**NauticAWT Limited**
**(Company Registration No: 201108075C)**

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**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER ("FY") 2017**

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

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

**1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income for the group together with a comparative statement for the corresponding period of immediately preceding year**

**Consolidated Statement of Profit or Loss and Other Comprehensive Income**

| | Group | | |
|---|---|---|---|
| | Unaudited FY2017 US$ | Restated [1] FY2016 US$ | Increase/ (Decrease) % |
| **Continuing operations** | | | |
| Revenue | 8,953,151 | 15,103,420 | (40.7) |
| Cost of sales | (5,080,212) | (7,860,331) | (35.4) |
| Gross profit | 3,872,939 | 7,243,089 | (46.5) |
| Distribution expenses | (480,197) | (333,250) | 44.1 |
| Administrative expenses | (7,559,669) | (4,988,866) | 51.5 |
| Other income | 69,173 | 353,409 | (80.4) |
| Finance costs | (408,169) | (289,419) | 41.0 |
| **(Loss) Profit before tax** | (4,505,923) | 1,984,963 | N/M |
| Income tax expense | (140,879) | (336,000) | (58.1) |
| **(Loss) Profit for the year from continuing operations** | (4,646,802) | 1,648,963 | N/M |
| **Discontinued operations [1]** | | | |
| Loss for the year from discontinued operations | (1,623,426) | (998,218) | 62.6 |
| **(Loss) Profit for the year** | (6,270,228) | 650,745 | N/M |
| **Other comprehensive income** | | | |
| *Item that may be reclassified subsequently to profit or loss* | | | |
| Exchange differences on translation of foreign operations | (175,439) | 270,494 | N/M |
| **Total other comprehensive income for the year** | (175,439) | 270,494 | N/M |
| **Total comprehensive income for the year** | (6,445,667) | 921,239 | N/M |
| **(Loss) Profit attributable to:** | | | |
| Owners of the Company | (6,854,912) | 713,561 | N/M |
| Non-controlling interests | 584,684 | (62,816) | N/M |
| | (6,270,228) | 650,745 | N/M |
| **Total comprehensive income attributable to:** | | | |
| Owners of the Company | (7,030,351) | 954,201 | N/M |
| Non-controlling interests | 584,684 | (32,962) | N/M |
| | (6,445,667) | 921,239 | N/M |

N/M: Not meaningful

Note:

(1) Following the administration and liquidation as announced on 15 May 2017 and 22 November 2017 respectively, the Group has discontinued the operations of Subsurface and Wells segment and Facilities segment as at 31 December 2017.

In addition, the Company is currently working with an investor to dispose a wholly owned subsidiary. Hence, the operations of this subsidiary have been reclassified under discontinued operations. The assets and liabilities attributable to this subsidiary, which are expected to be sold within twelve months, have been classified as a disposal group held for sale and are presented separately in the Consolidated Statement of Financial Position.

**1(a)(ii) The total comprehensive income include the following charges (credits):**

| | Group | | |
|---|---|---|---|
| | **Unaudited FY2017 US$** | **Audited FY2016 US$** | **Increase/ (Decrease) %** |
| Depreciation of property, plant and equipment | 914,931 | 950,969 | (9.5) |
| Amortisation of intangible assets | 30,300 | 10,186 | N/M |
| Finance costs | 545,161 | 302,462 | 80.2 |
| Write-off of obsolete inventories | 77,374 | 51,233 | 51.0 |
| Provision for doubtful debts | 3,755,899 | 419,390 | N/M |
| Restructuring costs | - | 141,168 | N/M |
| Share of profit of joint venture | (13,000) | - | N/M |
| Write-off of/Loss on disposal of property, plant and equipment | 167,348 | 211 | N/M |
| Net foreign exchange loss | (78,060) | 248,847 | N/M |
| Gain on disposal of discontinued operations | (1,905,159) | - | N/M |
| Gain on disposal of a subsidiary | - | (747,100) | N/M |
| Income arising from the forfeiture of Goodwill Commitment in relation to lapse of the Proposed Placement | - | (128,366) | N/M |
| Insurance claim | - | (134,889) | N/M |
| Interest income | (726) | (113) | N/M |
| Write-off (Recognition) of deferred tax assets | 636,628 | (675,515) | N/M |

**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.**

**Consolidated Statement of Financial Position**

| | Group | | Company | |
|---|---|---|---|---|
| | Unaudited 31-Dec-17 US$ | Audited 31-Dec-16 US$ | Unaudited 31-Dec-17 US$ | Audited 31-Dec-16 US$ |
| **ASSETS** | | | | |
| **Current assets** | | | | |
| Cash and bank balances | 317,067 | 653,642 | 58,687 | 31,700 |
| Trade receivables | 2,135,035 | 11,941,452 | 10,481,787 | 7,655,463 |
| Other receivables | 1,210,542 | 2,856,214 | 1,922,018 | 2,897,734 |
| Inventories | 308,369 | 276,195 | - | - |
| Work in progress | 35,604 | 18,142 | - | - |
| | 4,006,617 | 15,745,645 | 12,462,492 | 10,584,897 |
| Assets classified as held for sale | 2,518,600 | - | - | - |
| Total current assets | 6,525,217 | 15,745,645 | 12,462,492 | 10,584,897 |
| **Non-current assets** | | | | |
| Property, plant and equipment | 8,201,501 | 8,961,576 | 607,987 | 792,765 |
| Goodwill | - | 317,425 | - | - |
| Intangible assets | 680,871 | 401,281 | 632,235 | 352,645 |
| Investment in subsidiaries | - | - | 425,623 | 1,031,124 |
| Investment in joint ventures | - | 11,871 | - | - |
| Other receivables | - | - | 2,762,936 | 2,657,936 |
| Deferred tax assets | - | 607,732 | - | - |
| Total non-current assets | 8,882,372 | 10,299,885 | 4,428,781 | 4,834,470 |
| **Total assets** | 15,407,589 | 26,045,530 | 16,891,273 | 15,419,367 |
| **LIABILITIES AND EQUITY** | | | | |
| **Current liabilities** | | | | |
| Trade payables | 1,510,718 | 2,215,015 | - | - |
| Other payables | 5,431,390 | 7,654,860 | 14,550,510 | 7,194,886 |
| Government grant received | 355,130 | 355,130 | 355,130 | 355,130 |
| Liabilities for trade bills discounted with recourse | 214,054 | 2,065,487 | - | - |
| Bank loan and advances | 1,915,932 | 2,177,890 | 237,046 | 885,257 |
| Loan from directors | - | 326,000 | - | 326,000 |
| Finance leases | - | 62,639 | - | - |
| Income tax payable | - | 394,893 | - | - |
| | 9,427,224 | 15,251,914 | 15,142,686 | 8,761,273 |
| Liabilities directly associated with assets classified as held for sale | 120,786 | - | - | - |
| Total current liabilities | 9,548,010 | 15,251,914 | 15,142,686 | 8,761,273 |
| **Non-current liabilities** | | | | |
| Long-term bank loan | 3,374,731 | 3,229,409 | - | 40,179 |
| Finance leases | - | 52,850 | - | - |
| Loan from directors | 500,099 | - | 500,099 | - |
| Deferred tax liabilities | 52,589 | 98,774 | - | - |
| Convertible notes | 1,016,061 | - | 1,016,061 | |
| Other payables | 122,750 | 222,900 | - | - |
| Total non-current liabilities | 5,066,230 | 3,603,933 | 1,516,160 | 40,179 |
| **Total liabilities** | 14,614,240 | 18,855,847 | 16,658,846 | 8,801,452 |

| | Group | | Company | |
|---|---|---|---|---|
| | Unaudited 31-Dec-17 US$ | Audited 31-Dec-16 US$ | Unaudited 31-Dec-17 US$ | Audited 31-Dec-16 US$ |
| **Capital and reserves** | | | | |
| Share capital | 7,248,183 | 7,248,183 | 7,248,183 | 7,248,183 |
| Other capital reserve | 723,125 | 718,247 | 723,125 | 718,247 |
| Share options reserve | 108,639 | 64,184 | 108,639 | 101,337 |
| Foreign currency translation reserve | (92,478) | 82,961 | - | - |
| Accumulated losses | (7,194,120) | (339,208) | (7,847,520) | (1,449,852) |
| Equity attributable to owners of the Company | 793,349 | 7,774,367 | 232,427 | 6,617,915 |
| Non-controlling interests | - | (584,684) | - | - |
| Total equity | 793,349 | 7,189,683 | 232,427 | 6,617,915 |
| **Total liabilities and equity** | 15,407,589 | 26,045,530 | 16,891,273 | 15,419,367 |

**1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:**

**(A) the amount repayable in one year or less, or on demand;**

| Group | | Group | |
|---|---|---|---|
| 31-Dec-17 | | 31-Dec-16 | |
| Secured | Unsecured | Secured | Unsecured |
| US$ | US$ | US$ | US$ |
| 2,129,986 | 745,599 | 4,306,015 | 437,450 |

**(B) the amount repayable after one year;**

| Group | | Group | |
|---|---|---|---|
| 31-Dec-17 | | 31-Dec-16 | |
| Secured | Unsecured | Secured | Unsecured |
| US$ | US$ | US$ | US$ |
| 3,374,731 | 1,138,811 | 3,282,259 | 222,900 |

**Details of any collateral**

Bank borrowings

The Group's bank borrowings are secured by the following:

(a) Assignment of an insurance policy;
(b) A charge of US$74,630 (31 December 2016: US$369,140) over all term deposit accounts of a subsidiary (31 December 2016: two subsidiaries);
(c) Fixed charge over all assets of two subsidiaries (31 December 2016: two subsidiaries);
(d) Fixed and floating charge over all assets of a subsidiary (31 December 2016: a subsidiary);
(e) A charge over the property of a subsidiary (31 December 2016: a subsidiary);
(f) A charge over the Project Account of a subsidiary (31 December 2016: N/A); and
(g) Assignment of an offshore agreement by a subsidiary (31 December 2016: N/A).

As at 31 December 2017, the Group has breached certain bank covenants in relation to loans from one of its principal bankers since the Group did not fulfil the minimum tangible net worth requirement. As a result, all the outstanding loans due to this principal banker are repayable on demand and hence classified as current liabilities. Please refer to paragraph 8 (Working capital and going concern assessment) for further details.

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

**Consolidated Statement of Cash Flows**

| | | Group | |
|---|---|---|---|
| | | **Unaudited FY2017 US$** | **Audited FY2016 US$** |
| **Operating activities** | | | |
| (Loss) Profit before tax | (A) | (5,492,720) | 350,925 |
| Adjustments for: | | | |
| Depreciation of property, plant and equipment | | 860,229 | 916,213 |
| Amortisation of intangible assets | | 30,300 | 10,186 |
| Share of profit of joint venture | | (13,000) | - |
| Gain on disposal of discontinued operations | | (1,905,159) | - |
| Gain on disposal of a subsidiary | | - | (747,100) |
| Provision for doubtful debts | | 3,755,899 | 419,390 |
| Write-off of/Loss on disposal of property, plant and equipment | | 167,348 | 211 |
| Write-back of provision for leave entitlement | | - | (295,206) |
| Write-off of obsolete inventories | | 77,374 | 51,233 |
| Interest expense | | 545,161 | 302,462 |
| Interest income | | (726) | (113) |
| Share-based payment | | 44,455 | 56,580 |
| Operating cash flows before movements in working capital | | (1,930,839) | 1,064,781 |
| Trade receivables | | 4,107,305 | (3,355,492) |
| Other receivables | | (311,019) | (1,723,299) |
| Inventories | | (109,548) | 586,329 |
| Trade payables | | 1,986,492 | 486,077 |
| Other payables | | (575,191) | 4,548,914 |
| Trade bills discounted with recourse | | (1,851,353) | 409,161 |
| Work in progress | | (17,462) | 36,392 |
| Cash generated from operations | | 1,298,385 | 2,052,863 |
| Income tax paid | | (45,367) | (94,206) |
| Interest received | | 726 | 113 |
| Interest paid | | (469,622) | (302,462) |
| Net cash from operating activities | | 784,122 | 1,656,308 |
| **Investing activities** | | | |
| Purchase of property, plant and equipment | (B) | (161,940) | (4,409,867) |
| Addition of intangible assets | | (255,187) | (320,901) |
| Investment in joint venture | | (1,200,000) | (11,871) |
| Proceeds from disposal of property, plant and equipment | | 122,340 | - |
| Net cash used in investing activities | | (1,494,787) | (4,742,639) |
| **Financing activities** | | | |
| Loan from directors | | 297,350 | - |
| Proceeds from bank loans | | 1,445,400 | 3,620,357 |
| Government grant received | | - | 214,998 |
| Loan from a third party | | - | 334,350 |
| (Repayment of advances to) Advances from bank | | (220,311) | 273,398 |
| Repayment of finance lease payables | | (67,529) | (63,052) |
| Repayments of bank loans | | (1,365,927) | (1,487,299) |
| Issuance of convertible notes | | 735,000 | - |
| Expenses incurred in connection with the IPO | | - | (182,531) |
| Net cash from financing activities | | 823,983 | 2,710,221 |

| | Group | |
|---|---|---|
| | **Unaudited FY2017 US$** | **Audited FY2016 US$** |
| **Net increase (decrease) in cash and cash equivalents** | 113,318 | (376,110) |
| Cash and cash equivalents at beginning of year | (302,711) | 62,954 |
| Effects of exchange rate changes on balances of cash held in foreign currencies | 49,898 | 10,445 |
| **Cash and cash equivalents at end of year** | (139,495) | (302,711) |

Note:

(A) The balance reflected as (loss) profit before tax in the Consolidated Statement of Cash Flows is derived from the aggregate of loss before tax from discontinued operations of US$2,891,956 (2016: US$1,634,038), the gain on disposal of discontinued operations of US$1,905,159 (2016: US$Nil) and loss before tax from continuing operations of US$4,505,923 (2016: profit before tax from continuing operations of US$1,984,963).

(B) The Company acquired property, plant and equipment at an aggregate cost of US$165,695 of which cash payment of US$161,940 were paid during the year. US$3,755 remains unpaid as at 31 December 2017 and was recorded under "Other Payables".

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at the end of the financial year:

| | Group | |
|---|---|---|
| | **Unaudited FY2017 US$** | **Audited FY2016 US$** |
| Cash and bank balances | 317,067 | 653,642 |
| Less: Bank overdrafts | (381,932) | (587,213) |
| Less: Restricted cash | (74,630) | (369,140) |
| **Cash and cash equivalents** | (139,495) | (302,711) |

**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 capitalization issues and distributions to shareholders, together with comparative statement for the corresponding period of the immediately preceding financial year.**

| Group | Share capital | Other capital reserve | Share options reserve | Foreign currency translation reserve | Accumulated losses | Attributable to owners of the Company | Non-controlling interests | Total |
|---|---|---|---|---|---|---|---|---|
| | US$ | US$ | US$ | US$ | US$ | US$ | US$ | US$ |
| **Balance at 1 January 2017** | **7,248,183** | **718,247** | **64,184** | **82,961** | **(339,208)** | **7,774,367** | **(584,684)** | **7,189,683** |
| *Total comprehensive income for the year* | | | | | | | | |
| (Loss) Profit for the year | - | - | - | - | (6,854,912) | (6,854,912) | 584,684 | (6,270,228) |
| Other comprehensive income for the year | - | - | - | (175,439) | - | (175,439) | - | (175,439) |
| Total | - | - | - | (175,439) | (6,854,912) | (7,030,351) | 584,684 | (6,445,667) |
| *Transactions with owners recognised directly in equity* | | | | | | | | |
| Recognition of share-based payment | - | - | 44,455 | - | - | 44,455 | - | 44,455 |
| Issuance of convertible notes | - | 4,878 | - | - | - | 4,878 | - | 4,878 |
| Total | - | 4,878 | 44,455 | - | - | 49,333 | - | 49,333 |
| **Balance at 31 December 2017 (unaudited)** | **7,248,183** | **723,125** | **108,639** | **(92,478)** | **(7,194,120)** | **793,349** | **-** | **793,349** |
| **Balance at 1 January 2016** | **7,248,183** | **718,247** | **7,604** | **(157,679)** | **(1,052,769)** | **6,763,586** | **(551,722)** | **6,211,864** |
| *Total comprehensive income for the year* | | | | | | | | |
| Profit (Loss) for the year | - | - | - | - | 713,561 | 713,561 | (62,816) | 650,745 |
| Other comprehensive income for the year | - | - | - | 240,640 | - | 240,640 | 29,854 | 270,494 |
| Total | - | - | - | 240,640 | 713,561 | 954,201 | (32,962) | 921,239 |
| *Transaction with owners recognised directly in equity* | | | | | | | | |
| Recognition of share-based payment | - | - | 56,580 | - | - | 56,580 | - | 56,580 |
| Total | - | - | 56,580 | - | - | 56,580 | - | 56,580 |
| **Balance at 31 December 2016 (audited)** | **7,248,183** | **718,247** | **64,184** | **82,961** | **(339,208)** | **7,774,367** | **(584,684)** | **7,189,683** |

| Company | Share capital | Other capital reserve | Share options reserve | Accumulated losses | Total |
|---|---|---|---|---|---|
| | US$ | US$ | US$ | US$ | US$ |
| **Balance at 1 January 2017** | **7,248,183** | **718,247** | **101,337** | **(1,449,852)** | **6,617,915** |
| *Total comprehensive income for the year* | | | | | |
| Loss for the year | - | - | - | (6,397,668) | (6,397,668) |
| Total | - | - | - | (6,397,668) | (6,397,668) |
| *Transactions with owners recognised directly in equity* | | | | | |
| Recognition of share-based payment | - | - | 7,302 | - | 7,302 |
| Issuance of convertible notes | - | 4,878 | - | - | 4,878 |
| Total | - | 4,878 | 7,302 | - | 12,180 |
| **Balance at 31 December 2017 (unaudited)** | **7,248,183** | **723,125** | **108,639** | **(7,847,520)** | **232,427** |
| **Balance at 1 January 2016** | **7,248,183** | **718,247** | **-** | **(1,459,175)** | **6,507,255** |
| *Total comprehensive income for the year* | | | | | |
| Profit for the year | - | - | - | 9,323 | 9,323 |
| Total | - | - | - | 9,323 | 9,323 |
| *Transaction with owners recognised directly in equity* | | | | | |
| Recognition of share-based payment | - | - | 101,337 | - | 101,337 |
| Total | - | - | 101,337 | - | 101,337 |
| **Balance at 31 December 2016 (audited)** | **7,248,183** | **718,247** | **101,337** | **(1,449,852)** | **6,617,915** |

**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 was no change in the Company's issued and paid-up share capital from 1 July 2017 to 31 December 2017.

**Share Options**

On 27 June 2016, the Company granted 23,550,000 options, in 3 equal tranches of 7,850,000 options each, under the NauticAWT Employee Share Option Scheme (the "**Scheme**"). During FY2017, 6,150,000 outstanding options were forfeited. As at 31 December 2017, 15,300,000 options to subscribe for 15,300,000 shares remained outstanding (31 December 2016: 21,450,000). Details of the outstanding options as at 31 December 2017 are as follows:

| Outstanding Options as at 31 December 2017 | Exercise Price (S$) | Exercisable Period | |
|---|---|---|---|
| | | From | To |
| 5,100,000 | 0.25 | 31 December 2017 | 31 December 2020 |
| 5,100,000 | 0.30 | 31 December 2018 | 31 December 2021 |
| 5,100,000 | 0.35 | 31 December 2019 | 31 December 2022 |
| 15,300,000 | | | |

**Convertible notes**

On 20 March 2017, 29 May 2017 and 22 June 2017, the Company issued up to US$1,000,000 in aggregate principal amount of convertible notes (the "**Notes**") due 2020. The number of shares to be converted (the "**Conversion Shares**") will be determined by dividing the principal amount of the Notes, translated into Singapore dollars at the spot rate for the sale of Singapore dollars against the purchase of United State dollars on the day when the conversion right of the Note holder is exercised, by the Conversion Price of S$0.15 per share. Should the need for a higher number of Conversion Shares to be issued and allotted to any of the subscribers to the Notes than the number of shares stated herein arises, the Company will make further applications for the listing and quotation of such excess shares in due course, subject to, inter alia, the approval of the SGX-ST. Based on the exchange rate of US$1:S$1.3964 on 30 April 2017 which was used for illustration purposes in the circular in relation to the Notes, the number of Conversion Shares may be issued will be 9,309,334 in total. Details of the outstanding Notes as at 31 December 2017 are as follows:

| Principal amount of the Notes as at 31 December 2017 (US$) | Conversion Price (S$) | Number of Conversion Shares that may be issued on Conversion | Conversion Period | |
|---|---|---|---|---|
| | | | From | To |
| 1,000,000 | 0.15 | 9,309,334 | 17 October 2019 | 16 Oct 2020 |

The Company did not have any treasury shares and subsidiary holdings as at 31 December 2017 and 31 December 2016.

**1(d)(iii) 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.**

| | 31-Dec-17 | 31-Dec-16 |
|---|---|---|
| Total number of shares (excluding treasury shares) | 190,965,893 | 190,965,893 |

The Company did not have any treasury shares and subsidiary holdings as at 31 December 2017 and 31 December 2016.

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

Not applicable as the Company did not have any treasury shares as at 31 December 2017.

**1(d)(v) A statement showing all sales, transfers, disposals, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable as the Company did not have any subsidiary holdings as at 31 December 2017.

**2. Please state whether the figures have been audited or reviewed, and if so which auditing standard or practice has been followed.**

The figures have not been audited or reviewed by the Company's auditors.

**3. If the figures have been audited or reviewed, please provide a statement on whether there are any qualifications or emphasis of matter.**

Not applicable.

**4. Please state whether the same accounting policies and method of computation as in the issuer's most recently audited financial statements have been followed.**

The financial information has been prepared in accordance with the same accounting policies and methods of computation as adopted in the audited financial statements of the financial year ended 31 December 2016, except as disclosed under Note 5 below and the adoption of the new or revised Singapore Financial Reporting Standards ("**FRS**") and Interpretations of FRS ("**INT FRS**") which have become effective for the financial year ending 31 December 2017.

**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 the revised FRS and INT FRS as discussed in Note 4 above has not resulted in any significant changes to the Group's accounting policies and methods of computation for the financial year ended 31 December 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.**

| | FY2017 | FY2016 |
|---|---|---|
| (Loss) Earnings per share (US cents) from continuing and discontinued operations based on: | | |
| a. weighted average number of shares on issue | (3.59) | 0.37 |
| b. a fully diluted basis | # | # |
| Weighted average shares for calculation of: | | |
| a. weighted average number of shares on issue | 190,965,893 | 190,965,893 |
| b. a fully diluted basis | # | # |

# There is no dilutive potential shares and thus no corresponding diluted (loss) earnings per share.

**7. Net asset value (for the issuer and group) per ordinary share based on 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-Dec-17 | 31-Dec-16 | 31-Dec-17 | 31-Dec-16 |
| Net asset value per share (US cents) | 0.42 | 4.07 | 0.12 | 3.47 |
| Number of issued shares | 190,965,893 | 190,965,893 | 190,965,893 | 190,965,893 |

**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.**

**Review of results of continuing operations**

Revenue

The Group's revenue for FY2017 decreased by 40.7% or US$6.2 million to US$9.0 million, from US$15.1 million for FY2016. This was mainly due to the significant decrease in revenue contribution by the Ports and Offshore segment (please refer to paragraph 16(a) Note 1 for the explanation of this segment) of US$8.0 million. Oil price volatility continued to impact this segment in FY2017. However, the significant decrease was partially offset by the increase in revenue contribution by the Renewables segment of US$1.8 million which represents an increase of approximately 353% as compared to FY2016.

Gross profit and gross profit margin

The Group's gross profit for FY2017 decreased by 46.5% or US$3.4 million to US$3.9 million, from US$7.2 million for FY2016. The significant decrease was mainly due to decrease in gross profit from the Ports and Offshore segment of US$4.1 million. The decrease was partially offset by increase in gross profit generated from the Renewables segment of US$0.7 million. The movements in gross profit was consistent with the movements in revenue as explained earlier.

The Group's gross profit margin for FY2017 decreased by 4.7 percentage points, from 48.0% for FY2016 to 43.3% for FY2017.

Distribution expenses

The Group's distribution expenses increased by US$0.2 million or 44.1%, from US$0.3 million in FY2016 to US$0.5 million in FY2017. The increase was mainly due to a one-off reversal of sales commission of US$0.2 million in relation to a Ports and Offshore project in FY2016.

Administrative expenses

The Group's administrative expenses increased by US$2.6 million or 51.5%, from US$5.0 million in FY2016 to US$7.6 million in FY2017 primarily due to the provision for doubtful debts of US$2.9 million in FY2017 as compared to US$0.4 million in FY2016. The provision for doubtful debts were made for those long outstanding arrears due from the customers. The increase was partially offset by the decrease in office related costs, such as office rental.

Other income

Other income decreased by US$0.3 million or 80.4%, from US$0.4 million in FY2016 to US$0.1 million in FY2017. In FY2016, the other income comprised primarily the one-off insurance claim of US$0.1 million and one-off income arising from the forfeiture of Goodwill Commitment in relation to lapse of the Proposed Placement of US$0.1 million.

Finance costs

The Group's finance costs increased by US$0.1 million or 41.0%, from US$0.3 million in FY2016 to US$0.4 million in FY2017. The increase is mainly due to higher interest expenses arising from other trade banking facilities.

Income tax expense

The Group suffered income tax expense of US$0.1 million and US$0.3 million in FY2017 and FY2016 respectively, mainly due to the write-off of withholding tax.

(Loss) Profit after tax

As a result of the above, the Group suffered a loss for the year from continuing operations of US$4.6 million in FY2017 as compared to a profit for the year of US$1.6 million in FY2016.

**Review of results of discontinued operations**

Loss for the year from discontinued operations

The Group's loss for the year from discontinued operations increased by US$0.6 million or 62.6%, from US$1.0 million in FY2016 to US$1.6 million in FY2017. The increase is mainly due to higher losses suffered as compared to FY2016 as a result of the slowdown in the business activities.

**Review of Consolidated Statement of Financial Position**

Non-current assets

The Group's non-current assets decreased by US$1.4 million, from US$10.3 million as at 31 December 2016 to US$8.9 million as at 31 December 2017. The decrease was mainly due to the following:

i. the goodwill and deferred tax asset impairment of US$0.3 million and US$0.6 million respectively as a result of the liquidation of a subsidiary; and
ii. the decrease in property, plant and equipment of US$0.8 million mainly due to the depreciation charge.

The decrease was partially offset by the increase in intangibles of US$0.3 million in relation to the Company's Materials Development Project.

Current assets

The Group's current assets decreased by US$9.2 million, from US$15.7 million as at 31 December 2016 to US$6.5 million as at 31 December 2017. The significant decrease was mainly due to the following:

i. a decrease in trade and other receivables of US$11.5 million mainly due to the provision for doubtful debts and the disposal of subsidiaries following the administration and liquidation during the year; and
ii. a decrease in cash and bank balances of US$0.3 million (please refer to the review of cash flows below).

The decrease was partially offset by the increase in asset held for sale of US$2.5 million.

Non-current liabilities

The Group's non-current liabilities increased by US$1.5 million, from US$3.6 million as at 31 December 2016 to US$5.1 million as at 31 December 2017. The increase was mainly due to the issuance of US$1.0 million of convertible notes during FY2017 and the loan from directors of US$0.5 million.

Current liabilities

The Group's current liabilities decreased by US$5.7 million, from US$15.3 million as at 31 December 2016 to US$9.5 million as at 31 December 2017. The decrease was mainly due to the following:

i. a decrease in trade and other payables, and tax payable of US$2.9 million and US$0.4 million respectively as a result of the disposal of subsidiaries following the administration and liquidation during the year; and
ii. a decrease in liabilities for trade bills discounted with recourse, and bank loan and advances of US$1.9 million and US$0.3 million respectively due to repayments during FY2017.

Working capital and going concern assessment

The Group reported a negative working capital of US$3.0 million as at 31 December 2017 as compared to a positive working capital of US$0.5 million as at 31 December 2016. However, as at the date of this announcement, the Board is of the opinion that the continuing use of the going concern assumption in the preparation of the financial information is appropriate on the basis that the Group has continuous support from the existing bankers, is able to generate sufficient cash flows from its operations based on the internal budget, as well as it is able to dispose a wholly owned subsidiary which has been classified as assets held for sale at the balance sheet date. Furthermore, the Group is currently negotiating with certain third parties to secure additional funding for the Group. The Company will update shareholders when necessary.

**Review of cash flows**

Operating activities

Net cash from operating activities in FY2017 amounted to US$0.8 million as compared to US$1.7 million in FY2016. The Group had a net cash outflow of US$1.9 million from its operating activities before changes in working capital. Working capital movement included a decrease in trade and other receivables of US$3.8 million, an increase in trade and other payables of US$1.4 million, partially offset by a decrease in trade bills discounted with recourse of US$1.9 million and increase in inventories of US$0.1 million.

Investing activities

Net cash used in investing activities in FY2017 amounted to US$1.5 million as compared to US$4.7 million in FY2016, mainly due to the investment in joint venture of US$1.2 million.

Financing activities

Net cash from financing activities for FY2017 amounted to US$0.8 million mainly due to proceeds from bank borrowing, issuance of convertible notes and director loans of US$1.4 million, US$0.7 million and US$0.3 million respectively which were partially offset by the repayment of bank borrowings and finance lease payables of US$1.6 million and US$0.1 million respectively.

As a result of the above, the Group's cash and cash equivalents increased by US$0.1 million, from a deficit of US$0.3 million as of 31 December 2016 to a deficit of US$0.2 million as of 31 December 2017, net of fixed deposit pledged and bank overdrafts.

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

Not applicable.

**10. A commentary at the date of the announcement of the 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.**

FY2017 saw a continuation of the challenging business environment for the oil and gas upstream segment. This led to a discontinuation of the Group's Subsurface and Wells and Facilities engineering and consultancy business segments.

The Renewables segment saw more than 300 percent increase in revenue from FY2016 to FY2017, primarily through the sale of Ultra High Performance Cementitious ("**UHPC**") materials for onshore or land-based wind turbine foundations. The business outlook for the Renewables segment remains encouraging.

The Group has developed UHPC applications for the civil construction and the downhole markets and expect the sales for these markets to take place in FY2018.

**11. If a decision regarding dividend has been made:**

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

None.

**(b)(i) Amount per share**

Not applicable.

**(b)(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 where 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 or recommended for FY2017.

**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 does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920(1)(a)(ii). There was no interested person transaction of more than S$100,000 under Rule 920(1)(a)(ii) for FY2017.

**14. Negative confirmation by the Board pursuant to Rule 705(5)**

Not required for announcement for full year results.

**15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).**

The Company confirms that all the required undertakings under Rule 720(1) of the Catalist Rules have been obtained from all its directors and executive officers in the format set out in Appendix 7H of the Catalist Rules.

**PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

**16. Segmented revenue and results for operating 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.**

**(a) Results by business segments**

| | Renewables | | Ports and Offshore [1] | | Total | |
|---|---|---|---|---|---|---|
| | FY2017 Unaudited US$ | FY2016 Audited US$ | FY2017 Unaudited US$ | FY2016 Restated [2] US$ | FY2017 Unaudited US$ | FY2016 Restated [2] US$ |
| Total Revenue | 2,329,961 | 514,033 | 6,623,190 | 14,589,387 | 8,953,151 | 15,103,420 |
| Segment results | 1,002,453 | 293,886 | 2,870,486 | 6,949,203 | 3,872,939 | 7,243,089 |
| Depreciation of property, plant and equipment (excluding machinery) | | | | | (190,096) | (210,468) |
| Amortisation of intangible assets | | | | | (30,300) | (10,186) |
| Write-off of/Loss on disposal of property, plant and equipment (excluding machinery) | | | | | (167,348) | (211) |
| Provision for doubtful debts | | | | | (2,850,097) | (419,390) |
| Restructuring costs | | | | | - | (141,168) |
| Interest income | | | | | 726 | 87 |
| Income arising from the forfeiture of Goodwill Commitment in relation to lapse of the Proposed Placement | | | | | - | 128,366 |
| Insurance claim | | | | | - | 134,889 |
| Finance costs | | | | | (408,169) | (289,419) |
| Other unallocated expenses | | | | | (4,733,578) | (4,450,626) |
| (Loss) Profit before tax | | | | | (4,505,923) | 1,984,963 |
| Income tax expense | | | | | (140,879) | (336,000) |
| (Loss) Profit for the year | | | | | (4,646,802) | 1,648,963 |

Notes:

1. The Group has renamed the "Subsea" business segment as presented in FY2016 Annual Report to "Ports and Offshore" business segment to better reflect nature of this segment. For the avoidance of doubt, no changes to the nature of this business segment as compared to FY2016. It relates to provision of engineering and contracting services for greenfield and brownfield offshore and marine infrastructure projects.

2. Following the administration and liquidation as announced on 15 May 2017 and 22 November 2017 respectively, the Group has discontinued the operations of Subsurface and Wells segment and Facilities segment as at 31 December 2017.

   In addition, the Company is currently working with an investor to dispose a wholly owned subsidiary. Hence, the operations of this subsidiary are also included in the discontinued operations.

**(b) Revenue by geographical segments**

| | FY2017 | | FY2016 | |
|---|---|---|---|---|
| | US$ | % | US$ | % |
| **Asia (exclude Middle East and India)** | **1,861,548** | **20.8** | **4,916,162** | **32.6** |
| Brunei | 560,593 | 6.3 | 2,983,996 | 19.8 |
| Indonesia | 431,356 | 4.8 | 200,359 | 1.3 |
| Malaysia | 180,650 | 2.0 | 1,294,512 | 8.6 |
| Vietnam | 92,000 | 1.0 | 30,617 | 0.2 |
| Singapore | 167,578 | 1.9 | - | - |
| Myanmar | 266,338 | 3.0 | 356,631 | 2.4 |
| China | 108,037 | 1.2 | 50,047 | 0.3 |
| Mongolia | 54,996 | 0.6 | - | - |
| **Australasia** | **445,653** | **5.0** | **780,276** | **5.2** |
| Australia | 445,653 | 5.0 | 780,276 | 5.2 |
| **India** | **3,686,893** | **41.2** | **4,719,499** | **31.2** |
| India | 3,686,893 | 41.2 | 4,719,499 | 31.2 |
| **Middle East and Africa** | **1,370,408** | **15.3** | **4,143,882** | **27.4** |
| United Arab Emirates | - | - | 3,496,474 | 23.2 |
| Turkey | 820,223 | 9.2 | - | - |
| Turkmenistan | 152,685 | 1.7 | - | - |
| Saudi Arabia | 397,500 | 4.4 | 647,408 | 4.2 |
| **Americas** | **118,519** | **1.3** | **78,953** | **0.5** |
| Mexico | 118,519 | 1.3 | 78,953 | 0.5 |
| **Europe** | **1,470,130** | **16.4** | **464,648** | **3.1** |
| Denmark | 1,461,620 | 16.3 | 464,648 | 3.1 |
| United Kingdom | 8,510 | 0.1 | - | - |
| | 8,953,151 | 100.0 | 15,103,420 | 100.0 |

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

**Review of performance by business segments**

Renewables Business Segment

To diversify our revenue base, the Group entered the Renewables Energy Sector in 2015 offering its UHPC materials for the installation of onshore and offshore wind turbines. The entry into this strictly regulated business segment is a result of dedicated materials research and certification of the Group's materials and production technology. Going forward, this will be one of the Group's key business focus to mitigate the existing business risk. The Group's revenue and segment result in FY2017 was US$2.3 million (FY2016: US$0.5 million) and US$1.0 million (FY2016: US$0.3 million) respectively.

Ports and Offshore Business Segment

Revenue for FY2017 decreased by 54.6% or US$8.0 million to US$6.6 million, from US$14.6 million for FY2016. Segment result decreased by US$4.1 million to US$2.9 million, from US$6.9 million for FY2016. This was mainly due to decreased activities in Middle East and Asia (excluding India) as a result of the oil price volatility. Thus, overall gross profit margin for this business segment decreased by 4.3 percentage points as compared to FY2016.

**Review of revenue by geographical segments**

Revenue from Asia (exclude Middle East and India) decreased by US$3.0 million to US$1.9 million, from US$4.9 million for FY2016. This was mainly due to slow down of Ports and Offshore projects in Brunei and Malaysia primarily caused by the prevailing challenging oil market condition.

Revenue from Australasia for FY2017 decreased by 42.9% or US$0.4 million to US$0.4 million, from US$0.8 million for FY2016. This was mainly due to the completion of a major Ports and Offshore project in the fourth quarter of FY2016. The decrease was partially offset by the revenue contribution from the Renewables segment in this region during the year.

Revenue from India for FY2017 decreased by 21.9% or US$1.0 million to US$3.7 million, from US$4.7 million for FY2016. This was due to the completion of certain major subsea engineering and installation projects undertaken in India during FY2016.

Revenue from Middle East and Africa for FY2017 decreased significantly by 66.9% or US$2.8 million to US$1.4 million, from US$4.1 million for FY2016. This was mainly due to the postponement of few major Ports and Offshore projects in this region as a result of the prevailing market conditions.

The revenue contribution from Americas for FY2017 remained low due to reduced activities in Mexico as the country's oil and gas industry undergoes restructuring since FY2016.

Revenue from Europe for FY2017 increased by 216.4% or US$1.0 million to US$1.5 million, from US$0.5 million for FY2016. This was primarily due to the increase in revenue derived from our Renewables segment.

**18. A breakdown of sales as follows:**

| | Group | | |
|---|---|---|---|
| | **FY2017 US$** | **FY2016 US$** | **Increase/ (Decrease) %** |
| **1H** | | | |
| - Revenue | 8,196,771 | 10,732,206 | (23.6) |
| - Operating loss after tax before deducting minority interests reported for first half year | (1,401,817) | (825,110) | 69.9 |
| **2H** | | | |
| - Revenue | **756,380** | **4,371,214** | **(82.7)** |
| - Operating (loss) profit after tax before deducting minority interests reported for second half year | **(3,244,985)** | **2,474,073** | **N/M** |

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

Not applicable.

**20. 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). If there are no such persons, the issuer must make an appropriate negative statement.**

The Company confirms that there is no person occupying a managerial position in the Company and its subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company pursuant to Rule 704(13) of the Catalist Rules.

**On behalf of the Board of Directors**

John Grønbech
Executive Director and CEO

1 March 2018