

Third Quarter Financial Statement And Dividend Announcement for the Financial Period Ended 30 September 2017

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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.

	3Q 2017 S\$'000	3Q 2016 S\$'000	The Group Change %	9M 2017 S\$'000	9M 2016 S\$'000	Change %
Revenue	10,884	7,705	41	29,410	31,306	(6)
Cost of sales	(7,405)	(4,881)	52	(17,919)	(20,638)	(13)
Gross Profit	3,479	2,824	23	11,491	10,668	8
Other income	52	304	(83)	259	623	(58)
Interest income	3	2	50	6	4	50
Marketing and distribution expenses	(82)	(99)	(17)	(263)	(256)	3
Administrative expenses	(2,948)	(3,442)	(14)	(8,978)	(10,931)	(18)
Other operating expenses	(2,071)	(792)	161	(7,684)	(3,051)	152
Finance costs	(706)	(1,056)	(33)	(2,140)	(3,071)	(30)
Loss before tax	(2,273)	(2,259)	1	(7,309)	(6,014)	22
Income tax credit	22	-	NM	72	80	(10)
Loss for the period	(2,251)	(2,259)	(0)	(7,237)	(5,934)	22
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation	(259)	119	NM	(1,284)	(990)	30
Net change in fair value reserve of available-for-sale financial assets	(22)	(63)	NM	(53)	(597)	(91)
Other comprehensive income for the period, net of tax	(281)	56	15	(1,337)	(1,587)	(16)
Total comprehensive income for the period	(2,532)	(2,203)	NM	(8,574)	(7,521)	14
Loss attributable to:						
Owners of the company						
- Loss after tax	(2,251)	(2,259)	NM	(7,237)	(5,934)	NM
	(2,251)	(2,259)	NM	(7,237)	(5,934)	NM
Total comprehensive income attributable to:						
Owners of the company						
- Loss after tax	(2,532)	(2,203)	NM	(8,574)	(7,521)	NM
	(2,532)	(2,203)	NM	(8,574)	(7,521)	NM

Note

	3Q 2017 S\$'000	3Q 2016 S\$'000	The Group Change %	9M 2017 S\$'000	9M 2016 S\$'000	Change %
Loss before tax is derived at after						
Crediting/(charging) :						
Depreciation of property, plant and equipment	(545)	(569)	(4)	(1,680)	(1,716)	(2)
Amortisation of intangible assets	(5)	(174)	(97)	(16)	(522)	(97)
Gain on disposal of plant and equipment	-	-	NM	5	49	(90)
(Loss)/Gain on foreign exchange	(440)	203	NM	(1,434)	(513)	180
Impairment loss on trade receivables	(1,027)	-	NM	(4,409)	-	NM
Inventories written down	(47)	(47)	0	(144)	(72)	100
(Gain)/Loss on derivative	-	-	NM	-	(16)	(100)
Net fair value gains on AFS	5	-	NM	5	-	NM

NM: 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.

	The Group S\$'000		The Company S\$'000	
	30-Sep-17	31-Dec-16	30-Sep-17	31-Dec-16
Equity attributable to equity holders of the company				
Share capital	102,782	97,844	102,782	97,844
Treasury shares	(528)	(526)	(528)	(526)
Reserves	(31,005)	(22,429)	(42,677)	(40,762)
Total equity	71,249	74,889	59,577	56,556
Non-current assets				
Property, plant and equipment	23,851	25,487	6	22
Investment in subsidiaries	-	-	68,546	68,546
Investment in associates	15,404	15,404	-	-
Quoted equity investments	196	271	196	271
Intangible assets	13,535	13,552	-	-
Finance lease receivables	26,145	32,459	-	-
Deferred tax assets	32	13	-	-
	79,163	87,186	68,748	68,839
Current assets				
Inventories	9,999	10,744	-	-
Trade receivables	25,336	26,118	-	-
Due from customers for contracts work-in-progress	7,796	9,198	-	-
Prepayments	1,594	1,902	40	44
Other receivables and deposits	1,976	2,184	341	48
Finance lease receivables	5,166	4,464	-	-
Cash and cash equivalents	7,199	4,694	279	193
	59,066	59,304	660	285
Total assets	138,229	146,490	69,408	69,124
Current liabilities				
Trade payables	4,318	4,222	-	-
Due to customers for contracts work-in-progress	3,737	2,311	-	-
Other payables and accruals	21,908	25,840	182	2,004
Tax payable	26	20	-	-
Finance lease obligations	30	32	-	-
Term loans	15,343	18,771	760	1,992
Derivative liability	174	174	174	174
Redeemable exchangeable bonds	2,822	2,465	-	-
Due to subsidiaries	-	-	7,744	7,594
	48,358	53,835	8,860	11,764
Non-current liabilities				
Term loans	13,877	13,151	971	804
Redeemable exchangeable bonds	3,270	3,042	-	-
Deferred tax liabilities	1,428	1,504	-	-
Finance lease obligations	47	69	-	-
	18,622	17,766	971	804
Total liabilities	66,980	71,601	9,831	12,568
Net assets	71,249	74,889	59,577	56,556

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 2017		As at 31 December 2016	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
18,195	-	21,268	-
Amount repayable after one year			
As at 30 September 2017		As at 31 December 2016	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
17,194	-	16,262	-

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
- 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 2017	3Q 2016	9M 2017	9M 2016
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities:				
Loss before tax	(2,273)	(2,259)	(7,309)	(6,014)
Adjustments for:				
Amortisation of intangible assets	5	174	16	522
Depreciation of property, plant and equipment	545	569	1,680	1,716
Inventories written down	47	47	144	72
Employee share-based expense	-	-	-	59
Impairment loss on trade receivables	1,027	-	4,409	-
Gain on disposal of plant and equipment	-	-	(5)	(49)
Interest expense	706	1,056	2,140	3,071
Interest income	(3)	(2)	(6)	(4)
Net fair value gains on AFS	(5)	-	(5)	-
Unrealised gain on derivative	-	-	-	9
Unrealised gain	271	(464)	1,076	476
Operating profit/(loss) before working capital changes	320	(879)	2,140	(142)
Changes in working capital:				
Inventories	630	(1,107)	600	357
Trade receivables	(981)	1,521	(3,494)	2,313
Due from customers for contracts work-in-progress	(1,076)	2,556	1,402	5,985
Other receivables, deposits and prepayments	1,448	(1,824)	517	(684)
Finance lease receivables	1,403	371	5,082	4,021
Trade payables	(63)	290	(15)	(5,302)
Due to customers for contracts work-in-progress	591	610	1,426	464
Other payables and accruals	(3,660)	321	(3,990)	(4,063)
Cash flows (used in)/from operations	(1,388)	1,859	3,668	2,949
Interest received	3	2	6	4
Income taxes received/(paid)	(2)	1	3	(14)
Net cash flows (used in)/from operating activities	(1,387)	1,862	3,677	2,939
Cash flows from investing activities				
Purchase of property, plant and equipment	19	(115)	(52)	(290)
Additions to intangible assets	-	-	-	-
Proceeds from disposal of plant and equipment	10	-	10	67
Net proceeds on disposal of quoted equities	27	-	27	-
Cash flows from/(used in) investing activities	56	(115)	(15)	(223)
Cash flows from financing activities				
Interest paid	(314)	(609)	(972)	(1,125)
Repayment of loans and borrowings	(1,362)	(1,161)	(5,976)	(4,003)
Proceeds from issuance of shares pursuant to rights issue	3,510	-	3,510	-
Share issuance expense	(123)	-	(123)	-
Purchase of treasury shares	-	(6)	(2)	(85)
Proceeds from loans and borrowings	750	1,134	2,700	5,235
Payment of finance lease obligations	(8)	(8)	(24)	(23)
Cash flows from/(used in) financing activities	2,453	(650)	(887)	(1)
Net increase in cash and cash equivalents	1,122	1,097	2,775	2,715
Effect of exchange rate changes on cash and cash equivalents	(272)	111	(270)	-
Cash and cash equivalents at beginning of financial period	6,350	9,017	4,694	7,510
Cash and cash equivalents at end of financial period	7,199	10,225	7,199	10,225

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.

9M ended 30 September 2016

Balance as at 1 January 2016

Loss for the period

Other comprehensive income

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

Foreign currency translation

**Other comprehensive income for
the period, net of tax**

**Total comprehensive income for
the period**

Contributions by and distribution to owners

Purchase of treasury shares

Treasury shares reissued pursuant to equity compensation plans

Employee share-based expense

**Total transactions with owners in
their capacity as owners**

Balance as at 30 September 2016

	Share capital	Treasury shares	The Group Translation reserve	Other reserves	Accumulated profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2016	97,844	(591)	1,727	220	(8,834)	90,366
Loss for the period	-	-	-	-	(5,934)	(5,934)
<u>Other comprehensive income</u>						
Net change in fair value reserve of available-for-sale financial assets	-	-	-	(597)	-	(597)
Foreign currency translation	-	-	(989)	-	-	(989)
Other comprehensive income for the period, net of tax	-	-	(989)	(597)	-	(1,586)
Total comprehensive income for the period	-	-	(989)	(597)	(5,934)	(7,520)
<u>Contributions by and distribution to owners</u>						
Purchase of treasury shares	-	(85)	-	-	-	(85)
Treasury shares reissued pursuant to equity compensation plans	-	165	-	(165)	-	-
Employee share-based expense	-	-	-	59	-	59
Total transactions with owners in their capacity as owners	-	80	-	(106)	-	(26)
Balance as at 30 September 2016	97,844	(511)	738	(483)	(14,768)	82,820

9M ended 30 September 2017

Balance as at 1 January 2017

Loss for the period

Other comprehensive income

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

Foreign currency translation

**Other comprehensive income for
the period, net of tax**

**Total comprehensive income for
the period**

Contributions by and distribution to owners

Issuance of shares pursuant to the exercise of redeemable exchangeable bond

Share issuance expense

Purchase of treasury shares

Issuance of shares

Employee share-based expense

**Total transactions with owners in
their capacity as owners**

Balance as at 30 September 2017

	Share capital	Treasury shares	The Group Translation reserve	Other reserves	Accumulated profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2017	97,844	(526)	1,802	522	(24,753)	74,889
Loss for the period	-	-	-	-	(7,237)	(7,237)
<u>Other comprehensive income</u>						
Net change in fair value reserve of available-for-sale financial assets	-	-	-	(55)	-	(55)
Foreign currency translation	-	-	(1,284)	-	-	(1,284)
Other comprehensive income for the period, net of tax	-	-	(1,284)	(55)	-	(1,339)
Total comprehensive income for the period	-	-	(1,284)	(55)	(7,237)	(8,576)
<u>Contributions by and distribution to owners</u>						
Issuance of shares pursuant to the exercise of redeemable exchangeable bond	1,552	-	-	-	-	1,552
Share issuance expense	(123)	-	-	-	-	(123)
Purchase of treasury shares	-	(2)	-	-	-	(2)
Issuance of shares	3,510	-	-	-	-	3,510
Employee share-based expense	-	-	-	-	-	-
Total transactions with owners in their capacity as owners	4,938	(2)	-	-	-	4,936
Balance as at 30 September 2017	102,782	(528)	518	467	(31,990)	71,249

3Q ended 30 September 2016

Balance as at 1 July 2016

Loss for the period

Other comprehensive income

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

Foreign currency translation

**Other comprehensive income for
the period, net of tax**

**Total comprehensive income for
the period**

Contributions by and distribution to owners

Purchase of treasury shares

Employee share-based expense

**Total transactions with owners in
their capacity as owners**

Balance as at 30 September 2016

	Share capital	Treasury shares	The Group Translation reserve	Other reserves	Accumulated profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 July 2016	97,844	(505)	618	(420)	(12,509)	85,028
Loss for the period	-	-	-	-	(2,259)	(2,259)
<u>Other comprehensive income</u>						
Net change in fair value reserve of available-for-sale financial assets	-	-	-	(63)	-	(63)
Foreign currency translation	-	-	120	-	-	120
Other comprehensive income for the period, net of tax	-	-	120	(63)	-	57
Total comprehensive income for the period	-	-	120	(63)	(2,259)	(2,202)
<u>Contributions by and distribution to owners</u>						
Purchase of treasury shares	-	(6)	-	-	-	(6)
Employee share-based expense	-	-	-	-	-	-
Total transactions with owners in their capacity as owners	-	(6)	-	-	-	(6)
Balance as at 30 September 2016	97,844	(511)	738	(483)	(14,768)	82,820

3Q ended 30 September 2017

Balance as at 1 July 2017

Loss for the period

Other comprehensive income

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

Foreign currency translation

**Other comprehensive income for
the period, net of tax**

**Total comprehensive income for
the period**

Contributions by and distribution to owners

Share issuance expense

Issuance of shares

**Total transactions with owners in
their capacity as owners**

Balance as at 30 September 2017

	Share capital	Treasury shares	The Group Translation reserve	Other reserves	Accumulated profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 July 2017	99,395	(528)	777	490	(29,739)	70,395
Loss for the period	-	-	-	-	(2,251)	(2,251)
<u>Other comprehensive income</u>						
Net change in fair value reserve of available-for-sale financial assets	-	-	-	(23)	-	(23)
Foreign currency translation	-	-	(259)	-	-	(259)
Other comprehensive income for the period, net of tax	-	-	(259)	(23)	-	(282)
Total comprehensive income for the period	-	-	(259)	(23)	(2,251)	(2,533)
<u>Contributions by and distribution to owners</u>						
Share issuance expense	(123)	-	-	-	-	(123)
Issuance of shares	3,510	-	-	-	-	3,510
Total transactions with owners in their capacity as owners	3,387	-	-	-	-	3,387
Balance as at 30 September 2017	102,782	(528)	518	467	(31,990)	71,249

9M ended 30 September 2016

Balance as at 1 January 2016

Loss for the period

Other comprehensive incomeNet 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

Purchase of treasury shares

Treasury shares reissued pursuant to equity compensation plans

Employee share-based expense

**Total transactions with owners in
their capacity as owners****Balance as at 30 September 2016**

	The Company			
	Share capital	Treasury shares	Other reserves	Accumulated profits
	S\$'000	S\$'000	S\$'000	S\$'000
Total				
S\$'000				
97,844	(591)	234	(24,266)	73,221
-	-	-	(2,101)	(2,101)
-	-	(567)	-	(567)
-	-	(567)	-	(567)
-	-	(567)	(2,101)	(2,668)
-	(85)	-	-	(85)
-	165	(165)	-	-
-	-	59	-	59
-	80	(106)	-	(26)
97,844	(511)	(439)	(26,367)	70,527

9M ended 30 September 2017

Balance as at 1 January 2017

Loss for the period

Other comprehensive incomeNet 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

Purchase of treasury shares

Issuance of shares pursuant to the conversion of redeemable exchangeable bonds

Share issuance expense

Issuance of shares

**Total transactions with owners in
their capacity as owners****Balance as at 30 September 2017**

	The Company			
	Share capital	Treasury shares	Other reserves	Accumulated profits
	S\$'000	S\$'000	S\$'000	S\$'000
Total				
S\$'000				
97,844	(526)	523	(41,285)	56,556
-	-	-	(1,862)	(1,862)
-	-	(53)	-	(53)
-	-	(53)	-	(53)
-	-	(53)	(1,862)	(1,915)
-	(2)	-	-	(2)
1,552	-	-	-	1,552
(123)	-	-	-	(123)
3,510	-	-	-	3,510
4,938	(2)	-	-	4,936
102,782	(528)	470	(43,147)	59,577

3Q ended 30 September 2016

Balance as at 1 July 2016

Loss for the period

Other comprehensive incomeNet 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

Purchase of treasury shares

Employee share-based expense

**Total transactions with owners in
their capacity as owners****Balance as at 30 September 2016**

	The Company			
	Share capital	Treasury shares	Other reserves	Accumulated profits
	S\$'000	S\$'000	S\$'000	S\$'000
Total				
S\$'000				
97,844	(505)	(377)	(25,698)	71,264
-	-	-	(669)	(669)
-	-	(62)	-	(62)
-	-	(62)	-	(62)
-	-	(62)	(669)	(731)
-	(6)	-	-	(6)
-	-	-	-	-
-	(6)	-	-	(6)
97,844	(511)	(439)	(26,367)	70,527

3Q ended 30 September 2017

Balance as at 1 July 2017

Loss for the period

Other comprehensive incomeNet 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

Share issuance expense

Issuance of shares

**Total transactions with owners in
their capacity as owners****Balance as at 30 September 2017**

	The Company			
	Share capital	Treasury shares	Other reserves	Accumulated profits
	S\$'000	S\$'000	S\$'000	S\$'000
Total				
S\$'000				
99,396	(528)	492	(42,593)	56,767
-	-	-	(554)	(554)
-	-	(22)	-	(22)
-	-	(22)	-	(22)
-	-	(22)	(554)	(576)
(123)	-	-	-	(123)
3,510	-	-	-	3,510
3,386	-	-	-	3,386
102,782	(528)	470	(43,147)	59,577

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:

	Quantity	Share capital S\$'000
Balance as at 1 July 2017	911,698,855	99,396
Issuance of shares	194,982,219	3,386
Balance as at 30 September 2017	1,106,681,074	102,782

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 ("Warrants") pursuant to a renounceable and non-underwritten rights cum warrants issue. Each 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.

The Company has 132,840,897 outstanding Existing Warrants as at 30 September 2017 (30 September 2016: 119,113,066). Each Warrant carries the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of S\$0.138 for each new ordinary share and is exercisable during a five year period from the date of issue.

The Company has Nil (30 September 2016: 13,179,464) outstanding employee share options as at 30 September 2017. Each share option can be used to subscribe for an ordinary shares at Nil (30 September 2016: S\$0.1043 per share option).

48,906,302 ordinary shares at an issue price of S\$0.03173 per share were issued and allotted to Luminor Pacific Fund 1 Ltd. in the capital of the Company after the shareholders' approval had been obtained at the annual general meeting of the Company for the Supplemental Agreement and the issuance of the Settlement Shares to Luminor Pacific Fund 1 Ltd..

As at 30 September 2017, the total number of ordinary shares in issue was 1,106,681,074 of which 7,961,500 were held by the Company as treasury shares (30 September 2016: 862,792,553 ordinary shares and 7,470,500 treasury shares).

There were no subsidiary holdings as at the end of the current financial period reported on.

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 2017.

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 2017		As at 31 December 2016	
	No. of shares	S\$'000	No. of shares	S\$'000
Total number of issued shares at the end of the financial period	862,792,553	97,844	862,792,553	97,844
Issuance of shares pursuant to the exercise of redeemable exchangeable bond	48,906,302	1,552	-	-
Issuance of shares	194,982,219	3,510	-	-
Share issuance expenses	-	(123)	-	-
Number of Treasury Shares at the end of the financial period	(7,961,500)	(528)	(7,891,500)	(526)
Net number of issued shares at the end of the financial period	1,098,719,574	102,254	854,901,053	97,318

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 share	S\$'000
Balance as at 30 June 2017 and 30 September 2017	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 year ended 31 December 2016, 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 Group adopted the new/revised FRS and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2016. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in respective FRS and INT FRS. The adoption of new/revised FRS and INT FRS did not result in any substantial changes to the Group's accounting policies or any significant impact on the Group's financial statements.

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 2017 cents	3Q 2016 cents	9M 2017 cents	9M 2016 cents
Earnings per ordinary share				
(i) Based on the weighted average number of ordinary share on issue	(0.20)	(0.28)	(0.66)	(0.69)
(ii) On a fully diluted basis (detailing any adjustments made to the earnings)	(0.20)	(0.28)	(0.66)	(0.69)
Earnings per ordinary share from continuing operations				
(i) Based on the weighted average number of ordinary share on issue	(0.20)	(0.28)	(0.66)	(0.69)
(ii) On a fully diluted basis (detailing any adjustments made to the earnings)	(0.20)	(0.28)	(0.66)	(0.69)
Computed based on the following weighted average number of shares				
Basic	1,098,722,651	855,169,342	1,098,722,651	854,986,100
Diluted	1,098,722,651	855,169,342	1,098,722,651	854,986,100

As at 30 September 2017, Nil (30 September 2016: 13,179,464) share options granted to employees under the existing employee share option plans and warrants of 230,332,006 (30 September 2016: 119,113,066), 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\$	
	30.9.17	31.12.16	30.9.17	31.12.16
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares	0.06	0.09	0.05	0.07

Footnote:

Net asset value per ordinary share is based on 1,098,719,574 ordinary shares as at 30 September 2017 (31 December 2016: 854,901,053 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 for the quarter ended 30 September 2017 ("3Q-2017") increased by 41% compared to the corresponding period last year. This is due to the timing of the delivery of projects from the offshore and marine services segment in 3Q-2017. The Group's gross profit increased in tandem with the increase in revenue. The Group's gross profit margin decreased as a result of revenue mix where a higher proportion of revenue recognised were from the offshore and marine services segment which yielded lower margins. Similar to the previous quarter, the revenue and associated profits related to the land rig chartering contract were recognised but the corresponding receivables of the charter payments in arrears were also impaired. This explains the increase in other operating expenses where approximately S\$1 million of trade receivables relating to the land rig chartering contracts were impaired in 3Q-2017. The Group is currently undergoing arbitration and legal proceeds against the charterer.

Excluding the non-cash items of impairment of trade receivables from the chartering of land rigs and foreign exchange losses from translation, the operating expenses in 3Q-2017 were approximately 24% lower year-on-year. Administrative expenses declined year-on-year due to the lower business activities, tighter spending discipline and rightsizing of manpower. These cost rationalisation measures were necessary to cope with the difficult industry business condition and low activity level. The foreign exchange loss incurred during the period was due to the translation differences on US Dollar denominated current assets.

Finance cost decreased as the Group continues to pare down its loans and borrowings. The tax credit recognised was due to reversal of deferred tax liability arising from fair value adjustment of the Group's property asset.

Financial Position

Net Assets for the Group of S\$71.2 million as at 30 September 2017 was lower compared to that in 31 December 2016 due to the net loss incurred and the reduction in reserves from foreign currency translation during the period. The reduction was partially offset by the increase in share capital as a result of the allotment of shares to a bondholder in line with the terms and conditions of the bond agreement and the rights cum warrants issue exercise concluded in 3Q-2017.

The reduction in non-current assets was mainly due to amortisation of the finance lease receivable and depreciation of property, plant and equipment.

The decrease in net amount due from customer contracts was a result of billing of projects which were subsequently collected. Inventories, prepayment, other receivables and deposits decreased due to utilisation of assets as a result of delivery of projects. The reduction in other payables and accruals was due to reversal of deposits received from customers upon delivery of projects and reversal of interim proceeds received from the rights cum warrant issue in 2Q-2017. The Group continued to pare down its loans which resulted in the decrease in term loans. The increase in redeemable exchangeable bonds was due to the accrual of interests.

Cashflow

The Group ended 3Q-2017 with a higher cash balance compared to the preceding quarter-end. The overall cash balance improvement was due to the proceeds from the rights cum warrant issue. Excluding the rights cum warrant issue accounting treatment in 2Q-2017 as described in the Financial Position above, it would have been a positive net cash flows generated from operating activities in 3Q-2017. The offshore and marine businesses continue to bill and subsequently collect for projects carried out during the period.

Cash flows from financing activities were due to the proceeds from the rights cum warrant issue upon conclusion in July 2017 partially offset by repayment of 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.**

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 outlook of the industry is expected to stay challenging with the continued oil price volatility and uncertain climate. This prolonged industry downturn impacted the business activity of the Group with delays to existing projects, a trend which is expected to continue. Sales order intake during the period remains as weak as the prior period due to limited new projects in the market.

Against this backdrop, the Group will continue to exercise prudence when evaluating potential project and will place greater emphasis on operational cost discipline in project execution. To sustain its business volumes during this downturn, the Group had and will continue to diversify its customer base towards non-oil and gas, and extend to onshore requirements. These initiatives will take time to develop and are not likely to fully cover shortfall in our traditional business segments.

The Group's asset chartering business was impacted as the assets deployed were not utilised by the charterers. This resulted from the charterers' upstream customer cancellation of their contract. The key focus of the Group is on executing the payment restructuring plan on receivables collection, including the disposing of collateralised assets and the necessary legal and recovery actions. The Group reached an in-principle agreement with the bondholders on bond maturity extension, subject to contract formality. These bonds were primarily used to fund the asset chartering business. The Company and a subsidiary of the Group which chartered a chemical tanker are currently defending a lawsuit from the owner for amounts outstanding and correspondingly, the subsidiary is suing the charterer (and one of its shareholders who has provided a personal guarantee) for charter hire due.

The Group will continue to aggressively pursue cost management and resource optimisation to extract efficiency and savings. While cost saving measures are in place, further cost cutting actions have been formulated and will be initiated if the outlook continues to be challenging.

- 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.**

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 no IPT mandate has been obtained, a statement to that effect.**

No IPT mandate has been obtained.

- 14 **Use of proceeds from rights cum warrants issue**

The rights cum warrants issue of 194,982,219 new shares with 97,491,109 free detachable warrants was completed by the Company on 3 July 2017, and the net proceeds raised was approximately S\$3.4 million.

As at the quarter end, The Company had utilised S\$2.0 million for the repayment of the loan granted by Tembusu to Viking LR2 and approximately S\$1 million for working capital purposes. The balance of the net proceeds raised from the rights cum warrants issue is approximately S\$0.4 million. These utilisations are in accordance with the Company's intended use. The Company shall continue to make periodic announcements on the use of such proceeds as and when they are materially disbursed, and will provide a status report on the use of proceeds raised from the rights cum warrants issue in its annual report(s), until such time the proceeds have been fully utilised.

- 15 **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 2017 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

MR ANDY LIM
CHAIRMAN AND EXECUTIVE DIRECTOR

MR LOW JOOI KOK
CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR

13 November 2017
Singapore