

SGX Query 1

Rental income for the Group's 3 months ended 30 September 2019 is stated as S\$297,000 (see below). Is this an income or expense item? If it is an expense item, please explain its nature.

	Group		
	3 months ended 30-Sep-19	3 months ended 30-Sep-18	Change
	\$'000	\$'000	%
The Group's profit is stated after charging/(crediting):-			
Rental income	297	(21)	NM

Company's Response to SGX Query 1

Rental income was presented as an expense item mainly due to the reversal of rental income in relation to a settlement agreement during 3Q2019.

SGX Query 2

It is stated that other income decreased by \$0.9 million, or 96.7% in 3Q2019 mainly due to the decrease in foreign exchange gain arising from the revaluation of assets and liabilities denominated in United States Dollar ("USD") to Singapore Dollar ("SGD") as compared to the corresponding period last year. The reduction in foreign exchange gain only accounts for S\$0.4 million of the decrease in other income. What are the other reasons for the decline in other income?

Company's Response to SGX Query 2

Decrease in other income was mainly due to the reduction of net foreign exchange gain of \$0.4m, reduction in rental of \$0.1m, reversal (as stated in SGX Query 1 above) in rental income of \$0.3m and reduction in miscellaneous income of \$0.1m.

SGX Query 3

It is stated that other expenses of \$0.2 million in 3Q2019 was the result of inventory written off by one of the Group's subsidiaries. Inventory write-off in 3QFY2019 amounted to S\$463,000 which exceeds other expenses of S\$0.2 million. What are the credit items under other expenses?

Company's Response to SGX Query 3

Other expenses of \$0.2m was mainly due to the inventory write-off of \$0.5m (\$463,000), offset by the absence of foreign exchange loss of \$0.3m. The foreign exchange loss of \$0.3m was reclassified and included in the net exchange gain in Other Income as explained in SGX Query 2 above.

SGX Query 4

In Section 10, it is stated that as at 30 September 2019, the Group had a net order book comprising of existing and new projects amounting to \$96.3 million with completion and deliveries extending into 3Q2020. How much of this revenue is expected to be booked for 4QFY2019?

Company's Response to SGX Query 4

The revenue expected to be booked for any quarter, including 4Q2019, is dependent on the project progress of the existing projects. Project progress may be subject to possible deferral, rescheduling or variations by customers.

SGX Query 5

We note that awarded a new project amounting to S\$0.9 million from the Company's recurring customer. Is this amount included in the net order book of S\$96.3 million as at 30 September 2019?

Company's Response to SGX Query 5

Yes, the new project was included in the net order book of \$96.3 million as at 30 September 2019.

SGX Query 6

Please state the reason(s) for nil dividends being declared for the quarter ended 30 September 2019.

Company's Response to SGX Query 6

Market conditions remain challenging and highly competitive. Taking into consideration the level of profit for the nine months ended 30 September 2019 and the current market conditions, the Board of Directors has recommended not to declare interim dividends for 3Q2019.