

Second Quarter Financial Statement And Dividend Announcement for the Financial Period Ended 30 June 2019

This document has been prepared by the Company and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch ("Sponsor"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst (the "Catalist Rules").

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

- 1 (a) 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.

	The Group					
	2Q 2019 S\$'000	2Q 2018 S\$'000	Change %	1H 2019 S\$'000	1H 2018 S\$'000	Change %
Revenue	4,690	8,589	(45)	9,561	15,887	(40)
Cost of sales	(2,646)	(5,192)	(49)	(5,813)	(9,306)	(38)
Gross Profit	2,044	3,397	(40)	3,748	6,581	(43)
Other income	53	772	(93)	154	875	(82)
Interest income	6	2	200	10	4	150
Marketing and distribution expenses	(77)	(53)	45	(100)	(126)	(21)
Administrative expenses	(2,182)	(2,519)	(13)	(4,217)	(5,234)	(19)
Other operating expenses	(554)	(847)	(35)	(1,325)	(2,677)	(51)
Finance costs	(618)	(716)	(14)	(1,265)	(1,469)	(14)
Profit/(Loss) before tax	(1,328)	36	NM	(2,995)	(2,046)	46
Income tax credit	20	2	900	40	22	82
Profit/(Loss) for the period	(1,308)	38	NM	(2,955)	(2,024)	46
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation	801	354	126	896	205	337
Net change in fair value reserve of available-for-sale financial assets	-	-	NM	-	-	NM
Other comprehensive income for the period, net of tax	801	354	NM	896	205	337
Total comprehensive income for the period	(507)	392	NM	(2,059)	(1,819)	13
Profit/(Loss) attributable to:						
Owners of the company						
- Profit/(Loss) after tax	(1,308)	38	NM	(2,955)	(2,024)	NM
	(1,308)	38	NM	(2,955)	(2,024)	NM
Total comprehensive income attributable to:						
Owners of the company						
- Profit/(Loss) after tax	(507)	392	NM	(2,059)	(1,819)	NM
	(507)	392	NM	(2,059)	(1,819)	NM

Note

Profit/(Loss) before tax is derived at after

Crediting/(charging) :

	The Group					
	2Q 2019 S\$'000	2Q 2018 S\$'000	Change %	1H 2019 S\$'000	1H 2018 S\$'000	Change %
Depreciation of property, plant and equipment	(471)	(527)	(11)	(975)	(1,071)	(9)
Amortisation of intangible assets	(4)	(5)	(20)	(9)	(10)	(10)
Gain on disposal of plant and equipment	-	-	NM	-	3	(100)
(Loss)/Gain on foreign exchange	(55)	1,125	NM	(283)	689	NM
Impairment loss on trade receivables	-	(757)	(100)	-	(1,592)	(100)
Inventories written down	(23)	4	NM	(54)	7	NM
Net fair value gains on quoted equity investments	-	-	NM	-	24	(100)

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.

	The Group S\$'000		The Company S\$'000	
	30-Jun-19	31-Dec-18	30-Jun-19	31-Dec-18
<b>Equity attributable to equity holders of the company</b>				
Share capital	102,605	102,605	102,605	102,605
Treasury shares	(528)	(528)	(528)	(528)
Reserves	(67,121)	(65,063)	(59,670)	(58,990)
<b>Total equity</b>	<b>34,956</b>	<b>37,014</b>	<b>42,407</b>	<b>43,087</b>
<b>Non-current assets</b>				
Property, plant and equipment	20,330	21,336	1	2
Investment in subsidiaries	-	-	54,111	54,111
Investment in associates	-	-	-	-
Quoted equity investments	50	50	50	50
Intangible assets	13,501	13,510	-	-
Deferred tax assets	-	6	-	-
	<b>33,881</b>	<b>34,902</b>	<b>54,162</b>	<b>54,163</b>
<b>Current assets</b>				
Inventories	28,103	28,299	-	-
Trade receivables	26,658	27,272	-	-
Due from customers for contracts work-in-progress	6,332	6,597	-	-
Prepayments	31	77	12	37
Other receivables and deposits	1,336	1,063	58	43
Due from subsidiaries	-	-	18,263	18,227
Cash and cash equivalents	3,511	3,604	50	50
	<b>65,971</b>	<b>66,912</b>	<b>18,383</b>	<b>18,357</b>
<b>Total assets</b>	<b>99,852</b>	<b>101,814</b>	<b>72,545</b>	<b>72,520</b>
<b>Current liabilities</b>				
Trade payables	3,683	3,118	-	-
Due to customers for contracts work-in-progress	2,435	2,374	-	-
Other payables and accruals	24,523	24,366	817	747
Tax payable	4	5	-	-
Finance lease obligations	22	26	-	-
Term loans	18,422	17,884	-	160
Derivative liability	7,200	7,081	-	-
Due to subsidiaries	-	-	29,321	28,526
	<b>56,289</b>	<b>54,854</b>	<b>30,138</b>	<b>29,433</b>
<b>Non-current liabilities</b>				
Term loans	7,591	8,882	-	-
Deferred tax liabilities	1,010	1,049	-	-
Finance lease obligations	6	15	-	-
	<b>8,607</b>	<b>9,946</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>64,896</b>	<b>64,800</b>	<b>30,138</b>	<b>29,433</b>
<b>Net assets</b>	<b>34,956</b>	<b>37,014</b>	<b>42,407</b>	<b>43,087</b>

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

Amount repayable in one year or less, or on demand

As at 30 June 2019		As at 31 December 2018	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
25,644	-	24,991	-

Amount repayable after one year

As at 30 June 2019		As at 31 December 2018	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
7,597	-	8,897	-

Details of any collateral

The Group's borrowings are secured by the followings:

- a first legal mortgage on a subsidiary's leasehold property
- fixed and floating charge over the subsidiary's assets
- corporate guarantees

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.

	The Group		The Group	
	2Q 2019 S\$'000	2Q 2018 S\$'000	1H 2019 S\$'000	1H 2018 S\$'000
<b>Cash flows from operating activities:</b>				
<b>Profit/(Loss) before tax</b>	(1,327)	36	(2,994)	(2,046)
<b>Adjustments for:</b>				
Amortisation of intangible assets	4	5	9	10
Net fair value gains on quoted equity investments	-	-	-	(24)
Depreciation of property, plant and equipment	471	527	975	1,071
Property, plant and equipment written off	-	-	-	-
Inventories written down	23	(4)	54	(7)
Impairment loss on trade receivables	-	757	-	1,592
Gain on disposal of plant and equipment	-	-	-	(3)
Impairment loss on quoted equity investments	-	-	-	10
Interest expense	618	716	1,265	1,469
Interest income	(6)	(2)	(10)	(4)
Unrealised exchange loss/(gain)	(533)	(845)	(285)	(571)
<b>Operating profit before working capital changes</b>	<u>(720)</u>	<u>1,190</u>	<u>(986)</u>	<u>1,497</u>
Changes in working capital:				
Inventories	(3,302)	(538)	(2,584)	(1)
Trade receivables	3,982	(2,685)	3,505	(4,598)
Due from customers for contracts work-in-progress	(12)	(77)	266	(561)
Other receivables, deposits and prepayments	(208)	(49)	(227)	(288)
Finance lease receivables	92	1,177	92	2,433
Trade payables	(60)	(491)	440	(237)
Due to customers for contracts work-in-progress	(562)	449	61	550
Other payables and accruals	1,582	1,813	684	1,385
<b>Cash flows from operations</b>	<u>792</u>	<u>789</u>	<u>1,251</u>	<u>180</u>
Interest received	6	2	10	4
Income taxes (paid)/refunded	(1)	(22)	(1)	(18)
<b>Net cash flows from operating activities</b>	<u>797</u>	<u>769</u>	<u>1,260</u>	<u>166</u>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(13)	(11)	(13)	(13)
Proceeds from disposal of plant and equipment	43	-	43	6
Net proceeds on disposal of quoted equities	-	-	-	160
<b>Cash flows (used in)/from investing activities</b>	<u>30</u>	<u>(11)</u>	<u>30</u>	<u>153</u>
<b>Cash flows from financing activities</b>				
Interest paid	(294)	(93)	(427)	(581)
Repayment of loans and borrowings	(287)	(783)	(753)	(1,867)
Proceeds from loans and borrowings	-	-	-	750
Payment of finance lease obligations	(7)	(8)	(13)	(16)
<b>Cash flows used in financing activities</b>	<u>(588)</u>	<u>(884)</u>	<u>(1,193)</u>	<u>(1,714)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	239	(126)	97	(1,395)
Effect of exchange rate changes on cash and cash equivalents	(70)	51	(190)	98
<b>Cash and cash equivalents at beginning of financial period</b>	<u>3,343</u>	<u>4,829</u>	<u>3,604</u>	<u>6,051</u>
<b>Cash and cash equivalents at end of financial period</b>	<u>3,511</u>	<u>4,754</u>	<u>3,511</u>	<u>4,754</u>

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 year.

	Share capital	Treasury shares	The Group Translation reserve	Other reserves	Accumulated profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>1H ended 30 June 2018</b>						
Balance as at 1 January 2018	102,605	(528)	300	111	(37,584)	64,904
Loss for the period	-	-	-	-	(2,024)	(2,024)
<u>Other comprehensive income</u>						
Net change in fair value reserve of available-for-sale financial assets	-	-	-	-	-	-
Foreign currency translation	-	-	203	-	-	203
<b>Other comprehensive income for the period, net of tax</b>	-	-	203	-	-	203
<b>Total comprehensive income for the period</b>	-	-	203	-	(2,024)	(1,821)
<u>Contributions by and distribution to owners</u>						
Purchase of treasury shares	-	-	-	-	-	-
Issuance of shares pursuant to the exercise of redeemable exchangeable bond	-	-	-	-	-	-
<b>Total transactions with owners in their capacity as owners</b>	-	-	-	-	-	-
<b>Balance as at 30 June 2018</b>	<b>102,605</b>	<b>(528)</b>	<b>503</b>	<b>111</b>	<b>(39,608)</b>	<b>63,083</b>

	Share capital	Treasury shares	The Group Translation reserve	Other reserves	Accumulated profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>1H ended 30 June 2019</b>						
Balance as at 1 January 2019	102,605	(528)	(1,344)	114	(63,833)	37,014
Loss for the period	-	-	-	-	(2,954)	(2,954)
<u>Other comprehensive income</u>						
Foreign currency translation	-	-	896	-	-	896
<b>Other comprehensive income for the period, net of tax</b>	-	-	896	-	-	896
<b>Total comprehensive income for the period</b>	-	-	896	-	(2,954)	(2,058)
<u>Contributions by and distribution to owners</u>						
<b>Total transactions with owners in their capacity as owners</b>	-	-	-	-	-	-
<b>Balance as at 30 June 2019</b>	<b>102,605</b>	<b>(528)</b>	<b>(448)</b>	<b>114</b>	<b>(66,787)</b>	<b>34,956</b>

	Share capital	Treasury shares	The Group Translation reserve	Other reserves	Accumulated profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>2Q ended 30 June 2018</b>						
Balance as at 1 April 2018	102,605	(528)	148	111	(39,643)	62,693
Loss for the period	-	-	-	-	38	38
<u>Other comprehensive income</u>						
Net change in fair value reserve of available-for-sale financial assets	-	-	-	-	-	-
Foreign currency translation	-	-	352	-	-	352
<b>Other comprehensive income for the period, net of tax</b>	-	-	352	-	-	352
<b>Total comprehensive income for the period</b>	-	-	352	-	38	390
<u>Contributions by and distribution to owners</u>						
Issuance of shares pursuant to the exercise of redeemable exchangeable bond	-	-	-	-	-	-
<b>Total transactions with owners in their capacity as owners</b>	-	-	-	-	-	-
<b>Balance as at 30 June 2018</b>	<b>102,605</b>	<b>(528)</b>	<b>500</b>	<b>111</b>	<b>(39,605)</b>	<b>63,083</b>

	Share capital	Treasury shares	The Group Translation reserve	Other reserves	Accumulated profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>2Q ended 30 June 2019</b>						
Balance as at 1 April 2019	102,605	(528)	(1,249)	114	(65,480)	35,462
Loss for the period	-	-	-	-	(1,307)	(1,307)
<u>Other comprehensive income</u>						
Net change in fair value reserve of available-for-sale financial assets	-	-	-	-	-	-
Foreign currency translation	-	-	801	-	-	801
<b>Other comprehensive income for the period, net of tax</b>	-	-	801	-	-	801
<b>Total comprehensive income for the period</b>	-	-	801	-	(1,307)	(506)
<u>Contributions by and distribution to owners</u>						
<b>Total transactions with owners in their capacity as owners</b>	-	-	-	-	-	-
<b>Balance as at 30 June 2019</b>	<b>102,605</b>	<b>(528)</b>	<b>(448)</b>	<b>114</b>	<b>(66,787)</b>	<b>34,956</b>

**1H ended 30 June 2018**

Balance as at 1 January 2018

Loss for the period

Other comprehensive income

Net change in fair value reserve of available-for-sale financial assets

**Other comprehensive income for the period, net of tax****Total comprehensive income for the period**Contributions by and distribution to owners

Purchase of treasury shares

Issuance of shares pursuant to the exercise of redeemable exchangeable bond

**Total transactions with owners in their capacity as owners**

Balance as at 30 June 2018

	Share capital	Treasury shares	The Company Other reserves	Accumulated profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2018	102,605	(528)	115	(46,453)	55,739
Loss for the period	-	-	-	(719)	(719)
<u>Other comprehensive income</u>					
Net change in fair value reserve of available-for-sale financial assets	-	-	-	-	-
<b>Other comprehensive income for the period, net of tax</b>	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	(719)	(719)
<u>Contributions by and distribution to owners</u>					
Purchase of treasury shares	-	-	-	-	-
Issuance of shares pursuant to the exercise of redeemable exchangeable bond	-	-	-	-	-
<b>Total transactions with owners in their capacity as owners</b>	-	-	-	-	-
<b>Balance as at 30 June 2018</b>	<b>102,605</b>	<b>(528)</b>	<b>115</b>	<b>(47,172)</b>	<b>55,020</b>

**1H ended 30 June 2019**

Balance as at 1 January 2019

Loss for the period

Other comprehensive income

Net change in fair value reserve of available-for-sale financial assets

**Other comprehensive income for the period, net of tax****Total comprehensive income for the period**Contributions by and distribution to owners**Total transactions with owners in their capacity as owners**

Balance as at 30 June 2019

	Share capital	Treasury shares	The Company Other reserves	Accumulated profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2019	102,605	(528)	114	(59,105)	43,086
Loss for the period	-	-	-	(679)	(679)
<u>Other comprehensive income</u>					
Net change in fair value reserve of available-for-sale financial assets	-	-	-	-	-
<b>Other comprehensive income for the period, net of tax</b>	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	(679)	(679)
<u>Contributions by and distribution to owners</u>					
<b>Total transactions with owners in their capacity as owners</b>	-	-	-	-	-
<b>Balance as at 30 June 2019</b>	<b>102,605</b>	<b>(528)</b>	<b>114</b>	<b>(59,784)</b>	<b>42,407</b>

**2Q ended 30 June 2018**

Balance as at 1 April 2018

Profit for the period

Other comprehensive income

Net change in fair value reserve of available-for-sale financial assets

**Other comprehensive income for the period, net of tax****Total comprehensive income for the period**Contributions by and distribution to owners

Issuance of shares pursuant to the exercise of redeemable exchangeable bond

**Total transactions with owners in their capacity as owners**

Balance as at 30 June 2018

	Share capital	Treasury shares	The Company Other reserves	Accumulated profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 April 2018	102,605	(528)	115	(46,820)	55,372
Profit for the period	-	-	-	(352)	(352)
<u>Other comprehensive income</u>					
Net change in fair value reserve of available-for-sale financial assets	-	-	-	-	-
<b>Other comprehensive income for the period, net of tax</b>	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	(352)	(352)
<u>Contributions by and distribution to owners</u>					
Issuance of shares pursuant to the exercise of redeemable exchangeable bond	-	-	-	-	-
<b>Total transactions with owners in their capacity as owners</b>	-	-	-	-	-
<b>Balance as at 30 June 2018</b>	<b>102,605</b>	<b>(528)</b>	<b>115</b>	<b>(47,172)</b>	<b>55,020</b>

**2Q ended 30 June 2019**

Balance as at 1 April 2019

Profit for the period

Other comprehensive income

Net change in fair value reserve of available-for-sale financial assets

**Other comprehensive income for the period, net of tax****Total comprehensive income for the period**Contributions by and distribution to owners**Total transactions with owners in their capacity as owners**

Balance as at 30 June 2019

	Share capital	Treasury shares	The Company Other reserves	Accumulated profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 April 2019	102,605	(528)	114	(59,433)	42,758
Profit for the period	-	-	-	(351)	(351)
<u>Other comprehensive income</u>					
Net change in fair value reserve of available-for-sale financial assets	-	-	-	-	-
<b>Other comprehensive income for the period, net of tax</b>	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	(351)	(351)
<u>Contributions by and distribution to owners</u>					
<b>Total transactions with owners in their capacity as owners</b>	-	-	-	-	-
<b>Balance as at 30 June 2019</b>	<b>102,605</b>	<b>(528)</b>	<b>114</b>	<b>(59,784)</b>	<b>42,407</b>

Save for the foregoing, there are no other (i) changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders.

- 1 (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buybacks, 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.

**Changes in Company's share capital:**

	Quantity	Share capital S\$'000
Balance as at 31 March 2019 and 30 June 2019	1,106,681,074	102,605

On 3 July 2017, the Company allotted and issued 194,982,219 new ordinary shares ("Rights Shares") at an issue price of S\$0.018 for each Rights Share and 97,491,109 free detachable warrants ("2017 Warrants") pursuant to a renounceable and non-underwritten rights cum warrants issue. Each 2017 Warrant carries the right to subscribe for two new ordinary share in the capital of the Company at an exercise price of S\$0.025 for each new ordinary share and is exercisable during a five year period from the date of issue.

As at 30 June 2019, the total number of ordinary shares in issue was 1,106,681,074 of which 7,961,500 were held by the Company as treasury shares (30 June 2018: 1,106,681,074 ordinary shares and 7,961,500 treasury shares).

	As at 30 June 2019	As at 30 June 2018
Number of Shares that may be issued upon conversion of all outstanding convertibles	194,982,218	194,982,218

There were no subsidiary holdings as at the end of the current financial year reported on.

Save for the foregoing, there are no other 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 31 March 2019.

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

	As at 30 June 2019		As at 31 December 2018	
	No. of shares	S\$'000	No. of shares	S\$'000
Total number of issued shares at the end of the financial period	1,106,681,074	102,605	1,106,681,074	102,605
Number of Treasury Shares at the end of the financial period	(7,961,500)	(528)	(7,961,500)	(528)
Net number of issued shares at the end of the financial period	<u>1,098,719,574</u>	<u>102,077</u>	<u>1,098,719,574</u>	<u>102,077</u>

- 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.

	No. of share	S\$'000
Balance as at 31 March 2019 and 30 June 2019	7,961,500	528

- 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 as at the end of the current financial period reported on.

- 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 the Group's auditors.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year as compared with the audited financial statements for the year ended 31 December 2018, except for those disclosed under Paragraph 5.

- 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 Singapore Accounting Standards Council has introduced a new Singapore financial reporting framework that is equivalent to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The new framework is referred to as 'Singapore Financial Reporting Standards (International)' ("SFRS(I)") hereinafter. Subsequent to the last financial year end, as required by the listing requirements of the Singapore Exchange, the Group has adopted SFRS(I) on 1 January 2018 and issued its first set of financial information prepared under SFRS(I) for the financial period ended 31 December 2018. The adoption of new SFRS(I) did not result in substantial change to the Group's and Company's accounting policies and did not have material impact on the amounts reported for the current or prior financial years.

- 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

	2Q 2019 cents	2Q 2018 cents	1H 2019 cents	1H 2018 cents
<b>Earnings per ordinary share</b>				
(i) Based on the weighted average number of ordinary share on issue	(0.12)	0.00	(0.27)	(0.18)
(ii) On a fully diluted basis (detailing any adjustments made to the earnings)	(0.12)	0.00	(0.27)	(0.18)
<b>Earnings per ordinary share from continuing operations</b>				
(i) Based on the weighted average number of ordinary share on issue	(0.12)	0.00	(0.27)	(0.18)
(ii) On a fully diluted basis (detailing any adjustments made to the earnings)	(0.12)	0.00	(0.27)	(0.18)
Computed based on the following weighted average number of shares				
Basic	1,098,719,574	1,098,719,574	1,098,719,574	1,098,719,574
Diluted	1,098,719,574	1,098,719,574	1,098,719,574	1,098,719,574

As at 30 June 2019, Nil (31 December 2018: Nil) share options granted to employees under the existing employee share option plans and warrants of 97,491,109 (31 December 2018: 97,491,109), have not been included in the calculation of diluted earnings per share because they are 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 year reported on; and  
(b) immediately preceding financial year.

	Group S\$		Company S\$	
	30.6.19	31.12.18	30.6.19	31.12.18
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares	0.03	0.03	0.04	0.04

**Footnote:**

Net asset value per ordinary share is based on 1,098,719,574 ordinary shares as at 30 June 2019 (31 December 2018: 1,098,719,574 shares).

- 8 A review of the performance of the group to the extent necessary for a reasonable understanding of the 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.**

**Financial Performance**

The 1H-2019 revenue was lower compared to the prior year's corresponding period due to the lesser revenue generated from the offshore and marine services, and systems engineering projects. In addition, there was no revenue recognised for the chartering services in 1H-2019 compared to the prior year's corresponding period of approximately S\$1.6 million as the land rig chartering contract expired in 4Q-2018.

The gross profit decreased in tandem with the lower revenue recognised while gross profit margin decreased as there was lower revenue generated by the higher margin chartering services.

Other Income was higher in the prior period of 1H-2018 due to favourable exchange gains from the strengthening of US Dollars then as the Group was in an overall net US Dollar asset position.

Marketing and distribution expenses, administration expenses declined quarter-on-quarter due to the tighter spending discipline and rightsizing of manpower which were carried out in the prior year. Other operating expenses also declined in line with the reduction in impairment loss as there was no chartering services revenue recognised. The foreign exchange loss of S\$0.2 million incurred during the period was largely due to the translation differences in US Dollar denominated current assets.

Considering the above factors, the Group registered a net loss of approximately S\$3.0mil for 1H-2019.

**Financial Position**

Net Assets for the Group of S\$34.8 million as at 30 June 2019 was lower compared to that in 31 December 2018 due to the net loss incurred, partially offset by the increase in reserves from foreign currency translation during the period.

The reduction in Non-Current Assets was mainly due to the depreciation of property, plant and equipment.

The decrease in Trade Receivables was largely due to the faster collection from the customers. Other Receivables and deposits increased due to down payment made for new projects secured.

**Cashflow**

The net cash flow from operating activities were mainly due to the better billing and collection compared to the preceding period.

Cash flows from investing activities were mainly due to the receipt of proceeds from disposal of quoted equities in the prior period.

Cash flows used in financing activities were due to the repayment of loans and borrowings during the period.

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

Not applicable

- 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 industry is showing some signs of gradual recovery and increasing inquiries as the oil price remained on an upward trend in general. The Group has seen an increase in customer enquiries and tender invitations in 2019 and is working diligently on securing the contracts. The orders secured in the first half of 2019 exceeds that in preceding year.

In the asset management business, the current and potential yields remained economically not feasible for the Group. In this regard, the Group is looking for opportunities to monetise its capital assets in order to improve its liquidity position, repay its debts and strengthen its working capital.

The Company made a successful application to the High Court of the Republic of Singapore in June 2019 to commence a court-supervised process to reorganise its liabilities and to seek a 6-month moratorium against enforcement actions and legal proceedings by creditors against the Company pursuant to Section 211B of the Companies Act (Cap. 50). The Company is currently in discussion with a few potential strategic investors and due diligence has commenced and is expected to be completed within the third quarter. A successful restructuring will allow the Group to deleverage its balance sheet and improve the financial capacity of the Group. The Company will continue to update shareholders and make further announcements as and when there are material developments.

- 11 Dividend**

**(a) Current Financial Period Reported On**

**Any dividend recommended for the current financial period report on?**

No

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

No

**(c) Date payable**

Not applicable

**(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.**

No IPT mandate has been obtained.

- 14 Confirmation By Directors Pursuant to Rule 705(5) of the Listing Manual of SGX-ST**

The Board of Directors of the Company hereby confirms to the best of its knowledge nothing has come to its attention which may render the unaudited interim financial results for the second quarter ended 30 June 2019 to be false or misleading in any material respect.

- 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) of the Catalist Rules**

The Company 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) of the Catalist Rules.

**BY ORDER OF THE BOARD**

**MR ANDY LIM  
CHAIRMAN AND EXECUTIVE DIRECTOR**

**MR NG YEAU CHONG  
CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR**

**14 August 2019  
Singapore**