

Full Year Financial Statements And Dividend Announcement for the Financial Year Ended 31 December 2019

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. ("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").

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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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		Change %
	FY 2019 S\$'000 (Unaudited)	FY 2018 S\$'000 (Audited)	
Revenue	22,995	30,146	(24)
Cost of sales	(14,602)	(18,606)	(22)
Gross Profit	8,393	11,540	(27)
Other income	386	957	(60)
Interest income	14	13	8
Marketing and distribution expenses	(305)	(169)	80
Administrative expenses	(9,194)	(10,326)	(11)
Other operating expenses	(27,945)	(11,349)	146
Finance costs	(3,443)	(3,508)	(2)
Share of results of associates - net of tax	-	(15,403)	(100)
Loss before tax	(32,094)	(28,245)	14
Income tax credit	196	197	(1)
Loss for the year	(31,898)	(28,048)	14
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation	(235)	158	NM
Net change in fair value reserve of available-for-sale financial assets	-	-	-
Other comprehensive income for the year, net of tax	(235)	158	NM
Total comprehensive income for the year	(32,133)	(27,890)	15
Loss attributable to:			
Owners of the Company			
- Loss after tax	(31,909)	(28,048)	14
Non-controlling interests			
- Loss after tax	11	-	NM
	(31,898)	(28,048)	14
Total comprehensive income attributable to:			
Owners of the Company			
- Loss after tax	(32,144)	(27,890)	15
Non-controlling interests			
- Profit after tax from discontinued operations	11	-	NM
	(32,133)	(27,890)	15

Note

Loss before tax is derived at after

Crediting/(charging):

	FY 2019 S\$'000 (Unaudited)	FY 2018 S\$'000 (Audited)	Change %
Depreciation of property, plant and equipment and right-of-use assets	(2,104)	(2,102)	0 *
Amortisation of intangible assets	(17)	(19)	(11)
Gain on disposal of plant and equipment	-	3	(100)
(Loss)/Gain on foreign exchange	(47)	768	NM
Impairment loss on goodwill	(6,286)	-	NM
Reversal of impairment loss on trade receivables	100	50	99
Impairment loss on trade receivables	(4,206)	(2,487)	69
Inventories written down	(13,626)	(6,786)	101
Inventories written off	(1,463)	-	100
Net fair value gains on quoted equity investments	(10)	44	NM

NM: Not meaningful  
\*: Less than 1%

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	
	31-Dec-19 (Unaudited)	31-Dec-18 (Audited)	31-Dec-19 (Unaudited)	31-Dec-18 (Audited)
<b>Equity attributable to owners of the Company</b>				
Share capital	102,605	102,605	102,605	102,605
Treasury shares	(528)	(528)	(528)	(528)
Reserves	(97,207)	(65,063)	(100,718)	(58,990)
	4,870	37,014	1,359	43,087
Non-controlling interests	11	-	-	-
<b>Total equity</b>	<b>4,881</b>	<b>37,014</b>	<b>1,359</b>	<b>43,087</b>
<b>Non-current assets</b>				
Property, plant and equipment	19,427	21,336	1	2
Investment in subsidiaries	-	-	29,505	54,111
Investment in associates	-	-	-	-
Quoted equity investments	40	50	40	50
Intangible assets	7,207	13,510	-	-
Right-of-use assets	1,441	-	-	-
Deferred tax assets	-	6	-	-
	28,115	34,902	29,546	54,163
<b>Current assets</b>				
Inventories	12,861	28,299	-	-
Trade receivables	24,375	27,272	-	-
Contract assets	5,026	6,597	-	-
Prepayments	39	76	14	37
Other receivables and deposits	1,172	1,063	67	43
Due from subsidiaries (non-trade)	-	-	36	18,227
Cash and cash equivalents	2,365	3,604	25	50
	45,838	66,911	142	18,357
<b>Total assets</b>	<b>73,953</b>	<b>101,813</b>	<b>29,688</b>	<b>72,520</b>
<b>Current liabilities</b>				
Trade payables	5,626	3,118	-	-
Contract liabilities	1,543	2,843	-	-
Other payables and accruals	26,424	23,822	997	747
Tax payable	11	5	-	-
Finance lease obligations	15	26	-	-
Term loans	25,941	17,884	-	160
Redeemable exchangeable bonds	7,155	7,155	-	-
Due to subsidiaries (non-trade)	-	-	27,332	28,526
	66,715	54,853	28,329	29,433
<b>Non-current liabilities</b>				
Term loans	-	8,882	-	-
Lease liabilities	1,520	-	-	-
Deferred tax liabilities	837	1,049	-	-
Finance lease obligations	-	15	-	-
	2,357	9,946	-	-
<b>Total liabilities</b>	<b>69,072</b>	<b>64,799</b>	<b>28,329</b>	<b>29,433</b>
<b>Net assets</b>	<b>4,881</b>	<b>37,014</b>	<b>1,359</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 31 December 2019		As at 31 December 2018	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
33,111	-	25,065	-

Amount repayable after one year

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

Details of any collateral

The Group's borrowings are secured by the following:

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

	<b>The Group</b>	
	<b>FY 2019</b> <b>S\$'000</b> <b>(Unaudited)</b>	<b>FY 2018</b> <b>S\$'000</b> <b>(Audited)</b>
<b>Cash flows from operating activities:</b>		
<b>Loss before tax</b>	(32,094)	(28,245)
<b>Adjustments for:</b>		
Amortisation of intangible assets	17	19
Net fair value gains on quoted equity investments	10	(44)
Depreciation of property, plant and equipment and right-of-use assets	2,104	2,102
Inventories written down	13,626	6,786
Inventories written off	1,463	-
Impairment loss on trade receivables	4,206	2,487
Gain on disposal of plant and equipment	-	(3)
Reversal of impairment loss on trade receivables	(100)	(50)
Impairment loss on goodwill	6,286	-
Interest expense	3,443	3,508
Interest income	(14)	(13)
Share of results of associates, net of tax	-	15,403
Unrealised exchange loss/(gain)	61	(633)
<b>Operating (loss)/profit before working capital changes</b>	<b>(992)</b>	<b>1,317</b>
<b>Changes in working capital:</b>		
Inventories	350	4,911
Trade receivables	(1,205)	(6,830)
Due from customers for contracts work-in-progress	1,571	270
Other receivables, deposits and prepayments	(71)	917
Finance lease receivables	(142)	155
Trade payables	2,505	(456)
Due to customers for contracts work-in-progress	(831)	(880)
Other payables and accruals	(828)	2,606
<b>Cash flows from operations</b>	<b>357</b>	<b>2,010</b>
Interest received	14	12
Income taxes paid	(10)	(28)
<b>Net cash flows from operating activities</b>	<b>361</b>	<b>1,994</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(16)	(126)
Proceeds from disposal of plant and equipment	43	6
Net proceeds on disposal of quoted equities	-	160
<b>Cash flows from investing activities</b>	<b>27</b>	<b>40</b>
<b>Cash flows from financing activities</b>		
Interest paid	(500)	(2,089)
Repayment of loans and borrowings	(826)	(3,216)
Proceeds from loans and borrowings	-	750
Payment of principal portion of lease liabilities	(239)	-
Payment of finance lease obligations	(26)	(28)
<b>Cash flows used in financing activities</b>	<b>(1,591)</b>	<b>(4,583)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,203)</b>	<b>(2,549)</b>
Effect of exchange rate changes on cash and cash equivalents	(35)	102
<b>Cash and cash equivalents at beginning of year</b>	<b>3,604</b>	<b>6,051</b>
<b>Cash and cash equivalents at end of year</b>	<b>2,366</b>	<b>3,604</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 year.

	The Group						Total S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Translation reserve S\$'000	Other reserves S\$'000	Accumulated profits S\$'000	Non-controlling interest S\$'000	
<b>Year ended 31 December 2018</b>							
Balance as at 1 January 2018	102,605	(528)	(1,502)	114	(35,785)	-	64,904
Loss for the year	-	-	-	-	(28,048)	-	(28,048)
<u>Other comprehensive income</u>							
Foreign currency translation	-	-	158	-	-	-	158
<b>Other comprehensive income for the year, net of tax</b>	-	-	158	-	-	-	158
<b>Total comprehensive income for the year</b>	-	-	158	-	(28,048)	-	(27,890)
<u>Contributions by and distribution to owners</u>							
<b>Total transactions with owners in their capacity as owners</b>	-	-	-	-	-	-	-
<b>Balance as at 31 December 2018</b>	<b>102,605</b>	<b>(528)</b>	<b>(1,344)</b>	<b>114</b>	<b>(63,833)</b>	<b>-</b>	<b>37,014</b>

	The Group						Total S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Translation reserve S\$'000	Other reserves S\$'000	Accumulated profits S\$'000	Non-controlling interest S\$'000	
<b>Year ended 31 December 2019</b>							
Balance as at 1 January 2019	102,605	(528)	(1,344)	114	(63,833)	-	37,014
(Loss)/Profit for the year	-	-	-	-	(31,909)	11	(31,898)
<u>Other comprehensive income</u>							
Foreign currency translation	-	-	(235)	-	-	-	(235)
<b>Other comprehensive income for the year, net of tax</b>	-	-	(235)	-	-	-	(235)
<b>Total comprehensive income for the year</b>	-	-	(235)	-	(31,909)	11	(32,133)
<u>Contributions by and distribution to owners</u>							
<b>Total transactions with owners in their capacity as owners</b>	-	-	-	-	-	-	-
<b>Balance as at 31 December 2019</b>	<b>102,605</b>	<b>(528)</b>	<b>(1,579)</b>	<b>114</b>	<b>(95,742)</b>	<b>11</b>	<b>4,881</b>

	The Company				Total S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Other reserves S\$'000	Accumulated profits S\$'000	
<b>Year ended 31 December 2018</b>					
Balance as at 1 January 2018	102,605	(528)	114	(46,453)	55,738
Loss for the year	-	-	-	(12,651)	(12,651)
<b>Total comprehensive income for the year</b>	-	-	-	(12,651)	(12,651)
<u>Contributions by and distribution to owners</u>					
<b>Total transactions with owners in their capacity as owners</b>	-	-	-	-	-
<b>Balance as at 31 December 2018</b>	<b>102,605</b>	<b>(528)</b>	<b>114</b>	<b>(59,104)</b>	<b>43,087</b>

	The Company				Total S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Other reserves S\$'000	Accumulated profits S\$'000	
<b>Year ended 31 December 2019</b>					
Balance as at 1 January 2019	102,605	(528)	114	(59,104)	43,087
Loss for the year	-	-	-	(41,728)	(41,728)
<u>Other comprehensive income</u>					
Net change in fair value reserve of available-for-sale financial assets	-	-	-	-	-
<b>Other comprehensive income for the year, net of tax</b>	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	(41,728)	(41,728)
<u>Contributions by and distribution to owners</u>					
<b>Total transactions with owners in their capacity as owners</b>	-	-	-	-	-
<b>Balance as at 31 December 2019</b>	<b>102,605</b>	<b>(528)</b>	<b>114</b>	<b>(100,832)</b>	<b>1,359</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, subdivision, consolidation, 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:**

	No. of shares	Share capital S\$'000
Balance as at 30 September 2019 and 31 December 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 31 December 2019, the total number of ordinary shares in issue was 1,106,681,074 of which 7,961,500 (0.7% of total number of issued shares) were held by the Company as treasury shares (31 December 2018: 1,106,681,074 ordinary shares and 7,961,500 treasury shares (0.7% of total number of issued shares)).

	As at 31 December 2019	As at 31 December 2018
No. 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 and as at the end of the immediately preceding financial year.

Save for the foregoing, there are no other 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 30 September 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 31 December 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 year	1,106,681,074	102,605	1,106,681,074	102,605
Number of treasury shares at the end of the financial year	(7,961,500)	(528)	(7,961,500)	(528)
Net number of issued shares at the end of the financial year	1,098,719,574	102,077	1,098,719,574	102,077

- 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 shares	S\$'000
Balance as at 30 September 2019 and 31 December 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 year 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 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. The latest audited financial statements of the Company and the Group for FY2018 included a disclaimer of opinion on material uncertainty relating to going concern.

- 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 financial 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 Group has adopted SFRS(I) 16 which is effective from 1 January 2019. The Group has applied the modified retrospective approach and does not restate comparative amounts for the financial year prior to initial adoption.

In compliance with SFRS(I) 16, the Group has applied the practical expedient to recognise the amount of right-of-use assets equal to the lease liabilities as at 1 January 2019. Subsequent to initial recognition, the Group depreciates the right-of-use assets over the lease term, and recognises interest expenses on the lease liabilities.

The right-of-use assets of approximately S\$1.4 million as at 31 December 2019 were mainly related to the leases of the land use rights occupied by the Group. Accordingly, there was a corresponding lease liabilities of approximately S\$1.5 million being recorded as at 31 December 2019.

Cash payments for the settlement of lease liabilities were reported as cash flows from financing activities. The total net cash flows of the Group are unaffected.

Except as stated above, the Group expects the adoption of new and revised SFRS(I)s and interpretation of SFRS(I) that are relevant to the Group to have no significant impact on the financial statements 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

	FY 2019 cents	FY 2018 cents
<b>Loss per ordinary share</b>		
(i) Based on the weighted average number of ordinary share on issue	(2.90)	(2.55)
(ii) On a fully diluted basis (detailing any adjustments made to the loss)	(2.90)	(2.55)
<b>Loss per ordinary share from continuing operations</b>		
(i) Based on the weighted average number of ordinary share on issue	(2.90)	(2.55)
(ii) On a fully diluted basis (detailing any adjustments made to the loss)	(2.90)	(2.55)
Computed based on the following weighted average number of shares		
Basic	1,098,719,574	1,098,719,574
Diluted	1,098,719,574	1,098,719,574

As at 31 December 2019, warrants of 97,491,109 (31 December 2018: 97,491,109) have not been included in the calculation of diluted loss 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 cents		Company cents	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares	0.44	3.37	0.12	3.92

**Footnote:**

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

For FY2019, the Group recognised Revenue of S\$23 million. The year-on-year decline was largely due to no revenue recognised for the asset chartering business in FY2019 and a lower order book brought forward. Gross Profit also declined in tandem. The Gross Profit Margin decreased from 38.3% for FY2018 to 36.5% for FY2019 due to the revenue mix where the asset chartering business in the prior year yielded high profit margins.

Other Income decreased as the Group posted unrealised foreign exchange loss for the FY2019 as compared to the unrealised foreign exchange gain in FY2018 due to the weakening of the US Dollars against Singapore Dollars in FY2019.

Marketing and Distribution Expenses increased mainly due to higher travelling expenses incurred by the salespersons in securing projects during the year, which was in line with the higher order secured in FY2019 compared to the prior year.

Administrative expenses decreased largely due to the rightsizing of manpower and curtailed spending in response to the business level of the Group amidst the challenging market condition.

Other Operating Expenses in FY2019 consisted of mainly accounting adjustments on valuation of certain assets on the Balance Sheet. These material items and their accounting effects are as follows:

1. Impairment on Intangible Assets pertaining to Goodwill relating to the acquisition of the Heating, Ventilation, Air Conditioning and Refrigeration Systems business and Offshore and Marine Telecommunication business amounting to S\$6 million acquired in 2010.
2. Impairment on Trade Receivables pertaining to the land rig charter contracts amounting to S\$4 million. The Group received a favourable arbitration award in 2018 for a total amount of approximately US\$71 million. While the Group continues to pursue the award in the courts of China (more details on development in Note 10), the net receivables from the charterer of the land rigs were written down due to the long outstanding nature.
3. Impairment on Inventories pertaining to a land rig, slow moving stocks and work in progress totalling S\$15 million. A land rig owned by the Group was fully written down as it was judicially seized from the premise of the charterer of the land rigs in 2019, after an arbitration between the charterer of the land rigs and a third party in a Chinese court. The Group is currently seeking legal advice on the matter.

There was no Share of Results of Associates in FY2019 as the associated companies that each owned a newbuild contract for an offshore jack-up drilling rig with a Chinese yard had no business activity during the year after writing down the assets in FY2018.

Considering the above factors, the Group recorded a Net Loss After Tax of S\$32 million.

**Financial Position**

The Net Assets for the Group stood at S\$5 million as at 31 December 2019. This was lower compared to that as at 31 December 2018 and is attributed to the loss incurred for the year.

The reduction in Non-Current Assets was mainly due to the depreciation of property, plant and equipment and impairment on goodwill, partially offset by the recognition of Right-of-use assets on 1 January 2019.

Inventories decreased largely due to the impairment as explained above while Other Receivables and Deposits increased due to down payment made for new projects secured.

Total term loan balance was classified as current as at 31 December 2019 and decreased compared to the prior year due to the repayments made during the year.

Trade Payables increased largely due to higher purchases in the last quarter in FY2019 compared to that in the last quarter in FY2018. Other payables and accruals increased largely due to the accrued interest and higher accrued operating expenses.

The increase in lease liabilities was mainly due to the implementation of SFRS(I) 16 with effect from 1 January 2019. Deferred tax liability decreased compared to the prior year largely due to the utilisation of assets that were fair valued at acquisition.

**Cashflow**

The net cash flows generated from operating activities were mainly due to the billing of amounts due from contract customers after meeting the project milestones.

Net cash flows generated from investing activities were largely due to the disposal of property, plant and equipments.

Cash flows used in financing activities were due to the repayment of loans, interests and lease liabilities during the year.

- 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 continues to show signs of gradual recovery and increase in inquiries in 2019. The Group saw an increase in customer enquiries and tender invitations in 2019 and is working diligently on securing the contracts for the offshore and marine business. The orders secured in 2019 exceeds that in preceding year.

The Group continues to look for opportunities to monetise its capital assets in order to improve its liquidity position, repay its debts and strengthen its working capital.

The favourable arbitration award in Singapore against the charterer of the land rigs has been successfully recognised by the Chinese court. Furthermore, the enforcement process is now taking place and the application for enforcement to the Chinese court is successfully made. The Group will take the necessary measures to recoup the amount as per the arbitration award.

The legal suit defence against the owners of the chemical tanker has reached a settlement where both claim and counterclaim in the suit have been discontinued. The security sum of approximately US\$200,000 lodged by the Company with the court was released to the owners of the chemical tanker as part of the settlement in February 2020.

The Group continues to stake its claim against Keppel Singmarine ("Keppel") for outstanding receivables and variation orders and at the same time defend counterclaims from Keppel. The first tranche of the Trial took place in December 2019. The second tranche of the Trial, which was originally scheduled for February 2020, has been deferred to facilitate settlement discussions between parties.

As shared in the monthly update announcements pertaining to the Moratorium, the Company has entered into a conditional placement agreement with Ruddin Advisory Limited and Blue Ocean Capital Partners Pte. Ltd. in relation to a proposed placement of shares in the Company. The Company continues to undergo a court-supervised restructuring process; and to engage both its potential investors in relation to potential rescue financing as well as its key creditors in relation to a potential settlement or arrangement of its liabilities thereto.

The Group continues to place its effort in maintaining viability of its offshore and marine business, closing out the placement agreement with the potential investors, reaching a potential settlement or arrangement of the relevant liabilities with key creditors. The above actions will allow the Group to deleverage the balance sheet and improve the financial capacity of the Group.

- 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) 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 financial year reported on as the Group recorded net loss in the financial year reported on.

- 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**

Not applicable.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**  
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

- 15 Segmental 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.

	Offshore and Marine S\$'000	Corporate S\$'000	Assets Chartering S\$'000	Adjustment & Elimination S\$'000	Group S\$'000
<b>FY 2019</b>					
<b>Revenue</b>					
External customers	21,730	1,265	-	-	22,995
Inter-segment	2,521	1,726	-	(4,247)	-
Total revenue	24,251	2,991	-	(4,247)	22,995
<b>Results:</b>					
Interest income	14	-	-	-	14
Depreciation and amortisation	(244)	(1,403)	-	(474)	(2,121)
Other non-cash expenses	(4,263)	2,000	(4,073)	16,139	9,803
Segment (loss)/profit	(6,320)	(42,311)	(19,067)	35,604	(32,094)
<b>Assets</b>					
Additions to non-current assets	16	-	-	-	16
Segment assets	29,697	47,864	57,792	(61,400)	73,953
Segment liabilities	(20,675)	(49,868)	(98,545)	100,016	(69,072)
<b>FY 2018</b>					
<b>Revenue</b>					
External customers	26,487	1,178	2,481	-	30,146
Inter-segment	-	1,516	-	(1,516)	-
Total revenue	26,487	2,694	2,481	(1,516)	30,146
<b>Results:</b>					
Interest income	13	-	-	-	13
Depreciation and amortisation	(378)	(1,270)	-	(473)	(2,121)
Share of associates results	-	-	(15,409)	6	(15,403)
Other non-cash expenses	(88)	(11,236)	(8,512)	(673)	(20,509)
Segment (loss)/profit	(1,183)	(12,753)	(24,081)	9,772	(28,245)
<b>Assets</b>					
Additions to non-current assets	124	2	-	-	126
Segment assets	53,593	82,057	54,022	(87,859)	101,813
Segment liabilities	(18,182)	(31,173)	(67,699)	52,255	(64,799)
<b>Geographical Segment</b>					
	Revenue		Non-current assets		
	FY 2019 S\$'000	FY 2018 S\$'000	FY 2019 S\$'000	FY 2018 S\$'000	
Europe	1,826	402	-	-	
Indonesia	1,846	4,959	5	5	
Malaysia	1,679	1,459	14	14	
Middle East	1,106	700	-	-	
People's Republic of China	1,635	5,194	58	58	
Singapore	14,132	15,428	27,998	34,770	
Others	771	2,004	-	-	
	22,995	30,146	28,075	34,847	

- 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.

**Performance by Business Segments**

The decrease in revenue from Assets Chartering was due to no revenue recognised for this segment in FY2019, while the decrease in revenue from Offshore and Marine was due to a lower order book brought forward.

The corporate segment posted a net loss for FY2019 due to the impairment of goodwill of S\$6 million as explained in Note 8.

**Performance by Geographical Segments**

The Group's revenue declined for all geographical segments in FY2019 in the oil and gas and offshore and marine industries with the exception of Europe, Malaysia and Middle East. The revenue decreased in Singapore due to lack of available contracts in Singapore and the consumption of remaining orders in hand. The Group continued to grow in emerging markets as evidence in the increase in revenue posted from Europe and Malaysia. The reduction in revenue in Indonesia and People's Republic of China was due to lower order book in FY2019.

During this downturn, the Group will continue to focus on growth in the emerging markets to diversify its customer base to sustain business volume.

17 **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 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 Catalyst Rules.

18 **A breakdown of sales**

	FY 2019 S\$'000	The Group FY 2018 S\$'000	Change %
Sales reported for first half year	9,561	15,887	(40)
Operating loss after tax from continuing operations before deducting non-controlling interests reported for first half year	(2,955)	(2,024)	46
Sales reported for second half year	13,434	14,259	(6)
Operating loss after tax from continuing operations before deducting non-controlling interests reported for second half year	(28,943)	(26,024)	11

19 **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**  
Not applicable

20 **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 (10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

There is no person occupying a managerial position in the Group who is a relative of a director, chief executive officer, or substantial shareholder of the Company pursuant to Rule 704(10) of the Catalyst Rules.

**BY ORDER OF THE BOARD**

**MR ANDY LIM**  
**CHAIRMAN AND EXECUTIVE DIRECTOR**

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

29 February 2020  
Singapore