



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 2016**

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 Fourth Quarter Ended		% Change Increase/ (Decrease)	Group Full Year Ended		% Change Increase/ (Decrease)
	30-Jun-16	30-Jun-15 Restated		30-Jun-16	30-Jun-15 Restated	
	S\$'000	S\$'000		S\$'000	S\$'000	
Revenue	6,470	15,842	(59.2%)	41,985	72,591	(42.2%)
Cost of sales	(7,528)	(10,820)	(30.4%)	(34,825)	(52,695)	(33.9%)
Gross profit	(1,058)	5,022	N.M.	7,160	19,896	(64.0%)
Other operating income	26	-	N.M.	1,749	1,666	5.0%
Administration expenses	(2,880)	(4,685)	(38.5%)	(13,513)	(15,142)	(10.8%)
Sales and marketing expenses	(664)	(1,084)	(38.7%)	(3,476)	(4,417)	(21.3%)
Other operating expenses	(5,360)	(55)	N.M.	(5,360)	-	N.M.
Share of results of joint venture companies	(314)	(33)	N.M.	(314)	(68)	N.M.
Share of results of associates	(632)	-*	N.M.	(670)	-*	N.M.
(Loss) Profit from operations	(10,882)	(835)	N.M.	(14,424)	1,935	N.M.
Finance costs	(575)	(586)	(1.9%)	(1,604)	(1,143)	40.3%
(Loss) Profit from operations before taxation	(11,457)	(1,421)	N.M.	(16,028)	792	N.M.
Income tax credit (expense)	1,717	113	N.M.	1,775	55	N.M.
(Loss) Profit net of tax	(9,740)	(1,308)	N.M.	(14,253)	847	N.M.
Other comprehensive (loss) income:						
Exchange differences on translating foreign operations, net of tax	(607)	(1,059)	(42.7%)	(657)	(1,396)	(52.9%)
Other comprehensive (loss) income for the period	(607)	(1,059)	(42.7%)	(657)	(1,396)	(52.9%)
Total comprehensive (loss) income	(10,347)	(2,367)	N.M.	(14,910)	(549)	N.M.
(Loss) Profit net of tax attributable to:						
-Owners of the parent	(9,687)	(1,359)	N.M.	(14,172)	808	N.M.
-Non-controlling interests	(53)	51	N.M.	(81)	39	N.M.
(Loss) Profit net of tax	(9,740)	(1,308)	N.M.	(14,253)	847	N.M.
Total comprehensive (loss) income attributable to:						
-Owners of the parent	(10,294)	(2,418)	N.M.	(14,829)	(588)	N.M.
-Non-controlling interests	(53)	51	N.M.	(81)	39	N.M.
Total comprehensive (loss) income	(10,347)	(2,367)	N.M.	(14,910)	(549)	N.M.

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

	Group Fourth Quarter Ended		% Change Increase/ (Decrease)	Group Full Year Ended		% Change Increase/ (Decrease)
	30-Jun-16	30-Jun-15 Restated		30-Jun-16	30-Jun-15 Restated	
	S\$'000	S\$'000		S\$'000	S\$'000	
Depreciation of property, plant and equipment	(935)	(940)	(0.5%)	(3,596)	(3,040)	18.3%
Inventory written off	(797)	-	N.M.	(797)	-	N.M.
Allowance for inventory obsolescence	(103)	(20)	N.M.	(103)	(20)	N.M.
Impairment losses on investment	(817)	-	N.M.	(817)	-	N.M.
Impairment losses on property, plant and equipment	(112)	-	N.M.	(112)	-	N.M.
Allowance for doubtful debts	(3,990)	-	N.M.	(3,990)	-	N.M.
Interest expenses	(575)	(586)	(1.9%)	(1,604)	(1,143)	40.3%
Gain (Loss) on disposal of property, plant and equipment, net	(256)	57	N.M.	(108)	48	N.M.
Foreign exchange (loss) gain, net	(418)	(480)	(12.9%)	(215)	166	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-16 S\$'000	30-Jun-15 Restated S\$'000	01-Jul-14 S\$'000	30-Jun-16 S\$'000	30-Jun-15 Restated S\$'000	01-Jul-14 S\$'000
ASSETS						
Non-current assets:						
Investment properties	2,122	2,200	1,377	-	-	-
Property, plant and equipment	26,027	23,018	19,227	-	-	-
Prepaid land lease	3,403	3,755	2,427	-	-	-
Investments in subsidiaries	-	-	-	13,161	13,161	13,161
Investment in joint ventures	730	1,647	363	-	7	7
Investment in an associate	6,597	-	-	6,967	-	-
Amount due from a subsidiary	-	-	-	741	741	-
Other receivables	145	359	1,062	-	-	-
Prepayments	17	1,776	1,357	-	-	-
Deferred tax assets	811	36	-	-	-	-
Total non-current assets	39,852	32,791	25,813	20,869	13,909	13,168
Current assets:						
Inventories	26,899	33,626	29,302	-	-	-
Trade receivables	8,565	25,716	27,261	-	-	-
Other receivables	934	294	319	-	36	-
Amount due from subsidiaries	-	-	-	12,998	18,642	20,496
Amount due from an associate and joint venture companies	1,474	2,642	180	1,774	1,639	180
Prepayments	390	784	856	-	-	-
Cash and bank balances	1,713	2,692	2,033	44	133	94
Total current assets	39,975	65,754	59,951	14,816	20,450	20,770
Total assets	79,827	98,545	85,764	35,685	34,359	33,938
EQUITY AND LIABILITIES						
Equity attributable to owners of the parent						
Share capital	35,955	34,203	33,269	35,955	34,203	33,269
Treasury shares	(282)	(113)	(646)	(282)	(113)	(646)
Reserves	(4,098)	10,731	12,945	(290)	(492)	(167)
Equity, attributable to owners of the parent	31,575	44,821	45,568	35,383	33,598	32,456
Non-controlling interests	7	88	49	-	-	-
Total equity	31,582	44,909	45,617	35,383	33,598	32,456
Non-current liabilities:						
Other payables	1,637	1,859	114	-	-	-
Interest-bearing loans and borrowings	28,813	8,433	2,856	-	-	-
Deferred tax liabilities	97	1,069	1,145	-	-	-
Total non-current liabilities	30,547	11,361	4,115	-	-	-
Current liabilities:						
Trade payables	8,385	11,522	12,567	12	-	-
Bills payables	-	6,745	12,310	-	-	-
Other payables	3,657	2,837	5,968	280	746	1,463
Interest-bearing loans and borrowings	5,608	20,995	4,422	-	-	-
Income tax payable	48	176	765	10	15	19
Total current liabilities	17,698	42,275	36,032	302	761	1,482
Total liabilities	48,245	53,636	40,147	302	761	1,482
Total equity and liabilities	79,827	98,545	85,764	35,685	34,359	33,938

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 2016		As At 30 June 2015	
	Secured	Unsecured	Secured	Unsecured
	S\$000	S\$000	S\$000	S\$000
Bills payables	-	-	-	6,745
Interest-bearing loans and borrowings:				
Bank overdrafts	-	-	-	3,324
Fixed advance facility	-	-	-	2,000
Hire purchase creditors	629	-	164	-
Internationalisation finance scheme	-	-	-	275
Invoice financing	-	-	-	3,325
Term loan	4,979	-	558	11,349
	5,608	-	722	27,018

Amount repayable after one year

	As At 30 June 2016		As At 30 June 2015	
	Secured	Unsecured	Secured	Unsecured
	S\$000	S\$000	S\$000	S\$000
Interest-bearing loans and borrowings:				
Internationalisation finance scheme	-	-	-	512
Hire purchase creditors	1,849	-	206	-
Term loan	26,964	-	5,243	2,472
	28,813	-	5,449	2,984

Details of the collaterals:

All bank borrowings are secured by charges over the leased assets and term loans which are secured by charge over certain property, plant and equipment and investment properties and personal guarantee by certain directors of the Company and subsidiary company.

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-16 S\$'000	30-Jun-15 S\$'000	30-Jun-16 S\$'000	30-Jun-15 S\$'000
Cash Flows From Operating Activities:				
(Loss) Profit before tax from operations	(11,457)	(1,421)	(16,028)	792
Adjustments for:				
Depreciation of property, plant and equipment	935	940	3,596	3,040
Impairment loss on investments	817	-	817	-
Impairment loss on property, plant and equipment	112	-	112	-
Allowance for inventory obsolescence and inventory written off	900	20	900	20
Allowance for doubtful debts	3,990	-	3,990	-
Loss (Gain) on disposal of property, plant and equipment and investments	256	(57)	108	(48)
Amortisation of prepaid land lease	31	68	126	104
Interest expenses	575	586	1,604	1,143
Employee equity benefit expenses	-	50	-	50
Share of result of associates	632	-*	670	-*
Share of results of joint venture companies	314	33	314	68
Operating Cash Flows Before Working Capital Changes	(2,895)	219	(3,791)	5,169
Decrease (Increase) in inventories	1,492	4,071	5,828	(4,344)
Increase in net amount from a customer for contract work-in-progress	-	826	-	-
Decrease in trade receivables	4,760	6,221	14,162	1,545
Decrease in other receivables and prepayments	897	1,008	(31)	800
Decrease in trade payables	(2,364)	(1,782)	(3,137)	(1,044)
Increase (Decrease) in other payables	435	(3,347)	979	(1,664)
Net Cash Flows From Operations Before Interest and Tax	2,325	7,216	14,010	462
Income tax	(23)	-	(101)	(645)
Currency translation	(266)	(114)	376	(779)
Net Cash Flows From (Used in) Operating Activities	2,036	7,102	14,285	(962)
Cash Flows Used in Investing Activities:				
Purchase of property, plant and equipment	-	(2,577)	(5,792)	(8,126)
Purchase of investment properties	(332)	(112)	(332)	(707)
Investment in an associated company	(214)	-	(5,729)	(1,352)
Proceed from disposal of property, plant and equipment	5	471	-	813
Acquisition of land use rights	-	-	-	(1,806)
Loans to related companies	168	(943)	168	(2,463)
Net Cash Flows Used in Investing Activities	(373)	(3,161)	(11,685)	(13,641)
Cash Flows From (Used in) Financing Activities:				
Purchase of treasury shares	-	-	(219)	(87)
Proceeds from interest-bearing loans and borrowings	21,169	-	26,001	23,544
Repayment of interest-bearing loans and borrowings	(18,331)	(4,055)	(24,433)	(9,143)
Refund (Placement) of short-term deposits pledged to secure a bank guarantee	-	(1,330)	1,036	(1,330)
Proceeds from issuance of new shares pursuant to subscription agreement	-	934	-	934
Dividends paid	-	-	-	(1,006)
Interest paid	(575)	(586)	(1,604)	(1,143)
Net Cash Flows From (Used in) Financing Activities	2,263	(5,037)	781	11,769
Net Increase (Decrease) in Cash and Cash Equivalents	3,926	(1,096)	3,381	(2,834)
Effect of exchange rate changes on cash and cash equivalent	-	(20)	-	(20)
Cash and Cash Equivalents at Beginning of Period	(2,507)	(846)	(1,962)	892
Cash and Cash Equivalents at End of Period	1,419	(1,962)	1,419	(1,962)
Analysis of Cash and Cash Equivalents				
Cash and bank balances	1,419	1,362	1,419	1,362
Bank overdrafts	-	(3,324)	-	(3,324)
Cash and Cash Equivalents at End of Period	1,419	(1,962)	1,419	(1,962)

Restricted cash balances:

The Group's cash and bank balances in the statement of financial position include short-term deposits of S\$294,000 (30 June 2015: S\$1,330,000) which were pledged to secure a bank guarantee.

Non-Cash transaction:

Investment in an associated company includes an amount of S\$1.8 million, which is non-cash whereby the Company has allotted and issued an aggregate of 9,450,000 ordinary shares at an issue price of S\$0.1854 per share to the 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	Merger Reserve	Employee Equity Benefit Reserve	Translation Reserve	Statutory Reserve Fund	Accumulated Profits (Losses)	Total Reserves		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Current Period:											
Balance as at 1 July 2015 (restated)	34,203	(113)	(480)	(7,660)	-	(1,613)	15	20,469	10,731	88	44,909
Net loss for the period	-	-	-	-	-	-	-	(14,172)	(14,172)	(81)	(14,253)
Other comprehensive loss for the period	-	-	-	-	-	(657)	-	-	(657)	-	(657)
Total comprehensive loss for the period	-	-	-	-	-	(657)	-	(14,172)	(14,829)	(81)	(14,910)
Purchase of treasury shares	-	(219)	-	-	-	-	-	-	-	-	(219)
Issuance of ordinary shares	1,752	-	-	-	-	-	-	-	-	-	1,752
Treasury shares issued pursuant to employees' share scheme	-	50	-	-	-	-	-	-	-	-	50
Balance as at 30 June 2016	35,955	(282)	(480)	(7,660)	-	(2,270)	15	6,297	(4,098)	7	31,582
Previous Period:											
Balance as at 1 July 2014	33,269	(646)	(120)	(7,660)	260	(217)	15	20,667	12,945	49	45,617
Net profit for the period	-	-	-	-	-	-	-	808	808	39	847
Dividend on ordinary shares	-	-	-	-	-	-	-	(1,006)	(1,006)	-	(1,006)
Other comprehensive loss for the period	-	-	-	-	-	(1,396)	-	-	(1,396)	-	(1,396)
Total comprehensive income for the period	-	-	-	-	-	(1,396)	-	(198)	(1,594)	39	(1,555)
Purchase of treasury shares	-	(87)	-	-	-	-	-	-	-	-	(87)
Issuance of ordinary shares	934	-	-	-	-	-	-	-	-	-	934
Treasury shares issued pursuant to employees' share scheme	-	620	(360)	-	(260)	-	-	-	(620)	-	-
Balance as at 30 June 2015	34,203	(113)	(480)	(7,660)	-	(1,613)	15	20,469	10,731	88	44,909

COMPANY

Current Period:											
Balance as at 1 July 2015 (restated)	34,203	(113)	(480)	-	-	-	-	(12)	(492)	-	33,598
Net loss for the period	-	-	-	-	-	-	-	202	202	-	202
Dividends on ordinary shares	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive profit for the period	-	-	-	-	-	-	-	202	202	-	202
Purchase of treasury shares	-	(219)	-	-	-	-	-	-	-	-	(219)
Issuance of ordinary shares	1,752	-	-	-	-	-	-	-	-	-	1,752
Treasury shares issued pursuant to employees' share scheme	-	50	-	-	-	-	-	-	-	-	50
Balance as at 30 June 2016	35,955	(282)	(480)	-	-	-	-	190	(290)	-	35,383
Previous Period:											
Balance as at 1 July 2014	33,269	(646)	(120)	-	260	-	-	(307)	(167)	-	32,456
Net profit for the period	-	-	-	-	-	-	-	1,301	1,301	-	1,301
Dividend on ordinary shares	-	-	-	-	-	-	-	(1,006)	(1,006)	-	(1,006)
Total comprehensive income for the period	-	-	-	-	-	-	-	295	295	-	295
Purchase of treasury shares	-	(87)	-	-	-	-	-	-	-	-	(87)
Issuance of ordinary shares	934	-	-	-	-	-	-	-	-	-	934
Treasury shares issued pursuant to employees' share scheme	-	620	(360)	-	(260)	-	-	-	(620)	-	-
Balance as at 30 June 2015	34,203	(113)	(480)	-	-	-	-	(12)	(492)	-	33,598

- 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**

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 2016, the Company held 1,914,955 treasury shares (30 June 2015: 915,684) against a total number of 240,610,273 issued shares excluding treasury shares (30 June 2015: 232,159,544). The Company held no outstanding convertibles shares as at 30 June 2016 and 30 June 2015.

- 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 2016	As At 30 June 2015
No. of issued shares excluding treasury shares	240,610,273	232,159,544

- 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**

Not applicable.

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 2016, 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 2015.

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 2016.

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-16	30-Jun-15	30-Jun-16	30-Jun-15
Earnings per ordinary share				
(a) Based on the weighted average number of ordinary shares in issue	(4.03) cents	(0.59) cents	(5.97) cents	0.36 cents
Weighted average number of ordinary shares in issue	240,610,273	231,005,698	237,476,109	226,302,723
(b) On a fully diluted basis	(4.03) cents	(0.59) cents	(5.97) cents	0.36 cents
Weighted average number of ordinary shares in issue	240,610,273	231,298,096	237,476,109	226,595,121

- 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-16	30-Jun-15	30-Jun-16	30-Jun-15
Net asset value per ordinary share based on total number of issued shares excluding treasury shares	13.12 cents	19.31 cents	14.71 cents	14.47 cents
Number of shares in issue excluding treasury shares	240,610,273	232,159,544	240,610,273	232,159,544

- 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 2016 vs 4Q 2015 & FY 2016 vs FY 2015

The Group's revenue for the three months ended 30 June 2016 ("4Q 2016") was S\$6.5 million, 59.2% lower than the S\$15.8 million generated for the corresponding period in the last financial year ("4Q 2015"). The Group's revenue for the full year ended 30 June 2016 ("FY 2016") was S\$42.0 million, 42.2% lower than the S\$72.6 million generated for the corresponding period in the last financial year ("FY 2015").

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

Gross Profit

4Q 2016 vs 4Q 2015

The Group's gross profit for 4Q 2016 was lower than that for 4Q 2015 due to the decrease in revenue and reclassification of production related expenses from administration expenses. The Group's profit margin had decreased from S\$5.0 million in 4Q 2015 to gross loss of S\$1.1 million in 4Q 2016. The decrease was mainly due to the reclassification of S\$1.3 million (4Q 2015: S\$1.2 million) in production related expenses from administration expenses to costs of sales. These production related expenses include depreciation, employee benefit expenses and rental expenses which are largely fixed overheads. In addition, the Group has provided for allowance for inventory obsolescence of S\$0.1 million and inventory write-off of S\$0.8 million.

FY 2016 vs FY 2015

The Group's gross profit for FY 2016 was lower than that for FY 2015 due to the decrease in revenue and a reclassification of S\$5.6 million (FY 2015: S\$5.7 million) in production related expenses from administration expenses to costs of sales. These production related expenses include depreciation, employee benefit expenses and rental expenses which are largely fixed overheads. In addition, the Group has provided for allowance for inventory obsolescence of S\$0.1 million and inventory write-off of S\$0.8 million.

Other Operating Income

4Q 2016 vs 4Q 2015 & FY 2016 vs FY 2015

The Group's other operating income was higher for 4Q 2016 and FY 2016, as compared to 4Q 2015 and FY 2015 mainly due to increase in rental and storage charges.

Operating Expenses

4Q 2016 vs 4Q 2015

The Group's operating expenses comprised administration and sales and marketing expenses. In 4Q 2016 and 4Q 2015, there was a reclassification of S\$1.3 million (4Q 2015: S\$1.2 million) in production related expenses from administration expenses to costs of sales. Administration expense for 4Q 2016 and 4Q 2015 had also decreased mainly due to lower staff remuneration. Sales and marketing expenses for 4Q 2016 was lower than 4Q 2015 mainly due to decrease in salaries, travelling allowance, advertisement, entertainment expenses and commission expenses.

FY 2016 vs FY 2015

The Group's operating expenses comprised administration and sales and marketing expenses. In FY 2016 and FY 2015, there was a reclassification of S\$5.6 million (FY 2015: S\$5.7 million) in production related expenses from administration expenses to costs of sales. Administration expense for FY 2016 was lower than FY 2015 mainly due to decrease in depreciation expenses and staff remuneration. Sales and marketing expenses for FY 2016 was lower than FY 2015 mainly due to decrease in salaries, travelling allowance, advertisement, entertainment expenses, partly offset by an increase in commission and agency fees.

Other operating expenses

4Q 2016 vs 4Q 2015 & FY 2016 vs FY 2015

Other operating expenses for 4Q 2016 and FY 2016 were higher as compared to 4Q 2015 and FY 2015 respectively. The increase in other operating expenses was mainly due to increase in allowance for doubtful debts of S\$4.0 million and impairment in investment in a joint venture of S\$0.8 million.

Share of results of joint venture companies and associates

4Q 2016 vs 4Q 2015 & FY 2016 vs FY 2015

Share of losses of joint venture companies and associates had increased mainly due to higher losses incurred by a joint venture company due to impairment of its assets, and higher losses incurred by associates.

Finance Costs

4Q 2016 vs 4Q 2015 & FY 2016 vs FY 2015

Finance costs for 4Q 2016 and 4Q 2015 remained largely consistent. Finance costs for FY 2016 was higher than FY 2015 mainly due to increase in interest charges from interest-bearing loans and borrowings of the Group. Finance costs arising from interest-bearing loans and borrowings for the construction of property, plant and equipment were no longer capitalised as part of construction in progress upon completion of the Group's facilities in Malaysia.

Profit or loss, attributable to owners of the parent

4Q 2016 vs 4Q 2015

The net loss attributable to owners of the parent for 4Q 2016 was due to lower revenue, higher other operating expenses, higher share of losses from joint venture companies and associates, partly offset by increase in other operating income, income tax credit and decrease in operating expenses.

FY 2016 vs FY 2015

The net loss attributable to owners of the parent for FY 2016 was due to lower revenue, higher other operating expenses, higher share of losses from joint venture companies and associates, partly offset by increase in other operating income, income tax credit and decrease in operating expenses.

Statement of Financial Position Review

30 June 2016 vs 30 June 2015

Current assets

The current assets of S\$40.0 million as at 30 June 2016 was lower compared to that as at 30 June 2015 mainly due to decrease in trade receivables of S\$17.1 million, inventories of S\$6.8 million, amount due from an associate and joint venture of S\$1.2 million, prepayments of S\$0.4 million and cash and bank balances of S\$1.0 million, partially offset by increase in other receivables of S\$0.6 million.

Non-current assets

The non-current assets of S\$39.9 million as at 30 June 2016 was higher compared to that as at 30 June 2015 mainly due to increase in property, plant and equipment of S\$3.0 million and investment in an associate of S\$6.6 million, partially offset by a decrease in prepayment for equipment of S\$1.8 million and investment in joint ventures of S\$0.9 million.

Current liabilities

The current liabilities of S\$17.7 million as at 30 June 2016 was lower compared to that as at 30 June 2015, mainly due to decrease interest-bearing loans and borrowings of S\$15.4 million, bill payables of S\$6.7 million and trade payables of S\$3.1 million, partly offset by increase in other payables of S\$0.8 million.

Non-current liabilities

The non-current liabilities of S\$30.5 million as at 30 June 2016 was higher compared to that as at 30 June 2015 mainly due to increase in interest-bearing loans and borrowings of S\$20.4 million.

Cash Flow Review

4Q 2016

The net cash flows from operating activities for 4Q2016 was S\$2.0 million and this was mainly due to decrease in trade receivables of S\$4.8 million, inventories of S\$1.5 million and other receivables and prepayment of S\$0.9 million, partly offset by loss before tax of S\$11.5 million and decrease in trade payables of S\$2.4 million. Cash flows used in investing activities was mainly due to investment in associate company of S\$0.2 million and payment for investment properties amounting to S\$0.3 million. The cash flows from financing activities of S\$2.3 million was mainly due to the net proceeds of interest-bearing loans and borrowings of S\$2.8 million partly offset by payment of interest expenses of S\$0.6 million.

FY 2016

The net cash flows from operating activities for FY 2016 was S\$14.3 million and this was mainly due to decrease in trade receivables of S\$14.2 million and inventories of S\$5.9 million, and increase in other payables of S\$1.0 million, partly offset by decrease in trade payables of S\$3.1 million and loss before tax of S\$16.0 million. Cash flows used in investing activities of S\$13.4 million was mainly due to investment in an associated company of S\$5.8 million and purchase of equipment amounting to S\$5.8 million. The cash flows from financing activities of S\$0.8 million was mainly due to the net proceeds of interest-bearing loans and borrowings of S\$1.6 million and refund of short-term deposit of S\$1.0 million, partly offset by payment of interest expenses of S\$1.6 million and purchase of treasury shares of S\$0.2 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**

While the Group has experienced a challenging year in financial terms, an important breakthrough in the development of heavy lift synthetic slings was achieved with the award in FY2016 and successful completion in early FY2017 of twelve slings with a breaking load of around 5,000 metric tonnes. In addition, we have invested in upstream synthetic manufacturing capability to further increase our independence from the raw material providers and to create added value in our own product line. This milestone project is expected to make a positive impact strategically and financially for the Group and strengthen our position as a leader in synthetic sling technology. This is a growing market which is expected to increase revenue and opportunities for the Group.

Overall, the Group expects the oil and gas market to be challenging for the next twelve months with a high level of market volatility remaining a feature. However, with the Group's cost cutting initiatives and significant reduction in inventories effected in FY2016, as well as the developments in its synthetic sling technology, we believe that we are positioned to weather the adverse market conditions through FY2017.

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 2016.

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

	Offshore oil and gas S\$000	Marine S\$000	Others S\$000	Total S\$000
FY 2016				
Revenue				
External sales	21,216	12,842	7,927	41,985
Other income				1,749
Segment revenue				<u>43,734</u>
Result				
Segment results	(1,936)	(3,823)	(2,321)	(8,080)
Share of results of joint venture companies				(314)
Share of results of associates				(670)
Other operating expenses				(5,360)
Finance costs (interest expense)				(1,604)
Loss before income tax				<u>(16,028)</u>
Income tax expense				1,775
Loss after income tax				<u>(14,253)</u>
Other information				
Amortisation of prepaid land lease	64	38	24	126
Depreciation	1,817	1,100	679	3,596
Additions to non-current assets	6,707	4,060	2,506	13,273

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

- 15 **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

	Offshore oil and gas S\$000	Marine S\$000	Others S\$000	Total S\$000
FY 2015				
Revenue				
External sales	45,068	18,716	8,807	72,591
Other income				1,666
Segment revenue				<u>74,257</u>
Result				
Segment results	2,954	(1,169)	218	2,003
Share of results of joint venture companies				(68)
Share of results of associated company				*
Finance costs (interest expense)				(1,143)
Profit before income tax				<u>792</u>
Income tax expense				55
Profit after income tax				<u>847</u>
Other segment information				
Amortisation of prepaid land lease	64	27	13	104
Depreciation	1,887	784	369	3,040
Additions to non-current assets	6,166	2,561	2,140	10,867

* denotes amount less than S\$1,000.

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		Total assets	
	FY 2016 \$'000	FY 2015 \$'000	FY 2016 \$'000	FY 2015 \$'000	FY 2016 \$'000	FY 2015 \$'000
Singapore	13,422	34,677	11,468	4,476	50,199	59,446
United Arab Emirates	7,452	8,375	141	389	8,254	19,866
Indonesia	2,681	3,319	-	18	469	401
Malaysia	5,588	5,333	1,664	5,984	20,905	18,832
Asia	5,629	6,095	-	-	-	-
Rest of the world	7,213	14,792	-	-	-	-
	41,985	72,591	13,273	10,867	79,827	98,545

"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-16 \$'000	Group Year ended 30-Jun-15 \$'000	% increase/ (decrease)
Sales reported for first half year	24,309	40,230	(39.6%)
Operating profit/(loss) after tax before deducting minority interest reported for first half year	(2,439)	1,598	N.M.
Sales reported for second half year	17,676	32,361	(45.4%)
Operating profit/(loss) after tax before deducting minority interest reported for second half year	(11,814)	(751)	N.M.

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	44	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	35	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	42	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	39	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 2016