



(Company Registration No: 200404900H)

QUARTERLY FINANCIAL STATEMENTS FOR THE 4TH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2016

PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS

1(a) – An income statement and statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

1(a)(i) Income Statement

	4th quarter ended 31.12.16 \$'000	4th quarter ended 31.12.15 \$'000	Group % Change	Financial year ended 31.12.16 \$'000	Financial year ended 31.12.15 \$'000	% Change
Revenue	9,302	14,865	(37%)	50,059	55,576	(10%)
Cost of sales	(6,193)	(9,779)	(37%)	(33,229)	(36,121)	(8%)
Gross profit	3,109	5,086	(39%)	16,830	19,455	(13%)
Other operating income	658	679	(3%)	733	1,860	(61%)
Selling & Distribution expenses	(2,524)	(1,842)	37%	(8,908)	(8,127)	10%
Administrative expenses	(8,688)	(4,096)	112%	(16,433)	(11,242)	46%
Finance costs	(106)	(96)	10%	(452)	(330)	37%
(Loss)/Profit from operations	(7,551)	(269)	N.M.	(8,230)	1,616	(609%)

Share of results of associated companies	(127)	(105)	21%	(798)	(524)	52%
Share of results of a joint venture	<u>(2,475)</u>	<u>(2,496)</u>	(1%)	<u>(2,116)</u>	<u>(2,125)</u>	-
Loss before taxation	(10,153)	(2,870)	254%	(11,144)	(1,033)	N.M.
Tax credit/(expense)	<u>321</u>	<u>397</u>	(19%)	<u>(226)</u>	<u>(650)</u>	(65%)
Loss from continuing operations, net of tax	(9,832)	(2,473)	298%	(11,370)	(1,683)	576%
Profit/(Loss) from discontinued operations, net of tax	686	(3,027)	(123%)	1,074	(4,541)	(124%)
Net loss for the period/year	<u>(9,146)</u>	<u>(5,500)</u>	66%	<u>(10,296)</u>	<u>(6,224)</u>	65%
Attributable to:						
Equity holders of the Company	(9,138)	(5,305)	72%	(10,228)	(4,210)	143%
Non-controlling interests	<u>(8)</u>	<u>(195)</u>	(96%)	<u>(68)</u>	<u>(2,014)</u>	(97%)
	<u>(9,146)</u>	<u>(5,500)</u>	66%	<u>(10,296)</u>	<u>(6,224)</u>	65%

A statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediate preceding financial year.

	4th quarter ended 31.12.16 \$'000	4th quarter ended 31.12.15 \$'000	% Change	Financial year ended 31.12.16 \$'000	Financial year ended 31.12.15 \$'000	% Change
Net loss for the period/year	(9,146)	(5,500)	66%	(10,296)	(6,224)	65%
Other Comprehensive income:						

Exchange differences on translation of the financial statements of foreign entities (net)	504	(344)	(247%)	125	266	(53%)
Total comprehensive loss for the period	(8,642)	(5,844)	48%	(10,171)	(5,958)	71%
Total comprehensive loss attributable to:						
Equity holders of the Company	(9,225)	(4,582)	101%	(10,714)	(3,943)	172%
Non-controlling interests	583	(1,262)	(146%)	543	(2,015)	(127%)
Total comprehensive loss for the period	(8,642)	(5,844)	48%	(10,171)	(5,958)	71%

1(a)(ii) Notes to income statement

	4th quarter ended 31.12.16 \$'000	4th quarter ended 31.12.15 \$'000	% Change	Financial year ended 31.12.16 \$'000	Financial year ended 31.12.15 \$'000	% Change
<u>Continuing operations</u>						
Other income including interest income	(375)	154	(344%)	488	840	(42%)
Interest on borrowings	(106)	(96)	10%	(452)	(330)	37%
Depreciation of property, plant and equipment	(389)	(310)	25%	(1,449)	(1,523)	(5%)
Loss on disposal of property, plant and equipment	(138)	(1,080)	(87%)	(169)	(425)	(60%)
Foreign exchange gain	687	406	69%	425	404	5%
Provision for stock obsolescence	(71)	(163)	(56%)	(349)	(445)	(22%)
Provision for doubtful debts	(403)	(145)	178%	(104)	(319)	(67%)
Gain/(Loss) on disposal of a subsidiary	2	-	100%	(11)	-	-
Provision for losses	(8,190)	(4,073)	101%	(8,190)	(4,073)	101%
Provision for impairment in an associated company	(2,000)	-	100%	(2,000)	-	100%
Gain on disposal of property held for sale	-	-	-	-	1,073	(100%)

Impairment loss of property, plant and equipment	-	(249)	(100%)	-	(249)	(100%)
Impairment loss on equity loan to a joint venture	-	(184)	(100%)	-	(184)	(100%)
<u>Discontinued operations</u>						
Other income/(expense) including interest income	(12)	(61)	(80%)	(54)	(26)	108%
Interest on borrowings	-	(4)	(100%)	-	(35)	(100%)
Provision of depreciation of property, plant and equipment	(13)	(3)	333%	(61)	(130)	(53%)
Foreign exchange gain/(loss)	722	599	21%	572	(258)	(322%)
Provision of doubtful debts	-	(844)	(100%)	-	(1,541)	(100%)
Gain on disposal of a subsidiary	-	198	(100%)	-	4,320	(100%)
Gain/(Loss) on de-consolidation of a subsidiary	-	1,131	(100%)	-	(1,050)	(100%)
<u>Total</u>						
Other income including interest income	(387)	93	N.M.	434	814	(47%)
Interest on borrowings	(106)	(100)	6%	(452)	(365)	24%
Depreciation of property, plant and equipment	(402)	(313)	28%	(1,510)	(1,653)	(9%)
Loss on disposal of property, plant and equipment	(138)	(1,080)	(87%)	(169)	(425)	(60%)
Foreign exchange gain	1,409	1,005	40%	997	146	583%
Provision for stock obsolescence	(71)	(163)	(56%)	(349)	(445)	(22%)
Provision for doubtful debts	(403)	(989)	(59%)	(104)	(1,860)	(94%)
Gain/(Loss) on disposal of a subsidiary	2	198	(99%)	(11)	4,320	(100%)
Loss on de-consolidation of a subsidiary	-	1,131	(100%)	-	(1,050)	(100%)
Provision for losses	(8,190)	(4,073)	101%	(8,190)	(4,073)	101%
Provision for impairment in an associated company	(2,000)	-	100%	(2,000)	-	100%
Impairment loss of property, plant and equipment	-	(249)	(100%)	-	(249)	(100%)
Impairment loss on equity loan to a joint venture	-	(184)	(100%)	-	(184)	(100%)
Gain on disposal of property held for sale	-	-	0%	-	1,073	(100%)

N.M. – Not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediate preceding financial year.

	GROUP		COMPANY	
	31.12.16	31.12.2015	31.12.16	31.12.2015
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	15,731	16,499	-	2
Investment in subsidiaries	-	-	14,654	10,384
Investment in joint ventures	2,705	2,416	912	1,006
Investment in associated company	11,982	12,149	12,748	12,005
Deferred tax assets	45	44	-	-
Intangible assets	5,350	49	49	49
Purchase deposit to a supplier	5,077	5,756	-	-
Non-current receivable	-	162	-	162
	40,890	37,075	28,363	23,608
Current assets				
Inventories	27,179	30,123	-	-
Due from customers on construction contracts	8	129	-	-
Trade receivables	15,365	16,223	-	-
Other receivables	5,641	2,427	5,126	13,133
Restricted cash	1,369	1,369	-	-
Cash and cash equivalents	7,040	4,349	180	153
Total current assets	56,602	54,620	5,306	13,286
Total assets	97,492	91,695	33,669	36,894
Non current liabilities				
Deferred tax liability	1,463	915	-	-

Non-current payable	765	-	765	-
Finance lease liabilities	207	354	-	-
	2,435	1,269	765	-
Current liabilities				
Due to customers on construction contracts	3,645	-	-	-
Trade payables	2,504	5,873	-	-
Other payables	2,982	1,746	1,228	1,074
Provisions	12,351	4,845	12,423	4,161
Bank borrowings	14,090	9,310	-	-
Finance lease liabilities	147	166	-	-
Tax payable	660	1,197	51	51
Total current liabilities	36,379	23,137	13,702	5,286
Total liabilities	38,814	24,406	14,467	5,286
Net assets	58,678	67,289	19,202	31,608
Shareholders' equity				
Share capital	43,461	43,461	43,461	43,461
Reserves	783	908	-	-
Accumulated profits	17,766	27,994	(24,259)	(11,853)
Attributable to equity holders of the Company, total	62,010	72,363	19,202	31,608
Non-controlling interests	(3,332)	(5,074)	-	-
Total shareholders' equity	58,678	67,289	19,202	31,608

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

Amount repayable in one year or less, or on demand

As at 31.12.16 (\$'000)		As at 31.12.15 (\$'000)	
Secured	Unsecured	Secured	Unsecured
5,000	9,090	3,300	6,010

Amount repayable after one year

As at 31.12.16 (\$'000)		As at 31.12.15 (\$'000)	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

The Group's banking facilities were secured by the following:

- (a) Legal charge on the Group's leasehold property with net book value of \$7.30million (31.12.2015: \$7.64million)
- (b) Fixed deposits of certain subsidiaries.

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

	4th quarter ended 31.12.16 \$'000	4th quarter ended 31.12.15 \$'000	Group Financial year ended 31.12.16 \$'000	Financial year ended 31.12.15 \$'000
Cash flows from operating activities				
Loss before tax from continuing operations	(10,153)	(2,870)	(11,144)	(1,033)
Profit/(Loss) before tax from discontinued operations	781	(2,845)	1,139	(4,490)
Adjustments for :				
Depreciation	402	313	1,510	1,653
Interest income	(100)	(62)	(197)	(134)
Interest expense	106	96	452	365
Share of results of associated companies	127	105	798	530
Share of results of a joint venture	2,475	2,496	2,116	2,125
Impairment on property, plant & equipment	-	249	-	249
Impairment on loss on equity loan to a joint venture	-	184	-	184
Gain on disposal of property held for sale	-	(1,073)	-	(1,073)
(Gain)/Loss on deconsolidation of a subsidiary	-	(1,131)	-	1,050
Gain on disposal of a subsidiary	(13)	(198)	-	(4,321)
Provision for liabilities	8,190	4,073	8,190	4,862
Loss on disposal of property, plant and equipment	138	1,080	169	425
Loss on disposal of a subsidiary	11	-	11	-
Operating cash before movements in working capital	1,964	417	3,044	392
Inventories	173	963	2,944	1,624
Due from customers on construction contract, net	575	1,848	121	(645)

Receivables	647	1,526	(2,292)	3,568
Payables	876	(670)	1,365	1,633
Currency translation adjustments	(729)	(783)	(774)	(252)
Net cash generated from operations	3,506	3,301	4,408	6,320
Tax paid	126	258	(823)	(755)
Interest paid	(106)	(96)	(452)	(365)
Net cash generated from operating activities	3,526	3,463	3,133	5,200
Cash flows from investing activities				
Purchase of property, plant and equipment	(1,054)	(109)	(1,582)	(501)
Proceeds from disposal of property held for sale	-	-	-	2,600
Proceeds from disposal of property, plant and equipment	67	8	67	619
Investment in an associated company	-	-	(2,743)	(1,323)
Provision for impairment in an associated company	2,000	-	2,000	-
Loan to a joint venture	(2,716)	(101)	(2,716)	(2,780)
Interest received	101	62	197	134
Contribution from Minority shareholders	12	50	25	50
Dividend received from joint venture	-	267	385	267
Fixed deposit	-	(359)	-	681
Net cash outflow from deconsolidation of a subsidiary	-	(488)	-	(666)
Pre-purchase from a supplier	-	(1,016)	-	(6,772)
Repayment from pre-purchase to a supplier	677	339	677	339
Net cash (outflow)/inflow on disposal of a subsidiary company	(320)	-	(332)	7,192
Net cash inflow/(outflow) on acquisition of a subsidiary	(1,104)	-	(1,035)	-

Net cash used in investing activities	(2,337)	(1,347)	(5,057)	(160)
Cash flows from financing activities				
Proceeds from bank borrowings	-	5,359	2,700	-
Repayment of bank borrowings	(823)	(5,436)	(1,153)	(1,136)
Proceeds/(Repayment) of short term loan	1,177	(1,542)	3,233	(2,194)
Repayment of finance lease liabilities	(40)	(42)	(165)	(172)
Dividend paid	-	-	-	(2,400)
Net cash generated from/(used in) financing activities	314	(1,661)	4,615	(5,902)
Net increase/(decrease) in cash and cash equivalents	1,503	455	2,691	(811)
Cash and cash equivalents at beginning of period	5,537	3,894	4,349	5,160
Cash and cash equivalents at end of period	7,040	4,349	7,040	4,349
Cash and cash equivalents comprises the following				
Cash and cash equivalents	8,409	5,718	8,409	5,718
Less Restricted cash	(1,369)	(1,369)	(1,369)	(1,369)
Cash and cash equivalents as per statement of cash flows	7,040	4,349	7,040	4,349

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 a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Share capital \$'000	Reserves \$'000	Accumulated profit \$'000	Total \$'000	Non- Controlling interests \$'000	Total shareholders' equity \$'000
At 1 January 2016	43,461	908	27,994	72,363	(5,074)	67,289
Currency translation differences arising on consolidation, net of tax	-	(150)	-	(150)	(4)	(154)
Loss for the period	-	-	(1,106)	(1,106)	(61)	(1,167)
Balance At 31 March 2016	43,461	758	26,888	71,107	(5,139)	65,968
Currency translation differences arising on consolidation, net of tax	-	(182)	-	(182)	-	(182)
Profit/(loss) for the period	-	-	1,128	1,128	(1)	1,127
Balance At 30 June 2016	43,461	576	28,016	72,053	(5,140)	66,913
Currency translation differences arising on consolidation, net of tax	-	(43)	-	(43)	-	(43)
Profit/(Loss) for the period	-	-	46	46	(96)	(50)
Disposal of a subsidiary				-	(6)	(6)
Acquisition of new subsidiary				-	1,942	1,942
Balance At 30 September 2016	43,461	533	28,062	72,056	(3,300)	68,756
Currency translation differences arising on consolidation, net of tax	-	250	-	250	(443)	(193)

(Loss)/Profit for the period	-	-	(10,296)	(10,296)	292	(10,004)
Disposal of a subsidiary	-	-	-	-	12	12
Acquisition of new subsidiary	-	-	-	-	57	57
Contribution from a non-controlling interest	-	-	-	-	50	50
Balance At 31 December 2016	43,461	783	17,766	62,010	(3,332)	58,678

Group	Share capital \$'000	Reserves \$'000	Accumulated profits \$'000	Total \$'000	Non-Controlling interests \$'000	Total shareholders' equity \$'000
At 1 January 2015	43,461	641	34,604	78,706	(7,499)	71,207
Currency translation differences arising on consolidation, net of tax	-	(16)	-	(16)	(26)	(42)
Disposal of a subsidiary	-	-	-	-	(3,203)	(3,203)
Profit/(loss) for the period	-	-	4,526	4,526	(278)	4,248
Dividend	-	-	(2,400)	(2,400)	-	(2,400)
Balance At 31 March 2015	43,461	625	36,730	80,816	(11,006)	69,810
Currency translation differences arising on consolidation, net of tax	-	170	-	170	19	189
Loss for the period	-	-	(1,320)	(1,320)	(311)	(1,631)
Balance At 30 June 2015	43,461	795	35,410	79,666	(11,298)	68,368

Currency translation differences arising on consolidation, net of tax	-	425	-	425	38	463
Loss for the period	-	-	(3,145)	(3,145)	(195)	(3,340)
De-consolidate of a subsidiary	-	-	-	-	6,735	6,735
Balance At 30 September 2015	43,461	1,220	32,265	76,946	(4,720)	72,226
Currency translation differences arising on consolidation, net of tax	-	(312)	-	(312)	(32)	(344)
Loss for the period	-	-	(4,271)	(4,271)	(1,230)	(5,501)
De-consolidate of a subsidiary	-	-	-	-	858	858
Contribution from a non-controlling interest	-	-	-	-	50	50
Balance At 31 December 2015	43,461	908	27,994	72,363	(5,074)	67,289

Company

	Share capital \$'000	Accumulated losses \$'000	Total shareholders' equity \$'000
At 1 January 2016	43,461	(11,853)	31,608
Loss for the period	-	(1,024)	(1,024)
Balance At 31 March 2016	43,461	(12,877)	30,584
Loss for the period	-	(720)	(720)
Balance At 30 June 2016	43,461	(13,597)	29,864
Loss for the period	-	(1,301)	(1,301)

Balance At 30 September 2016	43,461	(14,898)	28,563
Loss for the period	-	(9,361)	(9,361)
Balance At 31 December 2016	43,461	(24,259)	19,202

Company

	Share capital \$'000	Accumulated profits (losses) \$'000	Total shareholders' equity \$'000
At 1 January 2015	43,461	(10,139)	33,322
Profit for the period	-	13,161	13,161
Dividend	-	(2,400)	(2,400)
Balance At 31 March 2015	43,461	622	44,083
Loss for the period	-	(566)	(566)
Balance At 30 June 2015	43,461	56	43,517
Loss for the period	-	(1,673)	(1,673)
Balance At 30 September 2015	43,461	(1,617)	41,844
Loss for the period	-	(10,236)	(10,236)
Balance At 31 December 2015	43,461	(11,853)	31,608

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.

Not applicable.

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.

	31.12.16	31.12.15
Total number of issued shares (excluding treasury shares)	119,999,995	480,000,000

The company undertook a share consolidation exercise to consolidate every four (4) existing ordinary shares in the capital of the Company into one (1) ordinary share. The share consolidation has been completed and becomes effective on 29 February 2016.

1(d)(iv) A statement showing all sales, transfer, 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. (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

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

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of 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.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as in the latest audited annual financial statements for the financial year ended 31 December 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 the new and revised FRSs is assessed to have no material impact to the results of the Group and of the Company for the 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.

(Loss)/Earnings per ordinary share for the period based on net profit attributable to shareholders:-

Group	4th quarter ended 31.12.16	4th quarter ended 31.12.15	Financial year ended 31.12.16	Financial year ended 31.12.15
(i) Based on number of ordinary shares in issue:				
- Continuing operations	(8.08) cents	(1.72) cents	(9.26) cents	(0.84) cents
- Discontinued operations	0.47 cents	(1.84) cents	0.74 cents	(2.68) cents
Net loss per ordinary share for the period/year	(7.61) cents	(3.56) cents	(8.52) cents	(3.52) cents
Number of ordinary shares in issue	119,999,995	119,999,995	119,999,995	119,999,995
(ii) On a fully diluted basis:				
- Continuing operations	(8.08) cents	(1.72) cents	(9.26) cents	(0.84) cents
- Discontinued operations	0.47 cents	(1.84) cents	0.74 cents	(2.68) cents
Net loss per ordinary share for the period/year	(7.61) cents	(3.56) cents	(8.52) cents	(3.52) cents
Diluted number of ordinary shares in issue	119,999,995	119,999,995	119,999,995	119,999,995

The Company undertook a share consolidation exercise to consolidate every four (4) existing ordinary shares in the capital of the Company into one (1) ordinary share. The share consolidation has been completed and becomes effective on 29 February 2016. The weighted average number of ordinary shares for the purpose of calculation of basic and diluted earnings per share and net asset value per share for financial years 2016 and 2015 have been restated.

7. Net asset value (for the issuer and group) per ordinary share based on the 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	
	31.12.16	31.12.15	31.12.16	31.12.15
Net asset value per ordinary share based on existing share capital	49 cents	56 cents	16 cents	26 cents

- 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 followings:-**
- (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.**

Key changes in the Group's financials:

Oil & Gas Solutions Pte. Ltd. ("OGS") – Referring to the announcement on 4 September 2015, OGS has initiated creditors' voluntary liquidation proceedings, hence OGS is de-consolidated on 20 September 2015 and reclassified to Discontinued Operations in the income statement for FY2015.

PT. BH Marine & Offshore Engineering ("PTE") – The Board had decided to discontinue the operations of its engineering subsidiary in Batam as stated in the full year results announcement released on 2 March 2013. Despite ongoing negotiations with potential buyers, the Group has not been able to conclude the sale of all of the assets of its engineering subsidiary in Batam. In compliance with FRS105, the Group had reclassified all PTE's property, plant and equipment related expenses to Continuing Operations from 4Q2014 in the income statement; all other income and expenses are accounted for as Discontinued Operations given the fact that PTE has completely ceased operations. Notwithstanding the accounting and reporting changes, it remains the Group's intention to dispose of the assets and related liabilities of PTE.

Revenue

(4Q2016 Vs 4Q2015)

	Group		% Change
	4Q2016	4Q2015	
	\$'000	\$'000	
Supply Chain Management			
Marine cables and accessories	6,270	9,295	(33%)
Marine lighting equipment and accessories	1,366	3,582	(62%)
Lamp and others	1,406	1,988	(29%)
	9,042	14,865	(39%)
Security	260	-	100%
Total sales revenue	9,302	14,865	(37%)

Supply Chain Management

Supply Chain Management Division accounts for 97% of the Group's turnover in 4Q2016, of which marine cables and accessories contributed 69%, marine lighting equipment, accessories 15% and others 16%. Revenue from the division decreased by 39% due to the severe slowdown in activities in the marine and offshore sectors as a result of weak global shipping markets and low oil prices.

Security

Security division mainly provides security products and solutions relating to information technology. The division accounts for 3% of the Group's turnover in 4Q2016.

Revenue

(FY2016 Vs FY2015)

	Group		% Change
	2016	2015	
	\$'000	\$'000	
Supply Chain Management			
Marine cables and accessories	35,305	35,796	(1%)
Marine lighting equipment and accessories	7,858	10,953	(28%)
Lamp and others	5,922	8,827	(33%)
	49,085	55,576	(12%)
Security	974	-	100%
Total sales revenue	50,059	55,576	(10%)

Supply Chain Management

Supply Chain Management Division accounts for 98% of the Group's turnover in FY2016, of which marine cables and accessories contributed 72%, marine lighting equipment and accessories 16% and others 12%. Revenue from the division decreased by 9% due to the severe slowdown in activities in the marine and offshore sectors as a result of weak global shipping markets and low oil prices.

Security

Security division mainly provides security products and solutions relating to information technology. The division accounts for 2% of the Group's turnover in 2016.

4Q2016 vs 4Q2015**Geographical segment**

Revenue derived from Singapore decreased by \$2.5 million or 30% from \$8.3 million in 4Q2015 to \$5.8 million in 4Q2016 due mainly to the slowdown in activities in the marine and offshore sectors.

Revenue derived from overseas decreased by \$3.2 million or 48% from \$6.6 million in 4Q2015 to \$3.4 million in 4Q2016 due mainly to weak global shipping markets.

Gross profit

The Group's overall gross profit decreased by \$2.0 million or 39% from \$5.1 million in 4Q2015 to \$3.1 million in 4Q2016 and the Group's overall gross margin decreased marginally from 34% in 4Q2015 to 33% in 4Q2016.

Other operating income

Other operating income decrease marginally by 3% from 679k in 4Q2015 to \$658k in 4Q2016.

Operating expenses

The Group's operating expenses comprise mainly selling & distribution and administrative expenses. The increase in selling & distribution expenses is due to consolidation of a new subsidiary and higher provision for doubtful debts. Administrative expenses increased by 112% due mainly to a provisions for losses in Gulf Specialty Steel Industries LLC ("GSSI") and provision for impairment in investment in GL Lighting Holding Pte. Ltd. ("GLH"). Otherwise, the administrative expenses would have remained comparably unchanged.

Share of results in associated companies

The Group's associated companies registered a loss of \$127k in 4Q2016 due mainly to lower sales to major customers. In particular, the performance of GLH was affected by supplier-related issues which disrupted production and the associate company's ability to meet its sales orders.

Interest on borrowings

The increase in interest on borrowings in 4Q2016 as compared to 4Q2015 is due mainly to higher bank borrowings.

Tax credit/(expense)

Tax credit of \$321k in 4Q2016 is due mainly to prior years' tax discharge by IRAS.

Depreciation

The increase of \$77k in depreciation in 4Q2016 as compared to 4Q2015 is due mainly to higher fixed assets purchased.

Foreign Exchange Gain

The Group reported a higher foreign exchange gain in 4Q2016 as compared to 4Q2015 due mainly to translation of US\$ denominated receivables as a result of the strengthening of USD against SGD.

Provision for liabilities

The higher provision for losses in 4Q2016 arises principally from the Group's provision for losses in GSSI.

Provision for impairment in an associated company

The provision for impairment in an associated company is due to provision for impairment in GLH.

Discontinued Operations

The Group recorded a gain of \$686k in 4Q2016 from discontinued operations [relating to PTE and BOS Offshore & Marine Pte. Ltd. ("BOS")], net of tax, as stated in detail below:

	4th quarter ended 31.12.16 \$'000	4th quarter ended 31.12.15 \$'000		Financial year ended 31.12.16 \$'000	Financial year ended 31.12.15 \$'000	
Revenue	955	(1,201)	(180%)	1,928	6,860	(72%)
Cost of sales	<u>(776)</u>	<u>(1,542)</u>	(50%)	<u>(870)</u>	<u>(9,706)</u>	(91%)
Gross profit/(loss)	179	(2,743)	(107%)	1,058	(2,846)	N.M.
Other operating income	710	1,895	(63%)	518	3,055	(83%)
Selling & Distribution expenses	(1)	(758)	(100%)	(119)	(2,864)	(96%)
Administrative expenses	(107)	(1,239)	(91%)	(318)	(1,794)	(82%)
Finance costs	-	-	0%	-	(35)	(100%)
Share of results of an associated company	<u>-</u>	<u>-</u>	0%	<u>-</u>	<u>(6)</u>	(100%)

Profit/(loss) before taxation	781	(2,845)	(127%)	1,139	(4,490)	(125%)
Tax expense	<u>(95)</u>	<u>(182)</u>	100%	<u>(65)</u>	<u>(51)</u>	27%
Net profit/(loss) for the period/year	<u>686</u>	<u>(3,027)</u>	(123%)	<u>1,074</u>	<u>(4,541)</u>	(124%)

Discontinued Operations registered a revenue of \$955k in 4Q2016 mainly from progressive recognition of revenue of an existing project under BOS. The negative revenue in 4Q2015 is due to management's assessment on the presentation of revenue from provision of manpower services earned by a subsidiary of OGS and as determined in accordance to accounting standards, the subsidiary was acting in the capacity of an agent and accordingly should recognise revenue only on a net basis.

Discontinued Operations registered a gross profit of \$179k in Q2016 as compared to a loss of \$2.7 million in 4Q2015 due mainly to better project management.

Discontinued Operations registered a lower operating income in 4Q2016 as compared to 4Q2015 due mainly to an adjustment to reclassify part of the loss on de-consolidation of OGS to administrative expenses and higher foreign exchange gain as a result of appreciation of Indonesian Rupiah against SGD in 4Q2015

The lower selling & distribution expense in 4Q2016 is due mainly to a provision for doubtful debts of a receivable in PTE in 4Q2015. The lower administrative expense is due to the reclassification of part of the loss on de-consolidation of OGS to administrative expense in 4Q2015.

Balance Sheet and Cash Flow Analysis

(FY2016 vs FY2015)

Property, plant and equipment (PPE)

The decrease in PPE in FY2016 is due mainly to the ongoing disposal of yard facilities in Batam.

Investment in associated companies

The decrease in investment in associated companies is due mainly to the additional investment in GLH offset against the Group's share of results and provision of impairment in investment in GLH.

Intangible assets

The increase in intangible assets is due mainly to goodwill and fair value of intangible assets such as the applied technology on products arising from the acquisition of a new subsidiary, Omnisense Systems Pte Ltd ("OMS") and the capitalization of development cost of products.

Purchase deposit to a supplier

The purchase deposit is paid to a main cable supplier which is offset from future purchases over a five-year period (refer to the Group's announcement on 9 June 2015 to the SGX). The decrease is due to a partial repayment from the supplier during the year.

Inventories

Inventories decreased by \$2.9 million from \$30.1 million in FY2015 to \$27.2 million in FY2016 due to management's intention to reduce the Group's inventory level as a result of the slowdown in the marine and offshore sectors.

Trade receivables

Trade receivables decreased by \$0.8 million from \$16.2 million in FY2015 to \$15.4 million in FY2016 corresponding to lower revenue.

Other receivables

The increase in other receivables of \$3.2million is due mainly to an increase in deposit to supplier for project procurement by BOS.

Non-current payables

The increase in non-current payable is due mainly to provision of contingent consideration payable arising from acquisition of OMS.

Due to customers on construction contracts

The increase in due to customers on construction contracts is due to advance billing of a project by BOS.

Trade payables

Trade payables decreased by \$3.3 million due mainly to lower stock purchases in line with the management's intention to lower the inventory level.

Other payables

The increase in other payables of \$1.2 million is due mainly to deferred revenue billed in advance to customer.

Provisions

The increase in provisions of \$7.5 million is due mainly to additional provision for impairment losses on investment in GSSI.

Bank borrowings

The increase in bank borrowings by \$4.4 million is to finance the increase in investment in GLH and acquisition of a new subsidiary OMS.

Cash flow

Net cash and cash equivalent increased by \$1.5million in 4Q2016 compared to an increase of \$455k in 4Q2015. The increase is due mainly to increase in provisions and decrease in receivables offset partly by acquisition of a subsidiary and net loss for 4Q2016.

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.

The Group remains focused on improving the overall health of our core business given the continuing weak shipping industry and low oil prices which have severely impacted both the shipping and oil and gas industries.

The core business, the Supply Chain Management division, faced difficult market conditions in the past year due to the continuing slowdown in the marine and offshore industries. This has severely affected the sales and profitability of the division. The Group will strive to strengthen its core business and is working on various initiatives to improve its performance.

The operations of GLH, the Group's associated company, has been adversely affected due to supplier-related issues resulting in lower sales to major customers. The construction of the new factory has started in 4Q2016 and is expected to complete in end 2017. The Group has made provision for impairment in investment in GLH after assessing the financial prospects and cash flow of GLH in the future years in 4Q2016.

The performance of the Group's galvanized steel wire factory in Oman continues to be very challenging as production and sales volumes are still below breakeven levels. Besides lower sales, the business is further affected by lower selling prices as a result of lower commodity prices and high fixed costs. The Group continues to work closely with its Omani joint venture partner to improve operational performance and explore all possible options with regards to the viability of this business. Taking into account the continuing losses and tough market conditions, as well as management's assessment of the future financial prospects and cash flow of GSSI, the Group has made provision for losses in GSSI in 2016.

On its Engineering Services division (reported under Discontinued Operations), the Group has previously announced to the Singapore Exchange ("SGX") on 4 September 2015 that its subsidiary, Oil & Gas Solutions Pte. Ltd. ("OGS"), has initiated creditors' voluntary liquidation proceedings. The liquidation of OGS remains ongoing.

On its discontinued operations under PTE, the Group continues to search for potential buyers to dispose the land.

11. Dividend

(a) Current Financial Period Reported On?

Any dividend declared for the current financial period reported on?

None

(b) Corresponding Period of the Immediately Preceding Financial Year?

None

Any dividend declared for the corresponding period of the immediately preceding financial year?

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended for the year ended 31 December 2016.

13. Segmental 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.

By business segments

	Group 2016 \$'000	Group 2015 \$'000
Revenue by business segment		
Supply Chain Management		
Marine cables and accessories	35,305	35,796
Marine lighting equipment and accessories	7,858	10,953

Others	5,922	8,827
	49,085	55,576
Intersegment sales	49,085	55,576
Security		
Security	974	-
Intersegment sales	-	-
	974	-
Less: Eliminations	-	-
Total revenue	50,059	55,576
Segment results		
Supply Chain Management		
Marine cables and accessories	(6,559)	812
Marine lighting equipment and accessories	(1,460)	2,078
Others	239	(1,274)
	(7,780)	1,616
Security		
Security	(449)	-
Total segment result	(8,230)	1,616
Share of results of joint ventures	(2,116)	(2,125)
Share of results of associated companies	(798)	(524)
Net (loss)/profit before tax	(11,144)	(1,033)

Tax credit/(expense)	(226)	(650)
Gain/(Loss) from discontinued operations	1,074	(4,541)
Net loss after Tax	(10,296)	(6,224)
Non – controlling interests	68	2,014
Net (loss)/profit attributable to equity holders of the company	(10,228)	(4,210)

Group assets and liabilities

Segment assets	2016	2015
Supply Chain Management		
Marine cables and accessories	74,096	63,621
Marine lighting equipment and accessories	16,492	16,819
Others	4,774	11,211
Security	2,130	-
Unallocated corporate assets	-	44
Total assets	97,493	91,695

Segment liabilities

Supply Chain Management		
Marine cables and accessories	23,966	14,765
Marine lighting equipment and accessories	5,334	4,518
Others	8,786	3,011
Security	728	-
Unallocated corporate liabilities	11,690	2,112

Total liabilities	<u>50,505</u>	<u>24,406</u>
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Other segment information

Depreciation

Supply Chain Management

Marine cables and accessories	918	993
Marine lighting equipment and accessories	204	304
Others	410	204

Security

Security	(84)	-
	<u>1,448</u>	<u>1,501</u>

Capital Expenditure

Supply Chain Management

Marine cables and accessories	506	299
Marine lighting equipment and accessories	113	91
Others	70	78

Security

Security	893	-
	<u>1,582</u>	<u>468</u>

Other significant non-cash expenses

Supply Chain Management

Marine cables and accessories	333	3,046
Marine lighting equipment and accessories	74	932

Others	9,046	613
Security		
Security	-	-
	<u>9,453</u>	<u>4,591</u>

By Geographical	Revenue	
	2016 \$'000	2015 \$'000
Singapore	34,741	33,322
South-East Asia	7,621	8,468
East Asia	5,905	8,864
Europe	482	725
Middle East	997	1,350
Others	313	2,848
	<u>50,059</u>	<u>55,577</u>

By Geographical	Non-current assets	
	2016 \$'000	2015 \$'000
Singapore	25,828	13,837
South-East Asia	312	2,723
East Asia	0	12,149
Others	18	2,404
	<u>26,158</u>	<u>31,113</u>

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Revenue from the Supply Chain Management Division decreased by \$6.5million or 12% from \$55.6 million in FY2015 to \$49.1 million in FY2016. The revenue decrease is due to the severe slowdown in activities in the marine and offshore sectors.

Security division was set up in 2014. This division mainly provides security products and solutions relating to information technology.

The Group recorded a loss attributable to equity holders of \$10.2 million in FY2016 as compared to a loss of \$4.2 million in FY2015 due mainly to provisions for losses in GSSI and impairment on its investments in GLH.

The Group has recorded a profit from discontinued operations, net of tax, of \$1.1 million in FY2016 as compared to a loss of \$4.9million in FY2015 due mainly to better project management.

15. A breakdown of sales

	31.12.2016	Group \$'000 31.12.2015 (Restated)	% Change
Sales reported for first half year	24,978	28,702	(0.13)
Operating profit after tax reported for the first half year	(39)	2,617	(1.01)
Sales reported for second half year	25,081	26,874	(0.07)
Operating loss after tax reported for the second half year	(10,257)	(8,841)	0.16

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

	\$'000	
	FY2016	FY2015
Ordinary share	-	2,400

17. Interested Person Transactions

[Note Rule 920(1)(a)(ii) – An issuer must announce the aggregate value of transactions conducted pursuant to the general mandate for interested person transactions for the financial periods which it is required to report on pursuant to Rule 705.]

The Group has not obtained a shareholder's mandate pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

18. 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(11) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

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
Johnny Lim Huay Hua	48	Brother of executive directors and substantial shareholders, Vincent Lim Hui Eng and Patrick Lim Hui Peng	Director of principal subsidiary - Beng Hui Marine Electrical Pte Ltd - Sopex Innovations Pte Ltd	NA
Eileen Lim Chye Hoon	53	Sister of executive directors and substantial shareholders, Vincent Lim Hui Eng and Patrick Lim Hui Peng	Director of principal subsidiary - Beng Hui Marine Electrical Pte Ltd	NA
Hing Kah Wah	51	Husband of substantial shareholder, Eileen Lim Chye Hoon	Senior Operational Manager of principal subsidiary - Beng Hui Marine Electrical Pte Ltd	NA

On behalf of the Board of Directors

Vincent Lim Hui Eng
Executive Chairman and
Chief Executive Officer
1 March 2017

Patrick Lim Hui Peng
Chief Operating Office