

## UNAUDITED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020 (“1H2021”)

### PART 1 INFORMATION REQUIRED FOR ANNOUNCEMENTS FOR THE HALF YEAR RESULTS

1(a)(i). A statement of comprehensive income for the Group together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Note 8(a)	Group		Inc/(Dec) %
		1H2021 S\$'000	1H2020 S\$'000	
Revenue	(i)	2,450	27,348	(91.0)
Cost of sales		(2,415)	(26,904)	(91.0)
<b>Gross profit</b>	(ii)	<b>35</b>	<b>444</b>	<b>(92.1)</b>
<b>Gross profit margin</b>		<b>1.4 %</b>	<b>1.6 %</b>	
Other expenses - net	(iii)	(270)	(286)	(5.6)
Administrative expenses	(iv)	(741)	(566)	30.9
Finance costs	(v)	(10)	(164)	(93.9)
<b>Loss before income tax</b>	(vi)	<b>(986)</b>	<b>(572)</b>	<b>72.4</b>
Income tax expense		-	-	nm
<b>Loss after income tax</b>		<b>(986)</b>	<b>(572)</b>	<b>72.4</b>
Other comprehensive income/(loss), net of income tax:				
Foreign currency translation difference	(vii)	142	(15)	nm
<b>Total comprehensive (loss)/profit, for the period attributable to the owners of the company</b>		<b>(844)</b>	<b>(587)</b>	<b>43.8</b>
<b>Total comprehensive loss attributable to:</b>				
Owners of the parent		(804)	(587)	37.0
Non-controlling interest		(40)	-	nm
		<b>(844)</b>	<b>(587)</b>	

nm = not meaningful

1(a)(ii). The net loss attributable to shareholders includes the following charges/credits

	Group		Inc/(Dec) %
	1H2021 S\$'000	1H2020 S\$'000	
<b>1 Loss before income tax is arrived at after charging the following:</b>			
Depreciation of property, plant and equipment	178	478	(62.8)
Interest expense	10	258	(96.1)
<b>2 Other expenses - net comprises principally of the following:</b>			
Rental income	109	585	(81.4)
Interest income	2	12	(83.3)
Foreign currency exchange loss - realised	(16)	(92)	(82.6)
Foreign currency exchange (loss)/gain - unrealised	(165)	66	nm
Depreciation of property, plant and equipment	(167)	(502)	(66.7)
Loss allowance on receivables	(101)	(32)	215.6
Reinstatement expenses for leased premises	-	(42)	(100.0)
Provision for restoration cost	-	(250)	(100.0)
Gain on disposal of property, plant and equipment	55	-	nm
Loss on termination of right-of-use assets	(4)	-	nm
Miscellaneous	17	(31)	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.**

	Note 8(b)	Group		Company	
		Unaudited	Audited	Unaudited	Audited
		31-Dec-20 S\$'000	30-Jun-20 S\$'000	31-Dec-20 S\$'000	30-Jun-20 S\$'000
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	(i)	-	246	-	-
		-	246	-	-
<b>Current Assets</b>					
Trade receivables	(ii)	-	99	-	-
Other receivables	(iii)	157	226	4,218	4,764
Cash and cash equivalents		2,269	3,116	57	104
		2,426	3,441	4,275	4,868
<b>Total Assets</b>		<b>2,426</b>	<b>3,687</b>	<b>4,275</b>	<b>4,868</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the Company</b>					
Share Capital		179,010	179,010	179,010	179,010
Other reserves	(iv)	74	(68)	-	-
Accumulated losses		(176,905)	(175,959)	(175,400)	(174,878)
		2,179	2,983	3,610	4,132
Non-controlling interest		-	40	-	-
<b>Total Equity</b>		<b>2,179</b>	<b>3,023</b>	<b>3,610</b>	<b>4,132</b>
<b>LIABILITIES</b>					
<b>Non-Current Liabilities</b>					
Lease liabilities	(v)	-	63	-	-
		-	63	-	-
<b>Current Liabilities</b>					
Other payables	(vi)	247	538	665	736
Lease liabilities	(v)	-	46	-	-
Income tax payable		-	17	-	-
		247	601	665	736
<b>Total Liabilities</b>		<b>247</b>	<b>664</b>	<b>665</b>	<b>736</b>
<b>Total Equity and Liabilities</b>		<b>2,426</b>	<b>3,687</b>	<b>4,275</b>	<b>4,868</b>

**1(b)(ii). Aggregate amount of group's borrowings and debt securities.**

- (I) the amount repayable in one year or less, or on demand;**
- (II) the amount repayable after one year;**
- (III) whether the amounts are secured or unsecured; and**
- (IV) details of any collaterals.**

The Group had no external debt and borrowing as of 31 December 2020 and 30 June 2020.

**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	
	1H2021 S\$'000	1H2020 S\$'000
<b>Cash flow from operating activities</b>		
Loss before income tax	(986)	(572)
Adjustments for:		
Depreciation of property, plant and equipment	178	502
Interest expense	10	164
Interest income	(2)	(12)
Gain on disposal of property, plant and equipment	(55)	-
Loss allowance on receivables	101	32
Reinstatement expenses for leased premises	-	42
Provision for restoration cost	-	250
Unrealised loss/(gain) on futures contracts	(13)	(22)
Loss/(Gain) on foreign currency exchange - unrealised	165	(66)
Loss on termination of right-of-use assets	4	-
Operating cash flow before working capital changes	(598)	318
<b>Changes in operating assets and liabilities</b>		
Inventories	-	13
Trade and other receivables	80	6,433
Trade and other payables	(331)	(2,184)
<b>Cash generated (used in)/from operations</b>	(849)	4,580
Interest paid	(10)	(164)
Interest received	2	12
<b>Net cash generated (used in)/from operating activities</b>	(857)	4,428
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	55	-
<b>Net cash generated from investing activities</b>	55	-
<b>Cash flows from financing activities</b>		
Repayment of lease liabilities	(45)	(442)
(Repayment of)/Proceeds from third parties loan - net	-	(2,989)
Proceeds from shares placement	-	1,530
<b>Net cash used in financing activities</b>	(45)	(1,901)
<b>Net (decrease)/increase in cash and cash equivalents</b>	(847)	2,527
<b>Cash and cash equivalents at beginning of financial period</b>	3,116	3,354
<b>Cash and cash equivalents at end of financial period</b>	2,269	5,881

**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.**

	Share Capital S\$'000	Currency Translation Reserve S\$'000	Accumulated Losses S\$'000	Total S\$'000	Non- controlling interest S\$'000	Total S\$'000
<b>Group</b>						
<b>At 1 July 2020</b>	179,010	(68)	(175,959)	2,983	40	3,023
Loss for the financial period	-	-	(946)	(946)	(40)	(986)
Other comprehensive (loss)/income - Foreign currency translation	-	142	-	142	-	142
<b>Total comprehensive income/(loss) for the period</b>	-	142	(946)	(804)	(40)	(844)
<b>At 31 December 2020</b>	179,010	74	(176,905)	2,179	-	2,179
<b>At 1 July 2019</b>	177,480	(166)	(174,928)	2,386	-	2,386
Loss for the financial period	-	-	(572)	(572)	-	(572)
Other comprehensive loss - Foreign currency translation - discontinued operations	-	(15)	-	(15)	-	(15)
<b>Total comprehensive (loss)/income for the period</b>	-	(15)	(572)	(587)	-	(587)
Share placement	1,530	-	-	1,530	-	1,530
<b>At 31 December 2019</b>	179,010	(181)	(175,500)	3,329	-	3,329
	<b>Share Capital</b> S\$'000	<b>Accumulated</b> <b>Losses</b> S\$'000	<b>Total</b> S\$'000			
<b>Company</b>						
<b>At 1 July 2020</b>	179,010	(174,878)	4,132			
Loss for the financial period	-	(522)	(522)			
<b>Total comprehensive loss for the period</b>	-	(522)	(522)			
<b>At 31 December 2020</b>	179,010	(175,400)	3,610			
<b>At 1 July 2019</b>	177,480	(175,245)	2,235			
Loss for the financial period	-	(63)	(63)			
<b>Total comprehensive loss for the period</b>	-	(63)	(63)			
Share placement	1,530	-	1,530			
<b>At 31 December 2019</b>	179,010	(175,308)	3,702			

**1(d)(ii). Details of any changes in the Company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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.**

	2021		2020	
	No. of Shares	S\$'000	No. of Shares	S\$'000
Balance as at 1 July	100,039,655	179,010	90,039,655	177,480
Share placement	-	-	10,000,000	1,530
Balance as at 31 December	100,039,655	179,010	100,039,655	179,010

There were no changes in the Company's share capital since the last reported financial period.

As at 31 December 2020 and 30 June 2020, the Company has outstanding 10,000,000 warrants that are convertible into 10,000,000 ordinary shares, at the exercise price of S\$0.153 per share.

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

The total number of ordinary shares issued, excluding treasury shares and subsidiary holdings as at 31 December 2020 and 30 June 2020 were 100,039,655.

**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.**

There were no treasury shares held during the quarter ended and as at 31 December 2020.

**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 during the quarter ended and as at 31 December 2020.

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

The figures had not been audited or reviewed by the Company's auditors.

**3. Where the figures have been audited or reviewed, the auditors' 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.**

The Group had applied the same accounting policies and methods of computation to the financial statements in the current reporting period as with the audited financial statements for the financial year ended 30 June 2020.

**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 had adopted the Singapore Financial Standards (International) ("SFRS(I)s") including improvements to SFRS and interpretations of FRS ("INT FRS") that are mandatory for financial years beginning on or after 1 July 2020. Where applicable, the application of these standards did not have any significant impact on the financial performance and financial position of the Group.

**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:-**

	Group	
	1H2021	1H2020
	Cents	Cents
<b>Loss per share for the Group attributable to equity holders of the Company</b>		
i) Basic	(0.9456)	(0.5718)
ii) On a fully diluted basis	(0.9456)	(0.5718)

As at 31 December 2020 ("1H2021") and 31 December 2019 ("1H2020") respectively, the basic earnings per share were calculated by dividing the respective loss attributable to the equity holders of the Company by the weighted average number of ordinary shares of 100,039,655.

Diluted loss per share is the same as basic earnings per share for the financial period ended 31 December 2020. The warrants issued were 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 period reported on; and**

**(b) Immediately preceding financial year.**

	Group		Company	
	31-Dec-20	30-Jun-20	31-Dec-20	30-Jun-20
	Cents	Cents	Cents	Cents
<b>NAV per share based on issued share capital as at the end of the period</b>	2.1781	3.0218	3.6086	4.1304

**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**

**(i) Revenue**

The Group's revenue for 1H2021 decreased by 91.0% to S\$2.5 million compared to 1H2020 as the intended new business in China did not materialize partly due to external environmental factors caused by Covid-19 pandemic. After the Annual General Meeting held on 30 October 2020, there was internal restructuring and reconfiguration of the Board and Management to reposition itself and refocus its business in supply chain management. The revenue of this reporting period was derived from work done in December 2020. It was contributed solely by the Company's traditional metal business.

**(ii) Gross profit**

The Group has made a gross profit of S\$35,000 in 1H2021 as compared to S\$444,000 in 1H2020. The decrease was in line with the decrease in revenue and profit margin was lower given the lack of 'economy of scale'.

**(iii) Other expenses – net**

Net other expenses of S\$287,000 in 1H2021 consist of rental income and gain on disposal of property, plant and equipment ("PPE"), offset with unrealised foreign currency exchange losses, depreciation of PPE and loss allowance on receivables.

**(iv) Administrative expenses**

Administrative expenses increased by 30.9% to S\$741,000 in 1H2021 as compared to S\$566,000 in 1H2020, due to increase in staff expenses and fees related to Group restructuring and reconfiguration of the management team.

**(v) Finance costs**

Finance cost decreased by 93.9% to S\$10,000 in 1H2021 as compared to S\$164,000 in 1H2020 and the higher finance cost in 1H2020 was due to interest charged to S\$2 million Bond which was fully redeemed by 15 April 2020.

**(vi) Loss after income tax**

The Group reported a net loss after income tax of S\$986,000 in 1H2021 as compared to S\$572,000 in 1H2020 as the Group earned lesser revenue and gross profit to set off expenses incurred during the period.

**(vii) Foreign currency translation difference**

Foreign currency translation difference improved to positive S\$142,000 in 1H2021 due to translation effect of US currency-denominated reserve. The US Dollar has been weakening against Singapore Dollar in 1H2021.

**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.**

**Statement of financial position**

**(i)** Property, plant and equipment decreased by S\$246,000 resulting from the depreciation of S\$178,000 and disposal of right-of-use assets with net book value S\$68,000. All the fixed assets have been disposed of with net gain of S\$55,000 recognised in 1H2021.

**(ii)** There isn't any outstanding Trade receivables as at 31 December 2020 compared to 30 June 2020 after provision of loss allowance on brought-forward balance and full settlement of balances generated during 1H2021, before 31 December 2020.

**(iii)** Other receivables decreased by S\$69,000 to S\$157,000 as at 31 December 2020 compared to 30 June 2020 mainly due to repayment from non-trade customers before 31 December 2020.

**(iv)** Other reserves comprised of S\$74,000 in foreign exchange translation reserve. The change is mainly due to weakening of US Dollar against Singapore Dollar in 1H2021.

- (v) Lease liabilities decreased by S\$109,000 after repayment of S\$45,000 and reversal of remaining balance S\$64,000 due to early termination of lease.
- (vi) Other payables decreased by S\$291,000 to S\$247,000 as at 31 December 2020 compared to 30 June 2020, due to higher settlement of balances before 31 December 2020. The remaining mainly consists of accruals on director fees, professional fees and payroll expenses.

## Cash flow statement

Net cash used in operating activities of the Group in 1H2021 was S\$857,000 as compared to net cash generated from operating activities in 1H2020 of S\$4,428,000. The reduction was mainly due to negative operating cash flow before working capital changes, decrease in Trade and other payables and concurrent decrease in Trade and other receivables.

Net cash generated from investing activities of the Group in 1H2021 was S\$55,000, due to net gain arising from disposal of property, plant and equipment.

Net cash used in financing activities of the Group in 1H2021 was S\$45,000 as compared to S\$1,901,000 in 1H2020. The lower net cash used was due to the absence of third party loan repayment in 1H2020. Current period's financing activities was mainly due to repayment of lease liabilities.

As a result of the above, the Group's cash and cash equivalents as of 31 December 2020 decreased by S\$847,000 as compared to 30 June 2020.

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

There is no material variance with the commentary previously disclosed in the results announcement for the financial period ended 30 June 2020.

## 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.

On 12 December 2020, the Company had announced that the agreements ("**Service Agreements**") to provide 'technical, operation and procurement' services to clients in China were terminated with mutual agreement with the counter-parties. This is after taking into consideration the lack of progress and movement restrictions imposed in both China and Singapore. While further attempts were made by the previous Management to acquire new clients, there has been little progress so far.

In addition to the above, the changes in the Board and management composition after the Annual General Meeting that was held on 30 October 2020, allowed for the Company to reposition itself and re-focus on its existing supply chain management business and existing metal trading businesses.

The Company will continue to explore opportunities to augment its supply chain management business, riding on the progress made in December 2020. At the same time, the Company is examining the viability of leveraging on its long history of involvement in the renewable and sustainability industries to build a new engine of growth. As of the date of this announcement, there has not been any firm commitment by the Company nor definitive agreement entered into with any third party.

### Impact of COVID-19 on the Company's operations:

The Company's new initiative in providing technical, operation and procurement services in China has been adversely affected. After repositioning itself post-AGM, the Company expects the Covid-19 pandemic to have no material impact on the Company's existing operations as of date.



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

- (a) Whether an interim (final) ordinary dividend has been declared (recommended); and
- (b) (i) Amount per share in cents  
(ii) Previous corresponding period in cents
- (c) Where 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 where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).
- (d) The date the dividend is payable.
- (e) The date on which the Registrable Transfers received by the company (up to 5.00pm) 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 is recommended as the Group currently does not have accumulated profits available for the declaration of a dividend.

**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.**

The Group did not obtain a general mandate from its shareholders for IPTs. There was no IPT transaction for the period under review.

**14. Statement by Directors**

**Negative confirmation pursuant to Rule 705(5)**

On behalf of the Board of Directors of the Company, we, Chay Yiowmin (Independent Non-Executive Chairman), and Hua Lei (Executive Director & Deputy Chief Executive Officer) do hereby confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the period ended 31 December 2020 to be false or misleading in any material aspect.



(Company Registration No. 199206445M)

**15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)**

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

**On behalf of the Board of Directors**

**Chay Yiowmin**

**Hua Lei**

**Independent Non-Executive Chairman**

**Executive Director & Deputy Chief Executive Officer**

**5 February 2021**

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this announcement.*

*This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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