
Fourth-quarter and full-year financial statements and dividend announcement for the year ended 30 June 2015

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.

	Group 4 th Qtr ended			Group 12 months ended		
	30 June 2015 S\$'000	30 June 2014 S\$'000	Change %	30 June 2015 S\$'000	30 June 2014 S\$'000	Change %
Revenue	16,215	17,452	-7.1	72,964	72,469	0.7
Cost of sales	(9,572)	(10,810)	-11.5	(48,055)	(46,766)	2.8
Gross profit	6,643	6,642	0.1	24,909	25,703	-3.1
Other operating income	-	372	n.m.	1,666	2,515	-33.8
Administration expenses	(5,269)	(5,269)	0.0	(19,118)	(18,886)	1.2
Sales and marketing expenses	(1,084)	(1,355)	-20.0	(4,417)	(5,148)	-14.2
Other operating expenses	(56)	(32)	75.0	-	(218)	n.m.
Share of results of joint venture companies	(34)	(12)	-33.3	(68)	(48)	-12.5
Share of results of associated companies	*	-	n.m.	*	-	n.m.
Profit from operations	200	346	-42.2	2,972	3,918	-24.1
Finance costs	(585)	(126)	364.3	(1,143)	(582)	96.4
(Loss) / profit from operations before taxation	(385)	220	n.m.	1,829	3,336	-45.2
Income tax credit / (expenses)	114	(2)	n.m.	55	(462)	n.m.
(Loss) / profit from operations, net of tax	(271)	218	n.m.	1,884	2,874	-34.4
Attributable to:						
Owners of the Company	(337)	215	n.m.	1,845	2,874	-35.8
Non-controlling interests	66	3	2,100.0	39	-	n.m.
	(271)	218	n.m.	1,884	2,874	-34.4

n.m. – not meaningful

* represents less than 1,000.

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

	Group 4th Qtr ended			Group 12 months ended		
	30 June 2015 S\$'000	30 June 2014 S\$'000	Change %	30 June 2015 S\$'000	30 June 2014 S\$'000	Change %
(Loss) / profit for the period / year	(271)	218	n.m.	1,884	2,874	-34.4
Other comprehensive (loss) / income:						
Foreign currency translation	(628)	18	n.m.	(1,396)	(115)	1,113.9
Total comprehensive (loss) / income for the period	(899)	236	n.m.	488	2,759	-82.3
Total comprehensive (loss) / income attributable to:						
Owners of the Company	(965)	233	n.m.	449	2,759	-83.7
Non-controlling interests	66	3	2,100.0	39	-	n.m.
Total comprehensive (loss) / income for the period	(899)	236	n.m.	488	2,759	-82.3

The net (loss) / profit attributable to shareholders is stated after (charging)/crediting:-

	Group 4 th Qtr ended			Group 12 months ended		
	30 June 2015 S\$'000	30 June 2014 S\$'000	Change %	30 June 2015 S\$'000	30 June 2014 S\$'000	Change %
Write back of stock obsolescence	20	18	n.m.	20	18	n.m.
Bad debt written off	-	(36)	n.m.	-	(36)	n.m.
Allowance for doubtful debts	-	(79)	n.m.	-	(114)	n.m.
Amortisation of prepaid land lease	(68)	-	n.m.	(104)	-	n.m.
Depreciation	(940)	(640)	46.9	(3,040)	(3,441)	-11.7
Interest expense	(585)	(126)	364.3	(1,143)	(582)	96.4
Gain on disposal of property, plant and equipment	57	29	96.6	48	816	-94.1
Foreign exchange (loss) / gain	(480)	82	n.m.	166	(68)	n.m.

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 June 2015	30 June 2014	30 June 2015	30 June 2014
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	23,018	19,227	-	-
Investment properties	1,972	1,377	-	-
Investment in subsidiaries	-	-	13,161	13,161
Investment in joint venture companies	1,647	363	7	7
Investment in associated companies	-	-	-	-
Amount due from a subsidiary	-	-	741	-
Deferred tax assets	36	-	-	-
Other receivables	359	1,062	-	-
Prepayments	5,513	3,784	-	-
	32,545	25,813	13,909	13,168
Current assets				
Inventories	33,626	29,302	-	-
Trade receivables	26,089	27,261	-	-
Other receivables and prepayments	1,467	1,175	36	-
Amount due from subsidiaries	-	-	18,642	20,496
Amount due from joint venture companies	1,191	180	187	180
Amount due from associated companies	1,451	-	1,452	-
Cash and bank balances	2,692	2,033	133	94
	66,516	59,951	20,450	20,770
Current liabilities				
Trade payables	11,229	12,567	-	-
Bills payables	6,745	12,310	-	-
Other payables	4,222	5,968	536	1,463
Derivative liabilities	-	-	-	-
Interest-bearing loans and borrowings	20,995	4,422	-	-
Income tax payable	176	765	15	19
	43,367	36,032	551	1,482
Net current assets	23,149	23,919	19,899	19,288
Non-current liabilities				
Interest-bearing loans and borrowings	8,433	2,856	-	-
Deferred tax liabilities	1,069	1,145	-	-
Other payables	246	114	-	-
Net assets	45,946	45,617	33,808	32,456
Equity attributable to owners of the Company:				
Share capital	34,203	33,269	34,203	33,269
Treasury shares	(113)	(646)	(113)	(646)
Reserves	11,768	12,945	(282)	(167)
	45,858	45,568	33,808	32,456
Non-Controlling interests	88	49	-	-
Total equity	45,946	45,617	33,808	32,456

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

Amount repayable in one year or less, or on demand

	Group 30 June 2015		Group 30 June 2014	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Bills payables	-	6,745	-	12,310
Interest-bearing loans and borrowings:				
Bank overdrafts	-	3,324	-	1,141
Fixed advance facility	-	2,000	-	1,300
Hire purchase creditors	163	-	562	-
Internationalisation finance scheme	-	275	-	262
Invoice financing	-	3,325	-	431
Term loans	736	11,172	126	600
	<u>899</u>	<u>26,841</u>	<u>688</u>	<u>16,044</u>

Amount repayable after one year

	Group 30 June 2015		Group 30 June 2014	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Interest-bearing loans and borrowings:				
Internationalisation finance scheme	-	512	-	787
Hire purchase creditors	206	-	345	-
Term loans	5,717	1,998	1,724	-
	<u>5,923</u>	<u>2,510</u>	<u>2,069</u>	<u>787</u>

Details of the collaterals:

All bank borrowings are unsecured with the exception of the hire purchases which are secured by charges over the leased assets and term loan which is secured by charge over certain property, plant and equipment and investment properties under construction.

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 4 th Qtr ended 30.06.2015 S\$'000	Group 4 th Qtr ended 30.06.2014 S\$'000	Group 12 months ended 30.06.2015 S\$'000	Group 12 months ended 30.06.2014 S\$'000
Cash flows from operating activities				
(Loss) / profit before tax from operations	(385)	220	1,829	3,336
Adjustments for:-				
Depreciation of property, plant and equipment	940	640	3,040	3,441
Amortisation of prepaid land lease	68	-	104	-
Write back of stock obsolescence	(20)	(18)	(20)	(18)
Bad debt written-off	-	36	-	36
Allowance for doubtful debts	-	79	-	114
Gain on disposal of property, plant and equipment	(57)	(29)	(48)	(816)
Fair value gain on derivatives	-	-	-	(4)
Interest expenses	585	126	1,143	582
Share of results of joint venture companies	34	12	68	48
Share of results of associated company	*	-	*	-
Employee equity benefit expenses	-	260	-	260
	<u>1,550</u>	<u>1,106</u>	<u>4,287</u>	<u>3,643</u>
Operating profit before working capital changes	1,165	1,326	6,116	6,979
Decrease / (Increase) in inventories	4,111	(2,864)	(4,304)	(4,940)
Decrease in net amount due from a customer for contract work-in-progress	826	-	-	-
Decrease in trade receivables	5,849	639	1,172	522
Decrease / (Increase) in other receivables and prepayments	619	190	411	(427)
(Decrease) / Increase in trade payables	(2,076)	1,413	(1,338)	(3,809)
(Decrease) / Increase in other payables	(3,297)	3,305	(1,614)	4,230
Cash generated from operating activities	7,197	4,009	443	2,555
Income tax refunded / (paid)	-	1	(645)	(206)
Currency translation	(246)	107	(910)	(15)
Net cash flows generated from / (used in) operating activities	6,951	4,117	(1,112)	2,334
Cash flows from investing activities				
Purchase of property, plant and equipment	(2,559)	(2,643)	(8,108)	(7,706)
Purchase of investment properties	-	(1,377)	(595)	(1,377)
Prepaid land lease	-	-	(1,806)	-
Investment in joint ventures	-	-	(1,352)	-
Loan to related companies	(943)	-	(2,463)	-
Proceeds from disposal of plant and equipment	471	75	813	1,467
Net cash flows used in investing activities	(3,031)	(3,945)	(13,511)	(7,616)
Cash flows from financing activities				
Dividends paid	-	-	(1,006)	-
Purchase of treasury shares	-	(44)	(87)	(44)
Net (repayment) / proceeds from interest-bearing loans and borrowings	(4,055)	(150)	14,401	1,542
Proceeds from issuance of ordinary shares	934	-	934	-
Interest paid	(585)	(166)	(1,143)	(622)
Net cash flows (used in) / generated from financing activities	(3,706)	(360)	13,099	876
Net increase / (decrease) in cash and cash equivalents	214	(188)	(1,524)	(4,406)
Cash and cash equivalents at beginning of the period	(846)	1,080	892	5,298
Cash and cash equivalents at end of the period	(632)	892	(632)	892
Analysis of cash and cash equivalents				
Cash and bank balances	2,692	2,033	2,692	2,033
Bank overdrafts	(3,324)	(1,141)	(3,324)	(1,141)
Cash and cash equivalents at end of the period	(632)	892	(632)	892

* represents less than 1,000.

1(d)(i) A statement (for the issuer and the group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to the shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

4th Quarter ended 30 June 2015

< -----Equity attributable to owners of the Company ----- >

Group	Share Capital	Treasury shares	Treasury shares reserve	Merger reserve	Employee Equity Benefit Reserve	Translation reserve	Statutory reserve fund	Accumulated Profits/(Losses)	Total Reserves	Non-controlling interest	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 April 2015	33,269	(113)	(480)	(7,660)	-	(985)	15	21,843	12,733	22	45,911
Net loss for the period	-	-	-	-	-	-	-	(337)	(337)	66	(271)
Other comprehensive loss for the period	-	-	-	-	-	(628)	-	-	(628)	-	(628)
Total comprehensive loss for the period	-	-	-	-	-	(628)	-	(337)	(965)	66	(899)
Issuance of ordinary shares	934	-	-	-	-	-	-	-	-	-	934
At 30 June 2015	34,203	(113)	(480)	(7,660)	-	(1,613)	15	21,506	11,768	88	45,946
At 1 April 2014	33,269	(602)	(120)	(7,660)	-	(235)	15	20,487	12,487	11	45,165
Net profit for the period	-	-	-	-	-	-	-	215	215	3	218
Other comprehensive income for the period	-	-	-	-	-	18	-	-	18	-	18
Total comprehensive income for the period	-	-	-	-	-	18	-	215	233	3	236
Purchase of treasury shares	-	(44)	-	-	-	-	-	-	-	-	(44)
Disposal of subsidiary without loss of control	-	-	-	-	-	-	-	(35)	(35)	35	-
Employee equity benefit expenses	-	-	-	-	260	-	-	-	260	-	260
At 30 June 2014	33,269	(646)	(120)	(7,660)	260	(217)	15	20,667	12,945	49	45,617
Company											
At 1 April 2015	33,269	(113)	(480)	-	-	-	-	(243)	(723)	-	32,433
Net profit for the period	-	-	-	-	-	-	-	441	441	-	441
Total comprehensive income for the period	-	-	-	-	-	-	-	441	441	-	441
Issuance of ordinary shares	934	-	-	-	-	-	-	-	-	-	934
At 30 June 2015	34,203	(113)	(480)	-	-	-	-	198	(282)	-	33,808
At 1 April 2014	33,269	(602)	(120)	-	-	-	-	(376)	(496)	-	32,171
Net profit for the period	-	-	-	-	-	-	-	69	69	-	69
Total comprehensive income for the period	-	-	-	-	-	-	-	69	69	-	69
Purchase of treasury shares	-	(44)	-	-	-	-	-	-	-	-	(44)
Employee equity benefit expenses	-	-	-	-	260	-	-	-	260	-	260
At 30 June 2014	33,269	(646)	(120)	-	260	-	-	(307)	(167)	-	32,456

12 months ended 30 June 2015

< -----Equity attributable to owners of the Company ----- >

Group	Share Capital	Treasury shares	Treasury shares reserve	Merger reserve	Employee Equity Benefit Reserve	Translation reserve	Statutory reserve fund	Accumulated Profits/(Losses)	Total Reserves	Non-controlling interest	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 July 2014	33,269	(646)	(120)	(7,660)	260	(217)	15	20,667	12,945	49	45,617
Net profit for the year	-	-	-	-	-	-	-	1,845	1,845	39	1,884
Other comprehensive income for the year	-	-	-	-	-	(1,396)	-	-	(1,396)	-	(1,396)
Total comprehensive income for the year	-	-	-	-	-	(1,396)	-	1,845	449	39	488
Dividend on ordinary shares	-	-	-	-	-	-	-	(1,006)	(1,006)	-	(1,006)
Purchase of treasury shares	-	(87)	-	-	-	-	-	-	-	-	(87)
Issuance of ordinary shares	934	-	-	-	-	-	-	-	-	-	934
Employee equity benefit expenses	-	620	(360)	-	(260)	-	-	-	(620)	-	-
At 30 June 2015	34,203	(113)	(480)	(7,660)	-	(1,613)	15	21,506	11,768	88	45,946
At 1 July 2013	33,269	(602)	(120)	(7,660)	-	(102)	15	17,828	9,961	14	42,642
Net profit for the year	-	-	-	-	-	-	-	2,874	2,874	-	2,874
Other comprehensive income for the year	-	-	-	-	-	(115)	-	-	(115)	-	(115)
Total comprehensive income for the year	-	-	-	-	-	(115)	-	2,874	2,759	-	2,759
Purchase of treasury shares	-	(44)	-	-	-	-	-	-	-	-	(44)
Disposal of subsidiary without loss of control	-	-	-	-	-	-	-	(35)	(35)	35	-
Employee equity benefit expenses	-	-	-	-	260	-	-	-	260	-	260
At 30 June 2014	33,269	(646)	(120)	(7,660)	260	(217)	15	20,667	12,945	49	45,617
Company											
At 1 July 2014	33,269	(646)	(120)	-	260	-	-	(307)	(167)	-	32,456
Net profit for the year	-	-	-	-	-	-	-	1,511	1,511	-	1,511
Total comprehensive income for the year	-	-	-	-	-	-	-	1,511	1,511	-	1,511
Dividend on ordinary shares	-	-	-	-	-	-	-	(1,006)	(1,006)	-	(1,006)
Purchase of treasury shares	-	(87)	-	-	-	-	-	-	-	-	(87)
Issuance of ordinary shares	934	-	-	-	-	-	-	-	-	-	934
Employee equity benefit expenses	-	620	(360)	-	(260)	-	-	-	(620)	-	-
At 30 June 2015	34,203	(113)	(480)	-	-	-	-	198	(282)	-	33,808
At 1 July 2013	33,269	(602)	(120)	-	-	-	-	(454)	(574)	-	32,093
Net profit for the year	-	-	-	-	-	-	-	147	147	-	147
Total comprehensive income for the year	-	-	-	-	-	-	-	147	147	-	147
Purchase of treasury shares	-	(44)	-	-	-	-	-	-	-	-	(44)
Employee equity benefit expenses	-	-	-	-	260	-	-	-	260	-	260
At 30 June 2014	33,269	(646)	(120)	-	260	-	-	(307)	(167)	-	32,456

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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

As at 30 June 2015, the Company held 915,684 treasury shares (30 June 2014: 2,201,930) against a total number of 232,159,544 issued shares excluding treasury shares (30 June 2014: 223,873,298). The Company had no outstanding convertibles as at 30 June 2015 and 30 June 2014.

On 16 April 2015, the Company allotted and issued an aggregate of 7,000,000 shares at an issue price of S\$0.1334 for each share (the "Placement"). Following the completion of the Placement, the total number of issued shares of the Company increased to 233,075,228 shares (including treasury shares).

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.

	As at 30.06.2015	As at 30.06.2014
Total number of issued shares (excluding treasury shares)	232,159,544	223,873,298

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.

There were no sale, transfer, disposal, cancellation and/or use of treasury shares for the 3 months ended 30 June 2015.

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

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 a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those applied to the audited financial statements for the financial year ended 30 June 2014.

- 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.**

Not applicable.

- 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	
	4 th Qtr ended 30.06.2015	4 th Qtr ended 30.06.2014	12 months ended 30.06.2015	12 months ended 30.06.2014
Earnings per ordinary share for the period based on net profit after tax attributed to the shareholders of the Company				
(i) Based on weighted average number of ordinary shares in issue (cents)	(0.14)	0.10	0.82	1.28
(ii) On a fully diluted basis (cents)	(0.14)	0.10	0.81	1.27

Note:

Weighted average number of ordinary shares excluding treasury shares for calculation of:

- Basic earnings per share	231,005,698	224,182,284	226,302,723	224,182,284
- Diluted earnings per share	231,298,096	226,311,702	226,595,121	226,311,702

- 7. Net Asset Value (for the issuer and the 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	
	30.06.2015	30.06.2014	30.06.2015	30.06.2014
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares at end of the period (cents)	19.8	20.4	14.6	14.5
No. of issued shares excluding treasury shares	232,159,544	223,873,298	232,159,544	223,873,298

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; 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

Revenue

The Group's revenue for the twelve months ended 30 June 2015 ("FY15") was S\$73.0 million, 0.7% higher than the S\$72.5 million generated for the last financial year ended 30 June 2014 ("FY14"). The increase was due to the increase in revenue generated from the marine segment.

The Group's revenue for the fourth quarter ended 30 June 2015 ("4Q FY15") was S\$16.2 million, 7.1% lower than the corresponding period last year ("4Q FY14").

Gross Profit

The Group's gross profits for FY15 were slightly lower than that for FY14 mainly due to higher revenue with lower gross profit margin, while the Group's gross profits for 4Q FY15 was slightly higher than that for 4Q FY14 mainly due to higher contribution from rental of equipment to offshore oil & gas ("O&G") customers which typically command a higher profit margin.

Gross Profit Margin

The Group's gross profits margin for FY15 were slightly lower than that for FY14 mainly due to higher revenue with lower gross profit margin, while the Group's gross profits margin for 4Q FY15 was higher than that for 4Q FY14 mainly due to higher contribution from rental of equipment to offshore oil & gas ("O&G") customers which typically command a higher profit margin.

Other Operating Income

Other operating income was lower for FY15 and 4Q FY15 as compared to the corresponding periods of the last financial year, mainly due to decrease in gain on disposal of property, plant and equipment, partially offset by the impact of increase in foreign exchange gain.

Operating Expenses

The Group's operating expenses – comprising administration and sales and marketing expenses – were S\$23.5 million and S\$6.4 million for FY15 and 4Q FY15 respectively, S\$0.5 million and S\$0.3 million marginally lower than those of FY14 and 4Q FY14 respectively.

Other Operating Expenses

Foreign exchange gain in FY15 was recorded in other operating income while exchange loss was recorded in 4Q FY15. Other operating expenses in FY14 and 4Q FY14 pertaining to foreign exchange loss suffered during the financial periods.

Share of Results of Joint Venture Companies

This arose from the share of our profit and loss from the following joint venture companies:

- i) Advanced Mooring Systems Pte. Ltd., a joint venture between KTL Global Limited and LMC Asia Pacific Pte. Ltd., as per our announcement dated 27 October 2009;
- ii) KTL Seletar Resources Pte. Ltd., a joint venture between KTL Investment Pte. Ltd. and Seletar Resources Pte. Ltd., as per our announcement dated 13 January 2014; and
- iii) KTL Offshore Technology (Nantong) Co. Ltd., a joint venture between KTL Offshore Pte Ltd and Nantong KTL Offshore Co, Ltd.

Finance Costs

Finance costs increased for FY15 and 4Q FY15 compared to the corresponding periods of the last financial year, mainly due to the increase in bank borrowings.

Balance Sheet Review

Current Assets

The current assets of S\$66.5 million as at 30 June 2015 was higher as compared to that as at 30 June 2014 mainly due to:

- i) higher inventories due to increase in purchases during the year; and
- ii) increase in amount due from associated and joint venture companies.

Non-Current Assets

The increase in non-current assets from S\$25.8 million as at 30 June 2014 to S\$32.5 million as at 30 June 2015 was mainly due to:

- i) increase in property, plant and equipment as well as prepayments for the construction of the new facilities in Malaysia as announced on 20 November 2012 and 14 May 2014;
- ii) increase in investment properties due to the partial payments for the four commercial units in KL Trillion as announced on 1 April 2014;
- iii) increase in investment in joint venture companies during the financial year; and
- iv) increase in prepayment made to property, plant and equipment suppliers.

Current Liabilities

The increase in current liabilities from S\$36.0 million as at 30 June 2014 to S\$43.4 million as at 30 June 2015 was mainly due to:

- i. the increase in bank borrowings to finance the working capital; and
- ii. while offsetting the impact from decrease in bills payables, trade payables and other payables.

Non-Current Liabilities

The non-current liabilities as at 30 June 2015 was higher than that as at 30 June 2014 mainly due to the higher bank borrowings and other payables, partially offset by decrease in deferred tax liabilities.

Share Capital and Reserves

The increase in share capital and reserves from S\$45.6 million as at 30 June 2014 to S\$45.9 million as at 30 June 2015 was mainly due to the profit earned during the financial year and the Placement.

Cash flow Review

4th Quarter ended 30 June 2015

Net cash flows generated from operating activities of S\$7.0 million arose mainly from:

- i) decrease in trade receivables resulting from improvement in collection from customers; and
- ii) decrease in inventories for improvement of inventory control;

offset by:

- iii) decrease in trade and other payables due to settlement.

Net cash used in investing activities of S\$3.0 million was attributable mainly to :

- i) purchase of property, plant and equipments mainly for Malaysia's operation; and
- ii) loans made to related companies.

Net cash used in financing activities amounting to S\$3.7 million was attributable mainly to the repayment of bank borrowings while offset by proceeds from issuance of ordinary shares.

12 months ended 30 June 2015

Net cash flows used in operating activities of S\$1.1 million arose mainly from:

- i) increase of inventories due to increase in purchases during the year; and
- ii) decrease in trade and other payables due to settlement.

offset by:

- iii) operating profit.

Net cash used in investing activities of S\$13.5 million was attributable mainly to :

- i) payments made for the construction of the new facilities in Malaysia as announced on 20 November 2012;
- ii) progress payments for the four commercial units in KL Trillion as announced on 1 April 2014;
- iii) acquisition of prepaid land lease as announced on 14 May 2014;
- iv) investment in joint venture companies; and
- v) loans made to related companies.

Net cash generated from financing activities amounting to S\$13.1 million was attributable mainly to the proceeds from bank borrowings to finance our operation and proceeds from issuance of ordinary shares, partially offset by the repayment of bank borrowings and dividends paid during the financial 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 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 Group expects FY16 to remain challenging due to the fall in crude oil prices, which are likely to remain under pressure all through 2016. This, together with the current volatility in global financial markets, will keep business conditions difficult and could have a negative impact on the Group's FY16 revenue. However, the Group believes that some of the pain will be mitigated by several factors.

First, the relocation of most of our production facilities from Singapore to Malaysia will yield cost savings in FY16. The Group commenced the move to Johor at the start of 2015 and has since leased out over 70,000 sq ft of unused space in Singapore. While Singapore will remain as our headquarters, the Group intends to manufacture most of the heavy rigging products at its new Malaysian facility in view of the high operating costs in Singapore. The relocation is scheduled to be completed by the end of 2015.

The O&G market in the Middle East is expected to remain positive. The Group's Middle Eastern operation saw a 50% jump in revenue in FY15 over the previous year.

In line with the Group's intention to extend its geographical footprint, the Group announced on 4 June 2015 an acquisition of a 20% stake in South Korean rigging specialist Dae Kwang Co. Ltd. ("Dae Kwang"). Dae Kwang's network and customer base is expected to allow the Group to achieve accelerated growth through the provision of higher-margin heavy lift slings and managed services. Dae Kwang's third facility, with an area of 100,000 sq m and expected to be completed by end-2015, will allow the Group to take on larger-scale, higher-value projects.

11. Dividend

(a) Current Financial Period Reported on

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes.

Name of Dividend	Final
Dividend Type	Cash
Dividend amount per share	0.44668 cents per ordinary share
Tax rate	N.A. (one-tier tax exempt)

(c) Date Payable

Not applicable.

(d) Books closure date

Not applicable.

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

Not applicable.

13. Interested person transactions

The Company does not have a general mandate for interested person transactions.

14. Use of proceeds

As at 27 April 2015, the net proceeds of S\$888,800 raised by the Company from the placement of 7,000,000 new ordinary shares undertaken by the Company (which was completed on 16 April 2015), have been fully utilised. The said proceeds were used as the Group's contribution towards the registered capital of its associate company, KTL Offshore Technology (Nantong) Co., Ltd.

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

15. Segmented 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 Oil and gas S\$'000	Marine S\$'000	Others * S\$'000	Total S\$'000
Year ended 30 June 2015				
Revenue	45,068	18,716	9,180	72,964
Other income				1,666
Segment Revenue				<u>74,630</u>
Segment Results	3,435	(968)	573	3,040
Share of results of joint venture companies				(68)
Share of results of associated companies				*
Finance expenses				<u>(1,143)</u>
Profit from operation before tax				1,829
Income tax credit				55
Profit from operation after tax				<u>1,884</u>
As at 30 June 2015				
Segment assets	60,170	24,988	12,256	97,414
Investment in joint venture companies				1,647
Investment in associated companies				-
Total assets				<u>99,061</u>
Segment liabilities	9,696	4,026	1,975	15,697
Tax payables and deferred tax liabilities				1,245
Total interest-bearing loans and borrowings				36,173
Total liabilities				<u>53,115</u>
Other segment information:-				
Amortisation of prepaid land lease	64	27	13	104
Depreciation	1,878	780	382	3,040
Additions to non-current assets	6,491	2,696	1,322	10,509

* represents less than 1,000.

	Offshore Oil and gas S\$'000	Marine S\$'000	Others * S\$'000	Total S\$'000
Year ended 30 June 2014				
Revenue	48,946	13,570	9,953	72,469
Other income				2,515
Segment Revenue				<u>74,984</u>
Segment Results	3,695	299	(28)	3,966
Share of results of a joint venture company				(48)
Finance expenses				<u>(582)</u>
Profit from operation before tax				3,336
Income tax expenses				<u>(462)</u>
Profit from operation after tax				<u>2,874</u>
As at 30 June 2014				
Segment assets	57,680	15,992	11,729	85,401
Investment in a joint venture company				363
Total assets				<u>85,764</u>
Segment liabilities	12,596	3,492	2,561	18,649
Tax payables and deferred tax liabilities				1,910
Total interest-bearing loans and borrowings				19,588
Total liabilities				<u>40,147</u>
Other segment information:-				
Depreciation	2,324	644	473	3,441
Additions to non-current assets	5,898	1,635	1,199	8,732

* Others include customers in the engineering and construction industries.

Geographical segments

	Revenue		Assets		Capital expenditure	
	FY2015 S\$'000	FY2014 S\$'000	FY2015 S\$'000	FY2014 S\$'000	FY2015 S\$'000	FY2014 S\$'000
Singapore	35,050	33,826	60,190	60,917	4,458	3,309
Malaysia	5,333	5,462	18,604	11,259	5,644	5,321
Asia	9,414	10,090	401	31	18	6
United Arab Emirates	8,375	8,997	19,866	13,557	389	96
Rest of the world	14,792	14,094	-	-	-	-
	<u>72,964</u>	<u>72,469</u>	<u>99,061</u>	<u>85,764</u>	<u>10,509</u>	<u>8,732</u>

“Asia” includes Brunei, Hong Kong, India, Indonesia, Japan, the Philippines, the People’s Republic of China, South Korea, Taiwan, Thailand and Vietnam, each contributing less than 10% of total revenue.

“Rest of the world” includes Africa, Australia, North and South America, Europe, New Zealand and other Middle Eastern countries, each contributing less than 10% of total revenue.

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.

Revenue contributed by Marine segment was higher in FY15 as compared to FY14 mainly due to higher demand of our products and services. However, this was offset by decrease in revenue contributed by offshore O&G and others segments in FY2015.

Earnings contributed by the other segment increased in FY15 as compared to FY14 mainly due to higher gross profit margin. Earnings contributed by offshore O&G and marine segments declined mainly due lower gross profit margin as the result of keen competition.

Geographically, revenue contribution from Singapore and the rest of the world increased due to the general increase in demand for our products and services, partly offset by the demand in revenue contribution from Asia and United Arab Emirates.

17. A breakdown of sales

	FY2015 S\$'000	Group FY2014	Increase/ Decrease %
		FY2014 S\$'000	
(a) Sales reported for the first half-year	40,230	36,803	9.3
(b) Operating profit after tax before deducting non-controlling interests reported for first half-year	1,598	2,055	-22.2
(c) Sales reported for second half-year	32,734	35,666	-8.2
(d) Operating profit after tax before deducting non-controlling interests reported for second half-year	286	819	-65.1

n.m. – not meaningful

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year:-

	Latest Full Year	Previous Full Year
	S\$'000	S\$'000
Ordinary	Not applicable	1,000
Preference	Not applicable	0
Total	Not applicable	1,000

19. 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(13).

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Jonathan Tan Kheng Kuan	34	Son of Tan Tock Han (Executive Chairman and deemed Substantial Shareholder) and brother of Tan Kheng Yeow (Chief Executive Officer and deemed Substantial Shareholder)	Director of Administration. In-charge of the Administration Department and oversees the operations of the administration, human resource and information technology divisions. Position held since 2009.	NA
Karen Tan Suan Suan	41	Daughter of Tan Tock Han (Executive Chairman and deemed Substantial Shareholder) and sister of Tan Kheng Yeow (Chief Executive Officer and deemed Substantial Shareholder)	Executive Assistant to Chairman. Position held since 2009.	NA
Lim Kor Him	38	Daughter-in-law of Tan Tock Han (Executive Chairman and deemed Substantial Shareholder) and sister-in-law of Tan Kheng Yeow (Chief Executive Officer and deemed Substantial Shareholder)	Assistant Director of Administration. In-charge of the Physical Distribution Department - Purchasing, Warehouse and Logistics. Position held since 2010.	NA

**BY ORDER OF THE BOARD
TAN KHENG YEOW
CHIEF EXECUTIVE OFFICER
DATE: 29 AUGUST 2015**