



UNAUDITED SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2017

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

1(a)(i) 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

CONSOLIDATED INCOME STATEMENT

	Group			Group		
	2nd Qtr Ended 30/09/2017 S\$'000	30/09/2016 S\$'000	Incr/ (decr) %	6 Months Ended 30/09/2017 S\$'000	30/09/2016 S\$'000	Incr/ (decr) %
Revenue	19,055	18,333	3.9	37,461	38,954	(3.8)
Cost of sales	(16,085)	(14,635)	9.9	(30,973)	(30,735)	0.8
Gross profit	2,970	3,698	(19.7)	6,488	8,219	(21.1)
Other income	39	408	(90.4)	140	371	(62.3)
Distribution costs	(1,142)	(1,278)	(10.6)	(2,311)	(2,368)	(2.4)
Administrative expenses	(3,244)	(3,462)	(6.3)	(6,609)	(7,106)	(7.0)
Other operating expenses	(413)	(101)	308.9	(787)	(745)	5.6
Interest expense	(677)	(737)	(8.1)	(1,289)	(1,406)	(8.3)
Loss before income tax	(2,467)	(1,472)	67.6	(4,368)	(3,035)	43.9
Income tax benefit (expense)	5	(43)	NM	(188)	(1)	NM
Loss for the period	(2,462)	(1,515)	62.5	(4,556)	(3,036)	50.1
Loss attributable to:						
Owners of the Company	(2,454)	(1,575)	55.8	(4,530)	(3,069)	47.6
Non-controlling interests	(8)	60	NM	(26)	33	NM
	(2,462)	(1,515)	62.5	(4,556)	(3,036)	50.1
Gross profit margin	15.6%	20.2%	(22.7)	17.3%	21.1%	(17.9)
Net loss margin	-12.9%	-8.3%	56.4	-12.2%	-7.8%	56.0
EBITDA ⁽¹⁾ (S\$'000)	(643)	409	NM	(703)	623	NM
EBITDA margin	-3.4%	2.2%	NM	-1.9%	1.6%	NM

⁽¹⁾ : Denotes earnings before interest, taxes, depreciation and amortisation

NM: Not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group			Group		
	2nd Qtr Ended		Incr/ (decr) %	6 Months Ended		Incr/ (decr) %
	30/09/2017	30/09/2016		30/09/2017	30/09/2016	
	S\$'000	S\$'000		S\$'000	S\$'000	
Loss for the period	(2,462)	(1,515)	62.5	(4,556)	(3,036)	50.1
Other comprehensive loss						
Items that may be reclassified subsequently to profit or loss:						
Translation (loss) gain arising on consolidation	(281)	235	NM	(467)	160	NM
Other comprehensive (loss) income for the period, net of tax	(281)	235	NM	(467)	160	NM
Total comprehensive loss for the period	(2,743)	(1,280)	114.3	(5,023)	(2,876)	74.7
Total comprehensive loss attributable to:						
Owners of the Company	(2,734)	(1,346)	103.1	(4,993)	(2,912)	71.5
Non-controlling interests	(9)	66	NM	(30)	36	NM
	(2,743)	(1,280)	114.3	(5,023)	(2,876)	74.7

1(a)(ii) Loss before income tax is arrived at after charging/(crediting) the following:

	Group			Group		
	2nd Qtr Ended		Incr/ (decr) %	6 Months Ended		Incr/ (decr) %
	30/09/2017	30/09/2016		30/09/2017	30/09/2016	
S\$'000	S\$'000		S\$'000	S\$'000		
Allowance for doubtful trade receivables	-	5	(100.0)	-	739	(100.0)
Doubtful trade receivables recovered	-	(31)	(100.0)	(97)	(59)	64.4
Trade receivables written off	28	-	NM	45	6	650.0
Depreciation	1,028	977	5.2	2,135	1,917	11.4
Amortisation of intangible assets	119	167	(28.7)	241	335	(28.1)
Foreign exchange loss (gain)	385	(359)	NM	693	(268)	NM
(Gain) loss on disposal of property, plant and equipment ("PPE")	(22)	96	NM	49	(5)	NM
Interest income	(1)	(1)	-	(2)	(2)	-
Interest expense	677	737	(8.1)	1,289	1,406	(8.3)
Inventories written down to net realisable value	(2)	-	NM	(4)	-	NM

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

STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30/09/2017 S\$'000	31/03/2017 S\$'000	30/09/2017 S\$'000	31/03/2017 S\$'000
<u>ASSETS</u>				
Current assets				
Cash and cash equivalents	2,760	6,602	13	35
Trade receivables	15,706	21,173	2,456	3,487
Other receivables	1,548	2,118	45,910	44,163
Income tax receivables	94	101	-	-
Inventories	121,270	127,924	-	-
Total current assets	141,378	157,918	48,379	47,685
Non-current assets				
Property, plant and equipment	34,321	35,523	494	604
Intangible assets	2,259	2,566	-	-
Other receivables	-	151	-	-
Deferred tax assets	252	266	-	-
Subsidiary corporations	-	-	6,019	6,019
Total non-current assets	36,832	38,506	6,513	6,623
Total assets	178,210	196,424	54,892	54,308
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade payables	7,090	10,027	-	-
Other payables	7,195	7,554	253	188
Current portion of bank borrowings	45,421	77,879	-	-
Current portion of finance leases	670	664	5	5
Income tax payable	39	234	-	-
Total current liabilities	60,415	96,358	258	193
Non-current liabilities				
Bank borrowings	28,062	5,093	-	-
Finance leases	627	908	1	4
Deferred tax liabilities	130	135	101	101
Total non-current liabilities	28,819	6,136	102	105
Capital, reserves and non-controlling interests				
Share capital	50,587	50,587	50,587	50,587
Retained earnings	37,300	41,830	3,945	3,423
Translation reserve	1,016	1,479	-	-
Equity attributable to owners of the Company	88,903	93,896	54,532	54,010
Non-controlling interests	73	34	-	-
Total equity	88,976	93,930	54,532	54,010
Total liabilities and equity	178,210	196,424	54,892	54,308

1(b)(ii) In relation to the aggregate amount of group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year

Amount repayable in one year or less, or on demand

	30/09/2017		31/03/2017	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Term loans	17,417	5,086	45,208	5,671
Short term loans	8,200	4,550	8,200	8,040
Bank bills payable	240	8,601	-	9,589
Finance leases	670	-	664	-
Overdrafts	830	497	690	481
	<u>27,357</u>	<u>18,734</u>	<u>54,762</u>	<u>23,781</u>

Amount repayable after one year

	30/09/2017		31/03/2017	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Term loans	28,062	-	5,093	-
Finance leases	627	-	908	-
	<u>28,689</u>	<u>-</u>	<u>6,001</u>	<u>-</u>

Details of any collaterals

Certain bank borrowings are secured by a legal mortgage over the Group's freehold & leasehold land and buildings, certain plant and machinery, a floating charge over certain inventories of the Group and corporate guarantees of the Company and certain subsidiaries.

Finance leases are secured by charges over the leased assets. Certain leases are guaranteed by a corporate guarantee by the Company.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	Group		Group	
	2nd Qtr Ended	2nd Qtr Ended	6 Months Ended	6 Months Ended
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Loss before income tax	(2,467)	(1,472)	(4,368)	(3,035)
Adjustments for :				
Interest expense	677	737	1,289	1,406
Interest income	(1)	(1)	(2)	(2)
Depreciation	1,028	977	2,135	1,917
Amortisation of intangible assets	119	167	241	335
Allowance for doubtful trade receivables	-	5	-	739
Doubtful trade receivables recovered	-	(31)	(97)	(59)
Trade receivables written off	28	-	45	6
(Gain) loss on disposal of property, plant and equipment	(22)	96	49	(5)
Net foreign exchange loss (gain) - unrealised	(26)	(2)	(3)	(16)
Inventories written down to net realisable value	(2)	-	(4)	-
Operating cash flows before movements in working capital	(666)	476	(715)	1,286
Trade receivables	2,662	3,728	5,197	3,177
Other receivables and prepayments	276	288	498	234
Inventories	3,819	3,491	6,158	6,961
Trade payables	(1,298)	(201)	(2,704)	(1,149)
Other payables	(565)	(1,036)	(105)	(161)
Bank bills payable	(67)	(5,866)	(737)	(10,913)
Cash generated from (used in) operations	4,161	880	7,592	(565)
Interest paid for bank bills	(97)	(129)	(166)	(353)
Interest received	1	1	2	2
Income tax (paid) refund	(122)	19	(372)	(33)
Net cash from (used in) operating activities	3,943	771	7,056	(949)
Investing activities				
Proceeds on disposal of property, plant and equipment	46	606	294	776
Purchases of property, plant and equipment	(597)	(2,634)	(1,489)	(3,104)
Net cash used in investing activities	(551)	(2,028)	(1,195)	(2,328)
Financing activities				
Proceeds from loan from immediate holding company	500	1,500	500	1,500
Interest paid for other borrowings	(573)	(627)	(1,124)	(1,153)
Repayment of obligations under finance leases	(176)	(493)	(347)	(694)
New bank loans obtained	-	8,143	-	11,767
Repayment of bank loans	(3,488)	(3,517)	(8,856)	(7,893)
Transaction costs for loans	-	(61)	(35)	(61)
Contribution from a non-controlling interest	-	-	69	-
Net cash (used in) generated from financing activities	(3,737)	4,945	(9,793)	3,466
Net (decrease) increase in cash and cash equivalents	(345)	3,688	(3,932)	189
Effect of exchange rate changes on cash and cash equivalents	(43)	39	(66)	28
Cash and cash equivalents at beginning of the period	1,821	742	5,431	4,252
Cash and cash equivalents at end of the period	1,433	4,469	1,433	4,469
Cash and cash equivalents comprise the following:				
Cash and bank balances	2,760	5,320	2,760	5,320
Bank overdraft	(1,327)	(851)	(1,327)	(851)
	1,433	4,469	1,433	4,469

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

	Share capital	Retained earnings	Translation reserve	Attributable to owners of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group						
At 1 April 2017	50,587	41,830	1,479	93,896	34	93,930
Total comprehensive loss for the period						
Loss for the period	-	(4,530)	-	(4,530)	(26)	(4,556)
Other comprehensive loss for the period	-	-	(463)	(463)	(4)	(467)
Total	-	(4,530)	(463)	(4,993)	(30)	(5,023)
Transactions with owners, recognised directly in equity						
Contribution from a non-controlling interest	-	-	-	-	69	69
At 30 September 2017	50,587	37,300	1,016	88,903	73	88,976
At 1 April 2016	50,587	53,185	971	104,743	81	104,824
Total comprehensive loss for the period						
Loss for the period	-	(3,069)	-	(3,069)	33	(3,036)
Other comprehensive loss for the period	-	-	157	157	3	160
Total	-	(3,069)	157	(2,912)	36	(2,876)
At 30 September 2016	50,587	50,116	1,128	101,831	117	101,948
Company						
At 1 April 2017	50,587	3,423	-	54,010	-	54,010
Profit for the period, representing total comprehensive income for the period	-	522	-	522	-	522
At 30 September 2017	50,587	3,945	-	54,532	-	54,532
At 1 April 2016	50,587	2,222	-	52,809	-	52,809
Profit for the period, representing total comprehensive income for the period	-	416	-	416	-	416
At 30 September 2016	50,587	2,638	-	53,225	-	53,225

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 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

Nil.

There were no outstanding convertibles which may be converted to shares. There were no treasury shares and subsidiary holdings held.

1(d)(iii) To show the 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

The total number of issued shares excluding treasury shares.

30/09/2017	31/03/2017
438,000,000	438,000,000

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

Not applicable. There were no treasury shares during and as at the end of the current financial period reported on.

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

As at 30 September 2017, there were no sales, transfers, cancellation and / or use of subsidiary holdings.

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

The figures have not been audited and/or reviewed by the auditors.

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 paragraph 5, the Group has adopted the same accounting policies and methods of computation in the announcement for the current financial period as those applied in the Group's most recently audited financial statements for the financial year ended 31 March 2017 as well as all the applicable Singapore Financial Reporting Standards ("FRSs") which became effective for the financial year beginning on or after 1 April 2017.

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 effect, of the change

On 1 April 2017, the Group adopted the following new/revised FRSs that are effective from that date and are relevant to its operations:-

- Amendments to FRS 7 *Statement of Cash Flows: Disclosure Initiative*
- Amendments to FRS 12 *Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses*

The adoption of the above amendments to FRSs did not have any significant impact on the financial statements of the Group.

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		Group	
	2nd Qtr Ended		6 months Ended	
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
Net loss after tax attributable to owners of the Company (S\$'000)	(2,454)	(1,575)	(4,530)	(3,069)
Weighted average number of ordinary shares for calculation of ('000):				
- Basic earnings per share	438,000	438,000	438,000	438,000
- Diluted earnings per share	438,000	438,000	438,000	438,000
Earnings per share ("EPS") (cents/share)				
(a) Based on weighted average number of ordinary shares	(0.56)	(0.36)	(1.03)	(0.70)
(b) On a fully diluted basis	(0.56)	(0.36)	(1.03)	(0.70)

The Company has no dilutive equity instruments as at 30 September 2017.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on; and (b) immediately preceding financial year

	Group		Company	
	30/09/2017	31/03/2017	30/09/2017	31/03/2017
Net asset value attributable to shareholders of the Company (S\$'000)	88,903	93,896	54,532	54,010
Number of ordinary shares ('000)	438,000	438,000	438,000	438,000
Net asset value per ordinary share (cents)	20.30	21.44	12.45	12.33

8. Review of the Group's performance

Revenue

For the six months ended 30 September 2017 ("HY FY2018"), the Group's revenue was S\$37.5 million with a decrease of S\$1.5 million or 3.8% compared to S\$39.0 million for the corresponding period ended 30 September 2016 ("HY FY2017"). The decrease was mainly due to a decline of S\$2.3 million in the rigging and lifting segment due to the continued weakness in the oil and gas ("O&G") industry offset by the increase of S\$0.8 million in the ship chandling segment.

For the second quarter ended 30 September 2017 ("2Q FY2018"), the Group's revenue was S\$19.1 million, 3.9% higher than S\$18.3 million in the second quarter ended 30 September 2016 ("2Q FY2017"). The increase was mainly due to an increase of S\$1.1 million in the rigging and lifting segment offset by the decrease of S\$0.4 million in the ship chandling segment.

Gross profit

Gross profit decreased by S\$1.7 million or 21.1% from S\$8.2 million in HY FY2017 to S\$6.5 million in HY FY2018. The corresponding gross profit margin decreased from 21.1% to 17.3%. For 2Q FY2018, the gross profit was S\$3.0 million, 19.7% lower than the S\$3.7 million achieved in 2Q FY2017. The corresponding gross profit margin decreased from 20.2% to 15.6%. The decrease was mainly due to the tighter product margins.

Other income

HY FY2018 vs HY FY2017

Other income decreased by S\$0.2 million in HY FY2018 mainly due to turnaround of a foreign exchange gain of S\$0.3 million in HY FY2017 to a foreign exchange loss of S\$0.7 million in HY FY2018.

2Q FY2018 vs 2Q FY2017

Other income decreased by S\$0.4 million in 2Q FY2018 mainly due to turnaround of a foreign exchange gain of S\$0.4 million in 2Q FY2017 to a foreign exchange loss of S\$0.4 million in 2Q FY2018.

Distribution costs

HY FY2018 vs HY FY2017

Distribution costs in HY FY2018 did not vary significantly from that of HY FY2017.

2Q FY2018 vs 2Q FY2017

Distribution costs decreased by S\$0.1 million or 10.6% in 2Q FY2018 compared to 2Q FY2017 mainly due to a decrease in other marketing related expenses of S\$0.1 million.

Administrative expenses

HY FY2018 vs HY FY2017

Administrative expenses decreased by S\$0.5 million or 7.0% in HY FY2018 compared to HY FY2017 mainly due to a decrease in staff related expenses of S\$0.4 million and depreciation of S\$0.2 million. This is in line with the Group's cost control measures.

2Q FY2018 vs 2Q FY2017

Administrative expenses decreased by S\$0.2 million or 6.3% in 2Q FY2018 compared to 2Q FY2017 mainly due to a decrease in (i) staff related expenses of S\$0.1 million and (ii) depreciation of S\$0.1 million.

Other operating expenses

HY FY2018 vs HY FY2017

Other operating expenses in HY FY2018 did not vary significantly from that of HY FY2017, there was a foreign exchange loss of S\$ 0.7 million in HY FY2018 compared to allowance for doubtful debts of S\$0.7 million in HY FY2017.

2Q FY2018 vs 2Q FY2017

Other operating expenses increased by S\$0.3 million in 2Q FY2018 compared to 2Q FY2017 mainly due to a foreign exchange loss of S\$0.4 million in 2Q FY2018.

Interest expense

HY FY2018 vs HY FY2017

Interest expense in HY FY2018 decreased by S\$0.1 million due to a reduction in bank borrowing.

Loss before income tax

As a result of the above reasons, loss before income tax was S\$4.4 million for HY FY2018.

Review of statement of financial position and cash flows

Current assets

The current assets decreased by S\$16.5 million from S\$157.9 million as at 31 March 2017 to S\$141.4 million as at 30 September 2017. The decrease was mainly due to: (i) a decline in cash and cash equivalents of S\$3.8 million, (ii) a decline in trade receivables of S\$5.5 million due to lower sales in HY FY2018, (iii) a decline in inventories of S\$6.7 million due to sales, and (iv) a decrease in other receivables of S\$0.6 million due to collection of remaining profit guarantee monies from the vendor.

Non-current assets

The non-current assets decreased by S\$1.7 million from S\$38.5 million as at 31 March 2017 to S\$36.8 million as at 30 September 2017. The decrease was mainly due to: (i) a drop in PPE of S\$1.2 million mainly due to depreciation of S\$2.1 million in 6M FY2018 and disposal of PPE with net book value of S\$0.4 million offset by additions of PPE of S\$1.7 million, and (ii) amortisation of intangible assets of S\$0.3 million.

Current liabilities

The current liabilities decreased by S\$35.9 million from S\$96.4 million as at 31 March 2017 to S\$60.4 million as at 30 September 2017. The decrease was mainly due to (i) a decrease in bank borrowings of S\$32.5 million caused by a reclassification of bank borrowings of S\$23.2 million from current to non-current as the outstanding due in respect of the related loan was settled and the remaining balances were restructured, and repayment of S\$8.9 million and (ii) a decrease in trade payables of S\$2.9 million due to lower purchases during the quarter.

Non-current liabilities

Non-current liabilities increased by S\$22.7 million from S\$6.1 million as at 31 March 2017 to S\$28.8 million as at 30 September 2017 mainly due to reclassification of bank borrowings as explained above.

Capital, reserves and non-controlling interests

The decrease in shareholder's equity of S\$5.0 million was mainly attributable to loss of S\$4.5 million during the period and decrease in translation reserve of S\$0.5 million.

Cash Flows

HY FY2018 ended 30 September 2017

Net cash from operating activities

In HY FY2018, we have operating cash outflows of S\$0.7 million from operating activities before changes in working capital.

Our net working capital inflow amounted to S\$8.3 million. This was mainly due to: (i) a decrease in inventories of S\$6.2 million due to sales, (ii) a decrease in trade receivables of S\$5.2 million due to collections during the period, and (iii) a decrease in other receivables of S\$0.5 million, offset by (i) a decrease in trade payable of S\$2.7 million and (ii) a decrease in bank bills payable of S\$0.7 million due to repayment of bank borrowings.

We paid interest for bank bills of S\$0.2 million and income tax paid of S\$0.4 million.

Overall, our net cash generated from operating activities amounted to S\$7.1 million.

Net cash used in investing activities

Net cash used in investing activities amounted to S\$1.2 million in HY FY2018 mainly due to the payments for PPE of S\$1.5 million offset by proceeds on disposal of PPE of S\$0.3 million.

Net cash used in financing activities

Net cash used in financing activities amounted to S\$9.8 million in HY FY2018. This was mainly due to: (i) the repayment of bank borrowings and related interest of S\$10.0 million, and (ii) the repayment of obligations under finance leases of S\$0.3 million offset by proceeds from loan from immediate holding company of S\$0.5 million.

2Q FY2018 vs 2Q FY2017

Net cash from operating activities

In 2Q FY2018, we have operating cash outflows of S\$0.7 million from operating activities before changes in working capital.

Our net working capital inflow amounted to S\$4.8 million. This was mainly due to: (i) a decrease in inventories of S\$3.8 million, (ii) a decrease in trade receivables of S\$2.7 million due to collections during the period, (iii) a decrease in other receivables of S\$0.3 million, offset by (i) a decrease in trade payables of S\$1.3 million due to lower purchase, (ii) a decrease in other payable of S\$0.6 million and (iii) a decrease in bank bills payable of S\$0.1 million due to repayment of bank borrowings.

We paid interest for bank bills of S\$0.1 million and income tax paid of S\$0.1 million.

Overall, our net cash generated from operating activities amounted to S\$3.9 million.

Net cash used in investing activities

Net cash used in investing activities amounted to S\$0.6 million in 2Q FY2018 mainly due to the purchase of PPE of S\$0.6 million.

Net cash used in financing activities

Net cash used in financing activities amounted to S\$3.7 million in 2Q FY2018. This was mainly due to: (i) the repayment of bank borrowings and related interest of S\$4.1 million, and (ii) the repayment of obligations under finance leases of S\$0.2 million offset by proceeds from loan from immediate holding company of S\$0.5 million.

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

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

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

After being in prolonged weakness for more than two years, there are signs that the O&G market is rebalancing as indicated by improving oil prices in recent times. This is an encouraging sign for the Group whose products and services demands are generally driven by the overall performance of the O&G sector.

On 23 October 2017, the Company entered into a conditional placement agreement with PeakBayou Limited, a wholly-owned unit of private equity fund ShawKwei Asia Value Fund 2017, L.P., to allot and issue an aggregate of 1,360,000,000 new ordinary shares in the capital of the Company (each a "Subscription Share") at an issue price of S\$0.05 for each Subscription Share, amounting to an aggregate consideration of S\$68.0 million (the "Proposed Subscription"). The Proposed Subscription would represent about 75.64% of the enlarged share capital of the Company.

The Group intends to utilise the gross proceeds of approximately S\$68.0 million from the placement entirely for general working capital purposes and to strengthen its capital base.

The Company has appointed Tata Capital Markets Pte. Ltd. as an independent financial adviser to advise its independent directors on the Proposed Subscription. The Proposed Subscription is subject to the approval of the Company's shareholders at an extraordinary general meeting to be convened.

11. Dividend

11(a) Any dividend declared for the current financial period reported on?

Nil

11(b) Any dividend declared for the corresponding period of the immediately preceding financial year?

No

11(c) Date payable

Not applicable

11(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

Not applicable as no IPT mandate has been obtained.

14 Confirmation that the issuer has procured undertakings from all its directors and executive officers

The Company hereby confirms that it has procured undertakings from all the directors and executive officers under Rule 720(1) of the Listing Manual.

15. Negative confirmation pursuant to Rule 705(5)

The Board of Directors of the Company hereby confirm, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the 6 months ended 30 September 2017 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD OF DIRECTORS

DESMOND TEO BEE CHIONG

Executive Director and Chief Executive Officer

TEO BEE HOE

Executive Director

BY ORDER OF THE BOARD

DESMOND TEO BEE CHIONG

Executive Director and Chief Executive Officer

8 November 2017