



KTL Global Limited

(Incorporated in the Republic of Singapore)
(Company Registration No. 200704519M)
(The "Company")

Unaudited Fourth Quarter and Full Year Financial Statements
and Dividend Announcement For the Financial Year Ended
30 June 2017

1(a) Statement of Comprehensive Income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

(The figures have not been audited or reviewed by the auditors)

	Group			% Change Increase/ (Decrease)	Group			% Change Increase/ (Decrease)
	Fourth Quarter Ended		30-Jun-16 S\$'000		Full Year Ended		30-Jun-16 S\$'000	
	30-Jun-17 S\$'000	30-Jun-16 S\$'000			30-Jun-17 S\$'000	30-Jun-16 S\$'000		
Revenue	5,429	6,446	(15.8%)	30,882	41,961	(26.4%)		
Cost of sales	(8,809)	(6,300)	39.8%	(31,805)	(34,872)	(8.8%)		
Gross loss	(3,380)	146	N.M.	(923)	7,089	(113.0%)		
Other operating income	447	533	(16.1%)	1,966	1,893	3.9%		
Administration expenses	(2,969)	(4,147)	(28.4%)	(11,917)	(13,470)	(11.5%)		
Sales and marketing expenses	(679)	(536)	26.7%	(2,565)	(3,348)	(23.4%)		
Other operating expenses	(15,063)	(5,237)	187.6%	(15,249)	(4,908)	N.M.		
Share of results of joint venture companies	-	(910)	N.M.	-	(910)	N.M.		
Share of results of associates	19	(632)	(103.0%)	44	(669)	(106.6%)		
Loss from operations	(21,625)	(10,783)	100.5%	(28,644)	(14,323)	100.0%		
Finance costs	(390)	(574)	(32.1%)	(1,360)	(1,604)	(15.2%)		
Loss from operations before taxation	(22,015)	(11,357)	93.8%	(30,004)	(15,927)	88.4%		
Income tax credit	373	1,616	(76.9%)	370	1,674	(77.9%)		
Loss net of tax	(21,642)	(9,741)	122.2%	(29,634)	(14,253)	107.9%		
Other comprehensive income (loss):								
Exchange differences on translating foreign operations, net of tax	574	(874)	(165.7%)	(448)	(925)	(51.6%)		
Other comprehensive income (loss) for the year	574	(874)	(165.7%)	(448)	(925)	(51.6%)		
Total comprehensive loss	(21,068)	(10,615)	98.5%	(30,082)	(15,178)	98.2%		
Loss net of tax attributable to:								
-Owners of the parent	(21,625)	(9,688)	123.2%	(29,610)	(14,172)	108.9%		
-Non-controlling interests	(17)	(53)	(67.9%)	(24)	(81)	(70.4%)		
Loss net of tax	(21,642)	(9,741)	122.2%	(29,634)	(14,253)	107.9%		
Total comprehensive loss attributable to:								
-Owners of the parent	(21,051)	(10,562)	99.3%	(30,058)	(15,097)	99.1%		
-Non-controlling interests	(17)	(53)	(67.9%)	(24)	(81)	(70.4%)		
Total comprehensive loss	(21,068)	(10,615)	98.5%	(30,082)	(15,178)	98.2%		

Notes to the consolidated statement of profit or loss and consolidated statement of comprehensive income

	Group			% Change Increase/ (Decrease)	Group			% Change Increase/ (Decrease)
	Fourth Quarter Ended		30-Jun-16 S\$'000		Full Year Ended		30-Jun-16 S\$'000	
	30-Jun-17 S\$'000	30-Jun-16 S\$'000			30-Jun-17 S\$'000	30-Jun-16 S\$'000		
Note 1: Earnings before interest, tax, depreciation and amortisation ('EBITDA')								
Total Comprehensive Loss	(21,068)	(10,615)	98.5%	(30,082)	(15,178)	98.2%		
Amortisation of prepaid land lease	30	31	(3.2%)	121	126	(4.0%)		
Depreciation of property, plant and equipment	999	1,209	(17.4%)	4,068	3,870	5.1%		
Depreciation of investment properties	11	7	57.1%	43	7	N.M.		
Interest expenses	390	574	(32.1%)	1,360	1,604	(15.2%)		
Taxation	(373)	(1,616)	(76.9%)	(370)	(1,674)	(77.9%)		
EBITDA	(20,011)	(10,410)	92.2%	(24,860)	(11,245)	121.1%		
Note 2: Non-Recurring/One-Time Expenses								
Inventory written off	509	797	(36.1%)	509	797	(36.1%)		
Allowance for inventory obsolescence	2,398	103	N.M.	2,398	103	N.M.		
Impairment losses on investment	5,192	7	N.M.	5,192	7	N.M.		
Impairment losses on plant and equipment	8,542	-	N.M.	8,542	-	N.M.		
EBITDA and Non-Recurring Expenses	(3,370)	(9,503)	(64.5%)	(8,219)	(10,338)	(20.5%)		

Due to volatility in the oil & gas market anticipated over the next 12 months, the management has taken the decision to act decisively and to write down both plant and equipment as well as older inventories in order to streamline the Group's statement of financial position. It is to reflect an accurate assessment of the ongoing weak market conditions in oil & gas market and will place the Group in a better position going forward when the market recovers.

1(a)(i) Profit Before Income Tax is arrived after crediting / (charging) the following :

	Group			% Change Increase/ (Decrease)	Group			% Change Increase/ (Decrease)
	Fourth Quarter Ended		30-Jun-16 S\$'000		Full Year Ended		30-Jun-16 S\$'000	
	30-Jun-17 S\$'000	30-Jun-16 S\$'000			30-Jun-17 S\$'000	30-Jun-16 S\$'000		
Depreciation of property, plant and equipment	(999)	(1,209)	(17.4%)	(4,068)	(3,870)	5.1%		
Depreciation of investment properties	(11)	(7)	57.1%	(43)	(7)	N.M.		
Inventory written off	(509)	(797)	(36.1%)	(509)	(797)	(36.1%)		
Allowance for inventory obsolescence	(2,398)	(103)	N.M.	(2,398)	(103)	N.M.		
Impairment losses on investment	(5,192)	(7)	N.M.	(5,192)	(7)	N.M.		
Impairment losses on plant and equipment	(8,542)	-	N.M.	(8,542)	-	N.M.		
Allowance for doubtful debts	(1,264)	(3,008)	(58.0%)	(1,264)	(3,008)	(58.0%)		
Interest expenses	(390)	(575)	(32.2%)	(1,360)	(1,604)	(15.2%)		
Gain (Loss) on disposal of property, plant and equipment, net	10	(367)	(102.7%)	(58)	(219)	(73.5%)		
Foreign exchange (loss) gain, net	(293)	(248)	18.1%	(186)	(45)	N.M.		

Note:

(1) N.M. = Not Meaningful
* denotes amount less than \$1,000.

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 As At		Company As At	
	30-Jun-17 S\$'000	30-Jun-16 S\$'000	30-Jun-17 S\$'000	30-Jun-16 S\$'000
ASSETS				
Non-current assets:				
Property, plant and equipment	14,545	27,062	-	-
Prepaid land lease	3,174	3,359	-	-
Investment properties	2,062	2,122	-	-
Investments in subsidiaries	-	-	13,161	13,161
Investment in an associate	-	5,479	-	5,848
Investment in joint ventures	479	730	-	-
Amount due from a subsidiary	-	-	6,961	741
Other receivables, deposits and prepayments	150	170	-	-
Deferred tax assets	1,261	811	-	-
Total non-current assets	21,671	39,733	20,122	19,750
Current assets:				
Inventories	17,498	25,536	-	-
Trade receivables	7,199	8,532	-	-
Other receivables, deposits and prepayments	2,242	1,149	7	-
Income tax refund	10	-	-	-
Amount due from subsidiaries	-	-	5,970	12,997
Amount due from an associate and joint venture companies	56	2,299	-	1,774
Cash and bank balances	1,363	1,713	13	44
Total current assets	28,368	39,229	5,990	14,815
Investment in an associate, classified as held for sale	2,068	-	2,068	-
Total current assets	30,436	39,229	8,058	14,815
Total assets	52,107	78,962	28,180	34,565
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital	34,836	34,836	34,836	34,836
Treasury shares	(286)	(274)	(286)	(274)
Reserves	(34,480)	(4,374)	(6,636)	(298)
Equity, attributable to owners of the parent	70	30,188	27,914	34,264
Non-controlling interests	43	7	-	-
Total equity	113	30,195	27,914	34,264
Non-current liabilities:				
Other payables	1,374	1,805	-	-
Due to an associate	-	77	-	-
Interest-bearing loans and borrowings	6,916	7,851	-	-
Deferred tax liabilities	175	97	-	-
Total non-current liabilities	8,465	9,830	-	-
Current liabilities:				
Trade payables	6,592	8,435	-	-
Bills payables	3,565	-	-	-
Other payables and accruals	4,993	3,559	254	287
Due to related parties	1,000	4	-	4
Due to an associate	-	300	-	-
Interest-bearing loans and borrowings	27,379	26,591	-	-
Income tax payable	-	48	12	10
Total current liabilities	43,529	38,937	266	301
Total liabilities	51,994	48,767	266	301
Total equity and liabilities	52,107	78,962	28,180	34,565

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

Amount repayable in one year or less, or on demand

	As At 30 June 2017		As At 30 June 2016	
	Secured	Unsecured	Secured	Unsecured
	S\$000	S\$000	S\$000	S\$000
Bills payables	3,565	-	-	-
Interest-bearing loans and borrowings:				
Hire purchase creditors	463	-	455	-
Term loan	26,916	-	26,136	-
	30,944	-	26,591	-

Amount repayable after one year

	As At 30 June 2017		As At 30 June 2016	
	Secured	Unsecured	Secured	Unsecured
	S\$000	S\$000	S\$000	S\$000
Interest-bearing loans and borrowings:				
Hire purchase creditors	1,210	-	1,583	-
Term loan	5,706	-	6,268	-
	6,916	-	7,851	-

Details of the collaterals:

All bank borrowings and debt securities are secured by charges over the leased assets, charges over certain property, plant and equipment and investment properties, and personal guarantees by certain directors of the Company and subsidiary company. The above excludes a loan from shareholder amounting to S\$1.0 million (30 June 2016: Nil) which bears interest of 5% per annum. The loan from shareholder is unsecured and repayable on demand.

Classification of bank borrowings

As a result of a technical breach of financial covenants stipulated in the loan facility agreements pertaining to loans amounting to S\$26.5 million (30 June 2016: S\$25.0 million), the entire long term portion of the loan amounting to S\$21.9 million (30 June 2016: S\$21.4 million) was classified as current liabilities. On 4 July 2017, management had obtained a conditional letter of waiver for one of its loan facilities. For the remaining loan facilities, management is in the process of obtaining a waiver from the banks for the breach of financial covenants.

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

	Group Fourth Quarter		Group Twelve months ended	
	30-Jun-17 S\$'000	30-Jun-16 S\$'000	30-Jun-17 S\$'000	30-Jun-16 S\$'000
Cash Flows From Operating Activities:				
Loss before tax from operations	(22,015)	(11,357)	(30,004)	(15,927)
Adjustments for:				
Depreciation of property, plant and equipment	999	1,209	4,068	3,870
Depreciation of investment properties	11	7	43	7
Impairment loss on investment in associates	4,937	7	4,941	7
Impairment on plant and equipment	8,542	-	8,542	-
Impairment in investment in joint venture	251	-	251	-
(Reversal of) Impairment loss on prepaid land lease	(43)	45	(43)	45
Impairment loss on investment properties	(50)	67	(50)	67
Allowance for inventory obsolescence	2,398	103	2,398	103
Inventories written off	509	797	509	797
Allowance for impairment on amount due from joint venture companies and associates	984	1,195	984	1,195
Allowance for doubtful debts	280	3,008	280	3,008
(Gain) Loss on disposal of property, plant and equipment and investments	(33)	367	58	219
Amortisation of prepaid land lease	30	31	121	126
Interest income	(3)	-	(3)	-
Interest expenses	394	575	1,364	1,604
Share of result of associates	(19)	631	(44)	669
Share of results of joint venture companies	-	910	-	910
Operating Cash Flows Before Working Capital Changes	(2,828)	(2,405)	(6,585)	(3,300)
Inventories	226	2,854	5,145	7,190
Trade receivables	228	4,774	1,076	14,176
Other receivables, deposits and prepayments	(847)	1,513	(820)	585
Trade payables	3,447	(2,314)	1,662	(3,087)
Other payables and accruals	1,731	(260)	902	284
Due to a related party	(4)	4	(4)	4
Net Cash Flows From Operations Before Interest and Tax	1,953	4,166	1,376	15,852
Withholding tax paid	-	(100)	-	(100)
Interest received	3	-	3	-
Income tax	-	(22)	(61)	(100)
Currency translation	470	(40)	-	-
Net Cash Flows From Operating Activities	2,426	4,004	1,318	15,652
Cash Flows Used in Investing Activities:				
Purchase of property, plant and equipment	(223)	(989)	(657)	(6,781)
Purchase of investment properties	-	(345)	-	(345)
Investment in an associated company	-*	(428)	-*	(5,515)
Proceed from disposal of property, plant and equipment	-	1,934	194	1,934
Advances to associate and joint venture companies	(326)	(620)	(542)	(452)
Net Cash Flows Used in Investing Activities	(549)	(448)	(1,005)	(11,159)
Cash Flows (Used in) From Financing Activities:				
Purchase of treasury shares	-	-	-	(219)
Loan from a director	-	-	1,000	-
Proceeds from interest-bearing loans and borrowings	-	20,456	5,028	25,288
Repayment of interest-bearing loans and borrowings	(3,120)	(19,498)	(5,345)	(25,600)
Refund (Placement) of short-term deposits pledged to secure a bank guarantee	-	-	294	1,036
Interest paid	(518)	(575)	(1,360)	(1,604)
Net Cash Flows (Used in) From Financing Activities	(3,638)	383	(383)	(1,099)
Net (Decrease) Increase in Cash and Cash Equivalents	(1,761)	3,939	(70)	3,394
Effect of exchange rate changes on cash and cash equivalent	14	(13)	14	(13)
Cash and Cash Equivalents at Beginning of Period	3,110	(2,507)	1,419	(1,962)
Cash and Cash Equivalents at End of Period	1,363	1,419	1,363	1,419
Analysis of Cash and Cash Equivalents				
Cash and bank balances	1,363	1,419	1,363	1,419
Bank overdrafts	-	-	-	-
Cash and Cash Equivalents at End of Period	1,363	1,419	1,363	1,419

Restricted cash balances:

In the financial year ended 30 June 2016, the Group's cash and bank balances in the statement of financial position include short-term deposits of S\$0.3 million which were pledged to secure a bank guarantee. The bank guarantee had expired and the restricted cash of S\$0.3 million were released to the Group in the financial year ended 30 June 2017.

Non-Cash transaction:

Investment in an associated company includes an amount of S\$1.5 million, which is non-cash whereby the Group capitalised its loan to an associated company.

* denotes amount less than \$1,000.

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

GROUP	ATTRIBUTABLE TO OWNERS OF THE PARENT										Non-Controlling Interests	Total Equity
	Share Capital	Treasury Shares	Treasury Shares Reserve	Premium paid on acquisition of NCI	Employee Equity Benefit	Translation Reserve	Reserve of assets classified as held for sale	Statutory Reserve Fund	Accumulated Profits (Losses)	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	Reserve S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	Reserves S\$'000		
Current Period:												
Balance as at 1 July 2016	34,836	(274)	(488)	-	-	(2,538)	-	15	(1,363)	(4,374)	7	30,195
Net loss for the period	-	-	-	-	-	-	-	-	(29,610)	(29,610)	(24)	(29,634)
Other comprehensive loss for the period	-	-	-	-	-	(448)	-	-	-	(448)	-	(448)
Total comprehensive loss for the period	-	-	-	-	-	(448)	-	-	(29,610)	(30,058)	(24)	(30,082)
Acquisition of non-controlling interests, without change in control	-	-	-	(60)	-	-	-	-	-	(60)	60	-
Translation reserve attributed to investment in associate, classified as held for sale	-	-	-	-	-	12	(12)	-	-	-	-	-
Adjustment to treasury share reserve	-	(12)	12	-	-	-	-	-	-	12	-	-
Balance as at 30 June 2017	34,836	(286)	(476)	(60)	-	(2,974)	(12)	15	(30,973)	(34,480)	43	113
Previous Period:												
Balance as at 1 July 2015	34,203	(113)	(480)	-	50	(1,613)	-	15	12,809	10,781	88	44,959
Net loss for the period	-	-	-	-	-	-	-	-	(14,172)	(14,172)	(81)	(14,253)
Other comprehensive loss for the period	-	-	-	-	-	(925)	-	-	-	(925)	-	(925)
Total comprehensive loss for the period	-	-	-	-	-	(925)	-	-	(14,172)	(15,097)	(81)	(15,178)
Purchase of treasury shares	-	(219)	-	-	-	-	-	-	-	-	-	(219)
Issuance of ordinary shares	633	-	-	-	-	-	-	-	-	-	-	633
Loss on reissuance of treasury shares	-	8	(8)	-	-	-	-	-	-	(8)	-	-
Treasury shares issued pursuant to employees' share scheme	-	50	-	-	(50)	-	-	-	-	(50)	-	-
Balance as at 30 June 2016	34,836	(274)	(488)	-	-	(2,538)	-	15	(1,363)	(4,374)	7	30,195

COMPANY

Current Period:												
Balance as at 1 July 2016	34,836	(274)	(488)	-	-	-	-	-	190	(298)	-	34,264
Net loss for the period	-	-	-	-	-	-	-	-	(6,350)	(6,350)	-	(6,350)
Total comprehensive loss for the period	-	-	-	-	-	-	-	-	(6,350)	(6,350)	-	(6,350)
Adjustment to treasury share reserve	-	(12)	12	-	-	-	-	-	-	12	-	-
Balance as at 30 June 2017	34,836	(286)	(476)	-	-	-	-	-	(6,160)	(6,636)	-	27,914
Previous Period:												
Balance as at 1 July 2015	34,203	(113)	(480)	-	50	-	-	-	(189)	(619)	-	33,471
Net profit for the period	-	-	-	-	-	-	-	-	379	379	-	379
Total comprehensive income for the period	-	-	-	-	-	-	-	-	379	379	-	379
Purchase of treasury shares	-	(219)	-	-	-	-	-	-	-	-	-	(219)
Issuance of ordinary shares	633	-	-	-	-	-	-	-	-	-	-	633
Loss on reissuance of treasury shares	-	8	(8)	-	-	-	-	-	-	(8)	-	-
Treasury shares issued pursuant to employees' share scheme	-	50	-	-	(50)	-	-	-	-	(50)	-	-
Balance as at 30 June 2016	34,836	(274)	(488)	-	-	-	-	-	190	(298)	-	34,264

* denotes less than 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 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 have been no changes to the issued share capital of the Company since the end of the previous period reported on.

As at 30 June 2017, the Company held 1,914,955 treasury shares (30 June 2016: 1,914,955) against a total number of 240,610,273 issued shares excluding treasury shares (30 June 2016: 240,610,273). The Company held no outstanding convertibles shares as at 30 June 2017 and 30 June 2016.

The percentage of the aggregate number of treasury shares held against the total number of issued shares as at 30 June 2017 is 0.80% (30 June 2016: 0.80%).

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 June 2017	As At 30 June 2016
No. of issued shares excluding treasury shares	240,610,273	240,610,273

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

Not applicable.

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. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

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 by auditors.

3 Where the figures have been audited or reviewed, the auditor' 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

Other than the adoption of the new and revised Financial Reporting Standards ("FRS") which come into effect for the financial year ended 30 June 2017, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited financial statements for the financial year ended 30 June 2016.

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 adoption of new or revised standards effective in the current financial period is not expected to result in material adjustments to the financial position, financial performance, or cash flows of the Group for the financial year ended 30 June 2017.

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

Earnings per ordinary share for the period is computed based on net (loss) profit after tax attributable to owners of the parent:-

	Group Fourth Quarter Ended		Group Twelve months ended	
	30-Jun-17	30-Jun-16	30-Jun-17	30-Jun-16
Earnings per ordinary share				
(a) Based on the weighted average number of ordinary shares in issue	(8.99) cents	(4.03) cents	(12.30) cents	(5.97) cents
Weighted average number of ordinary shares in issue	240,610,273	240,610,273	240,610,273	237,476,109
(b) On a fully diluted basis	(8.99) cents	(4.03) cents	(12.30) cents	(5.97) cents
Weighted average number of ordinary shares in issue	240,610,273	240,610,273	240,610,273	237,476,109

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares at the end of the:-

- (a) current financial period reported on; and
 (b) immediately preceding financial year.

	Group As At		Company As At	
	30-Jun-17	30-Jun-16	30-Jun-17	30-Jun-16
Net asset value per ordinary share based on total number of issued shares excluding treasury shares	0.03 cents	12.55 cents	11.60 cents	14.24 cents
Number of shares in issue excluding treasury shares	240,610,273	240,610,273	240,610,273	240,610,273

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.

Profit or Loss Review

Revenue

4Q 2017 vs 4Q 2016 & FY 2017 vs FY 2016

The Group's revenue for the three months ended 30 June 2017 ("4Q 2017") was S\$5.4 million, 15.8% lower than the S\$6.5 million generated for the corresponding quarter in the last financial year ("4Q 2016"). The Group's revenue for the full year ended 30 June 2017 ("FY 2017") was S\$30.9 million, 26.4% lower than the S\$42.0 million generated for the in the last financial year ("FY 2016").

The decrease was mainly due to the decrease in revenue generated across all segments.

Gross Profit

4Q 2017 vs 4Q 2016 & FY 2017 vs FY 2016

The Group's gross profit for 4Q 2017 was lower than that for 4Q 2016 due to the decrease in revenue and increase in provision for stock obsolescence. The Group's gross profit had decreased from S\$0.1 million in 4Q 2016 to a gross loss of S\$3.4 million in 4Q 2017. The Group's gross profit for FY 2017 had also decreased from S\$7.1 million in FY 2016 to a gross loss of S\$0.9 million in FY 2017. The decrease is mainly the result of the allowances for inventory obsolescence of S\$2.4 million and inventory write-off of S\$0.5 million made in the last quarter of FY 2017. In FY 2016, the Group had made an allowances for inventory obsolescence of S\$0.1 million and inventory write-off of S\$0.8 million.

Fixed production related expenses such as salary expenses, depreciation and rental had decreased from S\$1.6 million in Q4 2016 to S\$1.4 million in Q4 2017 and from S\$6.9 million in FY 2016 to S\$6.1 million in FY 2017.

Other Operating Income

4Q 2017 vs 4Q 2016 & FY 2017 vs FY 2016

The Group's other operating income was lower for Q4 2017 compared to Q4 2016, mainly due to lower foreign exchange gain and sundry income. The Group's other operating income was higher for FY 2017 compared to FY 2016 mainly due to increase in sundry income.

Operating Expenses

4Q 2017 vs 4Q 2016 & FY 2017 vs FY 2016

The Group's operating expenses comprised administration and sales and marketing expenses. Administration expense for 4Q 2017 & FY 2017 were lower compared to Q4 2016 & FY 2016 respectively and had decreased mainly due to lower staff remuneration. Sales and marketing expenses were higher for 4Q 2017 compared to 4Q 2016 mainly due to increase in travelling expenses and overseas allowances. Sales and marketing expenses for FY 2017 were lower compared to FY 2016 mainly due to decrease in salaries, travelling allowance, advertisement, entertainment expenses and commission expenses.

Other operating expenses

4Q 2017 vs 4Q 2016 & FY 2017 vs FY 2016

Other operating expenses for 4Q 2017 and FY 2017 were higher as compared to 4Q 2016 and FY 2016 respectively. The increase in other operating expenses was mainly due to increase in impairment of plant and equipment of S\$8.5 million and impairment in investment in a joint venture and an associate of S\$5.2 million partly offset by a decrease in allowance for doubtful debts of S\$1.7 million.

Share of results of joint venture companies and associates

4Q 2017 vs 4Q 2016 & FY 2017 vs FY 2016

Share of profit of an associate had increased mainly due to profit recorded by an associate in the Republic of Korea. Subsequent to the year ended 30 June 2017, the Group had also entered into an agreement to sell its shares of an associate in the Republic of Korea at US\$1.5 million. Allowance for impairment in the investment in associates was provided accordingly with reference to the respective realisable amount at the end of the financial year.

The Group had also ceased its share of results from joint venture as the joint venture company is in the process of voluntary liquidation.

Finance Costs

4Q 2017 vs 4Q 2016 & FY 2017 vs FY 2016

Finance costs were lower for 4Q 2017 and FY 2017 compared to 4Q 2016 and FY 2016 respectively. This was mainly due to lower cost of borrowings as a result of the refinancing of the borrowings of the Group as announced on 29 April 2016.

Profit or loss, attributable to owners of the parent

4Q 2017 vs 4Q 2016

The net loss attributable to owners of the parent for 4Q 2017 was due to decrease in revenue, other income and higher other operating expenses consisting allowance for inventory obsolescence, impairment loss on investment and impairment loss on plant and equipment, partly offset by income tax credit, a lower share of losses from joint venture companies and associates, decrease in operating expenses and finance costs.

FY 2017 vs FY 2016

The net loss attributable to owners of the parent for FY 2017 was due to decrease in revenue and increase in other operating expenses consisting allowance for inventory obsolescence, impairment loss on investment and impairment loss on plant and equipment, partly offset by income tax credit and increase in other income and decrease in operating expenses, share of losses from joint venture companies and associates and finance costs.

Statement of Financial Position Review

30 June 2017 vs 30 June 2016

Current assets

The current assets of S\$30.4 million as at 30 June 2017 was lower compared to that as at 30 June 2016 mainly due to decrease in inventories of S\$8.0 million, amount due from an associate and joint venture of S\$2.2 million, trade receivables of S\$1.3 million and cash and bank balances of S\$0.4 million partly offset by an investment in associate of S\$2.1 million classified as held for sale and increase in other receivables, deposits and prepayments of S\$1.1 million. Subsequent to the year ended 30 June 2017, the Group had also entered into an agreement to sell its shares of an associate in the Republic of Korea at US\$1.5 million and accordingly the investment in an associate was classified as held for sale as at 30 June 2017.

Non-current assets

The non-current assets of S\$21.7 million as at 30 June 2017 was lower compared to that as at 30 June 2016 mainly due to decrease in property, plant and equipment of S\$12.5 million, investment in an associate of S\$5.5 million, prepaid land lease of S\$0.2 million and investment properties of S\$0.1 million partly offset by an increase in deferred tax assets of S\$0.5 million.

Current liabilities

The current liabilities of S\$42.5 million as at 30 June 2017 was higher compared to that as at 30 June 2016, mainly due to increase in bill payables of S\$3.6 million, other payables of S\$1.4 million and due to a director of S\$1.0 million, partly offset by decrease in trade payables of S\$1.8 million, due from an associate of S\$0.3 million and interest-bearing loans and borrowings of S\$0.3 million.

Non-current liabilities

The non-current liabilities of S\$9.5 million as at 30 June 2017 was lower compared to that as at 30 June 2016 mainly due to decrease in other payables of S\$0.4 million.

Cash Flow Review

4Q 2017

The net cash flows from operating activities for 4Q2017 was S\$2.4 million and this was mainly due to loss before tax of S\$22.0 million and increase in other receivables, deposits and prepayments of S\$0.8 million, partly offset by decrease in trade receivables of S\$0.2 million, inventories of S\$0.2 million and increase in other payables and accruals of S\$1.7 million and trade payables of S\$3.4 million. Cash flows used in investing activities of S\$0.5 million was mainly due to advances to an associate company of S\$0.3 million and purchase of property, plant and equipment of S\$0.2 million. The cash flows used in financing activities was mainly due to repayment of interest-bearing loans and borrowings of S\$3.1 million and interest payment of S\$0.5 million.

FY 2017

The net cash flows from operating activities for FY 2017 was S\$1.3 million and this was mainly due to loss before tax of S\$30.0 million, increase in other receivables, deposits and prepayments of S\$0.8 million partly offset by decrease in inventories of S\$5.1 million and trade receivables of S\$1.1 million and increase in trade payables of S\$1.7 million and other payables and accruals of S\$0.9 million. Cash flows used in investing activities of S\$1.0 million was mainly due to purchase of equipment amounting to S\$0.7 million and advances to associate and joint venture companies of S\$0.5 million, partly offset by proceeds from disposal of property, plant and equipment of S\$0.2 million. The cash flows used in financing activities of S\$0.4 million was mainly due to the net payment of interest-bearing loans and borrowings of S\$0.3 million and interest expenses of S\$1.4 million, partly offset by loan from a director of S\$1.0 million and a refund of short-term deposit of S\$0.3 million.

- 9 **Where a forecast, or a prospect statement, had 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 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**

Overall, the Group expects the oil and gas market to remain challenging for the next twelve months with a high level of market volatility remaining a feature. However, the Group has implemented cost cutting initiatives and significant reduction in inventories were effected in FY2016 and FY 2017. There have also been developments in its synthetic sling technology. The Group will endeavour to weather the adverse market conditions through FY2018.

11 Dividend

(a) Whether an interim (final) ordinary dividend has been declared (recommended)

None.

(b) (i) Amount per share

None.

(ii) Previous corresponding period

None.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country whether the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

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

No dividend has been declared/ recommended for the fourth quarter/ full year ended 30 June 2017.

13 Interested person transactions

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

14 Confirmation pursuant to Rule 720 (1) of the Listing Manual

The Company confirms that it has procured undertaking from all its Directors and Executive Officers (in the format set out in Appendix 7.7 of the Listing Manual) under 720 (1) of the Listing Manual.

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.

Business Segments - Group

	Sale of Goods S\$000	Services S\$000	Others S\$000	Total S\$000
FY 2017				
Revenue				
External sales	26,802	4,080	-	30,882
Segment revenue				<u>30,882</u>
Result				
Segment results	(28,405)	(283)	-	(28,688)
Share of results of associates				44
Finance costs (interest expense)				(1,360)
Loss before income tax				<u>(30,004)</u>
Income tax credit				370
Loss after income tax				<u>(29,634)</u>
Other information				
Amortisation of prepaid land lease	(121)	-	-	(121)
Depreciation	(3,863)	(205)	(43)	(4,111)
Additions to non-current assets	521	10	-	531

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.**

	Sale of Goods S\$000	Services S\$000	Others S\$000	Total S\$000
FY 2016				
Revenue				
External sales	35,310	6,651	-	41,961
Segment revenue				<u>41,961</u>
Result				
Segment results	(16,877)	4,133	-	(12,744)
Share of results of joint venture companies				(910)
Share of results of associated company				(669)
Finance costs (interest expense)				(1,604)
Loss before income tax				<u>(15,927)</u>
Income tax credit				1,674
Loss after income tax				<u>(14,253)</u>
Other segment information				
Amortisation of prepaid land lease	(126)	-	-	(126)
Depreciation	(3,657)	(213)	(7)	(3,877)
Additions to non-current assets	10,455	7	-	10,462

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 (cont'd)**

Geographical Segments- Group

	Revenue		Additions to non-current assets		Non-current assets	
	FY 2017 \$'000	FY 2016 \$'000	FY 2017 \$'000	FY 2016 \$'000	FY 2017 \$'000	FY 2016 \$'000
Singapore	9,946	13,411	1,881	11,133	6,609	27,144
United Arab Emirates	6,209	7,452	19	141	4,307	2,830
Indonesia	2,635	2,668	-	-	14	22
Malaysia	5,099	5,588	131	1,664	10,741	9,737
Asia	1,571	5,630	-	-	-	-
Rest of the world	5,422	7,212	-	-	-	-
	30,882	41,961	2,031	12,938	21,671	39,733

"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.**

Please refer to point 8 for analysis.

17 **A breakdown of sales**

	Group Year ended 30-Jun-17 \$'000	Group Year ended 30-Jun-16 \$'000	% increase/ (decrease)
Sales reported for first half year	17,399	24,309	(28.4%)
Operating loss after tax before deducting minority interest reported for first half year	(5,378)	(2,439)	120.5%
Sales reported for second half year	13,483	17,652	(23.6%)
Operating loss after tax before deducting minority interest reported for second half year	(24,256)	(11,814)	105.3%

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
	\$'000	\$'000
Ordinary	Not applicable	Not applicable
Preference	Not applicable	Not applicable
Total	Not applicable	Not applicable

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
Tan Kheng Yeow	45	Son of Tan Tock Han (Executive Chairman and deemed Substantial Shareholder) and brother of Tan Kheng Kuan (Director of Administration)	Chief Executive Officer responsible for executing the Group's strategies and budgets, oversee the day-to-day operations and administrative matters including sales, marketing and business development.	NA
Tan Kheng Kuan	37	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	44	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	41	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 2017