

UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 2017
PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year

CONSOLIDATED INCOME STATEMENT

	Group			Group		
	3rd Qtr Ended 31/12/2017	31/12/2016	Incr/ (decr) %	9 Months Ended 31/12/2017	31/12/2016	Incr/ (decr) %
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	14,603	19,106	(23.6)	52,064	58,060	(10.3)
Cost of sales	(12,403)	(16,777)	(26.1)	(43,376)	(47,512)	(8.7)
Gross profit	2,200	2,329	(5.5)	8,688	10,548	(17.6)
Other income	362	440	(17.7)	182	811	(77.6)
Distribution costs	(1,178)	(1,037)	13.6	(3,489)	(3,405)	2.5
Administrative expenses	(3,253)	(3,220)	1.0	(9,862)	(10,326)	(4.5)
Other operating expenses	(36)	(65)	(44.6)	(502)	(810)	(38.0)
Interest expense	(643)	(704)	(8.7)	(1,932)	(2,109)	(8.4)
Loss before income tax	(2,548)	(2,257)	12.9	(6,915)	(5,291)	30.7
Income tax (expense) benefit	(30)	122	NM	(219)	121	NM
Loss for the period	(2,578)	(2,135)	20.7	(7,134)	(5,170)	38.0
Loss attributable to:						
Owners of the Company	(2,608)	(2,010)	29.8	(7,138)	(5,078)	40.6
Non-controlling interests	30	(125)	NM	4	(92)	NM
	(2,578)	(2,135)	20.7	(7,134)	(5,170)	38.0
Gross profit margin	15.1%	12.2%	23.6	16.7%	18.2%	(8.1)
Net loss margin	-17.7%	-11.2%	58.0	-13.7%	-8.9%	53.9
EBITDA ⁽¹⁾ (S\$'000)	(803)	(271)	196.3	(1,504)	351	NM
EBITDA margin	-5.5%	-1.4%	287.7	-2.9%	0.6%	NM

⁽¹⁾ : Denotes earnings before interest, taxes, depreciation and amortisation

NM: Not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group			Group		
	3rd Qtr Ended		Incr/ (decr) %	9 Months Ended		Incr/ (decr) %
	31/12/2017	31/12/2016		31/12/2017	31/12/2016	
	S\$'000	S\$'000		S\$'000	S\$'000	
Loss for the period	(2,578)	(2,135)	20.7	(7,134)	(5,170)	38.0
Other comprehensive loss						
Items that may be reclassified subsequently to profit or loss:						
Translation (loss) gain arising on consolidation	(155)	1,029	NM	(621)	1,189	NM
Other comprehensive (loss) income for the period, net of tax	(155)	1,029	NM	(621)	1,189	NM
Total comprehensive loss for the period	(2,733)	(1,106)	147.1	(7,755)	(3,981)	94.8
Total comprehensive loss attributable to:						
Owners of the Company	(2,766)	(978)	182.8	(7,759)	(3,888)	99.6
Non-controlling interests	33	(128)	NM	4	(93)	NM
	(2,733)	(1,106)	147.1	(7,755)	(3,981)	94.8

1(a)(ii) Loss before income tax is arrived at after charging/(crediting) the following:

	Group			Group		
	3rd Qtr Ended		Incr/ (decr) %	9 Months Ended		Incr/ (decr) %
	31/12/2017	31/12/2016		31/12/2017	31/12/2016	
S\$'000	S\$'000		S\$'000	S\$'000		
Allowance for doubtful trade receivables	-	9	(100.0)	-	748	(100.0)
Doubtful trade receivables recovered	-	-	NM	(97)	(59)	64.4
Trade receivables written off	-	15	(100.0)	45	21	114.3
Depreciation	983	1,020	(3.6)	3,119	2,937	6.2
Amortisation of intangible assets	119	262	(54.6)	360	596	(39.6)
Foreign exchange (gain) loss	(321)	(137)	134.3	372	(405)	NM
Loss (gain) on disposal of property, plant and equipment ("PPE")	36	(236)	NM	86	(241)	NM
Loss on disposal of club membership	-	40	(100.0)	40	40	-
Interest income	(1)	(1)	-	(3)	(3)	-
Interest expense	643	704	(8.7)	1,932	2,109	(8.4)
Inventories written down to net realisable value	(3)	-	NM	(7)	-	NM

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

	Group		Company	
	31/12/2017 S\$'000	31/03/2017 S\$'000	31/12/2017 S\$'000	31/03/2017 S\$'000
<u>ASSETS</u>				
Current assets				
Cash and cash equivalents	4,008	6,602	57	35
Trade receivables	11,028	21,173	2,757	3,487
Other receivables	1,232	2,118	45,967	44,163
Income tax receivables	105	101	-	-
Inventories	120,080	127,924	-	-
Total current assets	136,453	157,918	48,781	47,685
Non-current assets				
Property, plant and equipment	33,690	35,523	448	604
Intangible assets	2,107	2,566	-	-
Other receivables	-	151	-	-
Deferred tax assets	256	266	-	-
Subsidiary corporations	-	-	6,019	6,019
Total non-current assets	36,053	38,506	6,467	6,623
Total assets	172,506	196,424	55,248	54,308
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade payables	6,537	10,027	-	-
Other payables	6,856	7,554	368	188
Current portion of bank borrowings	66,775	77,879	-	-
Current portion of finance leases	645	664	5	5
Income tax payable	38	234	-	-
Total current liabilities	80,851	96,358	373	193
Non-current liabilities				
Bank borrowings	4,808	5,093	-	-
Finance leases	474	908	-	4
Deferred tax liabilities	129	135	101	101
Total non-current liabilities	5,411	6,136	101	105
Capital, reserves and non-controlling interests				
Share capital	50,587	50,587	50,587	50,587
Retained earnings	34,692	41,830	4,187	3,423
Translation reserve	858	1,479	-	-
Equity attributable to owners of the Company	86,137	93,896	54,774	54,010
Non-controlling interests	107	34	-	-
Total equity	86,244	93,930	54,774	54,010
Total liabilities and equity	172,506	196,424	55,248	54,308

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

Amount repayable in one year or less, or on demand

	31/12/2017		31/03/2017	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Term loans	39,088	5,052	45,208	5,671
Short term loans	8,200	4,100	8,200	8,040
Bank bills payable	79	8,638	-	9,589
Finance leases	645	-	664	-
Overdrafts	1,116	502	690	481
	<u>49,128</u>	<u>18,292</u>	<u>54,762</u>	<u>23,781</u>

Amount repayable after one year

	31/12/2017		31/03/2017	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Term loans	4,808	-	5,093	-
Finance leases	474	-	908	-
	<u>5,282</u>	<u>-</u>	<u>6,001</u>	<u>-</u>

Details of any collaterals

Certain bank borrowings are secured by a legal mortgage over the Group's freehold & leasehold land and buildings, certain plant and machinery, a floating charge over certain inventories of the Group and corporate guarantees of the Company and certain subsidiaries.

Finance leases are secured by charges over the leased assets. Certain leases are guaranteed by a corporate guarantee by the Company.

1 (c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

CONSOLIDATED STATEMENT OF CASH FLOWS

	Group		Group	
	3rd Qtr Ended		9 Months Ended	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Loss before income tax	(2,548)	(2,257)	(6,915)	(5,291)
Adjustments for :				
Interest expense	643	704	1,932	2,109
Interest income	(1)	(1)	(3)	(3)
Depreciation	983	1,020	3,119	2,937
Amortisation of intangible assets	119	262	360	596
Allowance for doubtful trade receivables	-	9	-	748
Doubtful trade receivables recovered	-	-	(97)	(59)
Trade receivables written off	-	15	45	21
Loss (gain) on disposal of property, plant and equipment	36	(236)	86	(241)
Loss on disposal of club membership	-	40	-	40
Net foreign exchange (gain) loss - unrealised	(9)	18	(13)	2
Inventories written down to net realisable value	(3)	-	(7)	-
Operating cash flows before movements in working capital	(780)	(426)	(1,493)	859
Trade receivables	4,673	(499)	9,868	2,678
Other receivables and prepayments	287	418	784	652
Inventories	1,244	4,119	7,402	11,079
Trade payables	(596)	(171)	(3,300)	(1,319)
Other payables	(449)	258	(555)	97
Bank bills payable	(117)	(32)	(854)	(10,945)
Cash generated from operations	4,262	3,667	11,852	3,101
Interest paid for bank bills	(99)	(98)	(265)	(451)
Interest received	1	1	3	3
Income tax (paid) refund	(45)	317	(417)	284
Net cash from operating activities	4,119	3,887	11,173	2,937
Investing activities				
Proceeds on disposal of property, plant and equipment	(6)	1,801	288	2,576
Purchases of property, plant and equipment	(336)	(1,228)	(1,826)	(4,332)
Net cash (used in) generated from investing activities	(342)	573	(1,538)	(1,756)
Financing activities				
Proceeds from loan from immediate holding company	-	-	500	1,500
Interest paid for other borrowings	(544)	(596)	(1,669)	(1,749)
Repayment of obligations under finance leases	(178)	(175)	(524)	(868)
New bank loans obtained	-	1,104	-	12,872
Repayment of bank loans	(2,071)	(6,338)	(10,927)	(14,231)
Transaction costs for loans	-	(39)	(35)	(100)
Contribution from a non-controlling interest	-	-	69	-
Net cash used in financing activities	(2,793)	(6,044)	(12,586)	(2,576)
Net increase (decrease) in cash and cash equivalents	984	(1,584)	(2,951)	(1,395)
Effect of exchange rate changes on cash and cash equivalents	(27)	65	(90)	93
Cash and cash equivalents at beginning of the period	1,433	4,469	5,431	4,252
Cash and cash equivalents at end of the period	2,390	2,950	2,390	2,950
Cash and cash equivalents comprise the following:				
Cash and bank balances	4,008	4,332	4,008	4,332
Bank overdraft	(1,618)	(1,382)	(1,618)	(1,382)
	2,390	2,950	2,390	2,950

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

STATEMENT OF CHANGES IN EQUITY

	Share capital	Retained earnings	Translation reserve	Attributable to owners of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group						
At 1 April 2017	50,587	41,830	1,479	93,896	34	93,930
Total comprehensive loss for the period						
Loss for the period	-	(7,138)	-	(7,138)	4	(7,134)
Other comprehensive loss for the period	-	-	(621)	(621)	-	(621)
Total	-	(7,138)	(621)	(7,759)	4	(7,755)
Transactions with owners, recognised directly in equity						
Contribution from a non-controlling interest	-	-	-	-	69	69
At 31 December 2017	50,587	34,692	858	86,137	107	86,244
At 1 April 2016	50,587	53,185	971	104,743	81	104,824
Total comprehensive loss for the period						
Loss for the period	-	(5,078)	-	(5,078)	(92)	(5,170)
Other comprehensive loss for the period	-	-	1,190	1,190	(1)	1,189
Total	-	(5,078)	1,190	(3,888)	(93)	(3,981)
At 31 December 2016	50,587	48,107	2,161	100,855	(12)	100,843
Company						
At 1 April 2017	50,587	3,423	-	54,010	-	54,010
Profit for the period, representing total comprehensive income for the period	-	764	-	764	-	764
At 31 December 2017	50,587	4,187	-	54,774	-	54,774
At 1 April 2016	50,587	2,222	-	52,809	-	52,809
Profit for the period, representing total comprehensive income for the period	-	486	-	486	-	486
At 31 December 2016	50,587	2,708	-	53,295	-	53,295

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

Nil.

There were no outstanding convertibles which may be converted to shares. There were no treasury shares and subsidiary holdings held.

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

The total number of issued shares excluding treasury shares.

	31/12/2017	31/03/2017
	438,000,000	438,000,000

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

Not applicable. There were no treasury shares during and as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on

As at 31 December 2017, there were no sales, transfers, cancellation and / or use of subsidiary holdings.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited and/or reviewed by the auditors.

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

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except as disclosed in paragraph 5, the Group has adopted the same accounting policies and methods of computation in the announcement for the current financial period as those applied in the Group's most recently audited financial statements for the financial year ended 31 March 2017 as well as all the applicable Singapore Financial Reporting Standards ("FRSs") which became effective for the financial year beginning on or after 1 April 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 effect, of the change

On 1 April 2017, the Group adopted the following new/revised FRSs that are effective from that date and are relevant to its operations:-

- Amendments to FRS 7 *Statement of Cash Flows: Disclosure Initiative*
- Amendments to FRS 12 *Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses*

The adoption of the above amendments to FRSs did not have any significant impact on the financial statements of the Group.

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

	Group		Group	
	3rd Qtr Ended		9 months Ended	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Net loss after tax attributable to owners of the Company (S\$'000)	(2,608)	(2,010)	(7,138)	(5,078)
Weighted average number of ordinary shares for calculation of ('000):				
- Basic earnings per share	438,000	438,000	438,000	438,000
- Diluted earnings per share	438,000	438,000	438,000	438,000
Earnings per share ("EPS") (cents/share)				
(a) Based on weighted average number of ordinary shares	(0.60)	(0.46)	(1.63)	(1.16)
(b) On a fully diluted basis	(0.60)	(0.46)	(1.63)	(1.16)

The Company has no dilutive equity instruments as at 31 December 2017.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on; and (b) immediately preceding financial year

	Group		Company	
	31/12/2017	31/03/2017	31/12/2017	31/03/2017
Net asset value attributable to shareholders of the Company (S\$'000)	86,137	93,896	54,774	54,010
Number of ordinary shares ('000)	438,000	438,000	438,000	438,000
Net asset value per ordinary share (cents)	19.67	21.44	12.51	12.33

8. Review of the Group's performance

Revenue

9M FY2018 vs 9M FY2017

For the nine months ended 31 December 2017 ("9M FY2018"), the Group's revenue was S\$52.1 million with a decrease of S\$6.0 million or 10.3% compared to S\$58.1 million for the corresponding period ended 31 December 2016 ("9M FY2017"). The decrease was mainly due to a decline of S\$7.6 million in the rigging and lifting segment due to the continued weakness in the oil and gas ("O&G") industry offset by an increase of S\$1.6 million in the ship chandling segment.

3Q FY2018 vs 3Q FY2017

For the third quarter ended 31 December 2017 ("3Q FY2018"), the Group's revenue was S\$14.6 million, 23.6% lower than S\$19.1 million in the third quarter ended 31 December 2016 ("3Q FY2017"). The decrease was mainly due to a decrease of S\$5.3 million in the rigging and lifting segment offset by an increase of S\$0.8 million in the ship chandling segment.

Gross profit

9M FY2018 vs 9M FY2017

Gross profit decreased by S\$1.9 million or 17.6% from S\$10.5 million in 9M FY2017 to S\$8.7 million in 9M FY2018. The corresponding gross profit margin decreased from 18.2% to 16.7%.

3Q FY2018 vs 3Q FY2017

For 3Q FY2018, the gross profit was S\$2.2 million, 5.5% lower than the S\$2.3 million achieved in 3Q FY2017. The corresponding gross profit margin increased from 12.2% to 15.1%.

Other income

9M FY2018 vs 9M FY2017

Other income decreased by S\$0.6 million in 9M FY2018 compared to 9M FY2017 mainly due to (i) turnaround of a foreign exchange gain of S\$0.4 million in 9M FY2017 to a foreign exchange loss of S\$0.4 million in 9M FY2018, and (ii) turnaround of a gain on disposal of PPE of S\$0.2 million in 9M FY2017 to a loss on disposal of PPE of S\$0.1 million in 9M FY2018.

3Q FY2018 vs 3Q FY2017

Other income decreased by S\$0.1 million in 3Q FY2018 compared to 3Q FY2017 mainly due to turnaround of a gain on disposal of PPE of S\$0.2 million in 3Q FY2017 to a loss on disposal of PPE in 3Q FY2018 offset by an increase in foreign exchange gain of S\$0.1 million in 3Q FY2018.

Distribution costs

9M FY2018 vs 9M FY2017

Distribution costs in 9M FY2018 did not vary significantly from that of 9M FY2017.

3Q FY2018 vs 3Q FY2017

Distribution costs increased by S\$0.1 million or 13.6% in 3Q FY2018 compared to 3Q FY2017 mainly due to an increase in staff related expense of S\$0.1 million.

Administrative expenses

9M FY2018 vs 9M FY2017

Administrative expenses decreased by S\$0.5 million or 4.5% in 9M FY2018 compared to 9M FY2017 mainly due to a decrease in (i) depreciation of S\$0.3 million, (ii) amortisation of intangible of S\$0.2 million, (iii) bank charges of S\$0.1 million, and (iv) staff related expenses of S\$0.1 million offset by an increase in withholding tax of S\$0.2 million. This is in line with the Group's cost control measures.

3Q FY2018 vs 3Q FY2017

Administrative expenses in 3Q FY2018 did not vary significantly from that of 3Q FY2017.

Other operating expenses9M FY2018 vs 9M FY2017

Other operating expenses in 9M FY2018 decreased by S\$0.3 million compared to 9M FY2017 mainly due to a decrease in allowance for doubtful debts of S\$0.7 million offset by an increase of S\$0.4 million of foreign exchange loss.

3Q FY2018 vs 3Q FY2017

Other operating expenses in 3Q FY2018 did not vary significantly from that of 3Q FY2017.

Interest expense9M FY2018 vs 9M FY2017

Interest expense in 9M FY2018 decreased by S\$0.2 million compared to 9M FY2017 due to a reduction in bank borrowings.

3Q FY2018 vs 3Q FY2017

Interest expense in 3Q FY2018 decreased by S\$0.1 million compared to 3Q FY2017 due to a reduction in bank borrowings.

Loss before income tax

As a result of the above reasons, loss before income tax was S\$6.9 million for 9M FY2018.

Review of statement of financial position and cash flows**Current assets**

The current assets decreased by S\$21.5 million from S\$157.9 million as at 31 March 2017 to S\$136.5 million as at 31 December 2017. The decrease was mainly due to: (i) a decline in cash and cash equivalents of S\$2.6 million, (ii) a decline in trade receivables of S\$10.1 million due to lower sales in 9M FY2018, (iii) a decline in inventories of S\$7.8 million due to sales, and (iv) a decrease in other receivables of S\$0.9 million mainly due to collection of remaining profit guarantee monies from the vendor and VAT claim.

Non-current assets

The non-current assets decreased by S\$2.5 million from S\$38.5 million as at 31 March 2017 to S\$36.1 million as at 31 December 2017. The decrease was mainly due to: (i) a drop in PPE of S\$1.8 million mainly due to depreciation of S\$3.1 million in 9M FY2018 and disposal of PPE with net book value of S\$0.4 million offset by additions of PPE of S\$1.9 million, and (ii) amortisation of intangible assets of S\$0.4 million.

Current liabilities

The current liabilities decreased by S\$15.5 million from S\$96.4 million as at 31 March 2017 to S\$80.9 million as at 31 December 2017. The decrease was mainly due to (i) a decrease in bank borrowings of S\$11.1 million mainly due to repayment of bank borrowings, and (ii) a decrease in trade payables of S\$3.5 million.

Non-current liabilities

Non-current liabilities reduced by S\$0.7 million from S\$6.1 million as at 31 March 2017 to S\$5.4 million as at 31 December 2017 mainly due to repayment of finance lease and bank borrowings.

Capital, reserves and non-controlling interests

The decrease in shareholder's equity of S\$7.8 million was mainly attributable to loss of S\$7.1 million during the period and decrease in translation reserve of S\$0.6 million.

Cash Flows

9M FY2018 ended 31 December 2017

Net cash from operating activities

In 9M FY2018, we have operating cash outflows of S\$1.5 million from operating activities before changes in working capital.

Our net working capital inflow amounted to S\$13.3 million. This was mainly due to: (i) a decrease in trade receivables of S\$9.9 million due to collections during the period and lower sales, (ii) a decrease in inventories of S\$7.4 million due to sales, and (iii) a decrease in other receivables of S\$0.8 million, offset by (i) a decrease in trade payable of S\$3.3 million, (ii) a decrease in bank bills payable of S\$0.9 million due to repayment of bank borrowings, and (iii) a decrease in other payables of S\$0.6 million.

We paid interest for bank bills of S\$0.3 million and income tax paid of S\$0.4 million.

Overall, our net cash generated from operating activities amounted to S\$11.2 million.

Net cash used in investing activities

Net cash used in investing activities amounted to S\$1.5 million in 9M FY2018 mainly due to the payments for PPE of S\$1.8 million offset by proceeds on disposal of PPE of S\$0.3 million.

Net cash used in financing activities

Net cash used in financing activities amounted to S\$12.6 million in 9M FY2018. This was mainly due to: (i) the repayment of bank borrowings and related interest of S\$12.6 million, and (ii) the repayment of obligations under finance leases of S\$0.5 million, offset by proceeds from loan from immediate holding company of S\$0.5 million.

3Q FY2018 ended 31 December 2017

Net cash from operating activities

In 3Q FY2018, we have operating cash outflows of S\$0.8 million from operating activities before changes in working capital.

Our net working capital inflow amounted to S\$5.0 million. This was mainly due to: (i) a decrease in trade receivables of S\$4.7 million due to collections during the period, (ii) a decrease in inventories of S\$1.2 million, and (iii) a decrease in other receivables of S\$0.3 million, offset by (i) a decrease in trade payables of S\$0.6 million, (ii) a decrease in other payable of S\$0.4 million, and (iii) a decrease in bank bills payable of S\$0.1 million due to repayment of bank borrowings.

We paid interest for bank bills of S\$0.1 million.

Overall, our net cash generated from operating activities amounted to S\$4.1 million.

Net cash used in investing activities

Net cash used in investing activities amounted to S\$0.3 million in 3Q FY2018 mainly due to the purchase of PPE of S\$0.3 million.

Net cash used in financing activities

Net cash used in financing activities amounted to S\$2.8 million in 3Q FY2018. This was mainly due to: (i) the repayment of bank borrowings and related interest of S\$2.6 million, and (ii) the repayment of obligations under finance leases of S\$0.2 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

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 recent recovery in oil prices suggests that the O&G market could be headed for a rebalancing. This is an encouraging sign for the Group.

On 23 October 2017, the Company entered into a conditional placement agreement with PeakBayou Limited, a wholly-owned unit of private equity fund ShawKwei Asia Value Fund 2017, L.P., to allot and issue an aggregate of 1,360,000,000 new ordinary shares in the capital of the Company at an issue price of S\$0.05 for each subscription share, amounting to an aggregate consideration of S\$68.0 million (the "Proposed Subscription"). The Proposed Subscription would represent about 75.64% of the enlarged share capital of the Company. The Company has since received approval-in-principle from the SGX-ST for the listing and quotation of the subscription shares.

The Company will convene an extraordinary general meeting to seek shareholders' approval for the Proposed Subscription.

11. Dividend

11(a) Any dividend declared for the current financial period reported on?

Nil

11(b) Any dividend declared for the corresponding period of the immediately preceding financial year?

No

11(c) Date payable

Not applicable.

11(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

Not applicable as no IPT mandate has been obtained.

14 Confirmation that the issuer has procured undertakings from all its directors and executive officers

The Company hereby confirms that it has procured undertakings from all the directors and executive officers under Rule 720(1) of the Listing Manual.

15. Negative confirmation pursuant to Rule 705(5)

The Board of Directors of the Company hereby confirm, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the 9 months ended 31 December 2017 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD OF DIRECTORS

DESMOND TEO BEE CHIONG

Executive Director and Chief Executive Officer

TEO BEE HOE

Executive Director

BY ORDER OF THE BOARD

DESMOND TEO BEE CHIONG

Executive Director and Chief Executive Officer

12 February 2018