NauticAWT Limited
(Company Registration No: 201108075C)

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 ("FY2016")

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Advisors 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.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Sebastian Jones, Director, SAC Advisors Private Limited, at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542, telephone (65) 6532 3829.

SAC Capital Private Limited is the parent company of SAC Advisors Private Limited.

Overview of NauticAWT Limited

NauticAWT Limited is a Singapore headquartered firm offering subsurface, subsea and surface facilities engineering services and contracting solutions to the oil and gas industry. The Group, being the Company and its subsidiaries, is engaged in field exploration, field development and field refurbishments including design life extensions and production enhancement for ageing and mature assets for its clients.

With a global reach of 12 offices across Southeast Asia, Australasia, Middle East, Latin America and India, NauticAWT Limited provides a comprehensive range of technical and commercial solutions to the oil and gas industry. Through its multi-disciplined offerings, the Group is able to deliver customised technical greenfield development services and brownfield enhancement and extension solutions, either stand-alone or as an integrated package. The Group also produces a unique range of UHPC and HPC materials for subsurface, subsea and surface applications, which is marketed under its NAX™ trademark.

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 FY2016 US$	**Audited FY2015 US$**	**Increase/ (Decrease) %**
Revenue [(1)]	23,147,240	25,666,309	(9.8)
Cost of sales [(1)]	(15,708,550)	(20,639,784)	(23.9)
Gross profit	7,438,690	5,026,525	48.0
Distribution expenses	(333,314)	(1,077,300)	(69.1)
Administrative expenses [(2)]	(7,911,766)	(11,426,711)	(30.8)
Other income [(3)]	1,459,777	1,231,435	18.5
Finance costs	(302,462)	(171,895)	76.0
Profit (Loss) before tax	350,925	(6,417,946)	N/M
Income tax credit (expense) [(4)]	299,820	(2,232,367)	N/M
Profit (Loss) for the year [(5)]	650,745	(8,650,313)	N/M
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	270,494	(176,958)	N/M
Total other comprehensive income for the year	270,494	(176,958)	N/M
Total comprehensive income for the year	921,239	(8,827,271)	N/M
Profit (Loss) attributable to:			
Owners of the Company	713,561	(6,739,996)	N/M
Non-controlling interests	(62,816)	(1,910,317)	(96.7)
	650,745	(8,650,313)	N/M
Total comprehensive income attributable to:			
Owners of the Company	954,201	(6,804,515)	N/M
Non-controlling interests	(32,962)	(2,022,756)	(98.4)
	921,239	(8,827,271)	N/M

N/M: Not meaningful

Notes:

(1) Included write-off of unbilled work undertaken and obsolete inventories associated with projects that did not proceed due to weakening market conditions amounted to US$51,000 (2015: US$0.6 million).

(2) Included one-off initial public offering ("**IPO**") expenses, bad debts and restructuring costs amounted to US$0.6 million (2015: US$2.0 million).

(3) Included the reversal of provision for deferred purchase consideration liability of US$Nil (2015: US$0.8 million) arising from the acquisition of AWT International Pty Ltd and its subsidiaries in prior years ("**AWT**").

(4) Included the recognition of deferred tax assets of US$0.7 million (2015: impairment of AWT's deferred tax assets of US$2.1 million).

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

	Group		
	Unaudited FY2016 US$	**Audited FY2015 US$**	**Increase/ (Decrease) %**
Depreciation of property, plant and equipment	916,212	817,807	12.0
Amortisation of intangible assets	10,186	990	N/M
Finance costs	302,462	171,895	76.0
One-off professional fees incurred in relation to the IPO	-	1,091,596	(100.0)
Write-off of obsolete inventories	51,233	279,078	(81.6)
Write-off of bad debts	419,390	549,095	(23.6)
Write-off of unbilled work undertaken	-	302,315	(100.0)
Restructuring costs	141,168	407,982	(65.4)
Write-off of property, plant and equipment	211	45,635	(99.5)
Net foreign exchange loss	248,847	672,062	(63.0)
Reversal of provision for deferred purchase consideration	-	(807,801)	(100.0)
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	(113)	(15,108)	(99.2)
(Recognition)/impairment of deferred tax assets	(675,515)	2,087,356	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-16 US$	Audited 31-Dec-15 US$	Unaudited 31-Dec-16 US$	Audited 31-Dec-15 US$
ASSETS				
Current assets				
Cash and bank balances	653,642	928,804	31,700	26,506
Trade receivables	11,941,452	9,005,350	7,655,463	3,537,731
Other receivables	2,856,214	2,023,350	3,149,994	2,883,911
Inventories	276,195	913,757	-	-
Work in progress	18,142	54,534	-	-
Total current assets	15,745,645	12,925,795	10,837,157	6,448,148
Non-current assets				
Property, plant and equipment	8,961,576	5,021,821	792,765	431,778
Goodwill	317,425	317,425	-	-
Intangible assets	401,281	55,810	352,645	7,174
Investments	11,871	-	1,031,124	907,600
Deferred tax assets	607,732	-	-	-
Other receivables	-	-	2,657,936	2,552,936
Total non-current assets	10,299,885	5,395,056	4,834,470	3,899,488
Total assets	26,045,530	18,320,851	15,671,627	10,347,636
LIABILITIES AND EQUITY				
Current liabilities				
Trade payables	2,215,015	2,245,954	-	-
Other payables	7,654,860	3,799,941	7,447,146	2,385,287
Government grant received	355,130	140,132	355,130	140,132
Liabilities for trade bills discounted with recourse	2,065,487	1,656,326	-	-
Bank loan and advances	2,177,890	2,014,511	885,257	745,099
Loan from a director	326,000	326,000	326,000	326,000
Finance leases	62,639	63,485	-	-
Income tax payable	394,893	745,014	-	14,696
Total current liabilities	15,251,914	10,991,363	9,013,533	3,611,214
Non-current liabilities				
Long-term bank loan	3,229,409	894,217	40,179	229,167
Finance leases	52,850	115,055	-	-
Deferred tax liabilities	98,774	99,844	-	-
Other payables	222,900	8,508	-	-
Total non-current liabilities	3,603,933	1,117,624	40,179	229,167
Total liabilities	18,855,847	12,108,987	9,053,712	3,840,381
Capital and reserves				
Share capital	7,248,183	7,248,183	7,248,183	7,248,183
Other capital reserve	718,247	718,247	718,247	718,247
Share-based payment reserve	64,184	7,604	101,337	-
Foreign currency translation reserve	82,961	(157,679)	-	-
Accumulated losses	(339,208)	(1,052,769)	(1,449,852)	(1,459,175)
Equity attributable to owners of the Company	7,774,367	6,763,586	6,617,915	6,507,255
Non-controlling interests	(584,684)	(551,722)	-	-
Total equity	7,189,683	6,211,864	6,617,915	6,507,255
Total liabilities and equity	26,045,530	18,320,851	15,671,627	10,347,636

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-16		31-Dec-15	
Secured	Unsecured	Secured	Unsecured
US$	US$	US$	US$
4,306,015	437,450	3,734,322	326,000

(B) the amount repayable after one year;

Group		Group	
31-Dec-16		31-Dec-15	
Secured	Unsecured	Secured	Unsecured
US$	US$	US$	US$
3,282,259	222,900	1,009,272	-

Details of any collateral

Finance leases

The Group's obligations under finance leases are secured by the lessors' title to the plant and equipment with carrying amount of US$230,265 as at 31 December 2016 (31 December 2015: US$295,723) and the finance lease on a motor vehicle is guaranteed by a director.

Bank borrowings

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

(a) Assignment of an insurance policy;
(b) A charge of US$369,140 (31 December 2015: US$370,571) over all term deposit accounts of two subsidiaries (31 December 2015: two subsidiaries);
(c) Fixed charge over all assets of three subsidiaries (31 December 2015: two subsidiaries);
(d) Fixed and floating charge over all assets of a subsidiary (31 December 2015: N/A); and
(e) A charge over the property of a subsidiary.

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 FY2016 US$	**Audited FY2015 US$**
Operating activities			
Profit (Loss) before tax		350,925	(6,417,946)
Adjustments for:			
Depreciation of property, plant and equipment		916,212	817,807
Amortisation of intangible assets		10,186	990
Gain on disposal of a subsidiary		(747,100)	-
Reversal of provision for deferred purchase consideration		-	(807,801)
Write-off of bad debts		419,390	549,095
Write-off of unbilled work undertaken		-	302,315
Write-off of property, plant and equipment		211	45,635
Write-off of obsolete inventories		51,233	279,078
Interest expense		302,462	171,895
Interest income		(113)	(15,108)
Share-based payment		56,580	1,411
Operating cash flows before movements in working capital		1,359,986	(5,072,629)
Trade receivables		(3,355,492)	1,450,442
Other receivables		(1,722,625)	1,072,323
Inventories		586,329	(522,879)
Trade payables		486,077	1,005,509
Other payables		4,253,708	2,047,278
Trade bills discounted with recourse		409,161	1,303,907
Work in progress		36,392	81,870
Cash generated from (used in) operations		2,053,536	(3,709,821)
Income tax paid		(94,879)	(166,566)
Interest received		113	15,108
Interest paid		(302,462)	(171,895)
Net cash from (used in) operating activities		1,656,308	(4,033,174)
Investing activities			
Purchase of property, plant and equipment	(A)	(4,409,867)	(1,363,805)
Investment in intangible assets		(320,901)	-
Investment in joint venture		(11,871)	-
Acquisition of a subsidiary	(B)	-	(352,215)
Net cash used in investing activities		(4,742,639)	(1,716,020)
Financing activities			
Loan from director		-	121,978
Proceeds from bank loans		3,620,357	1,510,912
Restricted cash		-	(70,751)
Government grant received		214,998	140,132
Loan from a third party		334,350	-
Advances from (Repayment of advances to) bank		273,398	(217,322)
Repayment of finance lease payables		(63,052)	(107,550)
Repayments of bank loans		(1,487,299)	(1,474,076)
Proceeds from IPO		-	4,161,403
IPO share issue costs recognised in share capital		-	(370,289)
Expenses incurred in connection with the IPO	(C)	(182,531)	(1,005,575)
Net cash from financing activities		2,710,221	2,688,862

	Group	
	Unaudited FY2016 US$	**Audited FY2015 US$**
Net decrease in cash and cash equivalents	(376,110)	(3,060,332)
Cash and cash equivalents at beginning of year	62,954	3,112,087
Effects of exchange rate changes on balances of cash held in foreign currencies	10,445	11,199
Cash and cash equivalents at end of year	(302,711)	62,954

Notes:

(A) The Company acquired property, plant and equipment at an aggregate cost of US$4,890,935 of which cash payment of US$4,409,867 were paid during the year. US$481,068 remains unpaid as at 31 December 2016 and was recorded under "Other Payables".

(B) In 2015, the Company acquired a subsidiary for a total consideration of US$615,501 which is made up of (i) issuance of 1,765,893 new shares in the capital of the Company amounting to US$263,285 and (ii) cash payment of US$352,215.

(C) The Company incurred total IPO share issue expenses of US$1,450,471 in FY2015 and FY2014 of which US$1,196,422 had been paid as at 31 December 2015. During the year, US$182,531 was paid and US$71,518 (2015: US$254,049) remains unpaid as at 31 December 2016 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:

Cash and bank balances	653,642	928,804
Less: Bank overdraft	(587,213)	(495,099)
Less: Restricted cash	(369,140)	(370,751)
Cash and cash equivalents	(302,711)	62,954

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-based payment 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 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 (unaudited)	**7,248,183**	**718,247**	**64,184**	**82,961**	**(339,208)**	**7,774,367**	**(584,684)**	**7,189,683**
Balance at 1 January 2015	**3,208,578**	**703,453**	**6,193**	**(93,160)**	**5,687,227**	**9,512,291**	**1,471,034**	**10,983,325**
Total comprehensive income for the year								
Loss for the year	-	-	-	-	(6,739,996)	(6,739,996)	(1,910,317)	(8,650,313)
Other comprehensive income for the year	-	-	-	(64,519)	-	(64,519)	(112,439)	(176,958)
Total	-	-	-	(64,519)	(6,739,996)	(6,804,515)	(2,022,756)	(8,827,271)
Transaction with owners recognised directly in equity								
Recognition of share-based payment	-	-	1,411	-	-	1,411	-	1,411
Issuance of shares pursuant to IPO	3,791,114	-	-	-	-	3,791,114	-	3,791,114
Issuance of shares pursuant to acquisition of a subsidiary	248,491	14,794	-	-	-	263,285	-	263,285
Total	4,039,605	14,794	1,411	-	-	4,055,810	-	4,055,810
Balance at 31 December 2015 (audited)	**7,248,183**	**718,247**	**7,604**	**(157,679)**	**(1,052,769)**	**6,763,586**	**(551,722)**	**6,211,864**

Company	Share capital	Other capital reserve	Share-based payment reserve	Accumulated losses	Total
	US$	US$	US$	US$	US$
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
	-	-	-	9,323	9,323
Transaction with owners recognised directly in equity					
Recognition of share-based payment	-	-	101,337	-	101,337
	-	-	101,337	-	101,337
Balance at 31 December 2016 (unaudited)	**7,248,183**	**718,247**	**101,337**	**(1,449,852)**	**6,617,915**
Balance at 1 January 2015	**3,208,578**	**703,453**	**-**	**(196,119)**	**3,715,912**
Total comprehensive income for the year					
Loss for the year	-	-	-	(1,263,056)	(1,263,056)
Total	-	-	-	(1,263,056)	(1,263,056)
Transaction with owners recognised directly in equity					
Issuance of shares pursuant to IPO	3,791,114	-	-	-	3,791,114
Issuance of shares pursuant to acquisition of a subsidiary	248,491	14,794	-	-	263,285
Total	4,039,605	14,794	-	-	4,054,399
Balance at 31 December 2015 (audited)	**7,248,183**	**718,247**	**-**	**(1,459,175)**	**6,507,255**

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 was no change in the Company's issued and paid-up share capital from 1 January 2016 to 31 December 2016.

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**"). As at 31 December 2016, 21,450,000 options to subscribe for 21,450,000 shares remained outstanding (31 December 2015: N/A). Details of the outstanding options as at 31 December 2016 are as follows:

Outstanding Options as at 31 December 2016	Exercise Price (S$)	Exercisable Period	
		From	To
7,150,000	0.25	31 December 2017	31 December 2020
7,150,000	0.30	31 December 2018	31 December 2021
7,150,000	0.35	31 December 2019	31 December 2022
21,450,000			

Subject to shareholder approval, an additional 3,750,000 options (in 3 equal tranches of 1,250,000 options) are to be granted to certain directors of the Company under the Scheme. The Company will make further announcements in due course.

The Company did not have any treasury shares as at 31 December 2016 and 31 December 2015.

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-16	31-Dec-15
Total number of shares (excluding treasury shares)	190,965,893	190,965,893

The Company did not have any treasury shares as at 31 December 2016 and 31 December 2015.

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 2016.

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 2015, 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 ended 31 December 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 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 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.

	FY2016	FY2015
Earnings/(Loss) per share (US cents) based on:		
a. weighted average number of shares on issue	0.37	(3.86)
b. a fully diluted basis	#	#
Weighted average shares for calculation of:		
a. weighted average number of shares on issue	190,965,893	174,462,950
b. a fully diluted basis	#	#

There is no dilutive potential shares and thus no corresponding diluted earnings (loss) 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-16	**31-Dec-15**	**31-Dec-16**	**31-Dec-15**
Net asset value per share (US cents)	4.07	3.54	3.47	3.41
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 operations

Revenue
The Group's revenue for FY2016 decreased by 9.8% or US$2.5 million to US$23.1 million, from US$25.7 million for FY2015. This was mainly due to a significant decrease in revenue contribution by the Subsurface and Wells business segment of US$6.2 million as it has reduced its operational footprint in areas of low activity, such as Australia and Papua New Guinea while remaining focussed on the Asia and the Middle East markets. The decrease was partially offset by the revenue of US$1.8 million generated by NauticAWT Engineering Pte Ltd (formerly known as Marine Engineering Services Pte Ltd) which was acquired in 2H2015 (the "**Acquired Subsidiary**") and the increase in revenue from Subsea segment of US$1.9 million.

Gross profit and gross profit margin
The Group's gross profit for FY2016 increased by 48.0% or US$2.4 million to US$7.4 million, from US$5.0 million for FY2015. This was mainly due to the increase in revenue from Subsea segment which normally carries higher margins as compared to Subsurface and Wells and Facilities segments.

The Group's gross profit margin for FY2016 increased by 12.6 percentage points, from 19.6% for FY2015 to 32.1% for FY2016.

Distribution expenses
The Group's distribution expenses decreased by US$0.7 million or 69.1%, from US$1.1 million in FY2015 to US$0.3 million in FY2016. The decrease was mainly due to lower business development expenses and marketing costs incurred as a result of reduced business activities in selective markets.

Administrative expenses
The Group's administrative expenses decreased significantly by US$3.5 million or 30.8%, from US$11.4 million in FY2015 to US$7.9 million in FY2016 mainly due to the following:

i. US$2.9 million reduction in administrative expenses incurred as a result of the restructuring through reorganisation and implementation of certain cost cutting measures since 3Q2015;
ii. One-off IPO expenses of US$1.1 million incurred in FY2015; and
iii. An additional US$0.4 million of administrative expenses incurred by the Acquired Subsidiary.

Other income

Other income increased by US$0.2 million or 18.5%, from US$1.2 million in FY2015 to US$1.5 million in FY2016. In FY2015, it comprised primarily the reversal of provision for deferred purchase consideration liability arising from the acquisition of AWT. In FY2016, other income comprised mainly the following:

i. Credit insurance claim of US$0.1 million; and
ii. Gain on disposal of a subsidiary of US$0.7 million.

Finance costs

The Group's finance costs increased by US$0.1 million or 76.0%, from US$0.2 million in FY2015 to US$0.3 million in FY2016. The increase is mainly due to the drawdown of the new term loan in relation to the acquisition of freehold land and a production facility in Malaysia and partly due to higher interest expenses arising from other trade banking facilities.

Income tax credit (expense)

The Group recorded an income tax credit of US$0.3 million in FY2016, mainly due to the recognition of deferred tax assets, arising from the unutilised tax losses and capital allowances. The increase is partially offset by the write-off of withholding tax. In FY2015, the Group impaired deferred tax asset of US$2.1 million associated with the tax losses of AWT.

Profit (Loss) after tax

As a result of the above, the Group recorded a profit for the year of US$0.7 million in FY2016 as compared to a loss for the year of US$8.7 million in FY2015.

Review of Consolidated Statement of Financial Position

Non-current assets

The Group's non-current assets increased by US$4.9 million, from US$5.4 million as at 31 December 2015 to US$10.3 million as at 31 December 2016. The increase was mainly due to the following:

i. the acquisition of freehold land and production facility in Malaysia of US$4.1 million;
ii. an increase in intangibles of US$0.4 million and the acquisition of laboratory equipment of US$0.5 million in relation to the Company's Materials Development Project;
iii. recognition of the deferred tax assets of US$0.6 million, arising from the unutilised tax losses and capital allowances; and

The increase was partially offset by the depreciation charge of US$0.9 million of property, plant and equipment.

Current assets

The Group's current assets increased by US$2.8 million, from US$12.9 million as at 31 December 2015 to US$15.7 million as at 31 December 2016. The increase was mainly due to the following:

i. an increase in trade and other receivables of US$3.8 million;
ii. a decrease in cash and bank balances of US$0.3 million (please refer to the review of cash flows below); and
iii. a decrease in inventories of US$0.6 million.

Non-current liabilities

The Group's non-current liabilities increased by US$2.5 million, from US$1.1 million as at 31 December 2015 to US$3.6 million as at 31 December 2016. The increase was mainly due to two term loan drawdowns in relation to the acquisition of freehold land and a production facility in Malaysia and equipment in addition to a 3-year interest bearing loan from a third party during the current financial year.

Current liabilities

The Group's current liabilities increased by US$4.3 million, from US$11.0 million as at 31 December 2015 to US$15.3 million as at 31 December 2016. The increase was mainly due to the following:

i. an increase in trade and other payables of US$3.8 million;
ii. a receipt of government grant of US$0.2 million for the Company's Materials Development Project;
iii. and increase in liabilities for trade bills discounted with recourse of US$0.4 million as more projects are now funded under this credit facility arrangement; and
iv. a decrease in tax payables of US$0.4 million.

Working capital

The Group reported a positive working capital of US$0.5 million as at 31 December 2016 as compared to US$1.9 million as at 31 December 2015.

Review of cash flows

Operating activities

Net cash used in operating activities in FY2016 amounted to US$1.7 million. The Group had a net cash inflow of US$1.4 million from its operating activities before changes in working capital. Working capital movement included an increase in trade and other receivables of US$5.1 million, an increase in trade and other payables of US$4.7 million, an increase in trade bills discounted with recourse of US$0.4 million and a decrease in inventories of US$0.6 million.

Investing activities

Net cash used in investing activities in FY2016 amounted to US$4.7 million mainly due to the acquisition of freehold land and production facility in Malaysia of US$4.1 million.

Financing activities

Net cash from financing activities for FY2016 amounted to US$2.7 million mainly due to proceeds from bank borrowings and an interest bearing loan from a third party of US$4.0 million and US$0.3 million respectively which were partially offset by the repayment of bank borrowings of US$1.5 million.

As a result of the above, the Group's cash and cash equivalents decreased by US$0.4 million, from US$63,000 as of 31 December 2015 to a deficit of US$0.3 million as of 31 December 2016, 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.

There has been a continued improvement in financial performance in 2H2016 (please refer to paragraph 18 on page 17 for further information), however oil price volatility continues to impact the sector as field activities are postponed pending pricing stability with many oil majors and operators undertaking extensive restructuring with numerous activities deferred. This has affected the Group, particularly the Subsurface and Wells business segment.

In response to prevailing challenging market conditions we restructured the Group through reorganisation and implementation of certain cost cutting measures. We have reduced our operational footprint in the Subsurface and Wells business segment in Australia due to significant reduction in activity in this market, and focused on the Asia and the Middle East markets. We have successfully streamlined certain support functions to be centrally managed by our Singapore headquarters, and this has significantly reduced administrative expenses. We now have the business structure appropriate to current market conditions.

Our business outlook is expected to remain challenging. In conjunction with our continued efforts to manage costs, we will continue to implement our growth strategy of marketing our expanded portfolio of services to existing clients and new markets as well as strengthening our offering of contracting services. Furthermore, we will actively increase our marketing activities to diversify our revenue base especially in the area of mature field production enhancement solutions, sustainable field abandonment and the renewable energy sector.

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 FY2016.

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 S$100,000 or more under Rule 920(1)(a)(ii) for FY2016.

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 it has procured the undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) 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		Subsurface and Wells		Subsea		Facilities		Total	
	FY2016 Unaudited US$	FY2015 Audited US$	FY2016 Unaudited US$	FY2015 Audited US$	FY2016 Unaudited US$	FY2015 Audited US$	FY2016 Unaudited US$	FY2015 Audited US$	FY2016 Unaudited US$	FY2015 Audited US$
Total Revenue	514,033	501,175	5,352,458	11,600,577	14,613,228	12,723,203	2,667,521	841,354	23,147,240	25,666,309
Segment results	293,886	456,497	650,143	1,068,518	6,920,694	3,334,250	(426,033)	167,260	7,438,690	5,026,525

Depreciation of property, plant and equipment (excluding machinery)	(349,186)	(304,849)
Amortisation of intangible assets	(10,186)	(990)
Write-off of property, plant and equipment (excluding machinery)	(211)	(45,635)
Write-off of bad debts	(419,390)	(549,095)
Restructuring costs	(141,168)	(407,982)
Reversal of provision for deferred purchase consideration	-	807,801
One-off professional fees incurred in relation to the IPO	-	(1,091,596)
Interest income	113	15,108
Gain on disposal of a subsidiary	747,100	-
Income arising from the forfeiture of Goodwill Commitment in relation to lapse of the Proposed Placement	128,366	-
Insurance claim	134,889	-
Finance costs	(302,462)	(171,895)
Other unallocated expenses	(6,875,630)	(9,695,338)
Profit (Loss) before tax	350,925	(6,417,946)
Income tax credit (expense)	299,820	(2,232,367)
Profit (Loss) for the year	650,745	(8,650,313)

(b) Revenue by geographical segments

	FY2016		FY2015	
	US$	%	US$	%
Asia (exclude Middle East and India)	**9,866,971**	**42.6**	**11,733,074**	**45.7**
Brunei	2,983,996	12.9	4,295,418	16.7
Indonesia	319,606	1.4	2,841,129	11.1
Malaysia	1,632,479	7.0	628,782	2.4
Vietnam	41,106	0.2	-	-
Singapore	1,889,398	8.2	1,272,254	5.0
Myanmar	356,631	1.5	800,704	3.1
Bangladesh	2,441,142	10.5	202,582	0.8
Philippines	-	-	364,307	1.4
China	50,049	0.2	439,965	1.7
South Korea	-	-	887,933	3.5
Japan	152,564	0.7	-	-
Australasia	**1,965,482**	**8.5**	**8,480,280**	**33.0**
Australia	1,799,880	7.8	3,569,965	13.9
New Zealand	162,255	0.7	396,117	1.5
Papua New Guinea	3,347	-(1)	4,514,198	17.6
India	**4,719,499**	**20.4**	**1,264,260**	**4.9**
India	4,719,499	20.4	1,264,260	4.9
Middle East and Africa	**5,722,283**	**24.7**	**3,375,089**	**13.1**
United Arab Emirates	4,233,506	18.3	3,160,221	12.3
Tanzania	839,567	3.6	214,868	0.8
Turkey	1,802	-(1)	-	-
Saudi Arabia	647,408	2.8	-	-
Americas	**82,577**	**0.4**	**178,772**	**0.7**
Mexico	78,953	0.3	178,772	0.7
USA	3,624	-(1)	-	-
Europe	**790,428**	**3.4**	**634,834**	**2.5**
Denmark	464,648	2.0	61,210	0.2
United Kingdom	325,780	1.4	573,624	2.2
	23,147,240	100.0	25,666,309	100.0

Note:

(1) Less than 0.1.

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 Ultra High Performance Cementitious (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. The Group's revenue and segment result in FY2016 was US$0.5 million (FY2015: US$0.5 million) and US$0.3 million (FY2015: US$0.5 million) respectively.

Subsurface and Wells Business Segment

The Group has reduced its operational footprint in areas of low activity, such as Australia and Papua New Guinea while remaining focussed on the Asia and the Middle East markets. As a result, revenue for FY2016 decreased by US$6.2 million to US$5.4 million, from US$11.6 million for FY2015. The segment result decreased by 39.2% to US$0.7 million for FY2016. Overall gross profit margin for this business segment remained stable.

Subsea Business Segment

Revenue for FY2016 increased by 14.9% or US$1.9 million to US$14.6 million, from US$12.7 million for FY2015. Segment result increased by US$3.6 million to US$6.9 million, from US$3.3 million for FY2015. This was mainly due to increased activities in India as the Group has certain major subsea engineering and installation projects in this region during the current financial year. Overall gross profit margin for this business segment improved because the Group managed to secure more profitable Subsea projects in FY2016.

Facilities Business Segment

The Group commenced operations in the Facilities segment following the acquisition of the Acquired Subsidiary in October 2015. While revenue for FY2016 increased by US$1.8 million to US$2.7 million, from US$0.8 million for FY2015 which was mainly due to 12-month revenue contribution from the Acquired Subsidiary in FY2016 as compared to 3-month revenue contribution in FY2015, the Group suffered a gross loss of US$0.4 million within this business segment. In FY2016, the segment result decreased by US$0.6 million to loss of US$0.4 million, from gross profit of US$0.2 million for FY2015.

Review of revenue by geographical segments

Revenue from Asia (exclude Middle East and India) decreased by US$1.9 million to US$9.9 million, from US$11.7 million for FY2015. This was mainly due to slow down of Subsea projects in Brunei, Indonesia and China, primarily caused by the prevailing challenging oil market condition.

Revenue from Australasia for FY2016 decreased significantly by 76.8% or US$6.5 million to US$2.0 million, from US$8.5 million for FY2015. This was mainly because the Group has reduced its operational footprint in this region, which was focusing on Subsurface and Wells projects.

Revenue from India for FY2016 increased by 273.3% or US$3.5 million to US$4.7 million, from US$1.3 million for FY2015. This was due to certain major subsea engineering and installation projects undertaken in India during FY2016.

Revenue from Middle East and Africa for FY2016 increased by 69.5% or US$2.3 million to US$5.7 million, from US$3.4 million for FY2015. This was mainly due to a new Subsurface and Wells project which contributed US$0.8 million of revenue in FY2016. Furthermore, there was some revenue from the existing Subsea projects in FY2016 which commenced during the last quarter of FY2015.

Revenue from Americas for FY2016 decreased by US$0.1 million to US$0.1 million, from US$0.2 million for FY2015 due to reduced activities in Mexico as the country's oil and gas industry undergoes restructuring.

Revenue from Europe for FY2016 increased by 24.5% or US$0.2 million to US$0.8 million, from US$0.6 million for FY2015. This was primarily due to the increase in revenue derived from our renewables business segment.

18. A breakdown of sales as follows:

	Group		
	FY2016 US$	**FY2015 US$**	**Increase/ (Decrease) %**
1H			
- Revenue	10,732,206	13,955,510	(23.1)
- Operating loss after tax before deducting minority interests reported for first half year	(825,110)	(2,347,175)	(64.8)
2H			
- Revenue	**12,415,034**	11,710,799	**6.0**
- Operating profit (loss) after tax before deducting minority interests reported for second half year	**1,475,855**	(6,303,138)	**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	Simon Cunningham
Executive Director and CEO	Finance Director

27 February 2017