



# **KTL Global Limited**

(Incorporated in the Republic of Singapore)

(Company Registration No. 200704519M)

(The "Company")

## **Unaudited Fourth Quarter and Full Year Financial Statements and Dividend Announcement for the Financial Year Ended 31 December 2020**

The Company is required, pursuant to the requirements of the Singapore Exchange Securities Trading Limited, to continue with quarterly reporting of its financial statements with effect from 7 February 2020, in view of the material uncertainty relating to going concern highlighted by the auditors in its audited financial statements for the financial year ended 31 December 2019.

**1(a) Statement of Comprehensive Income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

(The figures have not been audited or reviewed by the auditors)

	Group Fourth Quarter Ended		% Change Increase/ (Decrease)	Group Full Year Ended		% Change Increase/ (Decrease)
	Three Months Ended	Three Months Ended		Twelve Months Ended	Twelve Months Ended	
	31.12.2020 S\$'000	31.12.2019 S\$'000		31.12.2020 S\$'000	31.12.2019 S\$'000	
<b>Revenue</b>	316	5,479	-94%	3,975	13,686	-71%
Cost of sales	(767)	-		(767)	(1,179)	-35%
<b>Gross (loss)/ profit</b>	(451)	5,479		3,208	12,507	-74%
Other operating income	20	-	N.M.	20	74	-73%
Sales and marketing expenses	(19)	(13)	46%	(63)	(131)	-52%
Administration expenses	(6,280)	(437)	1337%	(7,733)	(1,628)	375%
<b>(Loss)/ Profit from operations</b>	(6,730)	5,029	-234%	(4,568)	10,822	-142%
Finance costs	(1)	(8)	N.M.	(7)	(8)	-13%
<b>(Loss)/ Profit before taxation</b>	(6,731)	5,021	-234%	(4,575)	10,814	-142%
Income tax credit/ (expense)	1,381	(2,019)	N.M.	1,015	(2,019)	-150%
<b>(Loss)/ Profit from continuing operation</b>	(5,350)	3,002	-278%	(3,560)	8,795	-140%
<b>Discontinued operations</b>						
Loss from discontinued operations	-	(136)	N.M.	-	(3,546)	N.M.
<b>Total (loss)/ profit</b>	(5,350)	2,866	-287%	(3,560)	5,249	-168%
<b>Other comprehensive income:</b>						
Exchange differences on translating foreign operations, net of tax	-	-	N.M.	-	334	N.M.
Other comprehensive income for the period	-	-	N.M.	-	334	N.M.
<b>Total comprehensive (loss)/ income</b>	(5,350)	2,866	-287%	(3,560)	5,583	-164%
<b>(Loss)/ Profit attributable to:</b>						
- Equity holders of the Company	(2,936)	239	N.M.	(2,686)	(1,247)	115%
- Non-controlling interests	(2,414)	2,627	-192%	(875)	6,496	-113%
	(5,350)	2,866	-287%	(3,561)	5,249	-168%
<b>Total comprehensive (loss)/ income attributable to:</b>						
- Equity holders of the Company	(2,936)	239	-1328%	(2,686)	(913)	194%
- Non-controlling interests	(2,414)	2,627	-192%	(875)	6,496	-113%
	(5,350)	2,866	-287%	(3,561)	5,583	-164%

**1(a)(i) (Loss)/ Profit before taxation is arrived after crediting/ (charging) the following :**

	Group Three Months Ended		% Change Increase/ (Decrease)	Group Twelve Months Ended		% Change Increase/ (Decrease)
	31.12.2020 S\$'000	31.12.2019 S\$'000		31.12.2020 S\$'000	31.12.2019 S\$'000	
	Depreciation of property, plant and equipment	(8)		(12)	-33%	
Allowance for doubtful debts	(5,973)	-	N.M.	(5,973)	-	N.M.
Interest expenses	-	(8)	N.M.	(7)	(8)	-13%

Notes:

(1) N.M. = Not Meaningful

**1(b)(i) A Statement of Financial Position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

	<b>Group As At</b>		<b>Company As At</b>	
	31/12/2020 S\$'000	31/12/2019 S\$'000	31/12/2020 S\$'000	31/12/2019 S\$'000
<b>ASSETS</b>				
<b>Non-current assets:</b>				
Property, plant and equipment	46	75	-	-
Subsidiaries	-	-	50	50
<b>Total non-current assets</b>	<b>46</b>	<b>75</b>	<b>50</b>	<b>50</b>
<b>Current assets:</b>				
Trade receivables	-	11,171	-	-
Other receivables, deposits and prepayments	48	26	39	17
Due from subsidiaries	-	-	651	647
Cash and bank balances	986	136	6	91
Assets held for sales	-	37,096	-	1
<b>Total current assets</b>	<b>1,034</b>	<b>48,429</b>	<b>696</b>	<b>756</b>
<b>Total assets</b>	<b>1,080</b>	<b>48,504</b>	<b>746</b>	<b>806</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to equity holders of the Company</b>				
Share capital	36,776	36,776	36,776	36,776
Reserves	(36,815)	(54,963)	(36,116)	(36,279)
<b>Equity, attributable to equity holders of the Company</b>	<b>(39)</b>	<b>(18,187)</b>	<b>660</b>	<b>497</b>
Non-controlling interests	-	2,288	-	-
<b>Total equity</b>	<b>(39)</b>	<b>(15,899)</b>	<b>660</b>	<b>497</b>
<b>Non-current liabilities:</b>				
Interest-bearing loans and borrowings	19	51	-	-
<b>Total non-current liabilities</b>	<b>19</b>	<b>51</b>	<b>-</b>	<b>-</b>
<b>Current liabilities:</b>				
Trade payables	29	1,209	29	29
Contract liability	-	2,910	-	-
Other payables and accruals	187	337	57	280
Interest-bearing loans and borrowings	31	29	-	-
Income tax payable	853	2,030	-	-
Liabilities held for sales	-	57,837	-	-
<b>Total current liabilities</b>	<b>1,100</b>	<b>64,352</b>	<b>86</b>	<b>309</b>
<b>Total liabilities</b>	<b>1,119</b>	<b>64,403</b>	<b>86</b>	<b>309</b>
<b>Total equity and liabilities</b>	<b>1,080</b>	<b>48,504</b>	<b>746</b>	<b>806</b>

**1(b)(ii) Aggregate amount of group's bank borrowings and debt securities****Amount repayable in one year or less, or on demand**

	As at 31 December 2020		As at 31 December 2019	
	Secured	Unsecured	Secured	Unsecured
	S\$000	S\$000	S\$000	S\$000
Interest-bearing loans and borrowings: from SFRS(I) 16 (Rights to use)	-	31	-	29
	-	31	-	29

**Amount repayable after one year**

	As at 31 December 2020		As at 31 December 2019	
	Secured	Unsecured	Secured	Unsecured
	S\$000	S\$000	S\$000	S\$000
Interest-bearing loans and borrowings: from SFRS(I) 16 (Rights to use)	-	19	-	51
	-	19	-	51

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

	Group Fourth Quarter Ended		Group Year Ended	
	Three Months Ended	Three Months Ended	Twelve Months Ended	Twelve Months Ended
	31/12/2020 S\$'000	31/12/2019 S\$'000	31/12/2020 S\$'000	31/12/2019 S\$'000
<b><u>Cash Flows Generated From Operating Activities:</u></b>				
Total (loss)/ profit	(5,350)	2,866	(3,561)	5,249
Adjustments for:				
Income tax (credit)/ expenses	(1,381)	2,039	(1,015)	2,130
Depreciation of property, plant and equipment	8	294	29	1,703
Depreciation of investment properties	-	-	-	25
Foreign exchange loss	-	-	-	297
Loss on disposal of plant and equipment	-	191	-	182
Reversal of impairment of plant and equipment	-	(312)	-	(394)
Allowance for doubtful debts	5,973	-	5,973	-
Reversal for doubtful debts	-	-	-	(5)
Bad debts written off	-	-	-	93
Waiver of amount owing to a joint venture company	-	-	-	(527)
Amortisation of prepaid land lease	-	44	-	123
Interest expenses	-	458	7	1,738
<b>Operating Cash Flows Before Working Capital Changes</b>	<b>(750)</b>	<b>5,580</b>	<b>1,433</b>	<b>10,614</b>
Inventories	-	(1,798)	-	(869)
Trade and other receivables	1,984	(9,057)	2,593	(7,650)
Trade and other payables	(795)	579	(1,330)	(390)
Contract Liability	-	2,910	(327)	-
<b>Net Cash Flows Generated from/ (Used In) Operations Before Interest and Tax</b>	<b>439</b>	<b>(1,786)</b>	<b>2,369</b>	<b>1,705</b>
Income tax paid	-	(20)	(163)	(111)
Currency translation	-	(57)	-	-
<b>Net Cash Flows Generated From/ (Used In) Operating Activities</b>	<b>439</b>	<b>(1,863)</b>	<b>2,206</b>	<b>1,594</b>
<b><u>Cash Flows Generated From Investing Activities:</u></b>				
Purchase of property, plant and equipment	-	(714)	-	(1,509)
Proceeds from liquidation of joint venture	-	-	-	502
Proceed from disposal of property, plant and equipment	-	984	-	1,456
<b>Net Cash Flows Generated from Investing Activities</b>	<b>-</b>	<b>270</b>	<b>-</b>	<b>449</b>
<b><u>Cash Flows Used In Financing Activities:</u></b>				
Proceeds from interest-bearing loans and borrowings	-	1,783	-	-
Repayment of interest-bearing loans and borrowings	(9)	-	(36)	(3,541)
Loan from controlling shareholders	-	4,271	-	5,310
Dividends paid to non-controlling interests	(320)	(4,281)	(1,320)	(4,281)
Interest paid	-	(458)	-	(1,738)
<b>Net Cash Flows (Used In)/ Generated from Financing Activities</b>	<b>(329)</b>	<b>1,315</b>	<b>(1,356)</b>	<b>(4,250)</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents</b>	<b>110</b>	<b>(278)</b>	<b>850</b>	<b>(2,207)</b>
Cash and Cash Equivalents at Beginning of Period	876	527	136	2,453
Effects of exchange rate changes in cash and cash equivalents	-	-	-	3
Cash and Cash Equivalents at Beginning of Period	986	249	986	249
Cash and cash equivalent are classified as assets of disposal group classified as held-for-sale	-	(113)	-	(113)
<b>Cash and Cash Equivalents at End of Period</b>	<b>986</b>	<b>136</b>	<b>986</b>	<b>136</b>

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

<b>GROUP</b>	<b>ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>							<b>Non-Controlling Interests</b>	<b>Total (deficit)/ equity</b>
	Share Capital	Treasury Shares Reserve	Premium paid on acquisition of non-controlling interest	Translation Reserve	Statutory Reserve Fund	Accumulated Losses	Total Reserves		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
<b>Current Period:</b>									
<b>Balance as at 1 January 2020</b>	36,776	(706)	(60)	717	15	(54,929)	(54,963)	2,288	(15,899)
Net loss for the year	-	-	-	-	-	(2,686)	(2,686)	(875)	(3,561)
Dividend paid	-	-	-	-	-	-	-	(1,320)	(1,320)
Release of reserve due to disposal of subsidiaries	-	-	60	(717)	(15)	21,506	20,834	(93)	20,741
<b>Balance as at 31 December 2020</b>	<b>36,776</b>	<b>(706)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(36,109)</b>	<b>(36,815)</b>	<b>-</b>	<b>(39)</b>
<b>Previous Period:</b>									
<b>Balance as at 1 January 2019, as restated</b>	36,776	(706)	(60)	383	15	(53,682)	(54,050)	73	(17,201)
Net profit for the year	-	-	-	-	-	(1,247)	(1,247)	6,496	5,249
Dividend paid	-	-	-	-	-	-	-	(4,281)	(4,281)
Other comprehensive income for the year	-	-	-	334	-	-	334	-	334
Total comprehensive loss for the year	-	-	-	334	-	(1,247)	(913)	2,215	1,302
<b>Balance as at 31 December 2019</b>	<b>36,776</b>	<b>(706)</b>	<b>(60)</b>	<b>717</b>	<b>15</b>	<b>(54,929)</b>	<b>(54,963)</b>	<b>2,288</b>	<b>(15,899)</b>

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<b>Current Period:</b>									
<b>Balance as at 1 January 2020</b>	36,776	(706)	-	-	-	(35,573)	(36,279)	-	497
Net profit for the year	-	-	-	-	-	163	163	-	163
<b>Balance as at 31 December 2020</b>	<b>36,776</b>	<b>(706)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(35,410)</b>	<b>(36,116)</b>	<b>-</b>	<b>660</b>
<b>Previous Period:</b>									
<b>Balance as at 1 January 2019</b>	36,776	(706)	-	-	-	(35,697)	(36,403)	-	373
Net profit for the year	-	-	-	-	-	124	124	-	124
<b>Balance as at 31 December 2019</b>	<b>36,776</b>	<b>(706)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(35,573)</b>	<b>(36,279)</b>	<b>-</b>	<b>497</b>

- 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.**

	No. of shares issued
As at 30 September 2019 and 31 December 2019	315,669,019
As at 30 September 2020 and 31 December 2020	315,669,019

The Company has not issued any convertibles nor holds any treasury shares. There is no subsidiary holdings held against the total number of shares outstanding in a class that is listed.

- 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**

	As at 31 December 2020	As at 31 December 2019
No. of issued shares excluding treasury shares	315,669,019	315,669,019

- 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**

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at 31 December 2020 (31 December 2019: Nil).

- 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 sales, transfers, cancellation and/or use of subsidiary holdings as at 31 December 2020 (31 December 2019: Nil).

- 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 auditors.

**3 Where the figures have been audited or reviewed, the auditor' report (including any modifications or emphasis of a matter)**

Not applicable.

**3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: -**

**(a) Updates on the efforts taken to resolve each outstanding audit issue.**

**(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

**This is not required for any audit issue that is a material uncertainty relating to going concern.**

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**

Other than the adoption of the new and revised Financial Reporting Standards ("FRS") which come into effect for the financial period ended 31 December 2020, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited financial statements for the financial year ended 31 December 2019.

**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 and the Company have adopted the new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") and interpretations of Singapore Financial Reporting Standards (International) ("INT SFRS(I)") that are mandatory for the financial period beginning on 1 January 2020 as follows:

- Amendments to SFRS(I) 3 Definition of a Business
- Amendments to SFRS(I) 1-1 and SFRS(I) 1-8 Definition of Material
- Revised Conceptual Framework for Financial Reporting

The adoption of these new/revised SFRS(I), INT SFRS(I) and amendments to SFRS(I) has no material impact on the financial performance or position of the Group and the Company.



**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**

(Losses)/ Earnings per ordinary share attributable to the equity holders of the Company for the period/ year is computed based on profit, net of tax attributable to equity holders of the Company:-

	Group Fourth Quarter Ended		Group Twelve Months Ended	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
(Losses)/ Earnings per ordinary share				
(a) Based on the weighted average number of ordinary shares in issue	(0.93) cents	0.12 cents	(0.85) cents	(0.40) cents
Weighted average number of ordinary shares in issue	315,669,019	315,669,019	315,669,019	315,669,019
(b) On a fully diluted basis	(0.93) cents	0.12 cents	(0.85) cents	(0.40) cents
Weighted average number of ordinary shares in issue	315,669,019	315,669,019	315,669,019	315,669,019

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

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

	Group As At		Company As At	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Net asset value per ordinary share based on total number of issued shares excluding treasury shares	(0.01) cents	(5.04) cents	0.21 cents	0.16 cents
Number of shares in issue excluding treasury shares	315,669,019	315,669,019	315,669,019	315,669,019

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.

### **Profit or Loss Review**

#### **Revenue**

##### **4Q 2020 vs 4Q 2019 & FY 2020 vs FY 2019**

The Group's revenue for the three months ended 31 December 2020 ("4Q 2020") was S\$0.3 million which represented services income generated by its 80% owned subsidiary, Bluegas Private Limited ("Bluegas") from the provision of branding, operation and procurement ("BOP") services to our clients in the PRC (the "Client(s)") secured and assigned by the cooperation partner Shenzhen Green Leopard Medical Technology Co., Ltd. that manufactures smart automatic vending kiosks ("AVK") for the sales and dispensation of medical consumables and supplements. Bluegas provides the BOP services including (i) branding management, (ii) operational support, (iii) central procurement, (iv) recruitment, customised training and development of human resource to the downstream operators that supply to hospitals, clinics and pharmacies in different provinces of PRC with smart automatic vending kiosks dispensing medical consumables and supplements.

The Group's revenue for 4Q 2020 was 94% lower than the S\$5.4 million generated for the corresponding period in the last financial year ("4Q 2019"). The Group's revenue for the year ended 31 December 2020 ("FY 2020") was S\$3.9 million, 71% lower than the S\$13.7 million generated for the corresponding period in the last financial year ("FY 2019"). This is due to the COVID-19 outbreak in China in early 2020. Bluegas suspended its BOP services from January 2020, and only partially resumed its BOP services from June 2020.

#### **Gross (Loss)/ Profit**

##### **4Q 2020 vs 4Q 2019**

The Group's gross loss for 4Q 2020 was S\$0.5 million, as there was S\$0.8 million purchase of vending machines included in the cost of sales during 4Q 2020.

##### **FY 2020 vs FY2019**

The Group's gross profit for FY 2020 was approximately S\$3.2 million, which was derived from the revenue of S\$3.9 million less cost of sales of S\$0.8 million in FY 2020. Decrease of gross profit for FY 2020 was in line with the drop of the Group's revenue in FY 2020. Due to the suspension of BOP services with certain customers during FY 2020, the significant drop in revenue has resulted in much lower gross profit recognised in FY 2020.

### **Administration Expenses**

#### **4Q 2020 vs 4Q 2019 & FY 2020 vs FY 2019**

Administration expenses for 4Q 2020 and FY 2020 included allowance for doubtful debts amounted to S\$6.0 million, in line with the Company's earlier announcement dated 2 February 2021 pertaining to collection of trade receivables and therefore they were substantially higher than the administration expenses in 4Q 2019 and FY 2019 respectively.

If the one-off allowance for doubtful debts was excluded, the administration expenses for FY 2020 would amount to S\$1.8 million which is 12% higher than the administration expenses for FY 2019. Although the suspension of BOP services due to the COVID-19 outbreak has resulted in a drop in revenue for FY 2020, the administration expenses for FY 2020 remained high as most of them are fixed in nature. Increase in administration expenses in FY 2020, after excluding the one-off allowance for doubtful debts, was due to lower expenses in FY 2019 such as staff cost, professional fees, travelling expenses being incurred only when the BOP services business commenced in May 2019.

### **Finance Costs**

#### **4Q 2020 vs 4Q 2019 & FY 2020 vs FY 2019**

Finance costs represented the interest expenses derived from the Group's leased premises and are recognised in accordance with the SFRS(I) 16.

### **Profit or loss, attributable to the equity holders of the Company**

#### **4Q 2020 vs 4Q 2019 & FY 2020 vs FY 2019**

The decrease in profits attributable to the equity holders of the Company in 4Q 2020 and in FY 2020 were mainly due to lower revenue for the BOP business contributed during the COVID-19 outbreak and also the allowance for doubtful debts incurred during 4Q 2020 and FY 2020.

## **Statement of Financial Position Review**

### **31 December 2020 vs 31 December 2019**

#### **Current assets**

The current assets as at 31 December 2019 mainly represented the trade receivables from the customers in PRC derived wholly from our BOP service fees and assets held for sales recognised for the disposal of subsidiaries. The significant decrease of current assets from S\$48.4 million to S\$1.0 million is mainly due to allowance provided for doubtful debts owing by defaulted customers and the derecognition of the assets held for sale from the discontinuing operations in January 2020.

The COVID-19 outbreak has resulted in a significant impact on the Group's customers in PRC. Although the customers had made partial settlement of the trade receivables during FY 2020 and repayment plan was structured for each customer to facilitate the collection of long-outstanding balances of trade receivables, the customers have failed to settle the outstanding balances according to the repayment plan. The Group has also taken necessary debts recovery procedures against such defaulting customers. However, as at the date of this announcement, there was no repayment made by such customers since the last receipts from these customers in November 2020. Therefore, allowance for doubtful debts owing by such defaulting customers has been provided for FY 2020.

#### **Current liabilities**

The current liabilities as at 31 December 2020 decreased from S\$64.4 million to S\$1.1 million, mainly due to the derecognition of the liabilities held for sale from the disposal of the Company's wholly-owned subsidiaries, KTL Offshore Pte. Ltd. and KTL Investment Pte. Ltd. in January 2020, of S\$57.8 million since January 2020.

## **Cash Flow Review**

### **4Q 2020**

The net cash flows generated from operating activities for 4Q 2020 was S\$0.4 million and this was mainly due to the decrease in account receivable for 4Q 2020 of S\$2.0 million, adjusted by the decrease in trade and other payables of S\$0.8 million. There were no cash flows generated from investing activities during the period of 4Q 2020. The net cash flows used in financing activities was S\$9k lease payments and S\$320k dividends paid to non-controlling interests in 4Q 2020.

### **FY 2020**

The net cash flows generated from operating activities for FY 2020 was S\$2.2 million and this was mainly due to decrease in trade and other receivables of S\$2.6 million, adjusted by a decrease in trade and other payables of S\$1.3 million. There were no cash flows generated from investing activities during FY 2020. The net cash flows used in financing activities was S\$1.4 million and this was mainly due to lease payments and the dividends paid to the non-controlling interest of the Group.

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

The Group's financial results for FY 2020 are in line with the profit guidance announcement released by the Company on 22 February 2021.

**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**

As the Group transitioned from the business of the trading of rigging equipment to the BOP service business during 2019, the Group's major operating subsidiary, Bluegas will remain the main contributor to the financial performance of the Group in respect of the provision of BOP services in the AVK sector in PRC. The Group will continue providing the BOP services "under one roof", which offers clients a full suite of an integrated solution to their business needs, and confers them with branding and marketing abilities for rapid market penetration, public relation services for expanding networks, central procurement platforms for cost-saving, liaison channels with relevant local authorities for business development, as well as know-how and skills for improving overall operating efficiency.

The Group intends to leverage on the network of business relationships it has established in PRC, and the expertise it has developed through the provision of BOP services, to companies outside the existing sector as and when such opportunity arises.

The COVID-19 outbreak has resulted in a significant impact on the BOP business of the Group. Due to the default of the Group's customers to execute the repayment plan of settlement of their outstanding balances, the Group has suspended the BOP services since January 2021. Although the Group has taken necessary debts recovery procedures against such customers, there was no repayment made by the customers since the last receipts from these customers in November 2020.

As the situation pertaining to the COVID-19 outbreak remains highly uncertain, the Group will continue to closely monitor the impact.

Although the Group is facing uncertainties and challenges due to the Covid-19 pandemic, it has been exploring new business opportunities in the medical products sector in the PRC to diversify its operations and to improve its financial performance. The Board will update shareholders when there are material developments.

Going concern of the Group

The Board is of the opinion that the Group and the Company are able to meet their debt obligations as and when they fall due and are able to continue to operate as a going concern because the Company's controlling shareholder, Liu Changsheng, has provided a letter confirming that he is able and willing and undertakes to provide continuing financial support to the Group to enable it to operate as a going concern and also to enable it to meet its obligations for at least 18 months from 31 December 2020. Such financial support shall include not drawing or drawing partial salaries should the Group not have sufficient funds to pay its debts in full.

**11 If a decision regarding dividend has been made:-**

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

None.

**(b) (i) Amount per share**

None.

**(ii) Previous corresponding period**

None.

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

Not applicable.

**(d) The date the dividend is payable.**

Not applicable.

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

Not applicable.

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

No dividend has been declared or recommended for the current financial period up to the date of this announcement as the Group currently still has retained losses.

- 13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions are required under Rule 920(1)(a)(ii). In not IPT mandate has been obtained, a statement to that effect.**

The Company does not have a general mandate for interested person transactions.

In the current financial period, the Company did not enter into any interested person transaction of more than S\$100,000 in value.

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

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7 of the Listing Manual) under 720 (1) of the Listing Manual.

- 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 (cont'd)**

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.**

Please refer to point 8 for analysis.

## 17 A breakdown of sales

	Group Year ended 31/12/2020 \$'000	Group Year ended 31/12/2019 \$'000	% increase/ (decrease)
Sales reported for the first 6 months (Jan 20 to Jun 20)	2,517	2,312	8.9%
Operating profit after tax before deducting non-controlling interest reported for the first 6 months (Jan 20 to Jun 20)	1,023	1,581	(35.3%)
Sales reported for the next 6 months (Jul 20 to Dec 20)	1,458	11,374	(87.2%)
Operating (loss)/ profit after tax before deducting non-controlling interest reported for the next 6 months (Jul 20 to Dec 20)	(4,584)	7,214	NA

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

	Latest full year	Previous full
	\$'000	\$'000
Ordinary	Not applicable	Not applicable
Preference	Not applicable	Not applicable
Total	Not applicable	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).

The Company confirms that, to the best of its knowledge, belief and information, none of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD  
LIU CHANGSHENG  
CHIEF EXECUTIVE OFFICER  
DATE: 24 February 2021