

ADVANCED HOLDINGS LTD Company Registration No. 200401856N

Full Financial Statements and Dividend Announcement for the Year Ended 31/12/2015

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

1(a)(i) Consolidated statement of comprehensive income

	GROUP		GROUP			
<u> </u>	3 months ended			12 months ended		
	1.12.2015 S\$'000	31.12.2014 S\$'000	Increase / (Decrease)	31.12.2015 S\$'000	31.12.2014 S\$'000	Increase / (Decrease)
	3\$ 000	39 000	(Decrease)	39 000	3\$ 000	(Decrease)
Continuing operations						
Revenue	30,223	30,282	(0.2)	106,611	87,115	22.4
Cost of sales	(23,536)	(24,966)	(5.7)	(84,912)	(67,607)	25.6
Gross profit	6,687	5,316	25.8	21,699	19,508	11.2
Other operating income	216	157	37.6	1,209	956	26.5
Distribution and marketing costs	(2,081)	(2,301)	(9.6)	(8,825)	(9,310)	(5.2)
Administrative expenses	(1,992)	(2,405)	(17.2)	(9,178)	(9,623)	(4.6)
Other operating expenses	133	(687)	N.M	(2,213)	(2,895)	(23.6)
Other gains and losses (Note 1)	(2,073)	(1,386)	49.6	(1,718)	(1,489)	15.4
Finance cost	(119)	(65)	83.1	(328)	(229)	43.2
Share of results of associate	(2)	15	N.M	(134)	`(91)	47.3
Profit (Loss) before income tax	769	(1,356)	N.M	512	(3,173)	N.M
Income tax expense	(466)	(83)	461.4	(1,066)	(270)	294.8
Loss for the year from continuing operations (Note 2)	303	(1,439)	N.M	(554)	(3,443)	(83.9)
Discontinued operation						
Profit for the year from discontinued operation	(184)	324	N.M	2,565	1,471	74.4
(Note 3) Profit (loss) for the year	119	(1,115)	N.M	2,011	(1,972)	N.M
Tronk (1886) for the year	110	(1,110)	14.101	2,011	(1,072)	14.111
Other comprehensive (loss) income						
Items that may be reclassified subsequently to						
profit or loss:						
Exchange differences on translation of foreign						
operations representing total other	(434)	867	N.M	(163)	613	N.M
comprehensive (loss) income for the year, net of tax	(404)	007	14.141	(100)	010	14.101
oi tax						
Total comprehensive income (loss) for the	(315)	(248)	27.0	1,848	(1,359)	N.M
year	(313)	(240)	21.0	1,040	(1,000)	14.101
Destit (local) attributable						
Profit (loss) attributable to:	6.4	(4.400)	N1 N4	4 0 4 4	(4.704)	N1 N4
Owners of the Company	64 55	(1,126)	N.M	1,944	(1,734)	N.M
Non-controlling interests	55	11	400.0	67	(238)	N.M
Total comprehensive in some (loss)	119	(1,115)	N.M	2,011	(1,972)	N.M
Total comprehensive income (loss) attributable to:						
Owners of the Company	(380)	(263)	44.5	1,771	(1,125)	N.M
Non-controlling interests	(360)	15	333.3	77	(234)	N.M
	(315)	(248)	27.0		(1,359)	N.M

1(a)(ii) Notes to consolidated income statements

1. Other gains and losses:

	GROUP		GROUP	
	3 months ended		12 month	ns ended
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Continuing operations	S\$'000	S\$'000	S\$'000	S\$'000
Other (gains) and losses:				
Allowance for impairment in value of inventories	31	117	43	120
(Reversal of) Allowance for doubtful trade debts (Note A)	(311)	41	110	-
Inventories written off	36	-	35	1
Write-off of trade receivables	-	163	1	163
Loss on disposal of property, plant and equipment	3	-	26	17
Gain on bargain purchase (Note B)	(875)	-	(875)	-
Impairment loss on goodwill (Note C)	2,830	498	2,830	498
Impairment loss on investment in associate (Note C)	200	570	200	570
Impairment loss on intangible assets	-	101	-	101
Net foreign exchange loss (gain) (Note D)	159	(104)	(652)	19
	2,073	1,386	1,718	1,489
<u>Discontinued operations</u>				
Allowance for doubtful debts	(36)	-	-	-
	(36)	-	-	-
Total	2,037	1,386	1,718	1,489

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Note A: -

In view of the challenging market conditions in the oil and gas industry, the Group made allowance for doubtful debts on some retention receivables. The allowance made in 3Q2015 on a trade receivable for a project currently put on hold by the customer was collected during the quarter and the allowance made previously was accordingly reversed back.

Note B:-

The gain on bargain purchase arose from the acquisition of ZMK Technologies GmbH ("ZMK") as the fair value of the net assets of ZMK acquired exceeded the purchase consideration paid. Management was of the view, after re-assessment, that the gain represented a bargain purchase on acquisition, as ZMK's business conditions and results had improved during the period from the date of negotiation to the conclusion of the acquisition.

Note C:-

Due to the weakening of oil prices and the challenging business outlook for the oil and gas industry, the Group provided for impairment losses of S\$2.8 million on goodwill arising on consolidation from the acquisition of Applied Engineering Pte Ltd and S\$0.2 million on its investment in associate.

2. Profit for the period is determined after charging / (crediting):

	GROUP		GROUP	
	3 months ended		12 mont	hs ended
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Continuing operations	S\$'000	S\$'000	S\$'000	S\$'000
Depreciation of property, plant and equipment	849	982	3,376	3,227
Amortisation of intangible assets	-	(4)	119	153
(Reversal) Provision of warranty	(431)	30	(718)	(448)
Interest expense	119	65	328	229
Interest income	(31)	(18)	(58)	(47)
Unrealised foreign exchange loss (gain), net (Note D)	271	(652)	622	(847)
Realised foreign exchange (gain) loss, net (Note D)	(112)	225	(789)	417
Fair value loss (gain) on currency forward contracts (Note D)	-	323	(485)	449
Adjustments for (over) under provision of income tax expense in respect of prior years				
- Current income tax	(193)	30	(193)	10
- Deferred tax	143	(26)	143	(26)
<u>Discontinued operation</u>				
Depreciation of property, plant and equipment	28	31	123	141
Amortisation of intangible assets	-	43	58	111
Interest expense	-	24	52	103
Interest income	-	(74)	(153)	(289)
Loss (Gain) on disposal of subsidiaries	109	-	(1,750)	-

Note D: -

Net foreign exchange loss (gain) included in Other gains and losses comprised realised and unrealised exchange differences and fair value adjustments on currency forward contracts.

Unrealised exchange differences are the result of movements in the Euro (EUR) and the United States Dollars (USD) against the Singapore Dollars (SGD) recorded by the Group in accordance with the Financial Reporting Standards FRS 21 "The Effects of Changes in Foreign Exchange Rates". These foreign exchange differences arose mainly from the revaluation of monetary items denominated in EUR, USD and RMB.

3. Profit from discontinued operation

On 17 December 2014, the group entered into a sale agreement to dispose off its water treatment business (refer to page 11). The disposal was completed on 28 August 2015 on which date, control of the subsidiaries in the water treatment business was passed to the acquirer.

The profit for the year from the discontinued operation is analysed as follows:

Profit for the year

Gain on disposal of subsidiaries (Refer to 1(c)(ii) Note 3)

31.12.2015 S\$'000	31.12.2014 S\$'000
815	1,471
1,750	-
2,565	1,471

The results of the water treatment business for the year are as follows:

Revenue
Cost of sales
Gross profit
Other operating income Distribution and marketing costs Administrative expenses Other operating expenses Finance cost
Profit before income tax
Income tax expense
Profit for the year (attributable to owners of the Company)

31.12.2015 S\$'000	31.12.2014 S\$'000
2,718	4,228
(1,154)	(1,849)
1,564	2,379
207 (7) (664) (58) (52)	448 (22) (821) (111) (103)
990	1,770
(175)	(299)
815	1,471

1b(i) Statements of financial position

Statements of financial position	GRO	NIP I	COMF	ΡΔΝΥ
	31.12.2015 31.12.2014		31.12.2015	31.12.2014
	S\$'000	S\$'000	S\$'000	S\$'000
<u>ASSETS</u>				
Current assets				
Cash and cash equivalents	33,588	14,442	7,655	272
Trade receivables	20,456	19,826	751	965
Other receivables and prepayments	5,904	5,889	5,426	3,504
Amount due from customers for contract work-in-progress	22,831	18,698	-	-
Inventories	16,338	18,632	_	-
Assets classified as held for sale (Note 1(b)(ii))	-	18,646	-	-
Total current assets	99,117	96,133	13,832	4,741
Non-current assets				
Property, plant and equipment	28,312	31,747	91	279
Goodwill	2,805	5,635	-	-
Intangible assets	1,632	1,670	-	-
Investments in subsidiaries	-	-	45,333	54,575
Investments in an associate	75	365	-	-
Deferred tax assets	246	65	-	-
Total non-current assets	33,070	39,482	45,424	54,854
Total assets	132,187	135,615	59,256	59,595
LIABILITIES AND EQUITY Current liabilities				
Amount due to customers for contract				
work-in-progress	7,865	4,134	-	-
Bank borrowings	6,713	3,633	_	1,600
Trade and other payables	33,056	37,893	2,156	5,202
Derivative financial instruments	, -	485	, -	9
Provision for warranty	1,321	1,598	_	-
Income tax payable	1,574	938	80	-
Liabilities directly associated with assets classified as held for	-	5,573	-	_
sale (Note 1(b)(ii))				
Total current liabilities	50,529	54,254	2,236	6,811
Non-current liabilities				
Bank borrowings	8,611	9,644	-	-
Deferred tax liabilities	490	182	-	-
Total non-current liabilities	9,101	9,826	-	-
Capital and reserves and non-controlling interests				
Share capital	47,433	47,433	47,433	47,433
Treasury shares	(1,837)	(1,837)	(1,837)	(1,837)
Foreign currency translation reserve	1,481	1,654	(1,007)	(1,007)
General reserve	1,130	1,045	_	_
Retained earnings	24,084	23,154	11,424	7,188
Equity attributable to owners of the	72,291	71,449	57,020	52,784
Company	,	.,	2.,0_0	3_,. 3 .
Non-controlling interests	266	86	-	-
Total equity	72,557	71,535	57,020	52,784
Total liabilities and equity	132,187	135,615	59,256	59,595

1b(ii) Assets (Liabilities) classified as held for sale

With the completion of the disposal of the water treatment business; the assets (liabilities) classified as held for sale were treated as disposed off and no longer be consolidated as at 31 December 2015.

The amounts standing in the accounts as at the end of the last financial year ended 31 December 2014 were are as follows:

31.12.2014	4
S\$'000	

Current assets	
Cash and cash equivalents	2,363
Trade receivables	247
Other receivables and prepayments	605
Service concession receivables	144
Amount due from customers for contract work-in-progress	412
Inventories	183
Total current assets	3,954
Non-current assets	
Service concession receivables	7,039
Property, plant and equipment	3,427
Intangible assets	4,203
Deferred tax assets	23
Total non-current assets	14,692
Total assets classified as held for sale	18,646

31.12.2014 S\$'000

	3\$ 000
Current liabilities	
Bank borrowings	(1,619)
Trade and other payables	(3,470)
Income tax payable	(118)
Total current liabilities	(5,207)
Non current liabilities	
Deferred tax liabilities	(366)
Total non current liabilities	(366)
Total liabilities associated with assets as held for sale	(5.573)

1(b)(iii) Aggregate amount of Group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31	.12.2015	As at 31	.12.2014
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
6,713	•	3,633	•

Amount repayable after one year

As at 31	.12.2015	As at 31	.12.2014
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
8,611	-	9,644	-

Details of any collaterals

Bank borrowings comprised the following:

- 1. a long term loan by one of the subsidiaries to finance the purchase of factory building located at 30 Woodlands Loop, Singapore and is secured by a mortgage on the said property and a corporate guarantee issued by the Company;
- 2. short term loans obtained by the Group for working capital purposes; and
- 3. invoice financing on goods purchases.

1(c)(i) Consolidated statement of cash flows

	GRO	DUP	GROUP		
	3 months ended		12 months ended		
Operating activities	31.12.2015 S\$'000	31.12.2014 S\$'000	31.12.2015 S\$'000	31.12.2014 S\$'000	
Profit (loss) before income tax (Note 1) Adjustments for:	585	(959)	3,252	(1,403)	
Depreciation of property, plant and equipment Allowance for impairment in value of inventories	877 31	1,013 117	3,499 43	3,368 120	
Inventories written off	36	-	35	1	
Amortisation of intangible assets (Reversal of) Allowance for doubtful trade debts	(347)	39 41	177 110	264	
Write-off of trade receivables	(347)	163	1	163	
Loss on disposal of property, plant and equipment	3	-	26	17	
Gain on bargain purchase (Note 2)	(875)	-	(875)		
Impairment loss on goodwill	2,830	498	2,830	498	
Impairment loss on investment in associate	200	570	200	570	
Impairment loss on intangible assets Share of results of associate	2	101 (15)	134	101 91	
Gain on disposal of subsidiaries (Note 3)	109	(13)	(1,750)	-	
(Reversal) Provision of warranty	(431)	30	(718)	(448)	
Fair value loss (gain) on currency forward contracts	-	323	(485)	449	
Interest expense	119	89	380	332	
Interest income	(31)	(92)	(211)	(336)	
Operating cash flows before movements in working capital	3,108	1,918	6,648	3,787	
Inventories	(1,644)	(5,565)	2,636	(11,168)	
Contract work-in-progress	(3,562)	(6,584)	605	(8,439)	
Trade receivables	1,598	(748)	63	846	
Other receivables and prepayments	(306)	502	(543)	(522)	
Service concession receivables Trade and other payables	(65) 264	179 10,436	(526) (4,793)	278 12,083	
(Reversal) Provision of warranty	(3)	217	(4,793)	132	
Cash (used in) generated from operations	(610)	355	4,073	(3,003)	
Income tax paid	50	(96)	(478)	(1,166)	
Interest paid	(119)	(89)		(311)	
Interest received	104	93	63	320	
Net cash (used in) from operating activities (Note 5)	(575)	263	3,278	(4,160)	
Investing activities					
Proceeds from disposal of property, plant and equipment	1	-	729	28	
Acquisition of a subsidiary, net of cash acquired (Note 2)	163	-	163	-	
Proceeds from disposal of subsidiary (Note 3)	14	-	12,584	-	
Purchase of property, plant and equipment	(92)	(1,107)	(761)	(4,172)	
Acquisition of intangible assets	(3)	-	(3)	(5)	
Acquisition on non-controlling interest (Note 4) Investment in an associate	(69) -	(5) -	(69) (4)	(5) -	
Net cash from (used in) investing activities (Note 5)	14	(1,112)	12,639	(4,149)	

1(c)(i) Consolidated statement of cash flows (cont'd)

	GROUP		GRO	OUP
	3 month	s ended	12 month	ns ended
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	S\$'000	S\$'000	S\$'000	S\$'000
Financing activities Dividend paid to owners of the Company	-	-	(911)	(1,822)
Proceeds from bank borrowings	3,311	(1,100)	5,807	2,600
Repayment of bank borrowings	(686)	1,742	(4,205)	(1,451)
Decrease in pledged cash and bank balances and fixed deposits	126	435	97	618
Net cash used in financing activities (Note 5)	2,751	1,077	788	(55)
Net increase (decrease) in cash and cash equivalents	2,190	228	16,705	(8,364)
Cash and cash equivalents at beginning of the period	31,063	16,220	16,302	24,791
Effects of exchange rate changes on the balance of cash held in foreign currencies	(73)	(146)	173	(125)
Cash and cash equivalents at end of the year	33,180	16,302	33,180	16,302
Cash and cash equivalents for statement of cash flows comprise:				
Cash and bank balances	23,842	16,202	23,842	16,202
Fixed deposits	9,746	603	9,746	603
Cash and cash equivalents	33,588	16,805	33,588	16,805
Less: Restricted fixed deposits	(376)	(440)	(376)	(440)
Less: Restricted cash and bank balances	(32)	(63)	(32)	(63)
	33,180	16,302	33,180	16,302

1(c)(ii) Notes to Consolidated statement of cash flows

(1) The balance reflected as profit before income tax in the consolidated statement of cash flow is derived from the aggregate of profit or loss before tax from continuing and discontinued operations for the financial year as follows:

GROUP GROUP 3 months ended 12 months ended 31.12.2015 31.12.2014 31.12.2015 31.12.2014 S\$'000 S\$'000 S\$'000 S\$'000 512 769 (1,356)(3,173)(184)397 2,740 1,770 585 (959)3,252 (1,403)

Profit (Loss) before tax from continuing operations Profit before tax from discontinued operation

(2) Acquisition of subsidiary

On 4 November 2015, the company acquired 85% equity interest in ZMK Technlogies GmbH ("ZMK"), a German limited liability company for a cash consideration of EUR1. The fair value of the identified assets and liabilities of ZMK at the acquisition date were as follows:

	2015 S\$'000
Current assets	
Cash and bank balances	163
Trade receivables	631
Other receivables and prepayments	26
Inventories	316
Amount due from customers for	
contract work-in-progress	1,005
Total current assets	2,141
Non-current assets	
Property, plant and equipment	145
Intangible assets	43
Deferred tax assets	51
Total non-current assets	239
Current liabilitiies	
Trade and other payables	(1,351)
Total current liabilities	(1,351)
	4 000
Identifiable net assets	1,029
Less: Non-controlling interests	(154)
Identifiable net assets acquired	875
Gain on bargain purchase	(875)
Less: Cash and cash equivalents in the subsidiary acquired	(163)
Net cash inflow arising from acquisition	(163)
The oder mile it differ designation	(100)

The gain on bargain purchase arose from the acquisition of ZMK Technologies GmbH ("ZMK") as the fair value of the net assets of ZMK acquired exceeded the purchase consideration paid. Management was of the view, after re-assessment, that the gain represented a bargain purchase on acquisition, as ZMK's business conditions and results had improved during the period from the date of negotiation to the conclusion of the acquisition.

1(c)(ii) Notes to consolidated statement of cash flows (cont'd)

(3) Disposal of Subsidiaries

On 28 August 2015, the company disposed off its subsidiaries involved in the water treatment business for consideration net of tax, of S\$16,973,000.

The Group's carrying amounts of net assets of the water treatment business eliminated on disposal and the cash flow effect of the disposal were as follows:

	2015 S\$'000
Current assets	
Cash and cash equivalents	3,071
Trade receivables	245
Other receivables and prepayments	2,455
Service concession receivables Amount due from customers for	642
	406
contract work-in-progress Inventories	406 242
Total current assets	7,061
	7,001
Non-current assets	7.000
Service concession receivables	7,200
Property, plant and equipment	3,834 4,302
Intangible assets Deferred tax assets	4,302
Total non-current assets	15,359
	10,000
Current liabilities	(4.000)
Bank borrowings	(1,238)
Trade and other payables	(4,278)
Income tax payable Total current liabilities	(73) (5,589)
Total current liabilities	(5,569)
Non current liabilities	
Deferred tax liabilities	(422)
Total non current liabilities	(422)
Net assets derecognised	16,409
Gain on disposal:	
Total consideration	16,973
Net assets derecognised	(16,409)
Expenses incurred in relation to the disposal of subsidiaries	(53)
Cumulative exchange differences in respect of the net assets of the subsidiaries	
reclassifed from equity on loss of control of the subsidiaries	1,239
Gain on disposal	1,750
Total consideration	16,973
Less: Deferred consideration receivable	(1,270)
Less: Expenses incurred in relation to the disposal of subsidiaries paid to date	(48)
Less: Cash and cash equivalents in subsidiaries disposed of	(3,071)
Net cash inflow arising on disposal	12,584

1(c)(ii) Notes to consolidated statement of cash flows (cont'd)

(4) Acquisition of non-controlling interests

In 2015, the Group acquired additional 1.46% interest in shares in its subsidiary, Guided Wave Incorporated ("GWI"), when GWI bought back its shares from the non-controlling interests. Cash outflow as a result of acquisition of non-controlling interests via share buy-back in the subsidiary is set out below:

	2015 S\$'000
Non-current assets	2
Inventories	26
Trade and other receivables	18
Other current assets	13
Trade and other payables	(13)
Net identifiable assets	46
Effect of reduction in non-controlling interests	5
Loss from acquisition of non-controlling interests charged to equity	18
Net cash outflow on acquisition of non-controlling interests	69

(5) The impact of the discontinued operation on the cash flows of the Group for the financial year is as follows:

Net cash (outflow)/inflow from operating activities Net cash outflow from investing activities Net cash outflow from financing activities Net cash outflow

GRO	OUP	GROUP		
3 month	s ended	12 months ended		
31.12.2015	31.12.2014	31.12.2015 31.12.201		
S\$'000	S\$'000	S\$'000	S\$'000	
(19)	1,750	(432)	2,862	
-	(890)	(403)	(1,921)	
(18)	(4)	(444)	(418)	
(37)	856	(1 279)	523	

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.

Consolidated statement of changes in equity for the period ended 31 December 2015 and 31 December 2014

Group

	Attributable to owners of the Company							
	Share capital	Treasury shares S\$'000	Foreign currency translation reserve S\$'000	General reserve	Retained earnings	Attributable to equity holders of the Company S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
B								
Balance as at 1 January 2015	47,433	(1,837)	1,654	1,045	23,154	71,449	86	71,535
Total comprehensive income (loss) for the year Profit for the year	-	-	-	-	1,944	1,944	67	2,011
Other comprehensive (loss) income for the year	-	-	(173)	-	-	(173)	10	(163)
Total	47,433	(1,837)	1,481	1,045	25,098	73,220	163	73,383
Transaction with owners, recognised directly in equity								
Dividends ⁽¹⁾	-	-	=	=	(911)	(911)	=	(911)
Appropriation to general reserve				85	(85)	-	-	-
Non-controlling interest arise from acquisition of subsidiary Acquisition of non-controlling					(10)	-	154	154
interests					(18)	(18)	(51)	(69)
Balance as at 31 December 2015	47,433	(1,837)	1,481	1,130	24,084	72,291	266	72,557
Balance as at 1 January 2014	47,433	(1,837)	1,045	810	26,946	74,397	324	74,721
Total comprehensive income								
(loss) for the year Loss for the year	-	-	-	-	(1,734)	(1,734)	(238)	(1,972)
Other comprehensive income for the year	-	-	609	-	-	609	4	613
Total	47,433	(1,837)	1,654	810	25,212	73,272	90	73,362
Transaction with owners, recognised directly in equity								
Dividends ⁽¹⁾	-	-	=	-	(1,822)	(1,822)	=	(1,822)
Appropriation to general reserve	-	-	-	235	(235)	-	-	-
Acquisition to non-controlling interest	-	-	-	-	(1)	(1)	(4)	(5)
Balance as at 31 December 2014	47,433	(1,837)	1,654	1,045	23,154	71,449	86	71,535

⁽¹⁾ Dividends include 2015 dividend paid S\$911,000 (FY2014: S\$1,823,000) less refund of previous years unclaimed dividends S\$Nil (FY2014: S\$1,000)

Statement of changes in equity for the period ended 31 December 2015 and 31 December 2014

Company

i		Treasury	Retained	
	Share capital	shares	earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2015	47,433	(1,837)	7,188	52,784
Profit for the period, representing total comprehensive income for the period			5,147	5,147
Dividends			(911)	(911)
Balance as at 31 December 2015	47,433	(1,837)	11,424	57,020
Balance as at 1 January 2014	47,433	(1,837)	8,046	53,642
Profit for the period, representing total comprehensive income for the period	-	-	964	964
Dividends (1)	-	-	(1,822)	(1,822)
Balance as at 31 December 2014	47,433	(1,837)	7,188	52,784

⁽¹⁾ Dividends include 2015 dividend paid S\$911,000 (FY2014: S\$1,823,000) less refund of previous years unclaimed dividends S\$Nil (FY2014: S\$1,000)

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.

During the year ended 31 December 2015, the Company undertook a share consolidation of every three (3) existing issued ordinary shares in the share capital of the Company into one (1) consolidated share, which was approved by the shareholders at the Extraordinary General Meeting of the Company held on 26 November 2015 (the "Share Consolidation").

Following the completion of the Share Consolidation, which became effective on 7 December 2015, the number of ordinary shares of the Company as at 31 December 2015 was reduced to 103,521,700 and the number of treasury shares were reduced to 2,253,333. Any fractions of ordinary shares arising from the Share Consolidation were disregarded. The details of the changes in the number of shares as a result of the Share Consolidation are shown in Para 1(d)(iii).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period reported on and as at the end of the immediately preceding financial year.

Issued Ordinary Shares

Total number of issued shares

Share Consolidation

Total number of issued shares (after Share Consolidation)

Total number of treasury shares

Share Consolidation

Total number of treasury shares (after Share Consolidation)

Total number of issued shares excluding treasury shares

No. of Shares			
As at 31.12.2015	As at 31.12.2014		
310,567,176	310,567,176		
(207,045,476)	-		
103,521,700	310,567,176		
6,760,000	6,760,000		
0,700,000	0,700,000		
(4,506,667)	-		
2,253,333	6,760,000		
101.268.367	303.807.176		

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 and as at the end of the corresponding period of the immediately preceding financial year.

There were no sales, transfers, disposal, cancellation, and/or use of treasury shares for the current financial period reported on.

The treasury shares were consolidated on the basis of every three (3) existing ordinary shares in the capital of the company into one (1) ordinary share on 7 December 2015. Please refer to 1(d) (iii).

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

The figures have neither been audited nor reviewed by the Company's 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.

Except as mentioned in paragraph 5 below, the Group has applied the accounting policies and methods of computation in the financial statements of the current reporting period consistent with those of the audited financial statements for the year ended 31 December 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.

The Group has adopted the new and revised Singapore Financial Reporting Standards ("FRSs") that are effective for financial years beginning on and after 1 January 2015. The adoption of these new/revised FRSs and INT FRSs did not result in substantial changes to the Group's accounting policies and has no material effect on the amounts reported for the current and prior years.

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.

From continuing and discontinued operations

EPS for period based on net profit (loss) attributable to owners of the Company:

- (i) Based on weighted average number of ordinary shares in issue
- (ii) On a fully diluted basis

Continuing operations

EPS for period based on net profit (loss) attributable to owners of the Company:

- (i) Based on weighted average number of ordinary shares in issue
- (ii) On a fully diluted basis

Discontinued operation

EPS for period based on net profit attributable to owners of the Company:

- (i) Based on weighted average number of ordinary shares in issue
- (ii) On a fully diluted basis

GRO	GROUP		OUP	
3 month	s ended	12 months ended		
31.12.2015	31.12.2014 (restated)	1 31.12.2015 I		
(Cents)	(Cents)	(Cents)	(Cents)	
0.06	(1.11)	1.92	(1.71)	
0.06	(1.11)	1.92	(1.71)	
0.24	(1.43)	(0.61)	(3.16)	
0.24	(1.43)	(0.61)	(3.16)	
(0.18)	0.32	2.53	1.45	
(0.18)	0.32	2.53	1.45	

Notes

For meaningful comparision, the calculation of basic earnings per share is based on profit (loss) attributable to Owners of the Company in the respective periods divided by the weighted average number of ordinary shares of 101,268,367 after Share Consolidation. (31 December 2014: 101,268,367 (restated)). The comparative earnings per share for 31 December 2014 were restated based on the post consolidation weighted average number of shares of 101,268,367.

- 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		
31.12.2015	31.12.2014 (restated)	31.12.20 ¹ 31.12.2015 (previous reported		
(Cents)	(Cents)	(Cents)	(Cents)	
71.39	70.55	56.31	52.12	

Net asset value per ordinary share based on issued share capital (excluding treasury shares) at end of the period

Net asset value per ordinary share is calculated based on the issued share capital (excluding treasury shares) of 101,268,367 ordinary shares after Share Consolidation as at 31 December 2015 (31 December 101,268,367 (restated)). The number of issued shares used for the computation of the net asset value per ordinary share as at 31 December 2014 was adjusted for the effect of the share consolidation.

- 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.

Income statement

Continuing Operations

Fourth Quarter 2015 ("4Q2015")

Group revenue for 4Q2015 was \$\$30.2 million which is relatively the same as that achieved in 4Q2014. Gross profit margin had improved to 22.1% versus 17.6% as a few projects delivered during the quarter were of better margins and also there was reversal of unutilised provision for warranty costs after the warranty period. As a result, gross profit increased by \$\$1.4 million.

Distribution and marketing decreased by 9.6% over the two quarters in comparison due to lower variable sales expenses. Administrative expenses decreased by 17.2% as there was write back of over-accrual of administrative expenses in the previous quarters. Some unutilised R&D costs were reversed back in the quarter resulting in a credit of S\$133,000 for other operating expenses. Due to the weakening of oil prices and the challenging business outlook for the oil and gas industry, the Group provided for impairment losses of S\$2.8 million on goodwill arising on consolidation from the acquisition of Applied Engineering Pte Ltd and S\$0.2 million on its investment in associate. Finance cost rose 83.1% or S\$54,000 with the increase in interest rates on borrowings and additional financing obtained for one of its projects.

Income statement

Continuing Operations

Full Year 2015 ("FY2015")

The Group's revenue for FY2015 was S\$106.6 million as compared to S\$87.1 million achieved in FY2014 with improved revenue from the Petrochemicals and Chemicals segment. Gross profit margin was 20.4% versus 22.4% in the corresponding period as gross margins were generally squeezed in the light of the challenging market conditions of the industry. However gross profit increased by S\$2.2 million with the higher level of revenue achieved.

Marginal variances were noted for all the operating expenses including Distribution and marketing costs and Administrative expenses. Other operating expenses dropped 23.6% as R&D costs were scaled down.

Profit before tax was \$\$0.5 million whereas income tax expense was \$\$1.1 million. This was because of the impairment losses which were non-deductible for tax purpose. In addition there were also tax losses of certain subsidiaries which cannot be utilised to offset against the taxable profits of other subsidiaries in the Group and on conservative grounds, not all tax losses have been recognised as deferred tax asset.

Discontinued Operation

The Company has on 17 December 2014 entered into a conditional share purchase agreement ("SPA") with Sound Global Ltd ("SGL") pursuant to which the Company had agreed to sell and SGL had agreed to purchase:

- (a) the whole of the issued and paid-up share capital of its wholly owned subsidiary, Advanced Resources Holdings Pte. Ltd. ("ARH") together with ARH's wholly owned subsidiaries Advanced Water (Pengxi) Co., Ltd. ("AWP") and Advanced Water Reclamation (Chengdu) Co., Ltd. ("AWR"); and
- (b) the whole of the issued and paid-up share capital of its wholly owned subsidiary, Advanced Water Engineering Pte. Ltd. ("AWE") together with its wholly owned subsidiary Advanced Water Technologies Chengdu Co. Ltd. ("AWT") (ARH, AWP, AWR, AWE and AWT shall each be referred to as a "Disposal Company" and collectively the "Disposal Companies"),

(collectively, the "Disposal").

The Disposal allows the Company to unlock the value in the Group's water treatment business, which is consistent with the intent of maximising return to the shareholders and also allow the Company to restrategise its financial and capital resources.

The Disposal was approved by shareholders in an Extraordinary General Meeting held on 13 May 2015. More details of the Proposed Disposal can be found on the Company's SGXNET announcements dated 17 December 2014 and 23 April 2015.

The Disposal was completed on 28 August 2015 and each of the Disposal Companies had since ceased to be a subsidiary. The Disposal resulted in a total gain of S\$1.8 million and this was included and reported in the profit for the period from discontinued operation (Refer to 1(a)(ii) Note 2).

In accordance with FRS105, the results of the discontinued operation which include the consolidated results of the Disposal Companies and the gain on disposal are shown separately in the line "Profit for the period from discontinued operation" in the Statement of Comprehensive Income.

Given that the Disposal was already completed in 3Q2015, the loss from discontinued operation incurred in 4Q2015 was due to some adjustments for accrual of cost incurred and previously not taken up. The total profit from discontinued operation for the financial year amounted to S\$2.6 million and S\$1.5 million respectively for FY2015 and FY2014.

Total from Continuing and Discontinued Operations

During the respective financial periods reported on, the Group ended with a profit attributable to owners of the company of S\$64,000 for 4Q2015 and S\$1.9 million for FY2015 from both continuing and discontinued operations.

Revenue - Industry

	2015	2014
Continuing operations	S\$'000	S\$'000
Petrochemicals and Chemicals	68,731	40,640
Oil & Gas	34,842	42,041
Iron and Steel	615	420
Others	2,423	4,014
	106,611	87,115
<u>Discontinued operation</u>		
Others	2,718	4,228
Total	109,329	91,343

Revenue - Geography

	2015	2014
Continuing operations	S\$'000	S\$'000
China	38,191	41,720
Singapore	19,498	22,346
Vietnam	19,287	602
Other Asian Countries	13,119	5,703
Middle East	6,292	6,296
Europe	4,940	4,581
USA	3,978	2,778
Others	1,306	3,089
	106,611	87,115
<u>Discontinued operation</u>		
China	2,718	4,228
Total	109,329	91,343

Oil and Gas and Petrochemicals and Chemicals are the core industries in which the Group generates most of its revenue. Geographically, China was the largest contribution to the group revenue. Although China and Singapore remain the key markets, their contributions to revenue had decreased over the period. On the other hand, revenue generated from Other Asian Countries saw an increase in contribution with the rise in revenue attributable to various projects in Malaysia. Revenue from Vietnam also increased substantially due to an ongoing large scale project for a petrochemical plant in Vietnam.

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Statement of Financial Position and Cash Flows

The Group's financial position as at 31 December 2015 remained strong.

With a net cash consideration received of S\$12.6 million for the Disposal, the Group's cash holding as at 31 December 2015 increased to S\$33.6 million from S\$14.4 million as at 31 December 2014.

The net amount due from customers for contract work-in-progress increased by S\$0.4 million. Trade and other payables dropped by S\$4.8 million as trade payables and accrued costs relating to completed projects were settled.

Assets classified as held for sale and liabilities directly associated with assets classified as held for sale relate to the assets and liabilities of the Disposal Companies which were considered as being disposed and hence will no longer be consolidated into the Group's statement of financial position.

With the allowance of S\$2.8 million made for impairment on goodwill, goodwill was reduced from S\$5.6 million to S\$2.8 million.

Short term bank borrowings increased by S\$3.1 million as the Group obtained financing for one of its projects in Vietnam.

At the Company level, with the Disposal, investment in subsidiaries dropped by S\$9.2 million. Due to movements in intercompany loans, other receivables increased by S\$1.9 million and trade and other payables decreased by S\$3.0 million.

For the financial year ended 31 December 2015, arising from both continuing and discontinued operations, the Group had net cash generated from operating activities of S\$3.3 million. Sales proceeds received for the Disposal accounted for the cash generated from investing activities of S\$12.6 million. In financing activities, there was a net cash generated of S\$0.8 million arising from additional bank borrowings of S\$1.6 million and offset by the final dividend payment of S\$0.9 million in respect of the previous financial year.

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

The results reported herein are in line with the announcement made previously.

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.

Uncertainties surround the global economy. Falling commodity prices and rising interest rates in the US are potential risks to global growth. China reported a GDP growth of 6.9% in 2015 which is the slowest in 25 years and the slowdown impact may spill over to global markets.

As weakness in oil prices remains, oil and gas companies are tightening their budgets and some ongoing projects are put on hold. The Group faces slower market demand for its goods and services and expects competition to lead to lower gross margins in the next few quarters and there may be unexpected delay in project deliveries at the request of customers. The Group will also be faced with volatility of foreign currencies, particularly the US Dollar, Euro and Chinese Reminbi.

The challenging business and operating conditions are expected to remain for 2016. The Group will take a cautious stance and remain vigilant in managing costs and working capital and stay prudent in its capital management and expenditure.

With the funds from the divestment of water treatment business, the Group has a healthy cash reserve of \$\$33.6 million. The Group will explore investment opportunities and setting up factories overseas. It will also help provide for any necessary additional working capital requirements of the Group during this challenging period.

As at 31 December 2015, the outstanding order book of the Group was at a healthy level of approximately S\$76 million. The Group's order book may not be indicative of its revenue for any successive periods.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the current financial period reported on? Yes

Name of Dividend Final Dividend Type Cash

Dividend Amount per Share (in cents)

0.30 cents per ordinary share for the financial year ended

31 December 2014 (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.

No dividend has been declared or recommended for the quarter ended 31 December 2015.

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.

The Group did not obtain a general mandate from shareholders for IPTs.

14. Confirmation that the issuer had procured undertakings from all its directors and executives officers.

The Company confirms that it had procured undertakings from all its directors and executive officers under Rule 720(1).

15. 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
Ms Wong Swee Yoke	55	Sister to Dr Wong Kar King, Managing Director and Substantial Shareholder of the Company	Appointed as Director of Advanced Controls (M) Sdn Bhd on 11 August 1997. Appointed as General Manager for Advanced Controls (M) Sdn Bhd on 1 May 2006.	Nil

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

16(a) 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.

<u>2015</u>	Engineering Service & Manufacturing	Inter-segment Elimination	Total
Continuing operations	S\$'000	S\$'000	S\$'000
Revenue External revenue	106,611	-	106,611
Inter-segment revenue Total revenue	9,081 115,692	(9,081) (9,081)	106,611
Segment results	7.4		74
Segment results Share of results of associate Interest income	74	-	74 (134) 58
Interest expense Unallocated income		_	(328) 842
Profit before income tax Income tax Loss for the year		-	512 (1,066) (554)
		=	(00.1)
Assets Segment assets	123,941	(10,054)	113,887
Deferred tax assets Cash and cash equivalents	246 -	-	246 7,655
Unallocated assets	-	- -	10,399 132,187
Segment liabilities Segment liabilities	65,453	(10,054)	55,399
Current and deferred tax liabilities Unallocated liabilities	2,064	-	2,064 2,167
		- -	59,630
Other information Capital additions:			
 Property, plant and equipment Unallocated property, plant and equipment 	340	-	340 2
2,100,000		=	342
Impairment loss on goodwill	2,830	-	2,830
Impairment loss on investment in associate Impairment loss on intangible assets	200	- -	200
Gain on bargain purchase Inventories written off	(875) 35	- -	(875) 35
Allowance for impariment in value of inventories Allowance for doubtful trade debts	43 110	- -	43 110
Write-off of trade receivables	1	-	1
Depreciation and amortisation	3,444	-	3,444
Unallocated depreciation and amortisation		- -	51 3,495

Analysis by Business Segment (cont'd)

2015 Discontinued operation	Environmental Technologies S\$'000	Inter-segment Elimination S\$'000	Total S\$'000
Revenue			
External revenue	2,718	-	2,718
Total revenue	2,718	-	2,718
Segment results			
Segment results	889	-	889
Interest income			153
Interest expense			(52)
Gain on disposal of subsidiaries Profit before income tax			1,750 2,740
Income tax			(175)
Profit for the year			2,565
10.11.10.11.10.11.11			_,000
Other information			
Capital additions:			
- Property, plant and equipment			419
Depreciation and amortisation			181
Depreciation and amortisation			101
	Engineering		
<u>2014</u>	Service &	Inter-segment	
Out to the constant	Manufacturing	Elimination	Total
Continuing operations	S\$'000	S\$'000	S\$'000
Revenue			
External revenue	87,115	-	87,115
Inter-segment revenue	8,178	(8,178)	-
Total revenue	95,293	(8,178)	87,115
Segment results			
Segment results	(3,063)	4	(3,059)
Share of results of associate	(-,,		(91)
Interest income			47
Interest expense			(229)
Unallocated income			159
Loss before income tax			(3,173)
Income tax			(270)
Loss for the year			(3,443)

Analysis by Business Segment (cont'd)

2014 Continuing operations	Engineering Service & Manufacturing S\$'000	Inter-segment Elimination S\$'000	Total S\$'000
	οψ σσσ	οψ σσσ	5 \$ 5 55
Assets Segment assets Deferred tax assets Cash and cash equivalents Unallocated assets Assets classified as held for sale	118,108 65 - - -	(7,784) - - - (1,950)	110,324 65 272 6,308 18,646 135,615
Liabilities Segment liabilities Current and deferred tax liabilities Unallocated liabilities Liabilities directly associated with assets classified as held for sale	60,307 1,120 - -	(7,788) - - (1,950)	52,519 1,120 6,818 3,623 64,080
Other information Capital additions: - Property, plant and equipment - Unallocated property, plant and equipment	2,219	-	2,219 11 2,230
Impairment loss on goodwill Impairment loss on investment in associate Impairment loss on intangible assets Inventories written off Allowance for impariment in value of inventories Write-off of trade receivables	498 570 101 1 120 163	- - - - -	498 570 101 1 120 163
Depreciation and amortisation Unallocated depreciation and amortisation	3,310	-	3,310 70 3,380

Analysis by Business Segment (cont'd)

<u>2014</u>	Environmental Technologies	Inter-segment Elimination	Total
Discontinued operation	S\$'000	S\$'000	S\$'000
Revenue External revenue	4 220		4 220
	4,228 30	(20)	4,228
Inter-segment revenue Total revenue	4,258	(30)	4,228
Segment results Segment results Interest income Interest expense Profit before income tax Income tax Profit for the year	1,584	-	1,584 289 (103) 1,770 (299) 1,471
Other information Capital additions: - Property, plant and equipment	1,942	-	1,942
Depreciation and amortisation			252

16(b) Business and Geographical Segments

Analysis by Geographical Segments

Segment revenue is analysed based on the geographical presence of the end-users and non-current assets are analysed based on the geographical location of those assets.

assets are analysed based on the geographical location of those asset	ets.	
	Revenue	
	2015	2014
Continuing operations	S\$'000	S\$'000
China	38,191	41,720
Singapore	19,498	22,346
Vietnam	19,287	602
Other Asian Countries	13,119	5,703
Middle East	6,292	6,296
Europe	4,940	4,581
USA	3,978	2,778
Others	1,306	3,089
	106,611	87,115
Discontinued operations		
China	2,718	4,228
Total	109,329	91,343
-		
	Non-current	assets
	2015	2014
	S\$'000	S\$'000
China	8,522	9,166
Singapore	23,903	29,715
Europe and USA	615	564
Others	30	37
	33,070	39,482
Classified as part of a disposal group held for sale (refer to 1b(ii))		14,692
	33,070	54,174

17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

With the disposal of the water treatment business, the Group currently operates with one core segement, Engineering Service & Manufacturing. Within this segment, revenue from the Petrochemicals and Chemicals industries registered an increase of 69.1% whereas revenue from the Oil and Gas industries saw a decline of 17.1%.

China and Singapore continue to be the key market for the Group contributing to 35.9% and 18.3% respectively of the Group's revenue from continuing operations although revenue had declined over the two periods in comparison with weaker demand in these regions. Revenue from Vietnam was up by S\$18.7 million due to an ongoing large scale project for a petrochemical plant in Vietnam. The improvement in revenue from Other Asian Countries was substantially from Malaysia.

(Please refer to Paragraph 8 for details on revenue contribution by industry and geography)

18. A breakdown of sales

Continuing operations
Sales reported for first half year Operating profit after tax before deducting minority interests reported for first half year Sales reported for second half year
Operating profit after tax before deducting minority interests reported for second half year
<u>Discontinued operations</u>
Sales reported for first half year Operating profit after tax before deducting minority interests reported for first half year Sales reported for second half year Operating profit after tax before deducting minority interests reported for second half year

FY2015	FY2014	Increase / (Decrease)
S\$'000	S\$'000	%
52,228	42,157	24
(595)	(660)	(10)
54,383	44,958	21
54,565	44,900	21
41	(2,783)	(102)
2,444	2,023	20.8
891	773	15.3
274	2,205	(87.6)
	2,200	(07.0)
(76)	698	(110.9)

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

Total Annual Dividend Paid

Ordinary Preference Total

FY2015 S\$'000	FY2014 S\$'000
911	1,822 -
911	1,822

BY ORDER OF THE BOARD

Dr Wong Kar King Managing Director 14 March 2016