

TECHNICS OIL & GAS LIMITED
(Company Registration No.: 200205249E)
(Incorporated in the Republic of Singapore)

MATERIAL VARIANCES BETWEEN UNAUDITED FINANCIAL STATEMENTS AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2015

The Board of Directors of Technics Oil & Gas Limited (the "Company", and together with its subsidiaries, the "Group") refers to the announcement on unaudited full year financial statements for the financial year ended 30 September 2015 released by the Company on the SGXNet on 25 November 2015.

The Board wishes to announce and clarify material differences between the unaudited financial statements and audited financial statements for the financial year ended 30 September 2015. The material variances and the reasons for the material differences are set out in the explanatory notes below.

Group	Audited S\$('000)	Unaudited S\$('000)	Variances S\$('000)	Note
Consolidated Statement of Comprehensive				
Other losses	(24,282)	(15,580)	(8,702)	1
Profit attributable to:				
Owners of the Parent	1,077	9,728	(8,651)	1
Non-controlling interests	64	235	(171)	1
Total comprehensive income attributable to:				
Owners of the Parent	841	9,493	(8,652)	1
Non-controlling interests	(634)	(463)	(171)	1
Statements of Financial Position				
Assets				
Finance lease receivables, non-current	-	1,214	(1,214)	2
Finance lease receivables, current	2,589	875	1,714	2
Trade and other receivables, current	45,200	47,691	(2,491)	1
Balance on construction contract costs	8,629	16,135	(7,506)	1
Equity				
Accumulated losses	(14,395)	(5,744)	(8,651)	1
Liabilities				
Other payables, non-current	-	5,644	(5,644)	3
Trade and other payables, current	33,481	27,593	5,888	3
Consolidated Statement of Cash Flows				
Net cash flows from (used in) operating activities	1,308	(622)	1,930	4
Net cash flows from investing activities	87,746	88,799	(1,053)	5
Net cash flows used in financing activities	(84,522)	(83,531)	(991)	6

Notes

- Other losses increased mainly due to allowance for impairment loss of \$8.8 million was made for the amount owing by and recoverable from a third party customer. As a results, trade receivables and balance on construction contract costs decreased by the same amount.

2. Current portion of finance lease receivables increased by \$1.7 million due to \$1.2 million being transferred from non-current and the balance of \$0.5 million was credited to other payables as deposit received.
3. Current portion of other payables increased by \$5.9 million was mainly due to certain director/related party loans being transferred from non-current portion. The loans are expected to be settled within the next 12 months.
4. Net cash from operating activities increased due to in a decrease in unrealized exchange translation gain, reclassification of deposit received mentioned in Note 2 and more payables to related party.
5. Net cash flows from investing activities decreased due to less purchase of plant and machinery and reclassificaiton of deposit received mentioned above.
6. Net cash flows used in financing activities increased due to more repayment of debts to related parties.

BY ORDER OF THE BOARD

Ting Yew Sue
Executive Chairman
11 January 2016