

**CITICODE LTD.**

(Registration No. 200404283C)

**UNAUDITED FINANCIAL STATEMENTS FOR QUARTER ENDED 30 SEPTEMBER 2019 (“3Q FY2019”) AND NINE MONTHS ENDED 30 SEPTEMBER 2019 (“9M FY2019”).**

**PART 1 INFORMATION REQUIRED FOR ANNOUNCEMENTS FOR QUARTERLY AND NINE MONTHS RESULTS.**

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

	Group			Group		
	3Q FY2019 S\$'000	3Q FY2018 S\$'000	Inc / (Dec) %	9M FY2019 S\$'000	9M FY2018 S\$'000	Inc / (Dec) %
Revenue	7,265	11,522	(37.0)	10,540	46,766	(77.5)
Cost of sales	<u>(7,185)</u>	<u>(11,494)</u>	(37.5)	<u>(10,428)</u>	<u>(46,018)</u>	(77.3)
<b>Gross profit</b>	<b>80</b>	<b>28</b>	185.7	<b>112</b>	<b>748</b>	(85.0)
Other (expense)/income - net	(49)	21	n.m	(31)	49	n.m
Administrative expenses	(120)	(262)	(54.2)	(465)	(780)	(40.4)
Finance costs	<u>(6)</u>	<u>(23)</u>	(73.9)	<u>(12)</u>	<u>(95)</u>	(87.4)
<b>Loss before tax</b>	<b>(95)</b>	<b>(236)</b>	(59.8)	<b>(396)</b>	<b>(78)</b>	407.7
Income tax	-	-		-	-	
<b>Loss after tax</b>	<b>(95)</b>	<b>(236)</b>	(59.8)	<b>(396)</b>	<b>(78)</b>	407.7

n.m = not meaningful

1(a)(ii) The net loss attributable to shareholders (“Net Loss”) includes the following (charges)/credits.

	Group		Group	
	3Q FY2019 S\$'000	3Q FY2018 S\$'000	9M FY2019 S\$'000	9M FY2018 S\$'000
<b>1.1 Loss before income tax is arrived at after charging the following:</b>				
Finance cost	(6)	(23)	(12)	(95)
<b>1.2 Other (expense)/income - net comprises principally the following:</b>				
Realised foreign exchange (loss)/gain	-	-	(1)	5
Unrealised foreign exchange (loss)/gain	(50)	19	(33)	40
Government grant	-	-	-	2
Miscellaneous income	1	2	3	2
	<u>(49)</u>	<u>21</u>	<u>(31)</u>	<u>49</u>

1(a)(iii) Consolidated Statement of Comprehensive Income.

	Group		Inc / (Dec)	Group		Inc / (Dec)
	3Q FY2019 S\$'000	3Q FY2018 S\$'000		9M FY2019 S\$'000	9M FY2018 S\$'000	
<b>Loss after income tax</b>	(95)	(236)	(59.8)	(396)	(78)	407.7
<b>Other comprehensive (expense)/income:</b>						
Foreign currency translation difference	57	(30)	n.m	88	13	576.9
<b>Total comprehensive loss for the period attributable to the owners of the company</b>	<u>(38)</u>	<u>(266)</u>	(85.7)	<u>(308)</u>	<u>(65)</u>	373.9

n.m = 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.

	Group		Company	
	30-Sep-19 S\$'000	31-Dec-18 S\$'000	30-Sep-19 S\$'000	31-Dec-18 S\$'000
<b>Non-current assets</b>				
Investment in subsidiaries	-	-	2	2
<b>Current assets</b>				
Trade receivables	3,654	2,820	-	-
Other receivables	291	144	48	31
Cash and cash equivalents	472	199	39	110
<b>Current assets</b>	<b>4,417</b>	<b>3,163</b>	<b>87</b>	<b>141</b>
<b>Total Assets</b>	<b>4,417</b>	<b>3,163</b>	<b>89</b>	<b>143</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>				
Share capital	209,581	209,581	209,581	209,581
Capital reserve	(654)	(654)	-	-
Foreign currency translation reserve	97	9	-	-
Accumulated losses	(209,622)	(209,226)	(213,031)	(212,452)
<b>Total attributable to equity holders of the Company</b>	<b>(598)</b>	<b>(290)</b>	<b>(3,450)</b>	<b>(2,871)</b>
<b>Non-current liabilities</b>				
Other payables	181	162	181	162
Borrowings	450	200	450	200
	631	362	631	362
<b>Current liabilities</b>				
Trade payables	2,567	2,425	-	-
Other payables	1,817	666	2,908	2,652
	4,384	3,091	2,908	2,652
<b>Total Liabilities</b>	<b>5,015</b>	<b>3,453</b>	<b>3,539</b>	<b>3,014</b>
<b>Total Equity and Liabilities</b>	<b>4,417</b>	<b>3,163</b>	<b>89</b>	<b>143</b>

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

Amount repayable after one year

	As at 30 September 2019		As at 31 December 2018	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Borrowings	-	450	-	200

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.

	Group		Group	
	3Q FY2019 S\$'000	3Q FY2018 S\$'000	9M FY2019 S\$'000	9M FY2018 S\$'000
<b>Cash flows from operating activities</b>				
Loss before tax	(95)	(236)	(396)	(78)
Adjustments for:				
Unrealised foreign exchange loss/(gain)	50	(19)	33	(40)
Interest	6	-	12	72
Write back of trade and other payables	-	-	-	(77)
<b>Operating cash flow before working capital changes</b>	<b>(39)</b>	<b>(255)</b>	<b>(351)</b>	<b>(123)</b>
Trade and other receivables	(2,859)	(174)	(893)	5,614
Trade and other payables	3,014	(586)	1,279	(5,884)
Cash generated from/ (used in) operations	116	(1,015)	35	(393)
Interest paid	(6)	-	(12)	(72)
<b>Net cash generated from/ (used in) operating activities</b>	<b>110</b>	<b>(1,015)</b>	<b>23</b>	<b>(465)</b>
<b>Cash flows from financing activities</b>				
Proceeds from/ (Repayment of) borrowings, net	100	(630)	250	(907)
Net proceed from issuance of redeemable convertible bond	-	-	-	1,940
<b>Net cash generated from/(used in) financing activities</b>	<b>100</b>	<b>(630)</b>	<b>250</b>	<b>1,033</b>
<b>Net change in cash and bank balances</b>	<b>210</b>	<b>(1,645)</b>	<b>273</b>	<b>568</b>
<b>Cash and bank balances at beginning of financial period</b>	<b>262</b>	<b>2,703</b>	<b>199</b>	<b>490</b>
<b>Cash and bank balances at end of financial period</b>	<b>472</b>	<b>1,058</b>	<b>472</b>	<b>1,058</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 financial year.

	Share capital S\$'000	Capital reserve S\$'000	Share options reserve S\$'000	Foreign currency translation reserve S\$'000	Accumulated losses S\$'000	Total equity S\$'000
<b>3Q2018</b>						
<b>Group</b>						
<b>Balance at 1 July 2018</b>	<b>209,281</b>	<b>(654)</b>	<b>544</b>	<b>41</b>	<b>(208,974)</b>	<b>238</b>
Loss for the period	-	-	-	-	(236)	(236)
Other comprehensive income for the period						
- Foreign currency translation differences	-	-	-	(30)	-	(30)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(30)</b>	<b>(236)</b>	<b>(266)</b>
<b>Balance at 30 September 2018</b>	<b>209,281</b>	<b>(654)</b>	<b>544</b>	<b>11</b>	<b>(209,210)</b>	<b>(28)</b>
<b>3Q2019</b>						
<b>Group</b>						
<b>Balance at 1 July 2019</b>	<b>209,581</b>	<b>(654)</b>	<b>-</b>	<b>40</b>	<b>(209,527)</b>	<b>(560)</b>
Loss for the period	-	-	-	-	(95)	(95)
Other comprehensive loss for the period						
- Foreign currency translation differences	-	-	-	57	-	57
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57</b>	<b>(95)</b>	<b>(38)</b>
<b>Balance at 30 September 2019</b>	<b>209,581</b>	<b>(654)</b>	<b>-</b>	<b>97</b>	<b>(209,622)</b>	<b>(598)</b>

	Share capital S\$'000	Share options reserve S\$'000	Accumulated losses S\$'000	Total equity S\$'000
<b>3Q2018</b>				
<b>Company</b>				
<b>Balance at 1 July 2018</b>	209,281	544	(212,345)	(2,520)
Loss for the period	-	-	(165)	(165)
<b>Total comprehensive loss for the period</b>	-	-	(165)	(165)
<b>Balance at 30 September 2018</b>	<b>209,281</b>	<b>544</b>	<b>(212,510)</b>	<b>(2,685)</b>

<b>3Q2019</b>				
<b>Company</b>				
<b>Balance at 1 July 2019</b>	<b>209,581</b>	-	<b>(212,937)</b>	<b>(3,356)</b>
Loss for the period	-	-	(94)	(94)
<b>Total comprehensive loss for the period</b>	-	-	<b>(94)</b>	<b>(94)</b>
<b>Balance at 30 September 2019</b>	<b>209,581</b>	-	<b>(213,031)</b>	<b>(3,450)</b>

**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.**

There was no change in the Company’s share capital for the reported quarter ended 30 September 2019. The number of ordinary shares issued was 41,316,907,761.

The Company does not have any treasury shares and does not have any subsidiary that holds shares issued by the Company as at the end of the current financial period and as at 30 September 2018. There were also no outstanding convertible securities as at the end of the current financial period and as at 30 September 2018.

**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.**

Total number of issued shares excluding treasury shares	Number of shares
Balance as at 30 September 2019	41,316,907,761
Balance as at 31 December 2018	41,316,907,761

**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.**

The Company does not have any treasury shares as at the end of 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.**

Not applicable as the Company does not have any subsidiary that holds shares issued by the Company.

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

The figures have not been audited or reviewed.

**3. Where the figures have been audited or reviewed, the auditors’ report (including any qualifications or emphasis of 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 reporting period compared with the audited annual financial statements for the year ended 31 December 2018, except for the adoption of the new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") which are effective for its financial year beginning 1 January 2019.

**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 adopted the new and revised SFRS(I) which are effective for its financial year beginning 1 January 2019. The adoption of the new standards did not have material financial impact on the Group's financial statements.

**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.**

	Group		Group	
	3Q FY2019 cents	3Q FY2018 cents	9M FY2019 cents	9M FY2018 cents
<b>Earnings per share for the Group attributable to equity holders of the Company</b>				
i) Basic	(0.0002)	(0.0006)	(0.0010)	(0.0002)
ii) On a fully diluted basis	(0.0002)	(0.0006)	(0.0010)	(0.0002)

Basic earnings per share for 3Q FY2019 and 3Q FY2018 were calculated based on total number of shares of 41,316,907,761.

**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 period reported on; and
- (b) Immediately preceding financial year.

	Group		Company	
	30-Sep-19 Cents	31-Dec-18 Cents	30-Sep-19 Cents	31-Dec-18 Cents
<b>NAV per share based on issued share capital as at the end of the period</b>	(0.0014)	(0.0007)	(0.0084)	(0.0069)



8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors.

**Review of Financial Performance (3Q19 vs 3Q18)**

Revenue for 3Q19 fell by 37.0% to S\$7.27 million from S\$11.5 million in 3Q18 due to lower trading volume for metal products as the management continues to trade with caution amidst the market volatility for commodities. Gross margin improved by 0.86 percentage points to 1.1% for the quarter due mainly to lower hedging costs.

Administrative expenses fell by 54.2% to S\$0.12 million due mainly to fixed operating cost savings as we streamlined our corporate functions, despite one-off professional fees incurred during the period.

Net other expense for 3Q19 comprised mainly of unrealised foreign exchange loss (US\$/S\$) of S\$0.05 million.

Finance cost fell by 73.9% to S\$0.006 million as a result of lower borrowings.

Given the above, Net Loss narrowed to S\$0.095 million for 3Q19 while net operating cash flows improved to S\$0.11 million.

- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

**Review of Financial Position (30 September 2019 vs 31 December 2018)**

Trade receivables rose by S\$0.83 million to S\$3.65 million due to longer collection cycle and the amount of which had substantially been received in October 2019. Other receivables comprised mainly of deposits and prepayments, which rose by S\$0.15 million to S\$0.29 million as at 30 September 2019 due mainly to higher trade-related deposits.

Cash and cash equivalents rose by S\$0.27 million to S\$0.47 million as at 30 September 2019 due mainly to an additional loan and advance deposit from customers, net of payment of operating expenses.

Trade payables rose by S\$0.14 million to S\$2.57 million as a result of slightly longer payment cycle as at 30 September 2019. Total other payables (current and non-current) rose by S\$1.17 million to S\$2.0 million due mainly to advance deposits received.

Long term borrowings rose by S\$0.25 million to S\$0.45 million as at 30 September 2019 due to additional loans from a director and a third party in 2Q19 and 3Q19, respectively.

Both trade receivables and trade payables are related to the trading of metal products by our subsidiary, Asiapac Recycling Pte Ltd ("Asiapac Recycling").

**Shareholders' Equity (30 September 2019 vs 31 December 2018)**

Total equity, after accounting for current period results, was negative S\$0.60 million as at 30 September 2019 compared to negative S\$0.29 million as at 31 December 2018.

**Review of Cash Flows (for 3Q19)**

Net cash generated from operating activities was S\$0.11 million after accounting for (i) working capital for the trading business and corporate functions; and (ii) interest payment. Cash flows from financing activities rose by S\$0.10 million due to drawdown of a third-party loan.

As a result, cash and bank balances rose by S\$0.21 million to S\$0.47 million as at 30 September 2019.

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

The Group had previously warned in its previous results announcement about uncertainty in the global economic conditions and the risk of China-US trade war, which might affect the Company's decision relating to the scale of the trading business and that it would trade with caution. The Group reported lower revenues on the back of lower trading volume with Net Loss narrowed to S\$0.095 million for 3Q19.

**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.**

We will continue to maintain a prudent approach for our commodities trading business. We will keep the existing trading scales largely unchanged, monitor market sentiments, may extend hedging position and then recalibrate our trading business should market conditions improve.

During the quarter under review, we engaged discussions with an established specialist consultancy firm and a healthcare group in Singapore to evaluate bidding details in relation to a design and operations consultancy project (including the smart M&E supply chain) for a medical centre located in Southeast Asia (the "Healthcare EPC Project"). We intend to jointly participate as one of the specialist sub-contractors but there is NO certainty that we will be able to procure any parts of the Healthcare EPC Project.

Meanwhile, some of the smart M&E projects under evaluation have very long gestation periods (including proof-of-concept and technical proposals as applicable). This requires us to improve our leverage position for project funding needs over a longer term. Whilst we have streamlined our operations, we remain cautious in projects assessment as we are aware of our limitation in fund raising exercise given our existing ordinary shares structure.

While we are discussing those commercial details for the Healthcare EPC Project, we are also evaluating key acquisition strategies. To execute and raise fund for such corporate plans, we believe that we may have to first make significant changes to our existing shares structure (Note: our existing number of issued ordinary shares is approximately 41.3 billion).

We will update shareholders and potential investors if there is any material development in implementation of our corporate strategies.

**11. Dividend**

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

Any dividend declared for the current financial period reported on?

No.

**(b) Corresponding period of immediately preceding financial year**

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

No.

**(c) State the tax rate and the country where the dividend is derived**

Not applicable.

**(d) Date payable**

Not applicable.

**(e) Books closure date**

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 as the Group currently does not have profits available for the declaration of a dividend.

**13. If the Group has obtained a general mandate from shareholders for Interested Persons Transactions ("IPT"), 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.**

The Group did not obtain a general mandate from its shareholders for IPTs. There were no IPT transactions for the period under review.

**14. Negative Confirmation pursuant to Rule 705(5) of the Listing Manual.**

To the best knowledge of the Board of Directors, nothing material has come to the attention of the Board of Directors which may render the unaudited financial statement of the Group and the Company for the quarter ended 30 September 2019 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 confirmed that it has procured undertakings from all its directors and executive officer (in the format set out in Appendix 7.7) under Rule 720 (1) of the listing manual.

**BY ORDER OF THE BOARD**

**Teh Wing Kwan**  
**Executive Chairman and Chief Executive Officer**  
**12 November 2019**