



MARCO POLO MARINE LTD
Company Registration No. 200610073Z

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE HALF YEAR ENDED 31 MARCH 2021 ("H1FY2021") IN RESPECT OF THE FINANCIAL YEAR ENDING 30 SEPTEMBER 2021 ("FY2021")

PART1 INFORMATION REQUIRED FOR ANNOUNCEMENT OF HALF YEARLY (H1), FULL YEAR RESULTS

1. (a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediate preceding financial year.

	Group		
	H1FY2021	H1FY2020	% Change
	S\$'000	S\$'000	
Revenue	21,116	18,562	14
Cost of sales	(16,089)	(15,140)	6
Gross profit	5,027	3,422	47
Other operating income	7,286	2,436	NM
Administrative expenses	(2,853)	(3,254)	(12)
Other operating expenses	(3,303)	(2,202)	50
Profit from operations	6,157	402	NM
Finance costs	(61)	(17)	NM
Share of losses in joint ventures	(20)	(1,032)	(98)
Profit/(loss) before income tax	6,076	(647)	NM
Income tax expense	(128)	(61)	NM
Profit/(loss) for the financial period	5,948	(708)	NM
Profit/(loss) attributable to:-			
Equity holders of the Company	5,948	(708)	NM
	5,948	(708)	NM

"H1FY2021" denotes the first half financial year of FY2021.

"H1FY2020" denotes the first half financial year of FY2020.

"% Change" denotes increase/(decrease) in the relevant profit or loss item as compared with the comparative figure.

"NM" denotes not meaningful.

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

Group		
H1FY2021	H1FY2020	% Change
S\$'000	S\$'000	
Profit/(loss) for the financial period	5,948	(708) NM
Other comprehensive income/(loss):		
Share of other comprehensive income of a joint venture	-	1 NM
Exchange difference arising from translation foreign operations	(21)	533 NM
Total comprehensive income/(loss)	5,927	(174) NM
Total comprehensive income/(loss) attributable to:-		
Equity holders of the Company	5,927	(174) NM

1.(a)(iii) Net profit/(loss) for the period was stated after charging/(crediting):

Group		
H1FY2021	H1FY2020	% Change
S\$'000	S\$'000	
Profit/(loss) before income tax has been arrived at after charging/(crediting):		
Depreciation of right-of-use assets	182	117 56
Depreciation of property, plant and equipment	3,401	3,574 (5)
Net foreign currency exchange loss/(gain)	851	(1,625) NM
Gain on disposal of property, plant and equipment	-	25 NM
Interest income	(365)	(348) 5
Interest expenses	61	17 NM
Share-based payment expense	-	41 NM
Bad debts recovered	(72)	- NM
Gain on acquisition of debt	(6,238)	- NM

1.(a)(iv) Breakdown of material items under Other Income:

	Group		
	H1FY2021	H1FY2020	% Change
	S\$'000	S\$'000	
Net foreign currency exchange gain	-	1,625	NM
Gain on disposal of property, plant and equipment	-	25	NM
Interest income	365	348	5
Bad debts recovered	72	-	NM
Government grants	426	11	NM
Insurance claims	16	39	(59)
Sale of scrap metals	31	64	(51)
Gain on acquisition of debt	6,238	-	NM

1.(a)(v) Breakdown of material items under Other Operating Expenses:

	Group		
	H1FY2021	H1FY2020	% Change
	S\$'000	S\$'000	
Depreciation of right-of-use assets	182	117	56
Depreciation of property, plant and equipment	897	720	25
Net foreign currency exchange loss	851	-	NM
Reactivation costs of vessels being classified under Other Operating Expenses	707	272	NM
Security expenses for shipyard	136	144	(6)
License and permits	47	41	15

1.(b)(i) A balance sheet (for the issuer and group) together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	As at 31 March 2021 S\$'000	As at 30 September 2020 S\$'000	As at 31 March 2021 S\$'000	As at 30 September 2020 S\$'000
Non-current assets				
Property, plant and equipment	71,735	74,898	-	-
Right-of-use assets	511	693	-	-
Investments in subsidiaries	-	-	4,320	4,320
Investments in joint ventures	-	-	-	-
Amount due from joint ventures	22,041	12,328	22,041	12,328
	94,287	87,919	26,361	16,648
Current assets				
Inventories	1,498	903	-	-
Trade receivables	14,638	7,946	-	-
Other receivables, deposits and prepayment	1,785	1,337	1,020	53
Amounts due from subsidiaries (non-trade)	-	-	112,810	115,174
Amounts due from joint ventures (non-trade)	1,829	1,623	1,564	1,401
Cash and cash equivalents	13,617	13,593	5,143	8,355
	33,367	25,402	120,537	124,983
Total assets	127,654	113,321	146,898	141,631
Current liabilities				
Contract liabilities	1,759	1,001	-	-
Trade payables	5,961	3,443	-	-
Other payables and accruals	5,063	4,427	282	329
Deferred income	171	172	-	-
Lease liabilities	364	282	-	-
Borrowings-interest bearing	949	-	-	-
Income tax payable	816	849	-	-
	15,083	10,174	282	329
Non-current liabilities				
Deferred income	3,144	3,124	-	-
Lease liabilities	81	342	-	-
Borrowings-interest bearing	3,738	-	-	-
	6,963	3,466	-	-
Total liabilities	22,046	13,640	282	329
Net assets	105,608	99,681	146,616	141,302
Share capital and reserves				
Share capital	155,752	155,752	155,752	155,752
Treasury shares	(1,203)	(1,203)	(1,203)	(1,203)
Capital reserve	634	634	-	-
Employee share option reserve	560	560	-	-
Other reserve	158	158	-	-
Foreign currency translation reserve	1,170	1,191	-	-
Accumulated losses	(51,463)	(57,411)	(7,933)	(13,247)
Total equity	105,608	99,681	146,616	141,302

1.(b)(ii) Aggregate amount of borrowings and debts securities for the Group.

	Group	
	As at	As at
	31 March	30 September
	2021	2020
	S\$'000	S\$'000
Amount repayable in one year or less or on demand Secured*	966	16
Amount repayable after one year Secured*	3,800	70

Details of any collateral

* These relate to:

- i) finance leases secured against certain property, plant and equipment of the Group; and
- ii) temporary bridging loans secured against certain amount of fixed deposits pledged to financial institutions.

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

	Group	
	H1FY2021	H1FY2020
	S\$'000	S\$'000
Cash flow from operating activities		
Profit/(loss) before income tax	6,076	(647)
Adjustments for:		
Depreciation of right-of-use assets	182	117
Depreciation of property, plant and equipment	3,401	3,574
Bad debts recovered	(72)	-
Interest expense	61	17
Interest income	(365)	(348)
Share-based payment expense	-	41
Share of losses in joint ventures	20	1,032
Gain on disposal of property, plant and equipment	-	(25)
Gain on acquisition of debt	(6,238)	-
Foreign exchange difference	627	(1,097)
Operating profit before working capital changes	3,692	2,664
Movement in working capital		
Inventories	(595)	(183)
Trade and other receivables	(6,747)	(1,072)
Trade and other payables	3,154	(2,111)
Contract liabilities	758	55
Cash generated from/(used in) operations	262	(647)
Income tax	(284)	80
Net cash used in operating activities	(22)	(567)
Cash flows from investing activities		
Purchase of property, plant and equipment	(676)	(881)
Proceeds from disposal of property, plant and equipment	-	25
Repayment from a joint venture	-	2,558
Net cash (used in)/generated from investing activities	(676)	1,702
Cash flows from financing activities		
Interest received	146	414
Interest paid on lease liabilities	(2)	(2)
Interest paid on term loans	(47)	-
Proceeds from exercise of warrants	-	81
Proceeds from term loans	5,000	-
Placement of fixed deposits pledged	(500)	-
Repayment of lease liabilities	(192)	(132)
Repayment of term loans	(312)	-
Acquisition of debt	(3,835)	-
Net cash generated from financing activities	258	361
Net (decrease)/ increase in cash and cash equivalents	(440)	1,496
Cash and cash equivalents at beginning of the period	13,593	13,569
Effect of exchange rate changes on cash and cash equivalents	(36)	204
Cash and cash equivalents at end of the financial period (Note 1)	13,117	15,269

Note 1

Cash and cash equivalent consist of:

Cash and bank balances

Fixed deposits

Total cash, bank balances and fixed deposit (as per statement of financial position)

Less: fixed deposits and cash pledged

Cash and cash equivalent at the end of financial period (as per cash flow statement)

Group	
H1FY2021	H1FY2020
S\$'000	S\$'000
7,036	5,564
6,581	9,705
13,617	15,269
(500)	-
13,117	15,269

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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediate preceding financial year.

<u>Group</u>	Share capital	Treasury shares	Capital reserve	Employee share option reserve	Foreign currency translation reserve	Accumulated losses	Other reserves	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 October 2020	155,752	(1,203)	634	560	1,191	(57,411)	158	99,681
Profit for the financial period	-	-	-	-	-	5,882	-	5,882
Other comprehensive income, net of tax	-	-	-	-	(21)	-	-	(21)
Total comprehensive income for the financial period	-	-	-	-	(21)	5,882	-	5,861
Balance as at 31 March 2021	155,752	(1,203)	634	560	1,170	(51,529)	158	105,542
Balance as at 1 October 2019	155,671	(1,203)	634	519	1,265	(48,196)	157	108,847
Loss for the financial period	-	-	-	-	-	(708)	-	(708)
Other comprehensive income, net of tax	-	-	-	-	533	-	1	534
Total comprehensive income for the financial period	-	-	-	-	533	(708)	1	(174)
Conversion of warrants	81	-	-	-	-	-	-	81
Employee share option	-	-	-	41	-	-	-	41
Balance as at 31 March 2020	155,752	(1,203)	634	560	1,798	(48,904)	158	108,795

<u>Company</u>	Share capital	Treasury share	Accumulated losses	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 October 2020	155,752	(1,203)	(13,247)	141,302
Total comprehensive income for the financial period	-	-	5,314	5,314
Balance at 31 March 2021	155,752	(1,203)	(7,933)	146,616
Balance at 1 October 2019	155,671	(1,203)	(12,734)	141,734
Total comprehensive income for the financial period	-	-	2,305	2,305
Conversion of warrants	81	-	-	81
Balance at 31 March 2020	155,752	(1,203)	(10,429)	144,120

1.(d)(ii) Details of any changes in 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 previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediate preceding financial year.

On 9 July 2012, the shareholders of the Company approved the adoption of: (a) a restricted share scheme; (b) a performance share scheme; and (c) an employee share option scheme ("ESOS").

On 24 April 2013, pursuant to the ESOS, the Company granted 5,110,000 share options to the Directors of the Company and employees of the Group, each of which is capable of being exercised into a new ordinary share of the Company (the "Share") at an exercise price of S\$0.415 each (the "2013 ESOS Options").

On 28 April 2015, pursuant to the ESOS, the Company granted 5,720,000 share options to the Directors of the Company and employees of the Group, each of which is capable of being exercised into a new Share at an exercise price of S\$0.275 each (the "2015 ESOS Options").

On 30 January 2018, the Company issued and allotted 269,238,877 free warrants (the "Warrants") on the basis of eight Warrants for every 10 Shares held by the Shareholders as at the end of the books closure date on 24 January 2018. Each of the Warrants would entitle the holder a right to subscribe for one new Share at an exercise price of S\$0.035 each and each Warrant can only be exercised during the period commencing on and including the date six months from the date of listing of the Warrants on the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 2 February 2018 and expiring on the date immediately preceding 30 January 2023, being the fifth anniversary of the date of issue of the Warrants.

As at 31 March 2021, the following securities, which are capable of being exercised into Shares, remain outstanding:

1. 2,690,000 2013 ESOS Options (31 March 2020: 2,790,000);
2. 2,830,000 2015 ESOS Options (31 March 2020: 3,410,000); and
3. 266,790,135 Warrants (31 March 2020: 266,790,135 Warrants)

Save as disclosed, the Company has no outstanding convertibles as at 31 March 2021 and 31 March 2020.

There were no changes to the Company's share capital and total number of issued ordinary shares during the current financial period and as well as the corresponding period of the immediate preceding financial year.

1.(d)(iii) 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.

	<u>As at 31 March 2021</u>	<u>As at 30 September 2020</u>
Total number of issued Shares (excluding treasury shares)	3,522,617,103	3,522,617,103

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

The Company owned 4,201,400 treasury shares as at 31 March 2021. There was no movement on the treasury shares held by the Company during the financial period reported on.

2. Whether the figures have been audited, or reviewed in accordance with which standard (eg. The Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard.

The figures have not been audited 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.

Save as disclosed in Paragraph 5 below, the Group and the Company have applied the same accounting policies and methods of computation in the preparing the financial statements for the current financial year as with those used in preparing the audited financial statements as at 30 September 2020.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

There are no other new SFRS(I) with significant changes to the accounting policies of the Group and the Company nor any the amounts reported for the current and prior periods.

6. Earnings per ordinary shares 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	
	H1FY2021 S\$'000	H1FY2020 S\$'000
Profit/(loss) attributable to equity holders	5,882	(708)

	H1FY2021		H1FY2020	
	Number of shares	Singapore cents	Number of shares	Singapore cents
Basic	3,522,617,103	0.17	3,520,941,194	(0.02)
Diluted	3,522,617,103	0.17	3,520,941,194	(0.02)

* Basic earnings per share is calculated by dividing profit or loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial period.

** Diluted earnings per share is calculated by dividing profit or loss attributable to equity holders of the Company by the weighted average number of Shares outstanding during the financial period plus the weighted average number of Shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

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

	Group		Company	
	As at 31 March 2021 S\$'000	As at 30 September 2020 S\$'000	As at 31 March 2021 S\$'000	As at 30 September 2020 S\$'000
Net asset value	105,542	99,681	146,616	141,302
Net asset value per ordinary share based on issued share capital (Singapore cents)	3.0 cents	2.8 cents	4.2 cents	4.0 cents

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss any significant factors that affected the turnover, costs and earning of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period report on.

Overview

The Group is a regional integrated marine logistic company, which principally engages in shipping and shipyard businesses.

The shipping business of the Group relates to the chartering of Offshore Supply Vessels ("OSVs"), which comprise mainly Anchor Handling Tug Supply ("AHTS") vessels for deployment in the regional waters as well as the chartering of tugboats and barges to customers, especially those which engaged in the mining, commodities, construction, infrastructure and land reclamation industries.

The shipyard business of the Group relates to ship building as well as the provision of ship maintenance, repair, outfitting and conversion services, which are being carried out through its shipyard located in Batam, Indonesia. Occupying a total land area of approximately 34 hectares with a seafront of approximately 650 meters, the modern shipyard also houses three dry docks, which boosted the Group's technical capabilities and service offerings to undertake projects involving mid-sized and sophisticated vessels.

(a) Review of financial performance of the Group

Our Group's revenue for H1FY2021 (vis-à-vis H1FY2020) were as follow:

	H1FY2021		H1FY2020		Change	
	S\$ m	%	S\$ m	%	S\$ m	%
Ship Chartering Operations	9.4	45	9.9	53	(0.5)	(5)
Ship Building & Repair Operations	11.7	55	8.7	47	3.0	34
	21.1	100	18.6	100	2.5	13

The Group recorded a revenue of S\$21.1 million in H1FY2021, an increase of 13% from that of S\$18.6 million registered in H1FY2020.

The revenue derived from the Ship Chartering Operations of the Group decreased by 5% to S\$9.4 million in H1FY2021 from S\$9.9 million in H1FY2020. The decrease was mainly due to the decrease in charter rates of the Group's fleet of tugboats and barges. The average utilisation rates for both the Group's fleet of tugboats and barges and the Group's fleet of OSVs, have remained comparable to the utilisation rates for same period last year.

The Ship Building & Repair Operations of the Group recorded an increase in revenue of 34% to S\$11.7 million in H1FY2021 from S\$8.7 million in H1FY2020. The increase was mainly due to an increase in ship repair jobs during the period. Ship building division has also commenced new projects in relation to the construction of the two Smart Fish Farms, as announced by the Company on 17 August 2020, during the current period which resulted in the increase in revenue.

The Group recorded an increase of 45% in gross profit to S\$5.0 million in H1FY2021 from S\$3.4million in H1FY2020 with gross profit margin increasing to 24% in H1FY2021 from 18% in H1FY2020 mainly as a result of the absence of one-off reactivation costs incurred for the Group's fleet of offshore vessels during the current period.

The Group's other operating income increased significantly to \$7.3 million in H1FY2021 from S\$2.4 million in H1FY2020. The increase in H1FY2021 was mainly attributed to the gain of acquisition of debt (as announced by the Company on 13 October 2020) of S\$6.2 million.

The Group's administrative expenses decreased to S\$2.9 million in H1FY2021 from S\$3.3 million in H1FY2020, mainly due to lower staff costs in H1FY2021 as compared to H1FY2020.

The Group's other operating expenses increased to S\$3.3 million in H1FY2021 from S\$2.2 million in H1FY2020 mainly due to the recognition of foreign exchange loss of S\$0.9 million in H1FY2021 and the increase in reactivation costs of S\$0.4 million to S\$0.7 million in H1FY2021 from S\$0.3 million in H1FY2020.

The share of losses from jointly controlled companies decreased to approximately S\$20,000 in H1FY2021 from S\$1.0 million in H1FY2020. The share of losses was mainly attributable to a lower utilisation of the vessel held by Pelayaran Era Sdn Bhd. The Group has ceased to recognise the share of results from its joint venture PT Pelayaran Nasional Bina Buana Raya Tbk ("PT BBR") in the current period since the losses to be recognised have exceeded the Company's cost of investment in PT BBR.

As a result of the above, we registered a net profit attributed to owners of the Company of S\$5.9 million in H1FY2021 compared to a net loss attributed to owners of the Company of S\$0.7 million in H1FY2020. Excluding the one-off gain from the acquisition of debt, the Group would have registered a net loss attributed to owners of the Company of S\$0.3 million in H1FY2021.

Excluding foreign exchange losses and one-off gain arose from the acquisition of debt, the Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) of the Group increased to S\$3.9 million in H1FY2021 from S\$1.1 million in H1FY2020.

(b) Review of financial position of the Group as at 31 March 2021 compared to that as at 30 September 2020

The non-current assets of the Group increased by S\$6.4 million or 7% to S\$94.3 million as at 31 March 2021 from S\$87.9 million as at 30 September 2020. The increase was mainly due to increase in amount due from joint ventures as a result of acquisition of debt (as announced by the Company on 13 October 2020).

Inventories increased to S\$1.5 million as at 31 March 2021 from S\$0.9 million as at 30 September 2020, in line with the increase in volume of ship repair projects for the period.

Trade receivables increased to S\$14.6 million as at 31 March 2021 from S\$7.9 million as at 30 September 2020, in line with the increase in overall group revenue for the period as sales turnover has increased by S\$8.8 million to S\$21.1 million in H1FY2021 from S\$12.3 million recorded in the second half of FY2020. As disclosed in the Group's financial statements that was published in the FY2020 Annual Report, the Group uses an allowance matrix to measure its expected credit loss for trade receivables and based on this this allowance matrix, the Group has assessed that the provision for impairment of trade receivables is adequate at this juncture.

The other receivables, deposits and prepayment increased by S\$0.5 million to S\$1.8 million as at 31 March 2021 from S\$1.3 million as at 30 September 2020, attributed mainly to increase in deposits for tendering of ship chartering contracts.

Trade payables increased by S\$2.6 million to S\$6.0 million as at 31 March 2021 from S\$3.4 million as at 30 September 2020, in line with the increase in the Group's business activities.

Other payables and accruals increased by S\$0.7 million to S\$5.1 million as at 31 March 2021 from S\$4.4 million as at 30 September 2020, due mainly to additional costs being accrued as result of an increase in ship repair activities during the period.

The increase in contract liabilities to S\$1.8 million as at 31 March 2021 from S\$1.0 million as at 30 September 2020, was attributed to the advance received for new ship building projects.

The Group has recognised interest bearing loans amounting to S\$4.7 million as at 31 March 2021 due to drawdown of the Temporary Bridging Loans from financial institutions under Enterprise Singapore's Temporary Bridging Loan Programme with a repayment tenor of 5 years. The proceeds are to be used to fund the working capital requirements of the Group.

The Group reported a net cash used in operating activities of S\$22,000 for 1HFY2021, principally as a result of increase in trade and other receivables with the improvement in revenue as business activities picked up. The cash and cash equivalent of the Group stood steadily at S\$13.6 million as at 31 March 2021 and 30 September 2020.

Following from the above:

- (i) the working capital of the Group increased to S\$18.3 million as at 31 March 2021 from S\$15.2 million as at 30 September 2020;
- (ii) the net gearing of the Group (defined as the ratio of the aggregate of interest bearing loans net of cash and cash equivalents to total equity) remained at nil as at 31 March 2021 and 30 September 2020; and
- (iii) the net asset value per share of the Group increased to 3.0 cents as at 31 March 2021 from 2.8 cents as at 30 September 2020.

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 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 outlook for the offshore marine industry remains challenging as the COVID-19 pandemic has adversely affected oil demand and oil and gas activities, resulting in a slowdown in our ship chartering and shipyard operations. However, there also are positive signs in recent times that such a downcast scenario appears to be gradually bottoming-up. In addition, the Group has seen opportunities in certain segments and we have taken steps to capitalise on them.

For the Group's ship chartering business, we will continue to step up its marketing efforts to improve its performance and explore additional revenue sources by going beyond South East Asia, in particular the offshore windfarm renewable energy segment. The utilisation of our fleet of tugboats and barges is also expected to improve as construction activities in Singapore progressively resumes. For the Group's shipyard division, we will continue to focus on securing ship repair and maintenance orders from regional ship owners.

As an overall strategy, the Group will focus our collective efforts as we continue the journey of transition towards renewable energy sources as we get more involved in the renewable energy sector.

The Company will release further updates on its business and operations on 18 May 2021.

Some of the statements in this release constitute "forward-looking statements" that do not directly or exclusively relate to historical facts. These forward-looking statements reflect our current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside our control. Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks and factors such as general economic and business conditions, including the uncertainties of the pace of recovery of the United States of America economy, continued concerns of the scale of the possible adverse fallouts and their implications on the global scene triggered by the current Euro zone debt crisis, inflationary pressures and currency appreciation which will affect the continued strong growth in Asia, especially East Asia; timing or delay in signing, commencement, implementation and performance of programs, or the delivery of products or services under them; relationships with customers; competition; and ability to attract personnel. Because actual results could differ materially from our intentions, plans, expectations, assumptions and beliefs about the future and any negative impacts arising from these issues will affect the performance of the Group's businesses, undue reliance must not be placed on these statements.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Nil.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Nil.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared/recommendeded for H1FY2021 in view of the recognition of one-off non-recurring gain from the acquisition of debt. Excluding this one-off gain, the Group will be in a loss making position.

13. Interested Person Transactions

The Company has not obtained any general IPT mandate from its shareholders and did not have any interested person transactions during the financial period under review (excluding transactions less than S\$100,000).

14. Negative Assurance on the Financial Statements

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company, which may render the unaudited financial statements of the Group and of the Company for H1FY2021 to be false or misleading in any material aspect.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has procured the said undertakings from all its Directors and Executive Officers.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sean Lee Yun Feng
Chief Executive Officer

Liely Lee
Chief Financial Officer

14 May 2021