

Unaudited Third Quarter Financial Statements Announcement

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4), HALF-YEAR AND FULL YEAR RESULTS

- 1(a) 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.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2018

	The Group		Increase/ (Decrease) %	The Group		Increase/ (Decrease) %
	3Q 2018 \$'000	3Q 2017 \$'000		9M 2018 \$'000	9M 2017 \$'000	
Continuing operations						
Revenue	6,651	13,523	(51)	17,248	49,573	(65)
Cost of sales	(5,014)	(9,291)	(46)	(12,966)	(35,682)	(64)
Gross profit	<u>1,637</u>	<u>4,232</u>	(61)	<u>4,282</u>	<u>13,891</u>	(69)
Other income	424	340	25	1,236	780	58
Selling and distribution expenses	(562)	(814)	(31)	(1,601)	(2,035)	(21)
General and administrative expenses	(1,003)	(1,480)	(32)	(3,009)	(4,572)	(34)
Other expenses	(12)	(1,620)	>100	(95)	(2,362)	(96)
Finance costs (net)	(735)	(3,211)	(77)	(2,148)	(9,858)	(78)
Loss before tax	<u>(251)</u>	<u>(2,553)</u>	(90)	<u>(1,335)</u>	<u>(4,156)</u>	(68)
Income tax	1	(210)	(100)	(8)	(501)	(98)
Loss for the period	<u>(250)</u>	<u>(2,763)</u>	(91)	<u>(1,343)</u>	<u>(4,657)</u>	(71)
(Loss)/profit attributable to :						
Owners of the Company	(289)	(1,931)	(85)	(1,979)	(3,228)	(39)
Non-controlling interests	39	(832)	>100	636	(1,429)	>100
Loss for the period	<u>(250)</u>	<u>(2,763)</u>	(91)	<u>(1,343)</u>	<u>(4,657)</u>	(71)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2018

	<u>The Group</u>		Increase/ (Decrease) %	<u>The Group</u>		Increase/ (Decrease) %
	3Q 2018 \$'000	3Q 2017 \$'000		9M 2018 \$'000	9M 2017 \$'000	
Loss for the period	(250)	(2,763)	(91)	(1,343)	(4,657)	(71)
Other comprehensive income						
Total items that are or may be reclassified subsequently to profit or loss:						
Translation differences relating to financial statements of foreign operations and a subsidiary with non-singapore dollar functional currency	20	(13)	>100	124	224	(45)
Other comprehensive income for the period	<u>20</u>	<u>(13)</u>	>100	<u>124</u>	<u>224</u>	(45)
Total comprehensive income for the period	<u>(230)</u>	<u>(2,776)</u>	(92)	<u>(1,219)</u>	<u>(4,433)</u>	(73)
Total comprehensive income attributable to :						
Owners of the Company	(280)	(1,870)	(85)	(1,895)	(2,814)	>100
Non-controlling interests	50	(906)	>100	676	(1,619)	>100
Total comprehensive income for the period	<u>(230)</u>	<u>(2,776)</u>	(92)	<u>(1,219)</u>	<u>(4,433)</u>	(73)

(A) Revenue

	<u>The Group</u>		<u>The Group</u>	
	3Q 2018 \$'000	3Q 2017 \$'000	9M 2018 \$'000	9M 2017 \$'000
Piling contract, construction, and rental and servicing of machinery	2,672	3,163	6,244	16,893
Trading of e-waste / metals	937	812	2,869	2,369
Recycling and refining of metals	2,084	4,709	5,266	15,976
Income from property investments and management	840	4,689	2,505	13,885
Others	118	150	364	450
	<u>6,651</u>	<u>13,523</u>	<u>17,248</u>	<u>49,573</u>

(B) Loss for the period

	<u>The Group</u>		<u>The Group</u>	
	3Q 2018 \$'000	3Q 2017 \$'000	9M 2018 \$'000	9M 2017 \$'000
Loss for the period is arrived at after:				
(Crediting)/charging:				
Amortisation of deferred income	-	-	-	(233)
Depreciation of property, plant and equipment	468	769	1,605	2,418
Fair value (gain)/loss on investment properties	(296)	1,607	(836)	2,316
Foreign exchange loss	17	15	76	203
Gain on disposal of property, plant and equipment	-	(15)	(14)	(231)
Allowance for/(Reversal of) allowance for impairment loss on trade and other receivables	66	(183)	66	(183)
Property, plant and equipment written off	-	-	59	-

(C) Finance costs (net)

	<u>The Group</u>		<u>The Group</u>	
	3Q 2018 \$'000	3Q 2017 \$'000	9M 2018 \$'000	9M 2017 \$'000
Finance income:				
- cash and cash equivalents	1	14	8	66
Finance costs:				
- Finance leases	(1)	(4)	(7)	(15)
- Bank loans	(735)	(3,163)	(2,149)	(9,625)
- Trust receipts	-	(25)	-	(129)
- Bank overdrafts	-	(18)	-	(76)
- Related companies	-	(15)	-	(76)
- Others	-	-	-	(3)
	(736)	(3,225)	(2,156)	(9,924)
	(735)	(3,211)	(2,148)	(9,858)

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.

STATEMENTS OF FINANCIAL POSITION

	<u>The Group</u>		<u>The Company</u>	
	<u>30.09.18</u>	<u>31.12.17</u>	<u>30.09.18</u>	<u>31.12.17</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Non-current assets				
Property, plant and equipment	15,874	16,833	111	52
Investment properties	133,560	139,350	-	-
Subsidiaries	-	-	32,493	28,717
Other investments	-	-	-	-
Trade and other receivables	90	8	-	-
	<u>149,524</u>	<u>156,191</u>	<u>32,604</u>	<u>28,769</u>
Current assets				
Inventories	2,439	1,242	-	-
Trade and other receivables	10,710	9,494	24,096	22,246
Cash and cash equivalents	4,365	21,266	649	9,819
Investment properties held for sale	5,277	-	-	-
	<u>22,791</u>	<u>32,002</u>	<u>24,745</u>	<u>32,065</u>
Total assets	<u>172,315</u>	<u>188,193</u>	<u>57,349</u>	<u>60,834</u>
Equity attributable to owners of the Company				
Share capital	96,158	95,888	96,158	95,888
Foreign currency translation reserve	84	-	-	-
Other reserve	(6,852)	(6,852)	-	-
Accumulated losses	(37,842)	(35,404)	(59,573)	(58,880)
	<u>51,548</u>	<u>53,632</u>	<u>36,585</u>	<u>37,008</u>
Non-controlling interests	<u>(13,107)</u>	<u>(10,663)</u>	<u>-</u>	<u>-</u>
Total equity	<u>38,441</u>	<u>42,969</u>	<u>36,585</u>	<u>37,008</u>
Non-current liabilities				
Loans and borrowings	101,255	105,308	-	-
Trade and other payables	16,178	20,573	-	3,228
	<u>117,433</u>	<u>125,881</u>	<u>-</u>	<u>3,228</u>
Current liabilities				
Trade and other payables	12,296	15,106	20,764	20,598
Loans and borrowings	4,118	4,202	-	-
Current tax payable	27	35	-	-
	<u>16,441</u>	<u>19,343</u>	<u>20,764</u>	<u>20,598</u>
Total liabilities	<u>133,874</u>	<u>145,224</u>	<u>20,764</u>	<u>23,826</u>
Total equity and liabilities	<u>172,315</u>	<u>188,193</u>	<u>57,349</u>	<u>60,834</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 30.09.18		As at 31.12.17	
Secured	Unsecured	Secured	Unsecured
4,118,000	-	4,202,000	-

Amount repayable after one year.

As at 30.09.18		As at 31.12.17	
Secured	Unsecured	Secured	Unsecured
101,255,000	-	105,308,000	-

The Group's borrowings comprise obligations under finance leases and secured bank loans.

Details of any collateral

The finance lease liabilities are secured on plant and equipment under the leases with carrying value of \$564,000 (31 December 2017 : \$832,000).

The bank loans are secured by/on :

- a) First legal mortgages over a leasehold property with carrying amount of \$8,904,000 (31 December 2017 : First legal mortgages over a leasehold property with carrying amount of \$9,298,000);
- b) First legal mortgages over investment properties, including two strata units classified as investment properties held for sale with carrying amount of \$138,837,000 (31 December 2017 : \$139,350,000);
- c) Fixed deposits amounting to \$1,204,000 (31 December 2017 : \$1,406,000);
- d) Fixed charges on certain plant and machinery with carrying amount of \$1,233,000 as at 31 December 2017;
- e) Guarantees by the Executive Chairman of the Company; and
- f) Fixed charges on 200 million shares of the Company held by the Executive Chairman (31 December 2017 : 200 million shares).

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 FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2018

	3Q 2018 \$'000	3Q 2017 \$'000	9M 2018 \$'000	9M 2017 \$'000
Cash flows from operating activities				
Loss for the period	(250)	(2,763)	(1,343)	(4,657)
Adjustments for:				
Depreciation of property, plant and equipment	468	769	1,605	2,418
Allowance for/(reversal of) impairment losses on trade and other receivables	66	(183)	66	(183)
Finance income	(1)	(14)	(8)	(66)
Finance costs	736	3,225	2,156	9,924
Fair value (gain)/loss on investment properties	(296)	1,607	(836)	2,316
Share-based payment transactions	-	-	(10)	-
Gain on disposal of property, plant and equipment	-	(15)	(14)	(231)
Amortisation of deferred income	-	-	-	(233)
Property, plant and equipment written off	-	-	59	-
Income tax	(1)	210	8	501
	<u>722</u>	<u>2,836</u>	<u>1,683</u>	<u>9,789</u>
Changes in working capital				
Inventories	(722)	370	(1,176)	1,255
Trade and other receivables	(2,150)	241	(1,425)	6,515
Trade and other payables	<u>1,478</u>	<u>(767)</u>	<u>(3,428)</u>	<u>(633)</u>
Cash (used in)/generated from operations	(672)	2,680	(4,346)	16,926
Income taxes paid	<u>(4)</u>	<u>(146)</u>	<u>(16)</u>	<u>(354)</u>
Net cash (used in)/from operating activities	<u>(676)</u>	<u>2,534</u>	<u>(4,362)</u>	<u>16,572</u>
Cash flows from investing activities				
Acquisition of property, plant and equipment	(244)	(403)	(689)	(485)
Proceeds from disposal of property, plant and equipment	13	108	30	810
Proceeds from disposal of investment properties held for sale	1,349	-	1,349	5,859
Repayment of quasi-equity loan from a related company	-	5,224	-	5,224
Deposits received from investment properties held for sale	159	-	503	-
Interest received	<u>1</u>	<u>66</u>	<u>8</u>	<u>66</u>
Net cash from investing activities	<u>1,278</u>	<u>4,995</u>	<u>1,201</u>	<u>11,474</u>

Cash flows from financing activities

Withdraw of fixed deposit pledged	-	-	202	-
Repayment of long-term loans and borrowings	(2,083)	(114)	(4,014)	(13,889)
Proceeds from short-term loans and borrowings	-	598	-	1,087
Payment of finance leases	(14)	(86)	(123)	(302)
Repayment of loans from a related party	-	(364)	(3,229)	(477)
Repayment of loans from a related company	-	(3,407)	-	(3,910)
Repayment of loan from a director	-	(1,000)	-	-
Loans from/(repayment of) loans from non-controlling interests	285	521	(1,167)	634
Dividend paid	-	-	(3,299)	-
Interest paid	(736)	(3,225)	(1,947)	(10,195)
Net cash used in financing activities	(2,548)	(7,077)	(13,577)	(27,052)

Net (decrease)/increase in cash and cash equivalents

Effect of exchange rate fluctuation on cash held	(1,946)	452	(16,738)	994
Cash and cash equivalents at the beginning of the financial period	4	(4)	39	(22)
Cash and cash equivalents at the end of the financial period	5,103	397	19,860	(127)
	3,161	845	3,161	845

Cash and cash equivalents are made up of the following:-

Cash at bank and on hand			2,260	1,880
Fixed deposits			2,105	1,204
			4,365	3,084
Less: Bank overdrafts			-	(1,239)
Less: Deposits pledged			(1,204)	(1,000)
Cash and cash equivalents at the end of the financial period			3,161	845

- 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.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2018

	Share capital \$'000	Foreign currency translation reserve \$'000	Other reserve \$'000	Accumulated losses \$'000	Total attributable to owners of the Company \$'000	Non- controlling interests \$'000	Total equity \$'000
As at 1 January 2018	95,888	(6,697)	(6,852)	(28,707)	53,632	(10,663)	42,969
Adjustment - SFRS(I)	-	6,697	-	(6,697)	-	-	-
Restated as at 1 January 2018	95,888	-	(6,852)	(35,404)	53,632	(10,663)	42,969
Changes in equity for the year							
Loss for the period	-	-	-	(1,979)	(1,979)	636	(1,343)
Other comprehensive income							
- Translation differences relating to financial statements of foreign operations and a subsidiary with functional currency in foreign currency	-	84	-	-	84	40	124
Total other comprehensive income	-	84	-	-	84	40	124
Total comprehensive income	-	84	-	(1,979)	(1,895)	676	(1,219)
Transactions with owners, recognised directly in equity							
Contributions by and distributions to							
Dividends paid	-	-	-	(3,101)	(3,101)	(198)	(3,299)
Share-based payment transactions	270	-	-	(280)	(10)	-	(10)
Acquisition of a subsidiary	-	-	-	2,922	2,922	(2,922)	-
Total contributions by and distributions to owners	270	-	-	(459)	(189)	(3,120)	(3,309)
As at 30 September 2018	96,158	84	(6,852)	(37,842)	51,548	(13,107)	38,441
As at 1 January 2017	95,888	(6,936)	(6,852)	(18,517)	63,583	19,929	83,512
Adjustment - SFRS(I)	-	6,936	-	(6,936)	-	-	-
Restated as at 1 January 2017	95,888	-	(6,852)	(25,453)	63,583	19,929	83,512
Changes in equity for the year							
Loss for the period	-	-	-	(3,228)	(3,228)	(1,429)	(4,657)
Other comprehensive income							
- Translation differences relating to financial statements of foreign operations and a subsidiary with functional currency in foreign currency	-	414	-	-	414	(190)	224
Total other comprehensive income	-	414	-	-	414	(190)	224
Total comprehensive income	-	414	-	(3,228)	(2,814)	(1,619)	(4,433)
As at 30 September 2017	95,888	414	(6,852)	(28,681)	60,769	18,310	79,079

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2018

	Share capital \$'000	Accumulated losses \$'000	Total \$'000
As at 1 January 2018	95,888	(58,880)	37,008
Changes in equity for the year			
Loss for the period	-	(693)	(693)
Total comprehensive income	-	(693)	(693)
Share-based payment transactions	270	-	270
As at 30 September 2018	<u>96,158</u>	<u>(59,573)</u>	<u>36,585</u>
As at 1 January 2017	95,888	(80,053)	15,835
Changes in equity for the year			
Loss for the period	-	(2,233)	(2,233)
Total comprehensive income	-	(2,233)	(2,233)
As at 30 September 2017	<u>95,888</u>	<u>(82,286)</u>	<u>13,602</u>

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

For the period ended 30 September 2018, the total number of ordinary shares in issue was 1,033,746,142 shares (31 December 2017: 1,026,650,198).

<u>Changes in share capital</u>	No. of ordinary shares in issue	\$'000
Balance as at 1 January 2018	1,026,650,198	95,888,463
Issuance of shares arising from Share Aw (Note 1)	7,095,944	269,646
Balance as at 30 September 2018	<u>1,033,746,142</u>	<u>96,158,109</u>

The Company did not have any outstanding convertibles and treasury shares 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.

Note 1:

The Company has allotted and issued 7,095,944 shares to the Company's directors on 13 April 2018 which was granted under Enviro-Hub Share Award Scheme ("the Scheme"). The Scheme was approved and adopted by its members at an Extraordinary General Meeting held on 22 November 2012.

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.

Total number of issued shares excluding treasury shares: 1,033,746,142 (31 December 2017: 1,026,650,198)

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

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 auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a 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.

Except as disclosed in paragraph 5 below, the accounting policies and methods of computation adopted in the financial statements for the current reporting period are consistent with those disclosed in the most recently audited consolidated financial statements for the financial year ended 31 December 2017.

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.

In adopting SFRS(I)s, the Group's opening balance sheet under SFRS(I)s has been prepared as at 1 January 2017, which is the Group's date of transition to SFRS(I)s.

a) Application of SFRS(I) 1

The Group has elected for the optional exemption to reset its cumulative foreign currency translation reserve for all foreign operations to nil at the date of transition at 1 January 2017. After the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before the date of transition.

The effects of the adoption of SFRS(I)1 are as follows:

<u>The Group</u>	
<u>As at</u>	<u>As at</u>
<u>31.12.2017</u>	<u>1.1.2017</u>
<u>\$'000</u>	<u>\$'000</u>
6,697	6,936
<u>(6,697)</u>	<u>(6,936)</u>

Statement of consolidated financial position

Increase in foreign currency translation reserve
Increase in accumulated losses

b) Adoption of SFRS(I)s

In addition, during the current financial year, the Group and the Company have adopted the following new SFRS(I)s, amendments and interpretations of SFRS(I)s which took effect from financial year beginning 1 January 2018:

- SFRS(I) 15 Revenue from Contracts with Customers
- Amendments to SFRS(I) 15 Clarifications to SFRS(I) 15
- SFRS(I) 9 Financial Instruments
- Amendments to SFRS(I) 1-40 Transfers of Investment Property
- Amendments to SFRS(I) 1 Deletion of short-term exemptions for first-time adopters
- SFRS(I) INT 22 Foreign Currency Transactions and Advance Consideration

The adoption of these SFRS(I)s, amendments and interpretations of SFRS(I)s did not have any significant impact on the financial statements of the Group.

- 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.

	<u>The Group</u>		<u>The Group</u>	
	3Q 2018	3Q 2017	9M 2018	9M 2017
Loss per share				
Basic and diluted loss per share (cents)	<u>(0.03) cts</u>	<u>(0.19) cts</u>	<u>(0.19) cts</u>	<u>(0.31) cts</u>
	3Q 2018	3Q 2017	9M 2018	9M 2017
	\$'000	\$'000	\$'000	\$'000
Loss attributable to owners of the Company				
Continuing operations	<u>(289)</u>	<u>(1,931)</u>	<u>(1,979)</u>	<u>(3,228)</u>
Basic and diluted earnings per share is computed based on weighted average number of shares of the company in issue.				
Weighted average number of shares ('000)	<u>1,033,746</u>	<u>1,026,650</u>	<u>1,031,147</u>	<u>1,026,650</u>

- 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 financial period reported on and (b) immediately preceding financial year.

	<u>The Group</u>		<u>The Company</u>	
	30.09.18	31.12.17	30.09.18	31.12.17
Net asset value per ordinary share for the Group and the Company (cents)	<u>4.99 cts</u>	<u>5.22 cts</u>	<u>3.54 cts</u>	<u>3.60 cts</u>

Net asset value per ordinary share for the Group and the Company are computed based on the net asset value of the Group and the Company after deduction of non-controlling interests divided by the number of ordinary shares of the Company in issue as at 30 September 2018 of 1,033,746,142 shares (31 December 2017: 1,026,650,198 shares).

- 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.

STATEMENTS OF FINANCIAL POSITION

Comparing 30 September 2018 with 31 December 2017 figures:

- (i) The decrease in property, plant and equipment was due mainly to depreciation in 9M 2018.
- (ii) The decrease in investment properties was due to disposal of a strata industrial unit in 3Q 2018 and reclass of 2 strata industrial units held at 63 Hillview Avenue, Lam Soon Industrial Building, to investment properties held for sale.
- (iii) The increase in trade and other receivables was due mainly to higher receivables in piling business.
- (iv) The increase in inventories was attributed to the commencement of PGM refinery activity in 3Q 2018.
- (v) The decrease in cash and cash equivalents was due mainly to repayment of loans, dividend payment and net cash used in operating activities.
- (vi) The increase in investment properties held for sale relates to the reclassification of committed disposal of 2 strata industrial units at 63 Hillview Avenue held by the Company's subsidiary, QF 1 Pte Ltd, during the period.
- (vii) The decrease in loans and borrowings was attributed mainly to loan redemption and repayments of long-term loans and borrowings.
- (viii) Trade and other payables were decreased due mainly to repayment of bridging and shareholder loan to a related party and payment made to other creditors. The decrease was negated by higher deposit payment received during the period.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Comparing 3Q/9M 2018 figures with 3Q/9M 2017 figures:

- (i) Revenue decreased by \$32.3 million or 65% from \$49.6 million to \$17.3 million in 9M 2018 and \$6.8 million or 51% from \$13.5 million to \$6.7 million in 3Q 2018. The decrease was due mainly to the following:
 - (a) The absence of revenue recognised by the Group's joint operation with SB Procurement Pte Ltd (as announced via SGXNET on 18 May 2014) under construction business as the construction project was completed in 2Q 2017;
 - (b) Cessation of rental income generated from the Group's investment property - PoMo, due to the divestment of this property (divestment of "PoMo") in 4Q 2017; and
 - (c) Lower sales from recycling businesses was mainly due to relocation of the Group's recycling plant.
- (ii) The Group's gross profit dropped by \$9.6 million or 69% from \$13.9 million to \$4.3 million in 9M 2018 and \$2.6 million or 61% from \$4.2 million to \$1.6 million in 3Q 2018, was attributed mainly to the reduced rental income resulting from the divestment of PoMo in 4Q 2017 and construction activity as a result of the completion of the construction project from the joint operation with SB Procurement Pte Ltd (as announced via SGXNET on 18 May 2014) in 2Q 2017.

The Group's gross profit margin dropped in 3Q/9M 2018 mainly attributed to construction and property investments businesses and the decrease was partially offset by the improvement in the gross profit margin from the Group's recycling businesses.

- (iii) The general and administrative expenses is lower in 3Q/9M 2018 due mainly to warehouse and office relocation and restoration expenses incurred in 3Q/9M 2017 and lower bank charges. The decrease was further attributed to the divestment of PoMo in 4Q 2017.
- (iv) The decrease of other expenses due mainly to absence of fair value loss of investment properties held at 63 Hillview Avenue, Lam Soon Building in 9M 2018.
- (v) The decrease in finance costs for 3Q/9M 2018 was attributed mainly to lower term loan interests resulted from the significant redemption of term loans in 4Q 2017 .
- (vi) Other income and selling and distribution expenses for 3Q/9M 2018 were generally comparable to 3Q/9M 2017.

CONSOLIDATED STATEMENT OF CASH FLOWS

Comparing 3Q/9M 2018 figures with 3Q/9M 2017 figures:

- (i) The net cash outflows from operating activities in 3Q/9M 2018 and the net cash inflows from operating activities in 3Q/9M 2017 due mainly to changes in working capital.
- (ii) The lower net cash inflows from investing activities in 3Q/9M 2018 compare to 3Q/9M 2017 were due mainly to absence of repayment of quasi-equity loan from a related company and lower proceeds received from disposal of investment properties held for sale.
- (iii) In 9M 2018, the lower of net cash outflows from financing activities was due mainly to lesser interest payment and lower repayment of short term and long term loans and borrowings, partially negated by dividend payment during the period.

In 3Q 2018, the lower of net cash outflows from financing activities was due mainly to lesser interest payment and absence of repayment of loans from a related party and a director, partially negated by higher repayment of long term loans and borrowings during the period.

- 9** **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**
- No forecast or prospect statements were previously made.
- 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 Company expects the market environment to remain challenging and difficult in the next 12 months. The Company will continue to focus and seek opportunities in growing its existing recycling businesses.
- 11** **If a decision regarding dividend has been made:-**
- (a) Whether an interim (final) ordinary dividend has been declared (recommended); and**
- None.
- (b) Final ordinary dividend**
- 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.**
- Not applicable.

- 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 not IPT mandate has been obtained, a statement to that effect.**

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' Mandate pursuant to Rule 920)	Aggregate value of all Interested Person Transactions conducted under Shareholders' Mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
EH Property & Investments Pte Ltd	Shareholder's loan - \$Nil (note 1)	-
BS Pantech Pte Ltd	Warehouse and office rental - \$533,342 (note 2)	-
Kranji Development Pte Ltd	-	Construction-related revenue - \$143,713 (note 3)

Notes:

- (1) The Company has an existing obligation to fund the joint venture entered into between the Company and BS Capital Pte. Ltd. in relation to EH Property & Investments Pte. Ltd. ("EH Property") by way of shareholder's loan ("EH Property Shareholder's Loan"). Details of the joint venture and the EH Property Shareholder's Loan were set out in the Company's circular to shareholders dated 29 August 2013 and the Company's announcements on the SGXNET dated 25 June 2013, 8 July 2013 and 24 February 2014. As at financial period ended 30 September 2018, the Company has disbursed an aggregate amount of S\$14,183,733 to EH Property pursuant to the EH Property Shareholder's Loan, net of part repayment of the EH Property Shareholder's Loan amounting to \$1,215,298 during the financial period under review.
- (2) The subsidiary of the Company, Cimelia Resource Recovery Pte. Ltd., has entered into an tenancy agreement with BS Pantech Pte. Ltd. for rental of warehouse and office at 200 Pandan Loop, Pantech 21.
- (3) The Company has, at the Company's AGM held on 24 April 2018, obtained a renewal of the shareholders' general mandate ("IPT Mandate") for (i) the grant of corporate guarantees by the Company to banks and financial institutions for banking and financing facilities to be granted to the Company's subsidiaries which fall within the definition of "interested person" as defined in Chapter 9 of the Listing Manual from time to time; and (ii) the provision of construction-related services by a wholly-owned subsidiary of the Company, Leong Hin Piling (Pte.) Limited, its subsidiaries and associated companies from time to time, or any of them, to Mr Raymond Ng Ah Hua and his associates which are expected to be recurrent in nature. For the financial period ended 30 September 2018, the Group has entered into IPT transactions amounting to S\$143,713 under the IPT Mandate.

- 14 **Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

The Company confirms that the undertakings under Rule 720(1) of the Listing Manual have been obtained from all its directors and executive officers in the format set out in Appendix 7.7.

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

- 15** **Segmented revenue and results for business or geographical 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.**

Not applicable.

- 16** **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Not applicable.

- 17** **A breakdown of sales.**

Not applicable.

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

Not applicable.

- 19** **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(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Not applicable.

BY ORDER OF THE BOARD

JOANNA LIM
Company Secretary
12 November 2018

Confirmation by the Board Pursuant to Rule 705(5)


We, Raymond Ng and Tan Kok Hiang, being two directors of Enviro-Hub Holdings Ltd (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render these interim unaudited financial statements of the Company and of the Group to be false or misleading in any material aspect.

On behalf of the board of directors



Raymond Ng
Chairman

12 November 2018
Singapore



Tan Kok Hiang
Director