



UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2016

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 the immediately preceding financial year

CONSOLIDATED INCOME STATEMENT

	Group			Group		
	4th Qtr Ended 31/3/2016 S\$'000	31/3/2015 S\$'000	Incr/ (decr) %	Financial Year Ended 31/3/2016 S\$'000	31/3/2015 S\$'000	Incr/ (decr) %
Revenue	21,922	25,874	(15.3)	93,886	109,942	(14.6)
Cost of sales	(16,106)	(19,118)	(15.8)	(72,099)	(80,824)	(10.8)
Gross profit	5,816	6,756	(13.9)	21,787	29,118	(25.2)
Other income	9,303	1,313	608.5	9,846	2,385	312.8
Distribution costs	(1,108)	(1,311)	(15.5)	(4,990)	(4,737)	5.3
Administrative expenses	(4,080)	(5,057)	(19.3)	(16,709)	(15,749)	6.1
Other operating expenses	(3,792)	(517)	633.5	(5,895)	(582)	912.9
Interest expense	(819)	(610)	34.3	(2,970)	(2,067)	43.7
Profit before income tax	5,320	574	826.8	1,069	8,368	(87.2)
Income tax benefit (expense)	280	39	617.9	179	(909)	NM
Profit for the period/year	5,600	613	813.5	1,248	7,459	(83.3)
Attributable to:						
Shareholders of the Company	5,617	1,257	346.9	1,264	7,418	(83.0)
Non-controlling interests	(17)	(644)	(97.4)	(16)	41	NM
	5,600	613	813.5	1,248	7,459	(83.3)
Gross profit margin	26.5%	26.1%		23.2%	26.5%	
Net profit margin	25.5%	2.4%		1.3%	6.8%	
EBITDA ⁽¹⁾ (S\$'000)	7,366	2,516	192.8	8,365	13,693	(38.9)
EBITDA margin	33.6%	9.7%		8.9%	12.5%	

⁽¹⁾ : Denotes earnings before interest, taxes, depreciation and amortisation

NM: Not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group			Group		
	4th Qtr Ended		Incr/ (decr) %	Financial Year Ended		Incr/ (decr) %
	31/3/2016 S\$'000	31/3/2015 S\$'000		31/3/2016 S\$'000	31/3/2015 S\$'000	
Profit for the period/year	5,600	613	813.5	1,248	7,459	(83.3)
Other comprehensive income						
Item that may be reclassified subsequently to profit or loss:						
Translation differences arising on consolidation	(196)	548	NM	27	929	(97.1)
Other comprehensive (loss) income for the period/year, net of tax	(196)	548	NM	27	929	(97.1)
Total comprehensive income for the period/year	5,404	1,161	365.5	1,275	8,388	(84.8)
Total comprehensive income attributable to:						
Shareholders of the Company	5,422	1,993	172.1	1,296	8,346	(84.5)
Non-controlling interests	(18)	(832)	(97.8)	(21)	42	NM
	5,404	1,161	365.5	1,275	8,388	(84.8)

1(a)(ii) Profit before income tax is arrived at after charging/(crediting) the following:

	Group			Group		
	4th Qtr Ended		Incr/	Financial Year Ended		Incr/
	31/3/2016	31/3/2015	(decr)	31/3/2016	31/3/2015	(decr)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Allowance for doubtful trade receivables	206	33	524.2	629	79	696.2
Doubtful trade receivables recovered	-	-	NM	(31)	(2)	NM
Trade receivables written off	-	1	(100.0)	216	20	980.0
Other receivables written off	-	2	(100.0)	-	4	(100.0)
Depreciation	979	804	21.8	3,520	2,685	31.1
Amortisation of intangible assets	248	528	(53.0)	806	573	40.7
Foreign exchange loss (gain), net	583	(324)	NM	1,814	(1,118)	NM
Loss (gain) on disposal of property, plant and equipment ("PPE")	79	38	107.9	311	(126)	NM
Disposal of club membership	-	36	(100.0)	-	36	(100.0)
Impairment of intangible asset	759	-	NM	759	-	NM
Impairment of goodwill	2,165	444	387.6	2,165	444	387.6
Interest income	(2)	(4)	(50.0)	(15)	(22)	(31.8)
Interest expense	819	610	34.3	2,970	2,067	43.7
Inventories written down to net realisable value	881	899	(2.0)	881	899	(2.0)
Trade payables written back	-	(4)	(100.0)	(428)	(4)	NM
Change in fair value of contingent consideration	(9,176)	(716)	NM	(9,176)	(716)	NM

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

STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31/3/2016 S\$'000	31/3/2015 S\$'000	31/3/2016 S\$'000	31/3/2015 S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	4,252	6,279	89	1,222
Trade receivables	21,518	31,257	1,792	2,131
Other receivables and prepayments	3,679	4,441	44,219	49,559
Inventories	148,270	149,372	-	-
Total current assets	177,719	191,349	46,100	52,912
Non-current assets				
Property, plant and equipment	33,225	26,413	842	756
Club membership	40	40	-	-
Intangible assets	3,848	5,067	-	-
Goodwill	-	2,165	-	-
Prepayment	-	2,875	-	-
Deferred tax assets	304	364	163	219
Subsidiaries	-	-	6,101	6,101
Total non-current assets	37,417	36,924	7,106	7,076
Total assets	215,136	228,273	53,206	59,988
LIABILITIES AND EQUITY				
Current liabilities				
Trade payables	9,024	17,850	-	-
Other payables	5,255	14,209	383	6,027
Current portion of bank borrowings	55,272	58,106	-	-
Current portion of finance leases	519	537	5	5
Income tax payable	2	578	-	-
Total current liabilities	70,072	91,280	388	6,032
Non-current liabilities				
Bank borrowings	39,059	29,360	-	-
Finance leases	939	1,277	9	14
Deferred tax liabilities	242	631	-	-
Total non-current liabilities	40,240	31,268	9	14
Capital, reserves and non-controlling interests				
Share capital	50,587	50,587	50,587	50,587
Retained earnings	53,185	54,111	2,222	3,355
Translation reserve	971	939	-	-
Equity attributable to shareholders of the Company	104,743	105,637	52,809	53,942
Non-controlling interests	81	88	-	-
Total equity	104,824	105,725	52,809	53,942
Total liabilities and equity	215,136	228,273	53,206	59,988

1(b)(ii) In relation to the aggregate amount of 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

Amount repayable in one year or less, or on demand

	31/3/2016		31/3/2015	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Term loans	17,162	135	9,959	-
Short term loans	9,700	7,239	7,500	12,536
Bank bills payable	-	21,036	-	28,111
Finance leases	519	-	537	-
	<u>27,381</u>	<u>28,410</u>	<u>17,996</u>	<u>40,647</u>

Amount repayable after one year

	31/3/2016		31/3/2015	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Term loans	38,899	160	29,360	-
Finance leases	939	-	1,277	-
	<u>39,838</u>	<u>160</u>	<u>30,637</u>	<u>-</u>

Details of any collaterals

Certain bank borrowings are secured by a legal mortgage over the Group's leasehold land and buildings, certain plant and machinery, a floating charge over certain inventories of the Group and corporate guarantees of the Company and a certain subsidiary.

Finance leases are secured by charges over the leased assets. Certain leases are guaranteed by a corporate guarantee by the Company.

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		Group	
	4th Qtr Ended		Financial Year Ended	
	31/3/2016	31/3/2015	31/3/2016	31/3/2015
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Profit before income tax	5,320	574	1,069	8,368
Adjustments for :				
Interest expense	819	610	2,970	2,067
Interest income	(2)	(4)	(15)	(22)
Depreciation	979	804	3,520	2,685
Amortisation of intangible assets	248	528	806	573
Allowance for doubtful trade receivables	206	33	629	79
Doubtful trade receivables recovered	-	-	(31)	(2)
Trade receivables written off	-	1	216	20
Other receivables written off	-	2	-	4
Loss (gain) on disposal of property, plant and equipment	79	38	311	(126)
Disposal of club membership	-	36	-	36
Change in fair value of contingent consideration	(9,176)	(716)	(9,176)	(716)
Impairment of intangible asset	759	-	759	-
Impairment of goodwill	2,165	444	2,165	444
Net foreign exchange loss (gain) - unrealised	31	82	6	(23)
Inventories written down to net realisable value	881	899	881	899
Trade payables written back	-	(4)	(428)	(4)
Operating cash flows before movements in working capital	2,309	3,327	3,682	14,282
Trade receivables	(4,295)	(5,599)	8,571	3,168
Other receivables and prepayments	152	2,874	577	381
Inventories	2,968	(1,057)	2,054	(19,400)
Trade payables	459	(2,148)	(8,001)	(6,519)
Other payables	1,255	(433)	575	(1,364)
Bank bills payable	(6,107)	(6,943)	(6,905)	(6,399)
Cash (used in) generated from operations	(3,259)	(9,979)	553	(15,851)
Interest paid for bank bills	(233)	(217)	(922)	(951)
Interest received	2	4	15	22
Income tax paid	(73)	(724)	(723)	(2,370)
Net cash used in operating activities	(3,563)	(10,916)	(1,077)	(19,150)
Investing activities				
Proceeds on disposal of property, plant and equipment	25	298	133	520
Purchases of property, plant and equipment	(1,743)	(3,589)	(10,222)	(7,666)
Prepayment for leasehold land	-	(2,875)	-	(2,875)
Acquisition of subsidiaries	-	(299)	-	(4,386)
Net cash used in investing activities	(1,718)	(6,465)	(10,089)	(14,407)
Financing activities				
Interest paid for other borrowings	(592)	(393)	(2,054)	(1,116)
Dividend paid	-	-	(2,190)	(3,942)
Repayment of obligations under finance leases	(136)	(338)	(566)	(1,053)
New bank loans obtained	9,684	15,578	30,260	31,820
Repayment of bank loans	(4,013)	(1,611)	(16,087)	(4,825)
Transaction costs for loans	(139)	-	(139)	-
Contributions from non-controlling interests	14	-	14	20
Net cash from financing activities	4,818	13,236	9,238	20,904
Net decrease in cash and cash equivalents	(463)	(4,145)	(1,928)	(12,653)
Effect of exchange rate changes on cash and cash equivalents	(80)	68	(99)	108
Cash and cash equivalents at beginning of the period/year	4,795	10,356	6,279	18,824
Cash and cash equivalents at end of the period/year	4,252	6,279	4,252	6,279

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

STATEMENT OF CHANGES IN EQUITY

	Share capital	Retained earnings	Translation reserve	Attributable to shareholders of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group						
At 1 April 2015	50,587	54,111	939	105,637	88	105,725
Total comprehensive income for the year						
Profit (loss) for the year	-	1,264	-	1,264	(16)	1,248
Other comprehensive profit (loss) for the year	-	-	32	32	(5)	27
Total	-	1,264	32	1,296	(21)	1,275
Transactions with owners, recognised directly in equity						
Contribution from a non-controlling interest	-	-	-	-	14	14
Dividend paid	-	(2,190)	-	(2,190)	-	(2,190)
Total	-	(2,190)	-	(2,190)	14	(2,176)
At 31 March 2016	50,587	53,185	971	104,743	81	104,824
At 1 April 2014	47,224	50,723	11	97,958	(62)	97,896
Total comprehensive income for the year						
Profit for the year	-	7,418	-	7,418	41	7,459
Other comprehensive income for the year	-	-	928	928	1	929
Total	-	7,418	928	8,346	42	8,388
Transactions with owners, recognised directly in equity						
Issuance of shares	3,363	-	-	3,363	-	3,363
Contribution from a non-controlling interest	-	-	-	-	20	20
Cancellation of shares held by a non-controlling interest	-	(88)	-	(88)	88	-
Dividend paid	-	(3,942)	-	(3,942)	-	(3,942)
Total	3,363	(4,030)	-	(667)	108	(559)
At 31 March 2015	50,587	54,111	939	105,637	88	105,725

	Share capital	Retained earnings	Translation reserve	Attributable to shareholders of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>Company</u>						
At 1 April 2015	50,587	3,355	-	53,942	-	53,942
Profit for the year, representing total comprehensive income for the year	-	1,057	-	1,057	-	1,057
Dividend paid, representing transactions with owners recognised directly in equity	-	(2,190)	-	(2,190)	-	(2,190)
At 31 March 2016	<u>50,587</u>	<u>2,222</u>	-	<u>52,809</u>	-	<u>52,809</u>
At 1 April 2014	47,224	4,129	-	51,353	-	51,353
Profit for the year, representing total comprehensive income for the year	-	3,168	-	3,168	-	3,168
Transactions with owners, recognised directly in equity						
Issuance of shares	3,363	-	-	3,363	-	3,363
Dividend paid	-	(3,942)	-	(3,942)	-	(3,942)
Total	<u>3,363</u>	<u>(3,942)</u>	-	<u>(579)</u>	-	<u>(579)</u>
At 31 March 2015	<u>50,587</u>	<u>3,355</u>	-	<u>53,942</u>	-	<u>53,942</u>

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

Nil.

There were no outstanding convertibles which may be converted to shares. There were no treasury shares held.

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

The total number of issued shares excluding treasury shares

31/3/2016	31/3/2015
438,000,000	438,000,000

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

Not applicable. There were no treasury shares during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited and/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 adopted the same accounting policies and methods of computation in the announcement for the current financial period as those applied in the Group's most recently audited financial statements for the year ended 31 March 2015 as well as all the applicable Singapore Financial Reporting Standards ("FRSs") which became effective for the financial year beginning on or after 1 April 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 effect, of the change

Please refer to section 4.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year after deducting any provision for preference dividends

	Group		Group	
	4th Qtr Ended		Financial Year Ended	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015
Net profit after tax attributable to shareholders of the Company (S\$'000)	5,617	1,257	1,264	7,418
Weighted average number of ordinary shares for calculation of ('000):				
- Basic earnings per share	438,000	435,607	438,000	435,607
- Diluted earnings per share	438,000	435,607	438,000	435,607
Earnings per share ("EPS") (cents/share)				
(a) Based on weighted average number of ordinary shares	1.28	0.29	0.29	1.70
(b) On a fully diluted basis	1.28	0.29	0.29	1.70

The Company has no dilutive equity instruments as at 31 March 2016.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on; and (b) immediately preceding financial year

	Group		Company	
	31/03/2016	31/3/2015	31/03/2016	31/3/2015
Net asset value attributable to shareholders of the Company (S\$'000)	104,743	105,637	52,809	53,942
Number of ordinary shares ('000)	438,000	438,000	438,000	438,000
Net asset value per ordinary share (cents)	23.91	24.12	12.06	12.32

8. Review of the Group's performance

Revenue

FY2016 vs FY2015

The Group's revenue for the full year ended 31 March 2016 ("FY2016") was S\$93.9 million with a decrease of S\$16.0 million or 14.6% compared to S\$109.9 million for the financial year ended 31 March 2015 ("FY2015"). The decrease was mainly due to a decline of S\$9.0 million in the rigging and lifting segment and S\$7.0 million in ship chandling segment.

The decrease was mainly due to the continued weakness in the oil and gas industry resulting in project delays which affects the demand for our products and services.

4Q FY2016 vs 4Q FY2015

Similarly for the fourth quarter ended 31 March 2016 ("4Q FY2016"), the Group's revenue was S\$21.9 million, 15.3% lower than the S\$25.9 million in the fourth quarter ended 31 March 2015 ("4Q FY2015") with the decrease coming from rigging and lifting segment of S\$2.0 million and ship chandling segment of S\$1.9 million.

Gross profit

FY2016 vs FY2015

Gross profit decreased by S\$7.3 million or 25.2% from S\$29.1 million in FY2015 to S\$21.8 million in FY2016. The corresponding gross profit margin decreased from 26.5% to 23.2%. The decrease was mainly due to the lower revenue, tighter product margins coupled with fixed manufacturing overhead.

4Q FY2016 vs 4Q FY2015

For 4Q FY2016, the gross profit was S\$5.8 million, 13.9% lower than the S\$6.8 million achieved in 4Q FY2015. The corresponding gross profit margin increased slightly from 26.1% to 26.5%.

Other income

FY2016 vs FY2015

Other income increased by S\$7.5 million in FY2016 compared to FY2015 mainly due to :

FY2016

- (i) Reversal of contingent consideration to be paid upon achievement of certain profit targets arising from the acquisition of Rig Marine Holdings FZE and its subsidiaries ("Rigmarine") of S\$9.2 million as profit targets are not expected to be achieved and
- (ii) Trade payables written back of S\$0.4 million, compared to

FY2015

- (iii) Foreign exchange gain of S\$1.1 million and
- (iv) Accrued income of S\$0.7 million from the vendor relating to the acquisition of Lv Yang (Tianjin) Offshore Equipment Co. Ltd ("Lv Yang") arising from the profit guarantee per the purchase agreement.

4Q FY2016 vs 4Q FY2015

Other income increased by S\$8.0 million mainly due to:

4Q FY2016

- (i) Reversal of contingent consideration arising from the acquisition of Rigmarine of S\$9.2 million, compared to

4Q FY2015

- (ii) Accrued income of S\$0.7 million from the vendor relating to the acquisition of Lv Yang and
- (iii) Foreign exchange gain of S\$0.3 million.

Distribution costs

FY2016 vs FY2015

Distribution costs increased by S\$0.2 million or 5.3% in FY2016 compared to FY2015 mainly due to an increase in freight outwards of S\$0.1 million with more overseas sales coupled with increase in other marketing related costs of S\$0.1 million.

4Q FY2016 vs 4Q FY2015

Distribution costs decreased by S\$0.2 million or 15.5% in 4Q FY2016 compared to 4Q FY2015 mainly due to a decrease in freight outwards of S\$0.1 million coupled with decrease in staff related costs of S\$0.1 million.

Administrative expenses

FY2016 vs FY2015

Administrative expenses increased by S\$1.0 million or 6.1% in FY2016 compared to FY2015. This increase was mainly due to: (i) an increase in depreciation of S\$0.5 million and amortisation of S\$0.2 million, and (ii) an increase in donations of S\$0.5 million due to 40th anniversary celebrations (which were committed in FY2015).

This was partially offset by lower professional related expenses of S\$0.4 million due to expenses arising from acquisition of subsidiaries in FY2015.

4Q FY2016 vs 4Q FY2015

Administrative expenses decreased by S\$1.0 million or 19.3% in 4Q FY2016 compared to 4Q FY2015 mainly due to a decrease in (i) staff related expenses of S\$0.4 million, (ii) professional related expenses of S\$0.3 million, and (iii) travelling expenses of S\$0.1 million.

Other operating expenses

FY2016 vs FY2015

Other operating expenses increased by S\$5.3 million in FY2016 compared to FY2015 mainly due to:

FY2016

- (i) A foreign exchange loss of S\$1.8 million;
- (ii) Impairment of goodwill and intangible asset arising from the acquisition of Rigmarine of S\$2.2 million and S\$0.7 million respectively;
- (iii) Allowance for doubtful trade receivables of S\$0.6 million;
- (iv) Loss on disposal of PPE of S\$0.3 million and
- (v) Trade receivables written off of S\$0.2 million, compared to

FY2015

- (vi) Impairment of goodwill arising from the acquisition of Lv Yang of S\$0.4 million.

4Q FY2016 vs 4Q FY2015

Other operating expenses increased by S\$3.3 million in 4Q FY2016 compared to 4Q FY2015 mainly due to:

4Q FY2016

- (i) Impairment of goodwill and intangible asset arising from the acquisition of Rigmarine of S\$2.2 million and S\$0.7 million respectively;
- (ii) A foreign exchange loss of S\$0.6 million and
- (iii) Allowance for doubtful trade receivables of S\$0.2 million, compared to

4Q FY2015

- (iv) Impairment of goodwill arising from the acquisition of Lv Yang of S\$0.4 million.

Interest expense

FY2016 vs FY2015

Interest expense increased by S\$0.9 million or 43.7% in FY2016 compared to FY2015 mainly due to higher bank borrowings coupled with higher interest rates.

4Q FY2016 vs 4Q FY2015

Interest expense increased by S\$0.2 million or 34.3% in 4Q FY2016 compared to 4Q FY2015 mainly due to higher bank borrowings coupled with higher interest rates.

Profit before income tax

As a result of the above reasons, profit before income tax was S\$1.1 million for FY2016.

Review of statement of financial position

Current assets

The current assets decreased by S\$13.6 million from S\$191.3 million as at 31 March 2015 to S\$177.7 million as at 31 March 2016. The decrease was mainly due to (i) a decline in trade receivables of S\$9.7 million due to lower sales, (ii) lower cash and bank balances of S\$2.0 million, (iii) a decrease in inventories of S\$1.1 million, and (iv) a decrease in other receivables and prepayments of S\$0.8 million.

Non-current assets

The non-current assets increased by S\$0.5 million from S\$36.9 million as at 31 March 2015 to S\$37.4 million as at 31 March 2016. The increase was mainly due to purchase of leasehold lands of S\$6.0 million, which was partially offset by (i) a decrease in prepayment of S\$2.9 million due to capitalisation of leasehold land, (ii) a decrease in goodwill of S\$2.2 million due to impairment, and (iii) a decrease in intangible assets due to impairment of S\$0.7 million and amortisation of S\$0.5 million.

Current liabilities

The current liabilities decreased by S\$21.2 million from S\$91.3 million as at 31 March 2015 to S\$70.1 million as at 31 March 2016. The decrease was mainly due to: (i) a decrease in trade payables of S\$8.8 million due to lower purchases, (ii) a decrease in other payables of S\$9.0 million mainly due to change in the fair value of contingent consideration resulting from the acquisition of Rigmarine, (iii) a decrease in bank borrowings of S\$2.8 million, and (iv) a decrease in income tax payable of S\$0.6 million.

Non-current liabilities

Non-current liabilities increased by S\$9.0 million from S\$31.3 million as at 31 March 2015 to S\$40.2 million as at 31 March 2016 mainly due to an increase in bank borrowings of S\$9.7 million, which was partially offset by (i) repayment of finance leases of S\$0.3 million, and (ii) a decrease in deferred tax liabilities of S\$0.4 million.

Capital, reserves and non-controlling interests

The decrease in shareholder's equity of S\$0.9 million was mainly attributable to the distribution of dividend of S\$2.2 million which was partially offset by the profit during the year of S\$1.3 million.

Review of statement of cash flow

FY2016 ended 31 March 2016

Net cash used in operating activities

In FY2016, we generated net cash of S\$3.7 million from operating activities before changes in working capital.

Our net working capital outflow amounted to S\$3.1 million. This was mainly due to: (i) a decrease in trade payables of S\$8.0 million due to lower purchases, and (ii) a decrease in bank bills payable of S\$6.9 million due to repayment, which were partially offset by (i) a decrease in trade receivables of S\$8.6 million due to lower sales, (ii) a decrease in inventories of S\$2.1 million, (iii) a decrease in other receivables and prepayments of S\$0.6 million, and (iv) an increase in other payables of S\$0.6 million.

We paid income tax of S\$0.7 million and interest for bank bills of S\$0.9 million.

Overall our net cash used in operating activities amounted to S\$1.1 million.

Net cash used in investing activities

Net cash used in investing activities amounted to S\$10.1 million in FY2016 mainly due to the purchase of PPE.

Net cash from financing activities

Net cash generated from financing activities amounted to S\$9.2 million in FY2016. This was mainly due to an increase in bank borrowings of S\$30.3 million, which was partially offset by (i) the repayment of bank borrowings and related interest of S\$18.1 million, (ii) dividend paid of S\$2.2 million, and (iii) the repayment of obligations under finance leases of S\$0.6 million.

4Q FY2016 ended 31 March 2016

Net cash used in operating activities

In 4Q FY2016, we generated net cash of S\$2.3 million from operating activities before changes in working capital.

Our net working capital outflow amounted to S\$5.6 million. This was mainly due to: (i) a decrease in bank bills payable of S\$6.1 million due to repayment, and (ii) an increase in trade receivables of S\$4.3 million, which were partially offset by (i) a decrease in inventories of S\$3.0 million, (ii) an increase in other payables of S\$1.3 million, and (iii) an increase in trade payables of S\$0.5 million.

We paid interest for bank bills of S\$0.2 million.

Overall our net cash used in operating activities amounted to S\$3.6 million.

Net cash used in investing activities

Net cash used in investing activities amounted to S\$1.7 million in 4Q FY2016 mainly due to the purchase of PPE.

Net cash from financing activities

Net cash generated from financing activities amounted to S\$4.8 million in 4Q FY2016. This was mainly due to an increase in bank borrowings of S\$9.7 million, which was partially offset by (i) the repayment of bank borrowings and related interest of S\$4.6 million, and (ii) the repayment of obligations under finance leases of S\$0.1 million.

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

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

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

Flagging offshore exploration and development activities on the back of a volatile global oil and gas (O&G) industry have continued to create a challenging environment for the Group, where the demand for its products and services are generally driven by the overall performance of the O&G sector.

In view of the operating landscape, the Group maintains a cautious outlook for FY2017. While the Group continues to proactively implement cost-cutting measures, it also remains committed to unlock value from its overseas operations such as Malaysia and Korea. At the same time, it plans to further enhance avenues to market higher value services that include project engineering services and workforce development programmes among others as well as strengthen its position in certain markets.

11. Dividend

11(a) Any dividend declared for the current financial period reported on?

No. Please refer to Note 19.

11(b) Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes

11(c) Date payable

Not applicable

11(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 current financial period reported on.

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 IPTs pursuant to Rule 920 of the Listing Manual of the SGX-ST. During the financial year, there was the following IPT:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under Shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under Shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
United World Shipping Pte Ltd	S\$194,212	Nil

Save for the above, there were no other IPTs, as defined in Chapter 9 of the Listing Manual of the SGX-ST, entered into during the financial year ended 31 March 2016.

- 14 Please disclose the status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use. Where the proceeds have been used for working capital purposes, a breakdown with specific details on how the proceeds have been applied must be disclosed.

In accordance with the "Use of Proceeds and Listing Expenses" section of our IPO prospectus dated 17 October 2012, the net proceeds ("Net Proceeds") have been fully utilised as follows:

Use of Net Proceeds	Allocation of Net Proceeds	Net Proceeds utilised as at 31 March 2016	Balance of Net Proceeds as at 31 March 2016
	S\$'000	S\$'000	S\$'000
Expansion of our operations into Asian and/or other markets	20,000	20,000	-
Expansion of our operations into Malaysia	2,000	2,000	-
General working capital	21,042	21,042	-
	<u>43,042</u>	<u>43,042</u>	<u>-</u>

Breakdown of general working capital

	S\$'000
Inventories	7,778
Trade and other payables	11,497
Income tax	1,767
	<u>21,042</u>

- 15 **Confirmation that the issuer has procured undertakings from all its directors and executive officers**

The Company hereby confirms that it has procured undertakings from all the directors and executive officers under Rule 720(1) of the Listing Manual.

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

Segmental information

Year ended 31 March 2016

	Rigging and lifting S\$'000	Ship chandling S\$'000	Group S\$'000
Revenue			
Sales	79,831	14,710	94,541
Inter-segment sales	(369)	(286)	(655)
Sales to external customers	79,462	14,424	93,886
Profit from operations			
	2,932 ⁽¹⁾	2	2,934
Interest expense			(2,970)
Income tax benefit			179
Unallocated profit from operations			1,105
Profit for the year			1,248
Assets			
Segment assets	200,348	13,439	213,787
Unallocated assets			1,349
Total assets			215,136
Liabilities			
Segment liabilities	100,703	9,211	109,914
Unallocated liabilities			398
Total liabilities			110,312
Other information			
Depreciation and amortisation	3,860	286	4,146
Unallocated depreciation			180
			4,326
Impairment of intangible asset	759	-	759
Impairment of goodwill	2,165	-	2,165
Addition to non-current assets	5,405	7,701	13,106
Unallocated non-current assets			266
			13,372

⁽¹⁾ Profit for the year from rigging and lifting segment includes:

- (i) Reversal of contingent consideration arising from the acquisition of Rigmarine of S\$9.2 million
- (ii) Impairment of goodwill and intangible asset arising from the acquisition of Rigmarine of S\$2.2 million and S\$0.7 million respectively

Year ended 31 March 2015

	Rigging and lifting S\$'000	Ship chandling S\$'000	Group S\$'000
Revenue			
Sales	88,971	22,346	111,317
Inter-segment sales	(459)	(916)	(1,375)
Sales to external customers	88,512	21,430	109,942
Profit from operations			
	7,791	1,815	9,606
Interest expense			(2,067)
Income tax expense			(909)
Unallocated profit from operations			829
Profit for the year			<u>7,459</u>
Assets			
Segment assets	215,603	10,374	225,977
Unallocated assets			2,296
Total assets			<u>228,273</u>
Liabilities			
Segment liabilities	118,009	3,997	122,006
Unallocated liabilities			542
Total liabilities			<u>122,548</u>
Other information			
Depreciation and amortisation	2,996	220	3,216
Unallocated depreciation			42
			<u>3,258</u>
Impairment of goodwill	444	-	444
Addition to non-current assets	21,680	3,022	24,702
Unallocated non-current assets			798
			<u>25,500</u>

Geographical information

Revenue from external customers (based on location of customer)

	Group		
	FY2016 S\$'000	FY2015 S\$'000	Incr/ (decr) %
Singapore	21,781	34,688	(37.2)
Azerbaijan	16,144	14,465	11.6
Other Asia ^{(1) (2)}	30,282	28,392	6.7
Europe ⁽¹⁾	13,587	17,080	(20.5)
Others ⁽¹⁾	12,092	15,317	(21.1)
	<u>93,886</u>	<u>109,942</u>	<u>(14.6)</u>

⁽¹⁾ Revenue from countries in "Other Asia", "Europe" and "Others" includes revenue from customers in countries that individually account for less than 10% of the Group's revenue.

⁽²⁾ Revenue from Other Asia excludes revenue from Singapore.

Non-current assets (based on location of assets)

	Group		
	FY2016 S\$'000	FY2015 S\$'000	Incr/ (decr) %
Singapore	12,658	11,369	11.3
Malaysia	7,462	7,681	(2.9)
Azerbaijan	4,071	4,879	(16.6)
South Korea	3,961	2,935	35.0
Middle East	6,484	6,773	(4.3)
Others	2,477	2,923	(15.3)
	<u>37,113</u>	<u>36,560</u>	<u>1.5</u>

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

The Group typically experiences a fluctuation in revenue contribution from each customer in each financial year due to the project based nature of our business and industry, whereby our customers' projects typically differ in their scope and size, and their occurrence is irregular, resulting in the supply of different products to them on an irregular basis.

Sales to Azerbaijan and Other Asia increased by S\$1.7 million and S\$1.9 million respectively due to the acquisition of Rigmarine in the second quarter of FY2015. Sales to Singapore, Europe and Others decreased by S\$12.9 million, S\$3.5 million and S\$3.2 million respectively mainly due to continued weakness in the oil and gas industry resulting in project delays which affects the demand for our products and services.

18 A breakdown of sales

	Group		
	FY2016 S\$'000	FY2015 S\$'000	Incr/ (decr) %
(a) Sales reported for the first half year	54,539	55,567	(1.9)
(b) Operating (loss) profit after tax reported for the first half year	(451)	5,480	NM
(c) Sales reported for the second half year	39,347	54,375	(27.6)
(d) Operating profit after tax reported for the second half year	1,699	1,979	(14.1)

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

	FY2016	FY2015
Type of Dividend	-	Cash
Dividend per share	-	0.5 cents
Annual Dividend (S\$'000)	-	2,190

20 Disclosure of person occupying a managerial position in the issuer of any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13).

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Teo Sze Han, Jae	33	Daughter of Teo Bee Chiong (Executive Director, CEO and deemed Substantial Shareholder)	Deputy Chief Administrative Officer (DCAO) Primarily responsible for the Group's human resource and information technology functions in addition to driving cross-functional solutions and aligning business processes and controls across the Group. Position held since 5 February 2016	Prior to the appointment as DCAO, her designation was Senior Business Process Manager primarily in charge of streamlining and integrating business processes and controls.
Teo Sze Yao, Jayden	32	Nephew of Teo Bee Chiong (Executive Director, CEO and deemed Substantial Shareholder)	Senior Sales Manager Manages the sales support team and provides sales support. Position held since 2013	NA
Teo Sze Purn, Terry	31	Nephew of Teo Bee Chiong (Executive Director, CEO and deemed Substantial Shareholder)	Operations Manager In charge of operations flow between sales, production, logistics & warehouse and provide technical support. Position held since 2011	NA

BY ORDER OF THE BOARD

DESMOND TEO BEE CHIONG

Executive Director and Chief Executive Officer

27 May 2016