

Third Quarter Financial Statements And Dividend Announcement for the Financial Period Ended 30 September 2019

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. ("Sponsor"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst (the "Catalist Rules").

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 correctness of any of the statements or opinions made or reports contained in this announcement.

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PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), 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.

	The Group					
	3Q 2019 S\$'000 (Unaudited)	3Q 2018 S\$'000 (Unaudited)	Change %	9M 2019 S\$'000 (Unaudited)	9M 2018 S\$'000 (Unaudited)	Change %
Revenue	5,816	8,120	(28)	15,377	24,007	(36)
Cost of sales	(3,380)	(4,882)	(31)	(9,193)	(14,188)	(35)
Gross Profit	2,436	3,238	(25)	6,184	9,819	(37)
Other income	641	221	190	795	1,096	(27)
Interest income	3	4	(25)	13	8	63
Marketing and distribution expenses	(43)	(22)	95	(143)	(148)	(3)
Administrative expenses	(2,253)	(2,422)	(7)	(6,470)	(7,656)	(15)
Other operating expenses	(94)	(1,150)	(92)	(1,419)	(3,827)	(63)
Finance costs	(790)	(693)	14	(2,055)	(2,162)	(5)
Loss before tax	(100)	(824)	(88)	(3,095)	(2,870)	8
Income tax credit	25	8	213	65	30	117
Loss for the period	(75)	(816)	(91)	(3,030)	(2,840)	7
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation	(375)	(97)	287	521	108	382
Net change in fair value reserve of available-for-sale financial assets	-	-	-	-	-	-
Other comprehensive income for the period, net of tax	(375)	(97)	287	521	108	382
Total comprehensive income for the period	(450)	(913)	(51)	(2,509)	(2,732)	(8)
Loss attributable to:						
Owners of the Company						
- Loss after tax	(75)	(816)	(91)	(3,030)	(2,840)	7
	(75)	(816)	(91)	(3,030)	(2,840)	7
Total comprehensive income attributable to:						
Owners of the Company						
- Loss after tax	(450)	(913)	(51)	(2,509)	(2,732)	(8)
	(450)	(913)	(51)	(2,509)	(2,732)	(8)

Note

	The Group					
	3Q 2019 S\$'000 (Unaudited)	3Q 2018 S\$'000 (Unaudited)	Change %	9M 2019 S\$'000 (Unaudited)	9M 2018 S\$'000 (Unaudited)	Change %
Loss before tax is derived at after						
Crediting/(charging):						
Depreciation of property, plant and equipment	(456)	(516)	(12)	(1,431)	(1,587)	(10)
Amortisation of intangible assets	(5)	(5)	-	(14)	(15)	(7)
Gain on disposal of plant and equipment	-	-	-	-	3	(100)
Gain on foreign exchange	805	122	560	522	811	(36)
Impairment loss on trade receivables	-	(682)	(100)	-	(2,274)	(100)
Inventories written down	56	54	4	2	61	(97)
Net fair value gain on quoted equity investments	-	-	-	-	24	(100)
Impairment loss on quoted equity investments	10	-	NM	10	10	0

NM: Not meaningful

	The Group S\$'000		The Company S\$'000	
	30-Sep-19 (Unaudited)	31-Dec-18 (Audited)	30-Sep-19 (Unaudited)	31-Dec-18 (Audited)
Equity attributable to owners of the Company				
Share capital	102,605	102,605	102,605	102,605
Treasury shares	(528)	(528)	(528)	(528)
Reserves	(67,572)	(65,063)	(59,686)	(58,990)
Total equity	34,505	37,014	42,391	43,087
Non-current assets				
Property, plant and equipment	19,875	21,336	1	2
Investment in subsidiaries	-	-	54,111	54,111
Quoted equity investments	40	50	40	50
Intangible assets	13,496	13,510	-	-
Deferred tax assets	-	6	-	-
	<u>33,411</u>	<u>34,902</u>	<u>54,152</u>	<u>54,163</u>
Current assets				
Inventories	28,850	28,299	-	-
Trade receivables	27,871	27,272	-	-
Contract assets	5,637	6,597	-	-
Prepayments	58	77	28	37
Other receivables and deposits	1,565	1,063	47	43
Due from subsidiaries (non-trade)	-	-	18,263	18,227
Cash and cash equivalents	3,676	3,604	29	50
	<u>67,657</u>	<u>66,912</u>	<u>18,367</u>	<u>18,357</u>
Total assets	101,068	101,814	72,519	72,520
Current liabilities				
Trade payables	4,074	3,118	-	-
Contract liabilities	2,305	2,374	-	-
Other payables and accruals	26,166	24,366	878	747
Tax payable	4	5	-	-
Finance lease obligations	19	26	-	-
Term loans	18,911	17,884	-	160
Redeemable exchangeable bonds	7,156	7,081	-	-
Due to subsidiaries (non-trade)	-	-	29,250	28,526
	<u>58,635</u>	<u>54,854</u>	<u>30,128</u>	<u>29,433</u>
Non-current liabilities				
Term loans	6,942	8,882	-	-
Deferred tax liabilities	984	1,049	-	-
Finance lease obligations	2	15	-	-
	<u>7,928</u>	<u>9,946</u>	<u>-</u>	<u>-</u>
Total liabilities	66,563	64,800	30,128	29,433
Net assets	34,505	37,014	42,391	43,087

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 September 2019		As at 31 December 2018	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
26,086	-	24,991	-

Amount repayable after one year

As at 30 September 2019		As at 31 December 2018	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
6,944	-	8,897	-

Details of any collateral

The Group's borrowings are secured by the followings:
- a first legal mortgage on a subsidiary's leasehold property;
- fixed and floating charge over the subsidiary's assets; and
- corporate guarantees.

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.

	The Group		The Group	
	3Q 2019 S\$'000 (Unaudited)	3Q 2018 S\$'000 (Unaudited)	9M 2019 S\$'000 (Unaudited)	9M 2018 S\$'000 (Unaudited)
Cash flows from operating activities:				
Loss before tax	(100)	(824)	(3,095)	(2,870)
Adjustments for:				
Amortisation of intangible assets	5	5	14	15
Net fair value gain on quoted equity investments	-	-	-	(24)
Depreciation of property, plant and equipment	456	516	1,431	1,587
Inventories written down	(56)	(54)	(2)	(61)
Impairment loss on trade receivables	-	682	-	2,274
Gain on disposal of plant and equipment	-	-	-	(3)
Reversal of impairment loss on trade receivables	(100)	-	(100)	-
Impairment loss on quoted equity investments	10	-	10	10
Interest expense	790	693	2,055	2,162
Interest income	(3)	(4)	(13)	(8)
Unrealised exchange gain	(237)	(63)	(522)	(633)
Operating profit before working capital changes	765	951	(222)	2,449
Changes in working capital:				
Inventories	(692)	142	(3,276)	141
Trade receivables	(1,125)	(2,305)	2,380	(6,903)
Contract assets	694	(40)	960	(601)
Other receivables, deposits and prepayments	(259)	(278)	(486)	(566)
Finance lease receivables	(198)	1,403	(106)	3,836
Trade payables	387	59	827	(178)
Contract liabilities	(129)	(125)	(68)	425
Other payables and accruals	974	(111)	1,658	1,274
Cash flows from/(used in) operations	417	(304)	1,667	(123)
Interest received	3	4	13	8
Income taxes paid	-	(9)	(1)	(27)
Net cash flows from/(used in) operating activities	420	(309)	1,679	(142)
Cash flows from investing activities				
Purchase of property, plant and equipment	-	(32)	(13)	(45)
Proceeds from disposal of plant and equipment	-	-	43	6
Net proceeds on disposal of quoted equities	-	-	-	160
Cash flows (used in)/from investing activities	-	(32)	30	121
Cash flows from financing activities				
Interest paid	(272)	(174)	(699)	(755)
Repayment of loans and borrowings	(161)	(643)	(914)	(2,510)
Proceeds from loans and borrowings	-	-	-	750
Payment of finance lease obligations	(6)	(6)	(19)	(22)
Cash flows used in financing activities	(439)	(823)	(1,632)	(2,537)
Net (decrease)/increase in cash and cash equivalents	(19)	(1,164)	77	(2,558)
Effect of exchange rate changes on cash and cash equivalents	184	4	(5)	100
Cash and cash equivalents at beginning of financial period	3,511	4,754	3,604	6,052
Cash and cash equivalents at end of financial period	3,676	3,594	3,676	3,594

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 year.

	The Group					Total S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Translation reserve S\$'000	Other reserves S\$'000	Accumulated profits S\$'000	
9M ended 30 September 2018						
Balance as at 1 January 2018	102,605	(528)	300	111	(37,586)	64,902
Loss for the period	-	-	-	-	(2,840)	(2,840)
Other comprehensive income						
Foreign currency translation	-	-	108	-	-	108
Other comprehensive income for the period, net of tax	-	-	108	-	-	108
Total comprehensive income for the period	-	-	108	-	(2,840)	(2,732)
Contributions by and distribution to owners						
Total transactions with owners in their capacity as owners	-	-	-	-	-	-
Balance as at 30 September 2018	102,605	(528)	408	111	(40,426)	62,170

	The Group					Total S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Translation reserve S\$'000	Other reserves S\$'000	Accumulated profits S\$'000	
9M ended 30 September 2019						
Balance as at 1 January 2019	102,605	(528)	(1,344)	114	(63,833)	37,014
Loss for the period	-	-	-	-	(3,030)	(3,030)
Other comprehensive income						
Foreign currency translation	-	-	521	-	-	521
Other comprehensive income for the period, net of tax	-	-	521	-	-	521
Total comprehensive income for the period	-	-	521	-	(3,030)	(2,509)
Contributions by and distribution to owners						
Total transactions with owners in their capacity as owners	-	-	-	-	-	-
Balance as at 30 September 2019	102,605	(528)	(823)	114	(66,863)	34,505

	The Group					Total S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Translation reserve S\$'000	Other reserves S\$'000	Accumulated profits S\$'000	
3Q ended 30 September 2018						
Balance as at 1 July 2018	102,605	(528)	503	111	(39,608)	63,083
Loss for the period	-	-	-	-	(816)	(816)
Other comprehensive income						
Foreign currency translation	-	-	(97)	-	-	(97)
Other comprehensive income for the period, net of tax	-	-	(97)	-	-	(97)
Total comprehensive income for the period	-	-	(97)	-	(816)	(913)
Contributions by and distribution to owners						
Total transactions with owners in their capacity as owners	-	-	-	-	-	-
Balance as at 30 September 2018	102,605	(528)	406	111	(40,424)	62,170

	The Group					Total S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Translation reserve S\$'000	Other reserves S\$'000	Accumulated profits S\$'000	
3Q ended 30 September 2019						
Balance as at 1 July 2019	102,605	(528)	(448)	114	(66,788)	34,955
Loss for the period	-	-	-	-	(75)	(75)
Other comprehensive income						
Foreign currency translation	-	-	(375)	-	-	(375)
Other comprehensive income for the period, net of tax	-	-	(375)	-	-	(375)
Total comprehensive income for the period	-	-	(375)	-	(75)	(450)
Contributions by and distribution to owners						
Total transactions with owners in their capacity as owners	-	-	-	-	-	-
Balance as at 30 September 2019	102,605	(528)	(823)	114	(66,863)	34,505

9M ended 30 September 2018

Balance as at 1 January 2018

Loss for the period

Other comprehensive income

Net change in fair value reserve of available-for-sale financial assets

Other comprehensive income for the period, net of tax**Total comprehensive income for the period****Contributions by and distribution to owners****Total transactions with owners in their capacity as owners**

Balance as at 30 September 2018

	Share capital	Treasury shares	The Company Other reserves	Accumulated profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2018	102,605	(528)	115	(46,453)	55,739
Loss for the period	-	-	-	(1,069)	(1,069)
Other comprehensive income					
Net change in fair value reserve of available-for-sale financial assets	-	-	-	-	-
Other comprehensive income for the period, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(1,069)	(1,069)
Contributions by and distribution to owners					
Total transactions with owners in their capacity as owners	-	-	-	-	-
Balance as at 30 September 2018	102,605	(528)	115	(47,522)	54,670

9M ended 30 September 2019

Balance as at 1 January 2019

Loss for the period

Other comprehensive income

Net change in fair value reserve of available-for-sale financial assets

Other comprehensive income for the period, net of tax**Total comprehensive income for the period****Contributions by and distribution to owners****Total transactions with owners in their capacity as owners**

Balance as at 30 September 2019

	Share capital	Treasury shares	The Company Other reserves	Accumulated profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2019	102,605	(528)	115	(59,105)	43,087
Loss for the period	-	-	-	(696)	(696)
Other comprehensive income					
Net change in fair value reserve of available-for-sale financial assets	-	-	-	-	-
Other comprehensive income for the period, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(696)	(696)
Contributions by and distribution to owners					
Total transactions with owners in their capacity as owners	-	-	-	-	-
Balance as at 30 September 2019	102,605	(528)	115	(59,801)	42,391

3Q ended 30 September 2018

Balance as at 1 July 2018

Loss for the period

Other comprehensive income

Net change in fair value reserve of available-for-sale financial assets

Other comprehensive income for the period, net of tax**Total comprehensive income for the period****Contributions by and distribution to owners****Total transactions with owners in their capacity as owners**

Balance as at 30 September 2018

	Share capital	Treasury shares	The Company Other reserves	Accumulated profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 July 2018	102,605	(528)	115	(46,820)	55,372
Loss for the period	-	-	-	(702)	(702)
Other comprehensive income					
Net change in fair value reserve of available-for-sale financial assets	-	-	-	-	-
Other comprehensive income for the period, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(702)	(702)
Contributions by and distribution to owners					
Total transactions with owners in their capacity as owners	-	-	-	-	-
Balance as at 30 September 2018	102,605	(528)	115	(47,522)	54,670

3Q ended 30 September 2019

Balance as at 1 July 2019

Loss for the period

Other comprehensive income

Net change in fair value reserve of available-for-sale financial assets

Other comprehensive income for the period, net of tax**Total comprehensive income for the period****Contributions by and distribution to owners****Total transactions with owners in their capacity as owners**

Balance as at 30 September 2019

	Share capital	Treasury shares	The Company Other reserves	Accumulated profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 July 2019	102,605	(528)	115	(59,784)	42,408
Loss for the period	-	-	-	(17)	(17)
Other comprehensive income					
Net change in fair value reserve of available-for-sale financial assets	-	-	-	-	-
Other comprehensive income for the period, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(17)	(17)
Contributions by and distribution to owners					
Total transactions with owners in their capacity as owners	-	-	-	-	-
Balance as at 30 September 2019	102,605	(528)	115	(59,801)	42,391

Save for the foregoing, there are no other (i) changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders.

- 1 (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buybacks, 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.

Changes in Company's share capital:

	No. of shares	Share capital S\$'000
Balance as at 30 June 2019 and 30 September 2019	1,106,681,074	102,605

On 3 July 2017, the Company allotted and issued 194,982,219 new ordinary shares ("Rights Shares") at an issue price of S\$0.018 for each Rights Share and 97,491,109 free detachable warrants ("2017 Warrants") pursuant to a renounceable and non-underwritten rights cum warrants issue. Each 2017 Warrant carries the right to subscribe for two new ordinary share in the capital of the Company at an exercise price of S\$0.025 for each new ordinary share and is exercisable during a five year period from the date of issue.

As at 30 September 2019, the total number of ordinary shares in issue was 1,106,681,074 of which 7,961,500 (0.7% of total number of issued shares) were held by the Company as treasury shares (30 September 2018: 1,106,681,074 ordinary shares and 7,961,500 treasury shares (0.7% of total number of issued shares)).

	As at 30 September 2019	As at 30 September 2018
No. of shares that may be issued upon conversion of all outstanding convertibles	194,982,218	194,982,218

There were no subsidiary holdings 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.

Save for the foregoing, there are no other 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 30 June 2019.

- 1 (d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial year and as at the end of the immediately preceding year.

	As at 30 September 2019		As at 31 December 2018	
	No. of shares	S\$'000	No. of shares	S\$'000
Total number of issued shares at the end of the financial period	1,106,681,074	102,605	1,106,681,074	102,605
Number of treasury shares at the end of the financial period	(7,961,500)	(528)	(7,961,500)	(528)
Net number of issued shares at the end of the financial period	1,098,719,574	102,077	1,098,719,574	102,077

- 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.

	No. of treasury shares	S\$'000
Balance as at 30 June 2019 and 30 September 2019	7,961,500	528

- 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.

There were no subsidiary holdings 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 Group'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.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year as compared with the audited financial statements for the financial year ended 31 December 2018, except for those disclosed under Paragraph 5.

- 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 Singapore Accounting Standards Council has introduced a new Singapore financial reporting framework that is equivalent to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The new framework is referred to as "Singapore Financial Reporting Standards (International)" ("SFRS(I)") hereinafter. Subsequent to the last financial year end, as required by the listing requirements of the Singapore Exchange, the Group has adopted SFRS(I) on 1 January 2018 and issued its first set of financial information prepared under SFRS(I) for the financial period ended 31 December 2018. The adoption of new SFRS(I) did not result in substantial change to the Group's and Company's accounting policies and did not have material impact on the amounts reported for the current or prior financial years.

- 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

	3Q 2019 cents	3Q 2018 cents	9M 2019 cents	9M 2018 cents
Earnings per ordinary share				
(i) Based on the weighted average number of ordinary share on issue	(0.01)	(0.07)	(0.28)	(0.26)
(ii) On a fully diluted basis (detailing any adjustments made to the loss)	(0.01)	(0.07)	(0.28)	(0.26)
Earnings per ordinary share from continuing operations				
(i) Based on the weighted average number of ordinary share on issue	(0.01)	(0.07)	(0.28)	(0.26)
(ii) On a fully diluted basis (detailing any adjustments made to the loss)	(0.01)	(0.07)	(0.28)	(0.26)
Computed based on the following weighted average number of shares				
Basic	1,098,719,574	1,098,719,574	1,098,719,574	1,098,719,574
Diluted	1,098,719,574	1,098,719,574	1,098,719,574	1,098,719,574

As at 30 September 2019, warrants of 97,491,109 (31 December 2018: 97,491,109) have not been included in the calculation of diluted earnings per share because they are anti-dilutive.

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

	Group		Company	
	S\$	S\$	S\$	S\$
	30.9.18	31.12.18	30.9.18	31.12.18
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares	0.03	0.03	0.04	0.04

Footnote:

Net asset value per ordinary share is based on 1,098,719,574 ordinary shares as at 30 September 2019 (31 December 2018: 1,098,719,574 shares), excluding treasury shares.

- 8 **A review of the performance of the group to the extent necessary for a reasonable understanding of the 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.

Financial Performance

The Group's revenue and gross profit for the quarter ended 30 September 2019 ("3Q-2019") decreased as compared to the corresponding period last year largely due to the lower revenue recognised for the offshore and marine services, and systems engineering projects as a result of lower order book carried forward. In addition, there was no revenue recognised for the chartering services in 3Q-2019 as compared to the prior year's corresponding period of approximately S\$2.3 million as the land rig chartering contract expired in 4Q-2018.

Other Income for 3Q-2019 increased mainly due to favourable exchange gains from the strengthening of US Dollars as the Group is in an overall net US Dollars asset position.

Administrative Expenses declined year-on-year mainly due to tighter spending discipline and rightsizing of manpower. Other Operating Expenses reduced mainly due to the absence of impairment of trade receivables relating to the doubtful collection of a chartering contract recognised in 3Q-2019.

Finance costs for 3Q-2019 increased mainly due to the higher interest rate charged and penalty charge imposed as a result of defaulting on loans repayment to lenders.

Considering the above factors, the Group registered a net loss of approximately S\$0.08 million for 3Q-2019.

Financial Position

Net Assets of the Group of S\$34.5 million as at 30 September 2019 was S\$2.5 million lower as compared to that in 31 December 2018 due to the net loss incurred during the period.

The reduction in Non-Current Assets was mainly due to the depreciation of property, plant and equipment.

The increase in Trade Receivables was largely due to the amortisation and reduction of Finance Lease Receivables as the charter contract continued to be recognised. Other Receivables and deposits increased due to down payment made for new projects secured. Other payables and accruals increased largely due to the forex revaluation of the US Dollars denominated payables. Non-current term loans decreased due to the reclassification from non-current liabilities to current liabilities.

The decrease in contract assets was mainly due to the termination of a project during the period.

Cashflow

The net cash flows from operating activities in 3Q-2019 were mainly due to longer lead time payments to the creditors.

Cash flows used in investing activities in 3Q-2019 were nil as there was no investment made.

Cash flows used in financing activities in 3Q-2019 were due to the repayment of loans and borrowings as well as interest paid 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.**

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 industry is showing some signs of gradual recovery and increasing inquiries as the oil price remained relatively stable during the year. The Group has seen an increase in customer enquiries and tender invitations in 2019 and is working diligently on securing the contracts for the offshore and marine business. The orders secured in the first three quarters of 2019 exceeds that in the preceding year.

The current and potential yields of the asset management business remains economically not feasible for the Group. In this regard, the Group is looking for opportunities to monetise its capital assets in order to improve its liquidity position, repay its debts and strengthen its working capital.

The Company continues to undergo a court-supervised restructuring process and to engage its potential investors in relation to potential rescue financing as well as its key creditors in relation to a potential settlement or arrangement of its liabilities thereto. As shared during the latest monthly update announcement, the Company has been engaged in advanced discussions with a potential investor to invest in the Company. Both the Company and the potential investor are negotiating the terms of the potential investment, and are working towards finalising a term sheet of the potential investment. Further updates will be made as and when there are material developments on the matter.

- 11 **Dividend**

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period report 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) Date payable

Not applicable

(d) Books closure date

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 the financial period reported on as the Group recorded net loss in the financial period reported on.

- 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.**

No IPT mandate has been obtained.

- 14 **Confirmation By Directors Pursuant to Rule 705(5) of the Listing Manual of SGX-ST**

The Board of Directors of the Company hereby confirms to the best of its knowledge nothing has come to its attention which may render the unaudited interim financial results for the third quarter ended 30 September 2019 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) of the Catalyst Rules**

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Catalyst Rules.

BY ORDER OF THE BOARD

MR ANDY LIM
CHAIRMAN AND EXECUTIVE DIRECTOR

MR NG YEAP CHONG
CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR

11 November 2019
Singapore