

Swee Hong Limited

Second Quarter and Half Year

Unaudited Financial Statement

for the period ended

31 December 2018

(Company Registration No.: 198001852R)
(Incorporated in the Republic of Singapore)

PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

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

	Current second quarter ended 31 Dec 2018 S\$'000	Previous second quarter ended 31 Dec 2017 S\$'000	Group Increase / (Decrease)	Current half year ended 31 Dec 2018 S\$'000	Previous half year ended 31 Dec 2017 S\$'000	Increase / (Decrease)
Revenue	7,320	17,381	(58%)	15,268	31,601	(52%)
Cost of works	(6,597)	(16,601)	(60%)	(13,895)	(29,588)	(53%)
Gross profit	723	780	(7%)	1,373	2,013	(32%)
Other gains – net	228	118	93%	279	134	108%
Expenses						
- Distribution and marketing	(5)	(8)	(38%)	(5)	(8)	(38%)
- Administrative	(608)	(371)	64%	(1,092)	(1,080)	1%
- Finance	(312)	(251)	24%	(501)	(410)	22%
Profit before income tax	26	268	(90%)	54	649	(92%)
Income tax expense	-	-	n.m.	-	-	n.m.
Net profit	26	268	(90%)	54	649	(92%)
Other comprehensive (loss)/gain:						
Items that may be reclassified subsequently to profit or loss:						
Available-for-sale financial assets						
- Fair value losses	(1)	-	n.m.	(1)	-	n.m.
Currency translation differences arising from consolidation						
- Gains	*	19	n.m.	*	19	n.m.
Other comprehensive (loss)/gain, net of tax	(1)	19	(105%)	(1)	19	(105%)
Total comprehensive income	25	287	(91%)	53	668	(92%)
Net profit attributable to:						
Equity holders of the Company	26	268	(90%)	54	649	(92%)
Non-controlling interests	*	-	n.m.	*	-	n.m.
	26	268	(90%)	54	649	(92%)
Total comprehensive income attributable to:						
Equity holders of the Company	25	287	(91%)	53	668	(92%)
Non-controlling interests	*	-	n.m.	*	-	n.m.
	25	287	(91%)	53	668	(92%)

* Amount below S\$1,000.
n.m. denotes not meaningful.

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1(a)(ii) The net profit attributable to shareholders of the Company includes the following charges/(credits):

	Current second quarter ended 31 Dec 2018 S\$'000	Previous second quarter ended 31 Dec 2017 S\$'000	Group Increase / (Decrease)	Current half year ended 31 Dec 2018 S\$'000	Previous half year ended 31 Dec 2017 S\$'000	Increase / (Decrease)
Currency translation losses/(gains) - net	*	(19)	(105%)	*	(19)	(105%)
Foreign exchange (gains)/losses - net	(10)	-	n.m.	(2)	-	n.m.
Dividend income	-	-	n.m.	*	*	n.m.
Gain on disposal of property, plant and equipment	*	*	n.m.	(2)	*	100%
Amortisation of deferred income	(35)	-	n.m.	(71)	-	n.m.
Bank interest income	(10)	*	n.m.	(20)	*	n.m.
Government grant	(16)	(6)	167%	(18)	(16)	13%
Income from sales of scrap materials	(157)	(105)	50%	(165)	(111)	49%
Miscellaneous income	-	(7)	n.m.	(1)	(7)	(86%)
Interest expenses	312	253	23%	501	410	22%
Deprecation of property, plant and equipment	340	458	(26%)	679	918	(26%)

* Amount below S\$1,000.
n.m. denotes not meaningful.

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1(b)(i) Statement of financial position, together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	Unaudited As at 31 December 2018 S\$'000	Audited As at 30 June 2018 S\$'000	Unaudited As at 31 December 2018 S\$'000	Audited As at 30 June 2018 S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	2,095	2,329	2,086	2,322
Trade and other receivables	36,531	38,802	36,548	38,819
Construction contract work-in-progress	511	957	511	957
	<u>39,137</u>	<u>42,088</u>	<u>39,145</u>	<u>42,098</u>
Non-current assets				
Available-for-sale financial assets	14	15	14	15
Investment in subsidiary corporations	-	-	4	2
Property, plant and equipment	4,765	5,433	4,765	5,433
	<u>4,779</u>	<u>5,448</u>	<u>4,783</u>	<u>5,450</u>
Total assets	<u>43,916</u>	<u>47,536</u>	<u>43,928</u>	<u>47,548</u>
LIABILITIES				
Current liabilities				
Trade and other payables	11,266	13,470	12,049	14,253
Deferred income	142	142	142	142
Borrowings	14,478	15,585	14,478	15,585
	<u>25,886</u>	<u>29,197</u>	<u>26,669</u>	<u>29,980</u>
Non-current liabilities				
Deferred income	320	391	320	391
Borrowings	7,460	7,751	7,460	7,751
	<u>7,780</u>	<u>8,142</u>	<u>7,780</u>	<u>8,142</u>
Total liabilities	<u>33,666</u>	<u>37,339</u>	<u>34,449</u>	<u>38,122</u>
NET ASSETS	<u>10,250</u>	<u>10,197</u>	<u>9,479</u>	<u>9,426</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	52,778	52,778	52,778	52,778
Other reserves	5	6	5	6
Accumulated losses	(42,533)	(42,587)	(43,304)	(43,358)
	<u>10,250</u>	<u>10,197</u>	<u>9,479</u>	<u>9,426</u>
Non-controlling interests	*	-	-	-
TOTAL EQUITY	<u>10,250</u>	<u>10,197</u>	<u>9,479</u>	<u>9,426</u>

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Notes to Statement of Financial Position

(i) Trade and other receivables

	Group		Company	
	31 December 2018 S\$'000	30 June 2018 S\$'000	31 December 2018 S\$'000	30 June 2018 S\$'000
Trade receivables – net	2,260	1,038	2,260	1,038
Contract assets	33,683	36,889	33,683	36,889
Non-trade receivables				
- Subsidiary corporations	-	-	17	17
- Related corporations	25	262	25	262
- Non-related parties	259	293	259	293
Deposits	211	228	211	228
Prepayments	93	92	93	92
	36,531	38,802	36,548	38,819

The non-trade amount due from subsidiary corporations and related corporations are unsecured, interest-free and is receivable on demand.

1(b)(ii) Aggregate amount of the Group's borrowings and debts securities

	Group			
	Unaudited		Audited	
	As at 31 December 2018		As at 30 June 2018	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
(a) Amount repayable in one year or less, or on demand				
Borrowings	1,706	12,543	1,706	13,600
Finance lease liabilities	229	-	279	-
(b) Amounts repayable after one year				
Finance lease liabilities	567	-	858	-
Convertible bonds	-	6,893	-	6,893

On 19 February 2018, the Company issued 5% convertible bonds denominated in Singapore Dollars with a nominal value of S\$7.0 million. The bonds are due for repayment three years from the issue date at their nominal value of S\$7.0 million or may be converted into shares of the Company at the holder's option at the conversion price of S\$0.015 per share during the conversion period from 19 August 2018 to 18 February 2021. Please refer to the Company's announcements dated 31 August 2017, 7 September 2017, 7 February 2018 and 18 February 2018 as well as the Company's circular dated 23 January 2018 for more information on the convertible bonds.

The finance lease liabilities of S\$796,000 are secured by a guarantee provided by immediate holding company. As at 31 December 2018, the carrying amounts of plant and machinery held under finance leases are with net book value of S\$1.1 million.

The loan from immediate holding company amounting to S\$3.4 million is unsecured, interest-free and repayable on demand.

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

	Group			
	Unaudited Current second quarter ended 31 December 2018 S\$'000	Unaudited Previous second quarter ended 31 December 2017 S\$'000	Unaudited Current half year ended 31 December 2018 S\$'000	Unaudited Previous half year ended 31 December 2017 S\$'000
Cash flows from operating activities				
Net profit	26	268	54	649
Adjustments for:				
Depreciation of property, plant and equipment	340	458	679	918
Gain on disposal of property, plant and equipment - net	*	*	(2)	*
Interest income	(10)	*	(20)	*
Dividend income	-	-	*	*
Interest expenses	312	253	501	410
Amortisation of deferred income	(35)	-	(71)	-
Unrealised currency translation losses/(gains)- net	(13)	(19)	(2)	(19)
Operating cash flows before working capital changes	620	960	1,139	1,958
Changes in working capital:				
Construction contract work-in-progress	116	(68)	446	(140)
Trade and other receivables	4,504	(7,095)	2,302	(14,625)
Trade and other payables	(5,200)	4,271	(2,146)	5,323
Cash flows generated from/(used in) operations	40	(1,932)	1,741	(7,484)
Interest received	*	*	*	*
Net cash provided by/(used in) operating activities	40	(1,932)	1,741	(7,484)
Cash flows from investing activities				
Additions to property, plant and equipment	(29)	(9)	(61)	(9)
Proceeds from disposal of property, plant and equipment	17	22	52	22
Dividends received	*	*	*	*
Net cash (used in)/provided by investing activities	(12)	13	(9)	13
Cash flows from financing activities				
Proceeds from borrowings	2,500	4,529	4,800	10,000
Repayment of borrowings	(2,300)	(2,453)	(5,800)	(2,453)
Repayment of finance lease liabilities	(56)	-	(341)	-
Interest paid	(317)	(253)	(644)	(410)
Net cash (used in)/ provided by financing activities	(173)	1,823	(1,985)	7,137
Net decrease in cash and cash equivalents	(145)	(96)	(253)	(334)
Cash and cash equivalents				
Beginning of financial period	377	614	488	852
Effects of currency translation on cash and cash equivalents	3	-	*	-
End of financial period	235	518	235	518

* Amount below S\$1,000.

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For the purpose of presenting the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	Group	
	31 December 2018 S\$'000	31 December 2017 S\$'000
Cash and cash equivalents		
Cash at bank and on hand	235	518
Fixed deposits at bank	1,860	-
Cash and cash equivalents per consolidated statement of financial position	2,095	518
Less: Fixed deposits pledged	(1,860)	-
Cash and cash equivalents per consolidated statement of cash flows	235	518

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

Group	Share capital S\$'000	Accumulated losses S\$'000	Other reserves S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
As at 1 July 2018	52,778	(42,587)	6	-	10,197
Profit for the financial period	-	54	-	*	54
Other comprehensive loss for the financial period	-	-	(1)	*	(1)
As at 31 December 2018	52,778	(42,533)	5	*	10,250
As at 1 July 2017	52,778	(43,820)	(17)	-	8,941
Profit for the financial period	-	630	-	-	630
Other comprehensive income for the financial period	-	-	19	-	19
As at 31 December 2017	52,778	(43,190)	2	-	9,590

Company	Share capital S\$'000	Accumulated losses S\$'000	Other reserves S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
As at 1 July 2018	52,778	(43,358)	6	-	9,426
Profit for the financial period	-	54	-	-	54
Other comprehensive loss for the financial period	-	-	(1)	-	(1)
As at 31 December 2018	52,778	(43,304)	5	-	9,479
As at 1 July 2017	52,778	(44,591)	2	-	8,189
Profit for the financial period	-	654	-	-	654
Other comprehensive income for the financial period	-	-	-	-	-
As at 31 December 2017	52,778	(43,937)	2	-	8,843

* Amount below S\$1,000.

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Other reserves	Group		Company	
	31 December 2018 S\$'000	31 December 2017 S\$'000	31 December 2018 S\$'000	31 December 2017 S\$'000
(a) Composition:				
Fair value reserve	5	2	5	2
Currency translation reserve	-	(19)	-	-
	<u>5</u>	<u>(17)</u>	<u>5</u>	<u>2</u>
(b) Movements:				
(i) Fair value reserve				
Beginning of financial period	6	2	6	2
Fair value losses	(1)	-	(1)	-
End of financial period	<u>5</u>	<u>2</u>	<u>5</u>	<u>2</u>
(ii) Currency translation reserve				
Beginning of financial period	-	(19)	-	-
Net currency translation differences of financial statements of foreign subsidiary corporation	*	-	-	-
End of financial period	<u>*</u>	<u>(19)</u>	<u>-</u>	<u>-</u>

* Amount below S\$1,000.

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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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

Share Capital

During the financial period ended 31 December 2018, there has been no increase in the issued and paid-up share capital of the Company.

Warrants

As at 31 December 2018 and 2017, the 500,000,000 warrants remained outstanding. Subsequent to the financial period ended 31 December 2018, the Company had on 1 February 2019 completed the exercise of 200,000,000 warrants and allotment of 200,000,000 shares.

Treasury shares

As at 31 December 2018 and 2017, there were no treasury shares held.

Convertible bonds

S\$7,000,000 convertible bonds due on 18 February 2021

We refer to the Company's announcement dated 31 August 2017, 7 September 2017, 7 February 2018 and 18 February 2018, regarding the Company's issuance of S\$7,000,000 convertible bonds due on 18 February 2021. The convertible bonds are convertible at the holder's option at any time into fully paid ordinary shares of the Company at an initial conversion price of S\$0.015 per share. As at 31 December 2018, there was no conversion of bonds into equity shares. Assuming all the bonds are fully converted as at 31 December 2018, the number of new shares to be issued would be 466,666,666.

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1(d)(iii) 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

	Number of shares	Share capital (S\$)
As at 1 July 2018	2,832,159,507	52,778,324
As at 31 December 2018	2,832,159,507	52,778,324

Following the completion of exercise of 200,000,000 warrants and allotment of 200,000,000 shares on 1 February 2019, the number of issued and paid up Shares in the capital of the Company has increased from 2,832,159,507 Shares to 3,032,159,507 Shares.

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

Not applicable.

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.

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 note 5 below, the Group has applied the same accounting policies and computation methods used in the preparation of the financial statements for the current reporting period as compared with the audited annual financial statements for the financial year ended 30 June 2018.

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 has adopted all new and revised Financial Reporting Standard ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual year beginning on or after 1 July 2018, where applicable.

The adoption of these new/revised FRS and INT FRS did not result in any substantial change to the Group's accounting policies and has no material/significant impact on the financial statements of the Group for the current reporting period or prior years reporting period.

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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			
	Unaudited Current second quarter ended 31 December 2018	Unaudited Previous second quarter ended 31 December 2017	Unaudited Current half year ended 31 December 2018	Unaudited Previous half year ended 31 December 2017
Net profit attributable to equity holders of the Company (S\$ '000)	26	268	54	649
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	2,832,160	2,832,160	2,832,160	2,832,160
Basic earnings per share (cents per share)	0.001	0.009	0.002	0.023
Weighted average number of ordinary shares outstanding for diluted earnings per share ('000)	2,832,160	3,332,160	2,832,160	3,332,160
Diluted earnings per share (cents per share)	0.001	0.008	0.002	0.019

For the financial period ended 31 December 2018, the calculation for the diluted earnings per share did not assume conversion of warrants and convertible bonds because the conversion price is 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 period reported on and
(b) immediately preceding financial year**

	Group		Company	
	31 December 2018 Unaudited	30 June 2018 Audited	31 December 2018 Unaudited	30 June 2018 Audited
Net assets (S\$'000)	10,250	10,197	9,479	9,426
Number of shares ('000)	2,832,160	2,832,160	2,832,160	2,832,160
Net assets value per ordinary shares (cents)	0.36	0.36	0.33	0.33

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**

Review of the Group's performance

(Second quarter of FY2019 ("2Q2019") vs. Second quarter of FY2018 ("2Q2018"))

Revenue

	Current second quarter ended 31 December 2018 S\$'000		Group Previous second quarter ended 31 December 2017 S\$'000		Increase/ (decrease) S\$'000	Increase/ (decrease)
Civil Engineering	7,320	100%	17,134	99%	(9,814)	(57%)
Tunnelling	-	-	247	1%	(247)	(100%)
	<u>7,320</u>	<u>100%</u>	<u>17,381</u>	<u>100%</u>	<u>(10,061)</u>	

Revenue from Civil Engineering segment decreased by S\$9.8 million from S\$17.1 million in 2Q2018 to S\$7.3 million in 2Q2019 due to lower revenue recognised for Civil Engineering projects during the financial period.

No revenue from Tunnelling segment was recorded in 2Q2019 compared to S\$0.2 million in 2Q2018 due to the Tunnelling projects having been substantially completed in the previous financial period.

Gross profit

	Current second quarter ended 31 December 2018 S\$'000		Group Previous second quarter ended 31 December 2017 S\$'000		Increase/ (decrease) S\$'000	Increase/ (decrease)
Civil Engineering	723	100%	443	57%	280	63%
Tunnelling	-	-	337	43%	(337)	(100%)
	<u>723</u>	<u>100%</u>	<u>780</u>	<u>100%</u>	<u>(57)</u>	

In line with the substantial drop in Group's revenue and lower level of business activities during the financial period, the Group's gross profit decreased by S\$57,000 from S\$0.8 million in 2Q2018 to S\$0.7 million in 2Q2019.

Other gains

Other gains increased by S\$0.1 million from S\$0.1 million in 2Q2018 to S\$0.2 million in 2Q2019 mainly due to increase of income from sales of scrap materials.

Distribution and marketing expenses

The Group did not incur significant distribution and marketing expenses during 2Q2019 and 2Q2018.

Administrative expenses

Administrative expenses increased by S\$0.2 million from S\$0.4 million in 2Q2018 to S\$0.6 million in 2Q2019 mainly due to higher staff costs recorded in the quarter.

Finance cost

Finance costs increased slightly by S\$61,000 from S\$251,000 in 2Q2018 to S\$312,000 in 2Q2019 mainly due to increase of borrowings resulting in higher interests incurred.

Profit for the financial period

As a result of the above factors, the Group reported a decrease in net profit from S\$268,000 in 2Q2018 to S\$26,000 in 2Q2019.

Review of the Group's Financial Position

(31 December 2018 vs. 30 June 2018)

Current assets

Current assets decreased by approximately S\$3.0 million from S\$42.1 million as at 30 June 2018 to S\$39.1 million as at 31 December 2018. The decrease were mainly due to a decrease in contract assets of approximately S\$3.2 million and a decrease in construction contract work-in-progress of approximately S\$0.4 million, offset by an increase in trade receivables of approximately S\$1.2 million.

Non-current assets

Non-current assets decreased by approximately S\$0.6 million from S\$5.4 million as at 30 June 2018 to S\$4.8 million as at 31 December 2018. The decrease in non-current assets was mainly due to depreciation charges.

Current liabilities

Current liabilities decreased by approximately S\$3.3 million from S\$29.2 million as at 30 June 2018 to S\$25.9 million as at 31 December 2018. The decrease in current liabilities was mainly due to a decrease in trade and other payables of approximately S\$2.2 million and a net decrease in borrowings of approximately S\$1.1 million.

Non-current liabilities

Non-current liabilities decreased by approximately S\$0.3 million from S\$8.1 million as at 30 June 2018 to S\$7.8 million as at 31 December 2018. The decrease in non-current liabilities was mainly due to repayment of borrowings of approximately S\$0.3 million.

Review of the Group's Cash Flows

(Second quarter of FY2019 ("2Q2019") vs. Second quarter of FY2018 ("2Q2018"))

Net cash provided by operating activities

The Group generated net cash of approximately S\$40,000 from operating activities in 2Q2019. Major movements of the cash flow from operating activities comprised of:

- (a) operating cash inflow before working capital changes of S\$0.6 million;
- (b) an increase in trade receivables of S\$2.2 million, offset by a decrease of contract assets of approximately S\$6.5 million; and
- (c) a decrease in trade and other payables of approximately S\$5.2 million due to more efficient payment to suppliers.

Net cash used in investing activities

The Group used net cash of approximately S\$12,000 for investing activities in 2Q2019 mainly due to:

- (a) addition of plant and equipment of approximately S\$29,000; and
- (b) offset by proceed from disposal of plant and equipment of approximately S\$17,000.

Review of the Group's Cash Flows (Cont'd)

Net cash provided by financing activities

The group used net cash of approximately S\$0.2 million for financing activities in 2Q2019 mainly due to:

- (a) repayment of borrowings of approximately S\$2.3 million;
- (b) payment of interest of approximately S\$0.3 million; and
- (c) offset against proceeds from borrowings of approximately S\$2.5 million primarily in relation to loans to finance the working capital of the Group's ongoing projects.

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

No forecast or prospect statement was previously disclosed to shareholders.

10 A commentary at the date of the announcement of the 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

Business Outlook

The Building and Construction Authority (BCA) has, in its media release on 14 January 2019, forecasted the total construction demand or value of construction contracts to be awarded in 2019 to reach between S\$27.0 billion and S\$32.0 billion, from S\$30.5 billion in 2018. The public sector is expected to contribute about 60% of the total construction demand, contributed by an increase in demand for more infrastructure projects and a pipeline of major industrial building projects. The remaining 40% will come from the private sector which is expected to improve by the increase in redevelopment of past en-bloc sales sites and new industrial developments. In light of this, the Group is cautiously optimistic of the construction outlook in the next 12 months.

The Group successfully tendered a new project amounting to S\$32.5 million which was duly announced on 7 January 2019 and continues to tender for new projects and is waiting for the results of the tenders as at the date of this announcement.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

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11 Dividend (Cont'd)

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12 If no dividend has been declared/recommended, a statement to that effect

No dividend had been declared for the period ended 31 December 2018.

13 Interested person transactions disclosure

The Group has obtained a general mandate from shareholders of the Company for Interested Person Transactions ("IPTs") under Rule 920 of the Listing Manual of the SGX-ST from shareholders in the Annual General Meeting held on 26 October 2018. Details of the IPTs (excluding transactions less than S\$100,000) of the Group for 1H2019 are as follow:

Name of interested Person	Aggregate value of all IPTs during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under the shareholders' mandate pursuant to Rule 920 of the Listing Manual)
Econ Geotech Pte Ltd	S\$'000 281

14 Use of proceeds

Pursuant to the exercise of 200,000,000 warrants and allotment of 200,000,000 shares, the Company had obtained proceeds of S\$2,000,000. The Company has fully utilised the proceeds in the following manner:

<u>Purpose</u>	Amount S\$	Percentage Allocation (%)
Working capital for trade creditor payment and salary related expenses	2,000,000	100

15 Confirmation by the Company pursuant to Rule 720(1) of the SGX-ST Listing Manual

The Company confirms that it has procured undertakings from all Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the Listing Manual of the SGX-ST.

(Company Registration No.: 198001852R)
(Incorporated in the Republic of Singapore)

16 Confirmation pursuant to Rule 705(5) of the Listing Manual

The Board of Directors of the Company (the “Board”) confirms to the best of their knowledge, nothing has come to their attention of the Board which may render the unaudited financial statements of the Group for the period ended 31 December 2018 to be false or misleading in any material aspect.

**FOR AND ON BEHALF OF THE BOARD
BY ORDER OF THE BOARD**

Peter Moe

Independent Director and Non-Executive Chairman

14 February 2019

Moorthy Varadhan

Executive Director

14 February 2019