-	285
Write off (Write back) of obsolete inventories	60	(15,667)
NauticAWT PSP expense	-	485,702
Interest expense	354,456	304,104
Interest income	-	(17,165)
Net foreign exchange (gain) loss	(22,865)	59,585
Operating cash flows before movements in working capital	265,334	813,211
Trade receivables	(157,206)	(89,078)
Contract assets	(268,654)	(177,765)
Other receivables	(147,621)	325,272
Inventories	167,909	(221,917)
Trade payables	(238,917)	529,317
Other payables	899,828	(617,688)
Liabilities for trade bills discounted with recourse	(55,060)	(69,548)
Cash generated from operations	465,613	491,804
Interest received	-	136
Interest paid	(157,510)	(254,815)
Income tax paid	(2,532)	-
Net cash from operating activities	305,571	237,125
Investing activities		
Purchase of property, plant and equipment	(5,887)	(58,420)
Addition of intangible assets	(72,200)	(473,636)
Proceeds from disposal of property, plant and equipment	6,709	-
Net cash used in investing activities	(71,378)	(532,056)
Financing activities		
Loan from directors	130,097	-
Loan from a third party	61,063	1,107,628
Advances from bank	98,704	146,055
Repayments of loan from directors	(80,074)	-
Repayments of loan from a third party	(61,063)	-
Repayments of bank loans	(280,711)	(793,962)
Net cash (used in) from financing activities	(131,984)	459,721
Net increase in cash and cash equivalents	102,209	164,790
Cash and cash equivalents at beginning of period	(323,831)	(139,495)
Effects of exchange rate changes on balance of cash held in foreign currencies	695	2,134
Cash and cash equivalents at end of period (see note below)	(220,927)	27,429

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at the end of the financial period:

	Group	
	Unaudited 1H2019 US$	**Unaudited 1H2018 US$**
Cash and bank balances	107,220	161,623
Less: Bank overdrafts	(328,147)	(134,194)
Cash and cash equivalents	(220,927)	27,429

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 capitalization issues and distributions to shareholders, together with comparative statement for the corresponding period of the immediately preceding financial year.

Group	Share capital	Other capital reserve	Share options reserve	Foreign currency translation reserve	Accumulated losses	Total
	US$	US$	US$	US$	US$	US$
Balance at 1 January 2019	**7,733,885**	**1,166,251**	**108,639**	**45,963**	**(12,177,495)**	**(3,122,757)**
Total comprehensive loss for the period						
Loss for the period	-	-	-	-	(443,648)	(443,648)
Other comprehensive loss for the period	-	-	-	(19,544)	-	(19,544)
Total	-	-	-	(19,544)	(443,648)	(463,192)
Balance at 30 June 2019 (unaudited)	**7,733,885**	**1,166,251**	**108,639**	**26,419**	**(12,621,143)**	**(3,585,949)**
Balance at 1 January 2018	**7,248,183**	**723,125**	**108,639**	**(92,478)**	**(7,194,120)**	**793,349**
Total comprehensive income (loss) for the period						
Loss for the period	-	-	-	-	(349,417)	(349,417)
Other comprehensive income for the period	-	-	-	31,459	-	31,459
Total	-	-	-	31,459	(349,417)	(317,958)
Transaction with owners recognised directly in equity						
Issuance of shares pursuant to NauticAWT PSP	485,702	-	-	-	-	485,702
Balance at 30 June 2018 (unaudited)	**7,733,885**	**723,125**	**108,639**	**(61,019)**	**(7,543,537)**	**961,093**

Company	Share capital	Other capital reserve	Share options reserve	Accumulated losses	Total
	US$	US$	US$	US$	US$
Balance at 1 January 2019	**7,733,885**	**1,166,251**	**108,639**	**(13,965,866)**	**(4,957,091)**
Total comprehensive loss for the period					
Loss for the period	-	-	-	(1,683,704)	(1,683,704)
Total	-	-	-	(1,683,704)	(1,683,704)
Balance at 30 June 2019 (unaudited)	**7,733,885**	**1,166,251**	**108,639**	**(15,649,570)**	**(6,640,795)**
Balance at 1 January 2018	**7,248,183**	**723,125**	**108,639**	**(7,847,520)**	**232,427**
Total comprehensive loss for the period					
Loss for the period	-	-	-	(2,122,156)	(2,122,156)
Total	-	-	-	(2,122,156)	(2,122,156)
Transaction with owners recognised directly in equity					
Issuance of shares pursuant to NauticAWT PSP	485,702	-	-	-	485,702
Balance at 30 June 2018 (unaudited)	**7,733,885**	**723,125**	**108,639**	**(9,969,676)**	**(1,404,027)**

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.

Ordinary Shares

There was no change in the Company's issued and paid-up share capital from 1 January 2019 to 30 June 2019.

Share Options

On 27 June 2016, the Company granted 23,550,000 options, in 3 equal tranches of 7,850,000 options each, under the NauticAWT Employee Share Option Scheme (the "**Scheme**"). As at 30 June 2019, 8,850,000 options to subscribe for 8,850,000 shares remained outstanding (30 June 2018: 10,725,000). Details of the outstanding options as at 30 June 2019 are as follows:

Outstanding Options as at 30 June 2019	Exercise Price (S$)	Exercisable Period From	Exercisable Period To
2,950,000	0.25	31 December 2017	31 December 2020
2,950,000	0.30	31 December 2018	31 December 2021
2,950,000	0.35	31 December 2019	31 December 2022
8,850,000			

Convertible notes

On 20 March 2017, 29 May 2017 and 22 June 2017, the Company issued up to US$1,000,000 in aggregate principal amount of convertible notes (the "**Notes 1**") due 2020. The number of shares to be converted (the "**Conversion Shares 1**") will be determined by dividing the principal amount of the Notes 1, translated into Singapore dollars at the spot rate for the sale of Singapore dollars against the purchase of United State dollars on the day when the conversion right of the Notes 1 holder is exercised, by the conversion price of S$0.15 per share. Based on the exchange rate of US$1:S$1.3964 on 30 April 2017 which was used for illustration purposes in the circular in relation to the Notes 1, the number of Conversion Shares 1 which may be issued and allotted will be 9,309,333 in total.

On 7 August 2018, the Company issued up to US$2,320,000 in aggregate principal amount of convertible notes (the "**Notes 2**") due 2021. The number of shares to be converted (the "**Conversion Shares 2**") will be determined by dividing the principal amount of the Notes 2, by the conversion price of US$0.02675 per share. The maximum number of Conversion Shares 2 which may be issued and allotted will be 86,728,971 in total. As at 30 June 2019, the Company had drawn down US$1,950,000 in total.

Details of the outstanding convertible notes as at 30 June 2019 are as follows:

	Principal amount of the convertible notes as at 30 June 2019 (US$)	Conversion Price	Number of conversion shares that may be issued on conversion	Conversion Period	
				From	To
Notes 1	1,000,000	S$0.15	9,309,333	17 October 2019	16 October 2020
Notes 2	1,950,000	US$0.02675	72,897,196	18 September 2018	17 September 2021
	2,950,000		82,206,539		

Details of the outstanding convertible notes as at 30 June 2018 are as follows:

	Principal amount of the convertible notes as at 30 June 2019 (US$)	Conversion Price	Number of conversion shares that may be issued on conversion	Conversion Period	
				From	To
Notes 1	1,000,000	S$0.15	9,309,333	17 October 2019	16 October 2020

The Company did not have any treasury shares and subsidiary holdings as at 30 June 2019 and 30 June 2018.

1(d)(iii) 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.

	30-Jun-19	31-Dec-18
Total number of shares (excluding treasury shares)	212,333,525	212,333,525

The Company did not have any treasury shares or subsidiary holdings as at 30 June 2019 and 31 December 2018.

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 as the Company did not have any treasury shares as at 30 June 2019.

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 as the Company did not have any subsidiary holdings as at 30 June 2019.

2. Please state whether the figures have been audited or reviewed, and if so which auditing standard or practice has been followed.

The figures have not been audited or reviewed by the Company's auditors. As announced on 22 July 2019, the Company proposed to appoint Foo Kon Tan LLP ("**FKT**") as its new auditors, subject to approval by shareholders of the Company being obtained at an extraordinary general meeting to be convened in due course.

3. If the figures have been audited or reviewed, please provide a statement on whether there are any qualifications or emphasis of matter.

Not applicable.

4. Please state whether the same accounting policies and method of computation as in the issuer's most recently audited financial statements have been followed.

For the current reporting period, the Group has applied the same accounting policies and methods of computation as those applied in its audited financial statements for the financial year ended 31 December 2018. Except as disclosed under Note 5 below, the adoption of new Singapore Financial Reporting Standards (International) ("**SFRS(I)**") and Interpretation of SFRS(I) ("**INT SFRS(I)**") which have become effective for the financial year ending 31 December 2019 have had no material impact on the financial information for the current period ended 30 June 2019 and its comparative balances.

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.

The adoption of new and revised SFRS(I) and INT SFRS(I) effective from 1 January 2019, mainly SFRS(I) 16 *Leases* is not expected to result in any significant changes to the Group's accounting policies and methods of computation for 1H2019.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	1H2019	1H2018
Loss per share (US cents) from continuing and discontinued operations based on:		
a. weighted average number of shares on issue	(0.21)	(0.17)
b. a fully diluted basis	(0.21)[(1)]	(0.17)[(1)]
Weighted average shares for calculation of:		
a. weighted average number of shares on issue	212,333,525	204,062,381
b. a fully diluted basis	212,333,525[(1)]	204,062,381[(1)]

Note:
[(1)] There is no change between basic and diluted Loss per share as the Group was loss-making for the respective periods.

7. Net asset value (for the issuer and group) per ordinary share based on total number of issued shares excluding treasury shares of the issuer at the end of the:

(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30-Jun-19	31-Dec-18	30-Jun-19	31-Dec-18
Net asset value per share (US cents)	(1.69)	(1.47)	(3.13)	(2.33)
Number of issued shares	212,333,525	212,333,525	212,333,525	212,333,525

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) 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; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of results of continuing operations

Revenue
The Group's revenue for 1H2019 decreased by 24.4% or US$1.1 million to US$3.6 million, from US$4.7 million for 1H2018. This was mainly due to lower revenue contribution by the Renewables segment, Ports and Offshore segment and Energy and Mining segment of US$0.7 million, US$0.3 million and USS$0.1 million respectively as a result of lesser ongoing projects during 1H2019.

Gross profit and gross profit margin
The Group's cost of sales for 1H2019 decreased by 30.4% or US$0.9 million to US$1.9 million, from US$2.8 million for 1H2018. The overall decrease in cost of sales was in line with the decrease in revenue. Furthermore, the decrease was due to decrease in staff costs as a result of reduced headcount.

The gross profit for 1H2019 decreased by 15.6% or US$0.3 million to US$1.6 million, from US$1.9 million in 1H2018. The Group's gross profit margin for 1H2019 improved by 4.7 percentage points to 45.3% as compared to 40.6% for 1H2018.

Distribution expenses
The Group's distribution expenses decreased by US$35,000 or 13.6%, from US$257,000 in 1H2018 to US$223,000 in 1H2019. The decrease was mainly due to lower business development cost.

Administrative expenses
The Group's administrative expenses decreased by US$0.4 million or 21.2%, from US$1.8 million in 1H2018 to US$1.4 million in 1H2019 primarily due to the absence of one-off NauticAWT PSP expense of US$0.5 million in 1H2018 as announced on 19 March 2018.

Other income
Other income decreased by US$49,000 or 87.6%, from US$56,000 in 1H2018 to US$7,000 in 1H2019. The decrease was primarily due to lesser government subsidy as a result of reduced headcount.

Finance costs
The Group's finance costs increased by US$0.2 million or 96.4%, from US$0.2 million in 1H2018 to US$0.4 million in 1H2019. The increase was mainly due to higher interest expenses arising primarily from convertible loans which were issued during 2H2018.

Income tax credit
The Group recorded income tax credit of US$42,000 in 1H2018, mainly due to the reversal of deferred tax liabilities. No such reversal during 1H2019.

Loss after tax
As a result of the above, the Group suffered a loss from continuing operations of US$0.4 million in 1H2019, an increase of US$0.2 million as compared to US$0.2 million in 1H2018.

Review of results of discontinued operations

Loss for the period from discontinued operations
The Group's loss from discontinued operations decreased by US$47,000 or 44.2%, from US$105,000 in 1H2018 to US$58,000 in 1H2019. The decrease was mainly due to lower interest expenses as the bank loan had been fully repaid in February 2019.

Review of Consolidated Statement of Financial Position

Non-current assets
The Group's non-current assets decreased by US$0.3 million, from US$8.4 million as at 31 December 2018 to US$8.1 million as at 30 June 2019. The decrease was mainly due to the decrease in property, plant and equipment of US$0.4 million as a result of the depreciation charge of property, plant and equipment which was partially offset by the capitalisation of the intangible assets of US$0.1 million in relation to material development.

Current assets
The Group's current assets increased by US$0.5 million, from US$3.5 million as at 31 December 2018 to US$4.0 million as at 30 June 2019. The increase was mainly due to the following:

i. an increase in cash and bank balances of US$0.1 million;
ii. an increase in trade and other receivables of US$0.3 million as they are few substantial billings issued at the end of 1H2019; and
iii. an increase in contract assets of US$0.3 million arising primarily from the timing of billing.

The increase was partially offset by the decrease in inventories of US$0.2 million, which in line with the decrease in cost of sales.

Non-current liabilities

The Group's non-current liabilities decreased by US$0.2 million, from US$6.9 million as at 31 December 2018 to US$6.7 million as at 30 June 2019. The decrease was mainly due to the reclassification of bank loan, loan from directors and staff of US$0.1 million, US$0.1 million and US$0.3 million respectively from non-current liabilities to current liabilities. The decrease was partially offset by the interest payable arising from convertible notes and loans of US$0.2 million.

Current liabilities

The Group's current liabilities increased by US$0.9 million, from US$8.1 million as at 31 December 2018 to US$9.0 million as at 30 June 2019. The increase was mainly due to the increase in trade and other payables of US$0.9 million and loan from directors of US$0.1 million. The increase was partially offset by the decrease in bank loan and advances and liabilities for trade bills discounted with recourse of US$0.1 million each due to repayments during 1H2019.

Working capital, net liability position and going concern assessment

The Group reported a negative working capital of US$5.0 million as at 30 June 2019 as compared to US$4.6 million as at 31 December 2018. Furthermore, the Group is in a net liability position of US$3.6 million (31 December 2018: US$3.1 million) as at 30 June 2019. As at the date of this announcement, the Board is of the opinion that the continuing use of the going concern assumption in the preparation of the financial information is appropriate on the following bases:

(i) the Group has continuous support from the existing bankers;

(ii) the Group is able to generate sufficient cash flows from its operations based on internal budget and management's ability to secure new contracts from customers; and

(iii) the Group is able to complete the proposed subscription of up to an aggregate of S$4.5 million for general working capital as well as the acquisition of the new businesses and the Debt Restructuring exercise as announced on 10 July 2019.

Review of cash flows

Operating activities

Net cash from operating activities in 1H2019 amounted to US$0.3 million taking into account the loss before tax of US$0.4 million, adjusted for working capital inflows of US$0.2 million. The working capital inflows was mainly due to decrease in inventories of US$0.2 million and increase in other payable of US$0.9 million, partially offset by increase in trade receivables of US$0.2 million, increase in contract assets of US$0.3 million, increase in other receivables of US$0.1 million, decrease in trade payables of US$0.2 million and decrease in trade bills discounted with recourse of US$0.1 million. During 1H2019, the Group paid income tax of approximately US$2,000 and interest of US$0.2 million.

Investing activities

Net cash used in investing activities in 1H2019 amounted to US$0.1 million mainly due to additions of intangible assets of US$0.1 million in relation to material development.

Financing activities

Net cash used in financing activities for 1H2019 amounted to US$0.1 million mainly due to repayments of bank loans of US$0.3 million, which was partially offset by loan from directors of US$0.1 million and trade advances from bank of US$0.1 million.

As a result of the above, the Group's cash and cash equivalents increased by US$0.1 million, from a deficit of US$0.3 million as of 31 December 2018 to a deficit of US$0.2 million as of 30 June 2019, net of bank overdrafts.

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 activities in the oil and gas market seem to be improving as we have seen more enquiries for the products and services over the past 6 months. Barring unforeseen circumstances, we remain cautiously positive on the business outlook for our High-Performance Concrete and Composites and UHPC based installation and repair solutions within the oil and gas market.

Furthermore, we remain positive on the outlook for our products in the Renewable segment. The demand for green energy is increasing and we expect that this, with seasonal fluctuations, translate to a continued demand for our UHPC products in both land-based as well as offshore wind turbine foundations.

The Group continues to look for new revenue streams.

11. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

None.

(b)(i) Amount per share

Not applicable.

(b)(ii) Previous corresponding period

None.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for 1H2019 as the Group is in a loss making position for 1H2019.

13. If the Group has obtained a general mandate from shareholders for 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 does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920(1)(a)(ii). There was no interested person transaction of more than S$100,000 under Rule 920(1)(a)(ii) for 1H2019.

14. Negative confirmation by the Board pursuant to Rule 705(5)

On behalf of the board of directors of the Company, we hereby confirm to the best of our knowledge that nothing has come to the attention of the Board which may render the unaudited financial statements and dividend announcement for 1H2019 to be false or misleading in any material aspect.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers in the format set out in Appendix 7H under Rule 720(1).

The Company confirms that all the required undertakings under Rule 720(1) of the Catalist Rules have been obtained from all its directors and executive officers in the format set out in Appendix 7H of the Catalist Rules.

On behalf of the Board of Directors

John Grønbech
Executive Director and CEO

BY ORDER OF THE BOARD

John Grønbech
Executive Director and CEO
14 August 2019