



UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2018

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

CONSOLIDATED INCOME STATEMENT

	Group			Group		
	4th Qtr Ended 31/03/2018	31/03/2017	Incr/ (decr)	Financial Year Ended 31/03/2018	31/03/2017	Incr/ (decr)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	15,521	21,598	(28.1)	67,585	79,658	(15.2)
Cost of sales	(13,050)	(18,841)	(30.7)	(56,433)	(66,353)	(15.0)
Provision for slow moving and aged inventory	(35,497)	(2,271)	NM	(35,490)	(2,271)	NM
Gross (loss) profit	(33,026)	486	NM	(24,338)	11,034	NM
Other income	26	53	(50.9)	207	666	(68.9)
Distribution costs	(1,117)	(1,209)	(7.6)	(4,605)	(4,614)	(0.2)
Administrative expenses	(3,194)	(3,524)	(9.4)	(13,056)	(13,851)	(5.7)
Other operating expenses	(236)	(96)	NM	(608)	-	NM
Other non-recurring expenses	(5,809)	(1,346)	NM	(5,939)	(2,054)	NM
Finance cost	(1,011)	(673)	50.2	(2,943)	(2,782)	5.8
Loss before income tax	(44,367)	(6,309)	NM	(51,282)	(11,601)	NM
Income tax (expense) benefit	(93)	77	NM	(312)	199	NM
Loss for the period	(44,460)	(6,232)	NM	(51,594)	(11,402)	NM
Loss attributable to:						
Owners of the Company	(44,436)	(6,277)	NM	(51,575)	(11,355)	NM
Non-controlling interests	(24)	45	NM	(19)	(47)	(59.6)
	(44,460)	(6,232)	NM	(51,594)	(11,402)	NM
<u>Include non-recurring expenses and provision for slow moving and aged inventory</u>						
Gross (loss) profit margin	-212.8%	2.3%	NM	-36.0%	13.9%	NM
Net loss margin	-286.5%	-28.9%	NM	-76.3%	-14.3%	NM
EBITDA ⁽¹⁾ (S\$'000)	(41,510)	(4,514)	NM	(43,014)	(4,163)	NM
EBITDA margin	-267.4%	-20.9%	NM	-63.6%	-5.2%	NM
<u>Exclude non-recurring expenses and provision for slow moving and aged inventory</u>						
Gross profit margin	15.9%	12.8%	24.2	16.5%	16.7%	(1.2)
Net loss margin	-20.3%	-12.1%	67.8	-15.0%	-8.9%	68.5
EBITDA ⁽¹⁾ (S\$'000)	(204)	(897)	(77.3)	(1,585)	162	NM
EBITDA margin	-1.3%	-4.2%	(69.0)	-2.3%	0.2%	NM

⁽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)
	31/03/2018	31/03/2017		31/03/2018	31/03/2017	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Loss for the period / year	(44,460)	(6,232)	NM	(51,594)	(11,402)	NM
Other comprehensive loss						
Items that may be reclassified subsequently to profit or loss:						
Translation (loss) gain arising on consolidation	(140)	(681)	(79.4)	(761)	508	NM
Other comprehensive (loss) income for the period, net of tax	(140)	(681)	(79.4)	(761)	508	NM
Total comprehensive loss for the period / year	(44,600)	(6,913)	NM	(52,355)	(10,894)	NM
Total comprehensive loss attributable to:						
Owners of the Company	(44,577)	(6,959)	NM	(52,335)	(10,847)	NM
Non-controlling interests	(23)	46	NM	(20)	(47)	(57.4)
	(44,600)	(6,913)	NM	(52,355)	(10,894)	NM

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

	Group			Group		
	4th Qtr Ended		Incr/ (decr) %	Financial Year Ended		Incr/ (decr) %
	31/03/2018	31/03/2017		31/03/2018	31/03/2017	
	S\$'000	S\$'000		S\$'000	S\$'000	
Doubtful trade receivables recovered	-	-	NM	(98)	(59)	66.1
Gain on disposal of property, plant and equipment ("PPE")	-	(18)	(100.0)	-	(157)	NM
Depreciation	1,730	1,052	64.4	4,849	3,989	21.6
Amortisation of intangible assets	116	70	65.7	476	667	(28.6)
Foreign exchange loss (gain)	236	96	NM	608	(308)	NM
Loss on disposal of club membership	-	-	NM	-	40	(100.0)
Interest income	(1)	(1)	-	(4)	(4)	-
Interest expense	1,011	673	50.2	2,943	2,782	5.8
Provision for slow moving and aged inventory	35,497	2,271	NM	35,490	2,271	NM
<u>Other expenses - non-recurring:</u>						
Intangible asset written off	1,972	722	NM	1,972	722	NM
Loss on disposal of property, plant and equipment ("PPE")	1,225	62	NM	1,311	-	NM
Trade receivables written off	256	66	NM	300	87	NM
Other receivables written off	-	95	(100.0)	-	95	(100.0)
Allowance for doubtful trade receivables	131	401	(67.3)	131	1,150	(88.6)
PPE written off	238	-	NM	238	-	NM
Provision for cancellation of contracts	442	-	NM	442	-	NM
Restructuring cost	1,545	-	NM	1,545	-	NM
	<u>5,809</u>	<u>1,346</u>		<u>5,939</u>	<u>2,054</u>	

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	
	31/03/2018 S\$'000	31/03/2017 S\$'000	31/03/2018 S\$'000	31/03/2017 S\$'000
<u>ASSETS</u>				
Current assets				
Cash and cash equivalents	57,795	6,602	52,117	35
Trade receivables	11,421	21,173	3,112	3,487
Other receivables	952	2,118	61,671	44,163
Income tax receivables	120	101	-	-
Inventories	79,881	127,924	-	-
Total current assets	150,169	157,918	116,900	47,685
Non-current assets				
Property, plant and equipment	32,161	35,523	408	604
Intangible assets	-	2,566	-	-
Other receivables	2	151	-	-
Deferred tax assets	85	266	-	-
Subsidiary corporations	-	-	6,019	6,019
Total non-current assets	32,248	38,506	6,427	6,623
Total assets	182,417	196,424	123,327	54,308
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade payables	6,060	10,027	-	-
Other payables	7,975	7,554	1,439	188
Provision	902	-	494	-
Current portion of bank borrowings	8,895	77,879	-	-
Current portion of finance leases	594	664	4	5
Income tax payable	58	234	-	-
Total current liabilities	24,484	96,358	1,937	193
Non-current liabilities				
Bank borrowings	48,159	5,093	-	-
Finance leases	348	908	-	4
Deferred tax liabilities	29	135	9	101
Total non-current liabilities	48,536	6,136	9	105
Total liabilities	73,020	102,494	1,946	298
Net assets	109,397	93,930	121,381	54,010
Capital, reserves and non-controlling interests				
Share capital	118,340	50,587	118,340	50,587
Retained earnings	(9,745)	41,830	3,041	3,423
Translation reserve	719	1,479	-	-
Equity attributable to owners of the Company	109,314	93,896	121,381	54,010
Non-controlling interests	83	34	-	-
Total equity	109,397	93,930	121,381	54,010
Total liabilities and equity	182,417	196,424	123,327	54,308

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

	31/03/2018		31/03/2017	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Term loans	-	13	45,208	5,671
Short term loans	-	2,600	8,200	8,040
Bank bills payable	91	6,125	-	9,589
Finance leases	594	-	664	-
Overdrafts	66	-	690	481
	<u>751</u>	<u>8,738</u>	<u>54,762</u>	<u>23,781</u>

Amount repayable after one year

	31/03/2018		31/03/2017	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Term loans	46,659	1,500	5,093	-
Finance leases	348	-	908	-
	<u>47,007</u>	<u>1,500</u>	<u>6,001</u>	<u>-</u>

Details of any collaterals

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

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	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Loss before income tax	(44,367)	(6,309)	(51,282)	(11,601)
Adjustments for :				
Interest expense	721	673	2,653	2,782
Interest income	(1)	(1)	(4)	(4)
Depreciation	1,730	1,052	4,849	3,989
Amortisation of intangible assets	116	70	476	667
Allowance for doubtful trade receivables	131	401	131	1,150
Doubtful trade receivables recovered	-	-	(98)	(59)
Trade receivables written off	256	66	300	87
Other receivables written off	-	95	-	95
Loss (gain) on disposal of PPE	1,225	84	1,311	(157)
PPE written off	238	-	238	-
Provision for cancellation of contracts	442	-	442	-
Loss on disposal of club membership	-	-	-	40
Intangible asset written off	1,972	722	1,972	722
Net foreign exchange gain - unrealised	(11)	(211)	(25)	(209)
Provision for slow moving and aged inventory	35,497	2,271	35,490	2,271
Operating cash flows before movements in working capital	(2,051)	(1,087)	(3,547)	(227)
Trade receivables	(920)	(3,206)	8,950	(528)
Other receivables and prepayments	205	905	989	1,557
Inventories	2,827	5,377	10,229	16,456
Trade payables	(378)	2,252	(3,677)	932
Other payables	915	(120)	361	(23)
Provision	902	-	902	-
Bank bills payable	(2,504)	(521)	(3,358)	(4,966)
Cash (used in) generated from operations	(1,004)	3,600	10,849	13,201
Interest paid for bank bills	(101)	(99)	(365)	(550)
Interest received	1	1	4	4
Income tax (paid) refund	(20)	(34)	(437)	250
Net cash (used in) from operating activities	(1,124)	3,468	10,051	12,905
Investing activities				
Proceeds on disposal of PPE	-	-	273	2,461
Purchases of PPE	(141)	(643)	(1,951)	(4,860)
Net cash used in investing activities	(141)	(643)	(1,678)	(2,399)
Financing activities				
Proceeds from loan from a related party	-	-	500	1,500
Interest paid for other borrowings	(589)	(585)	(2,257)	(2,333)
Repayment of obligations under finance leases	(177)	(93)	(702)	(961)
New bank loans obtained	-	4,969	-	11,341
Repayment of bank loans	(10,331)	(4,589)	(21,258)	(18,821)
Proceeds from issue of shares of the Company	68,000	-	68,000	-
Payment of share issue expenses	(119)	-	(119)	-
Transaction costs for loans	(150)	(12)	(185)	(112)
Contribution from a non-controlling interest	-	-	69	-
Restricted cash	(190)	-	(190)	-
Net cash from (used in) financing activities	56,444	(310)	43,858	(9,386)
Net increase in cash and cash equivalents	55,179	2,515	52,231	1,120
Effect of exchange rate changes on cash and cash equivalents	(30)	(34)	(123)	59
Cash and cash equivalents at beginning of the period / year	2,390	2,950	5,431	4,252
Cash and cash equivalents at end of the period / year	57,539	5,431	57,539	5,431
Cash and cash equivalents comprise the following:				
Cash and bank balances	57,795	6,602	57,795	6,602
Restricted cash	(190)	-	(190)	-
Bank overdraft	(66)	(1,171)	(66)	(1,171)
	57,539	5,431	57,539	5,431

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 owners of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>Group</u>						
At 1 April 2017	50,587	41,830	1,479	93,896	34	93,930
Total comprehensive loss for the year						
Loss for the year	-	(51,575)	-	(51,575)	(19)	(51,594)
Other comprehensive loss for the year	-	-	(760)	(760)	(1)	(761)
Total	-	(51,575)	(760)	(52,335)	(20)	(52,355)
Transactions with owners, recognised directly in equity						
Issuance of shares	67,753	-	-	67,753	-	67,753
Contribution from a non-controlling interest	-	-	-	-	69	69
At 31 March 2018	118,340	(9,745)	719	109,314	83	109,397
At 1 April 2016	50,587	53,185	971	104,743	81	104,824
Total comprehensive loss for the year						
Loss for the year	-	(11,355)	-	(11,355)	(47)	(11,402)
Other comprehensive income for the year	-	-	508	508	-	508
Total	-	(11,355)	508	(10,847)	(47)	(10,894)
At 31 March 2017	50,587	41,830	1,479	93,896	34	93,930
<u>Company</u>						
At 1 April 2017	50,587	3,423	-	54,010	-	54,010
Loss for the year, representing total comprehensive loss for the year	-	(382)	-	(382)	-	(382)
Transactions with owners, recognised directly in equity						
Issuance of shares	67,753	-	-	67,753	-	67,753
At 31 March 2018	118,340	3,041	-	121,381	-	121,381
At 1 April 2016	50,587	2,222	-	52,809	-	52,809
Profit for the year, representing total comprehensive income for the year	-	1,201	-	1,201	-	1,201
At 31 March 2017	50,587	3,423	-	54,010	-	54,010

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

	Number of shares (S\$'000)	Issued and paid-up share capital (S\$'000)
Issued and paid-up shares as at 13 March 2018	438,000	50,587
Issue of new shares to PeakBayou	1,360,000	67,753
Total as at 31 March 2018	1,798,000	118,340

There were no outstanding convertibles which may be converted to shares. There were no treasury shares and subsidiary holdings 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

	31/03/2018	31/03/2017
The total number of issued shares excluding treasury shares.	1,798,000,000	438,000,000

1(d)(iv) A statement showing all sales, transfers, 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.

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

As at 31 March 2018, there were no sales, transfers, cancellation and / or use of subsidiary holdings.

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

Except as disclosed in paragraph 5, 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 financial year ended 31 March 2017 as well as all the applicable Singapore Financial Reporting Standards ("FRSs") which became effective for the financial year beginning on or after 1 April 2017. In current financial year, management team has engaged new professional valuer and consultant to assist in conducting a review of the Company's operation, which includes a review of the inventory valuation process based on supplier's pricing, market demand and obsolescence. The reviewed ensured that inventory value is reflective of market sentiment while ensuring consistency in the application of the Group's accounting policies and practices.

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

On 1 April 2017, the Group adopted the following new/revised FRSs that are effective from that date and are relevant to its operations:-

- Amendments to FRS 7 *Statement of Cash Flows: Disclosure Initiative*
- Amendments to FRS 12 *Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses*

The adoption of the above amendments to FRSs did not have any significant impact on the financial statements of the Group.

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	31/03/2017	Financial Year Ended	31/03/2017
	31/03/2018	31/03/2017	31/03/2018	31/03/2017
Net loss after tax attributable to owners of the Company (S\$'000)	(44,436)	(6,277)	(51,575)	(11,355)
Weighted average number of ordinary shares for calculation of ('000):				
- Basic earnings per share	725,111	438,000	508,795	438,000
- Diluted earnings per share	725,111	438,000	508,795	438,000
Earnings per share ("EPS") (cents/share)				
(a) Based on weighted average number of ordinary shares	-6.13	-1.43	-10.14	-2.59
(b) On a fully diluted basis	-6.13	-1.43	-10.14	-2.59

The Company has no dilutive equity instruments as at 31 March 2018.

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	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017
Net asset value attributable to shareholders of the Company (S\$'000)	109,314	93,896	121,381	54,010
Number of ordinary shares ('000)	1,798,000	438,000	1,798,000	438,000
Net asset value per ordinary share (cents)	6.08	21.44	6.75	12.33

8. Review of the Group's performance

Revenue

12M FY2018 vs 12M FY2017

For the twelve months ended 31 March 2018 ("12M FY2018"), the Group's revenue was S\$67.6 million with a decrease of S\$12.1 million or 15.2% compared to S\$79.7 million for the corresponding period ended 31 March 2017 ("12M FY2017"). The revenue generated from rigging and lifting and ship chandling in 12M FY2018 was S\$52.1 million and S\$15.5 million respectively compared to 12M FY2017 of S\$65.5 million and S\$14.2 million respectively. The decrease was mainly due to a decline by S\$13.4 million in the rigging and lifting segment from the downturn of oil and gas ("O&G") industry offset by an increase of S\$1.3 million in the ship chandling segment.

4Q FY2018 vs 4Q FY2017

For the fourth quarter ended 31 March 2018 ("4Q FY2018"), the Group's revenue was S\$15.5 million, 28.1% lower than S\$21.6 million in the fourth quarter ended 31 March 2017 ("4Q FY2017"). The revenue generated from rigging and lifting and ship chandling in 4Q FY2018 was S\$11.9 million and S\$3.6 million respectively compared to 4Q FY2017 of S\$17.7 million and S\$3.9 million respectively. The decrease was mainly due to a drop of S\$5.8 million in the rigging and lifting segment and slight decrease of S\$0.3 million in the ship chandling segment.

Gross profit

	4th Qtr Ended		Financial Year Ended	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017
Revenue	15,521	21,598	67,585	79,658
Cost of sales	(13,050)	(18,841)	(56,433)	(66,353)
Gross profit (exclude provision for slow moving and aged inventory)	2,471	2,757	11,152	13,305
Gross profit margin (exclude provision for slow moving and aged inventory)	15.9%	12.8%	16.5%	16.7%
Provision for slow moving and aged inventory	(35,497)	(2,271)	(35,490)	(2,271)
Gross (loss) profit	(33,026)	486	(24,338)	11,034
Gross (loss) profit margin	(212.8%)	2.3%	(36.0%)	13.9%

12M FY2018 vs 12M FY2017

Gross profit decreased by S\$35.3 million from gross profit of S\$11.0 million in 12M FY2017 to gross loss of S\$24.3 million in 12M FY2018 mainly attributed by provision for slow moving and aged inventory by S\$35.5 million in 12M FY2018 (compared to S\$2.3 million in 12M FY2017) resulting to inventory level of S\$79.9 million in view of downturn of oil & gas industry. The management has engaged professional valuers to review the net realisable value of the inventories based on suppliers' pricing, market demand and obsolescence. Excluding the provision for slow moving and aged inventory impact for both financial year end, the corresponding gross profit margin remains constant of 16.5% compared to 16.7% in 12M FY2017.

4Q FY2018 vs 4Q FY2017

For 4Q FY2018, the gross profit decreased by S\$33.5 million from gross profit of S\$0.5 million to gross loss of S\$33.0 million mainly due to provision for slow moving and aged inventory by S\$35.5 million in 4Q FY2018 compared to S\$2.3 million in 4Q FY2017. Excluding the provision for slow moving and aged inventory impact for both financial year end, the corresponding gross profit margin increased from 12.8% to 15.9%.

Other income

12M FY2018 vs 12M FY2017

Other income decreased by S\$0.5 million in 12M FY2018 compared to 12M FY2017 mainly due to (i) reclassification of a foreign exchange gain of S\$0.4 million in 12M FY2017 to a foreign exchange loss of S\$0.6 million in 12M FY2018, and (ii) reclassification of a gain on disposal of PPE of S\$0.2 million in 12M FY2017 to a loss on disposal of PPE of S\$1.3 million in 12M FY2018.

4Q FY2018 vs 4Q FY2017

Other income in 4Q FY2018 did not vary significantly from that of 4Q FY2017.

Distribution costs

12M FY2018 vs 12M FY2017

Distribution costs in 12M FY2018 did not vary significantly from that of 12M FY2017.

4Q FY2018 vs 4Q FY2017

Distribution costs decreased by S\$0.1 million or 7.6% in 4Q FY2018 compared to 4Q FY2017 mainly due to a decrease in marketing related expense of S\$0.1 million.

Administrative expenses

12M FY2018 vs 12M FY2017

Administrative expenses decreased by S\$0.8 million or 5.7% in 12M FY2018 compared to 12M FY2017 mainly due to: (i) a decrease in bank charges by S\$0.3 million mainly due to reclass of facility fees to finance costs, (ii) a decrease in depreciation by S\$0.2 million, (iii) write off of intangible assets in 12M FY2017 resulting to lower amortisation of intangible of S\$0.2 million and (iv) a decrease in staff related expenses of S\$0.2 million. This is in line with the Group's cost control measures.

4Q FY2018 vs 4Q FY2017

Administrative expenses decreased by S\$0.3 million or 9.4% for 4Q FY2018 compared to 4Q FY2017 mainly due to: (i) a decrease in bank charges of S\$0.2 million mainly due to reclass of facility fees to finance costs, (ii) a decrease in professional fees of S\$0.1 million and (iii) a decrease in staff related expenses of S\$0.1 million and (iv) a decrease in travelling expenses of S\$0.1 million; offset by increase in depreciation of S\$0.2 million. This is in line with the Group's cost control measures.

Other non-recurring expenses

12M FY2018 vs 12M FY2017

Other non-recurring expenses in 12M FY2018 increased by S\$3.9 million compared to 12M FY2017 mainly due to: (i) one-off restructuring cost of S\$1.5 million related to share placement on 13 March 2018, (ii) an increase in intangible assets written off by S\$1.3 million compared to 12M FY2017 together with loss on disposal of PPE of S\$1.3 million by one of the subsidiary, and (iv) PPE written off and provision for cancellation of contracts amounting to S\$0.7 million; offset by a decrease in allowance for doubtful debts of S\$1.0 million.

Breakdown of restructuring cost:

Consultancy fees	505
Interim Accounting Services	147
Recruitment fees	399
Severance package	<u>494</u>
	<u>1,545</u>

4Q FY2018 vs 4Q FY2017

Other non-recurring expenses in 4Q FY2018 increased by S\$4.5 million compared to 4Q FY2017 mainly due to: (i) one-off restructuring cost of S\$1.5 million related to share placement in March 2018, (ii) an increase in intangible assets written off by S\$1.3 million compared to 4Q FY2017 together with loss on disposal of PPE of S\$1.3 million by one of the subsidiary, (iv) PPE written off and provision for cancellation of contracts amounting to S\$0.7 million; offset by decrease in allowance for doubtful debts by S\$0.3 million.

Finance cost

12M FY2018 vs 12M FY2017

Finance cost in 12M FY2018 increased by S\$0.2 million compared to 12M FY2017 mainly due to reclass and additional bank facility fees of S\$0.3 million arising from restructuring of bank facility, offset by lower interest of S\$0.1 million due to repayment of bank borrowings.

4Q FY2018 vs 4Q FY2017

Finance cost in 4Q FY2018 increased by S\$0.3 million compared to 4Q FY2017 mainly due to bank facility fees of S\$0.3 million reclass from administrative expenses which arise from restructuring of bank facility.

Loss before income tax

As a result of the above reasons, loss before income tax was S\$51.3 million for 12M FY2018.

Should the provision of slow moving and aged inventory and non-recurring expenses be excluded, the loss before income tax was S\$9.9 million in 12M FY 2018 as compared to a loss of S\$7.3 million in 12M FY 2017.

Review of statement of financial position and cash flows

Current assets

The current assets decreased by S\$7.7 million from S\$157.9 million as at 31 March 2017 to S\$150.2 million as at 31 March 2018. The decrease was mainly due to: (i) an increase in cash and cash equivalents by S\$51.2 million to S\$57.8 million which arise from the proceeds from issuance of shares of S\$68.0 million, offset by (i) a decline in inventories by S\$48.0 million due to inventory sales of S\$12.5 million during normal course of business and provision for slow moving and aged inventory by S\$35.5 million, (ii) a decline in trade receivables by S\$9.8 million due to lower sales in 12M FY2018, and (iii) a decrease in other receivables by S\$1.2 million mainly due to collection of remaining profit guarantee monies arise from the acquisition of LV Yang and VAT claim from UK entity. The injection of cash from the new investors has improved the financial stability for the Group.

Non-current assets

The non-current assets decreased by S\$6.3 million from S\$38.5 million as at 31 March 2017 to S\$32.2 million as at 31 March 2018. The decrease was mainly due to: (i) a drop in PPE by S\$3.4 million (mainly due to depreciation of S\$4.9 million in 12M FY2018 and disposal of PPE with net book value of S\$2.3 million offset by additions of PPE of S\$3.8 million), and (ii) amortisation of intangible assets of S\$0.5 million and intangible assets written off of S\$2.0 million.

Current liabilities

The current liabilities decreased by S\$72.0 million from S\$96.4 million as at 31 March 2017 to S\$24.4 million as at 31 March 2018. The decrease was mainly due to (i) reclass of bank borrowings of S\$43.1 to non-current (ii) repayment of bank borrowings and related interest of S\$25.9 million (total bank borrowings has been reduced from S\$83.0 million in FY2017 to S\$57.1 million in FY2018) and (iii) expedite paid off to suppliers by S\$4.0 million, offset by increase in accrual and provision of one-time restructuring expenses of S\$1.3 million and during shares placement on 13 March 2018. The repayment of bank borrowings and suppliers mainly contributed from the investor's capital injection.

Non-current liabilities

Non-current liabilities increased by S\$42.4 million from S\$6.1 million as at 31 March 2017 to S\$48.5 million as at 31 March 2018 mainly due to reclass of bank borrowings of S\$43.1 from current liabilities offset by repayment of finance lease of S\$0.6 million.

Capital, reserves and non-controlling interests

The increase in shareholder's equity of S\$15.4 million was mainly due to increase in share capital of S\$67.7 million offset by loss of S\$51.6 million during the period and decrease in translation reserve of S\$0.7 million.

Cash Flows

12M FY2018 ended 31 March 2018

Net cash from operating activities

In 12M FY2018, we have operating cash outflows of S\$3.5 million from operating activities before changes in working capital.

Our net working capital inflow amounted to S\$14.4 million. This was mainly due to: (i) a decrease in trade receivables by S\$9.0 million corresponds with lower sales (ii) decrease in inventories by S\$10.2 million, (iii) a decrease in other receivables by S\$1.0 million, and (iv) an increase in provision and other payables by S\$1.3 million, offset by (i) a decrease in trade payable by S\$3.7 million, (ii) bank bills paid off of S\$3.4 million.

We paid interest for bank bills of S\$0.3 million and income tax paid of S\$0.4 million.

Overall, our net cash generated from operating activities amounted to S\$10.1 million.

Net cash used in investing activities

Net cash used in investing activities amounted to S\$1.7 million in 12M FY2018 mainly due to the purchased of PPE amounting S\$2.0 million offset by proceeds on disposal of PPE of S\$0.3 million by one of the subsidiary.

Net cash generated from financing activities

Net cash generated from financing activities amounted to S\$43.9 million in 12M FY2018. This was mainly due to: (i) proceed from issuance of shares of S\$68.0 million, (ii) proceeds from loan from a related party of S\$0.5 million; offset by (i) the repayment of bank borrowings and related interest of S\$23.7 million, (ii) the repayment of obligations under finance leases of S\$0.7 million, (iii) restricted cash of S\$0.2 million due to covenant agreement with bank and (iv) payment of share issue expenses of S\$0.1 million.

4Q FY2018 ended 31 March 2018

Net cash from operating activities

In 4Q FY2018, we have operating cash outflows of S\$2.1 million from operating activities before changes in working capital.

Our net working capital inflow amounted to S\$1.0 million. This was mainly due to: (i) a decrease in inventories by S\$2.8 million, (ii) an increase in provision and accrual of S\$1.4 million from one-off restructuring expense from share placement and S\$0.4 million from provision for cancellation of contract, and (iii) a decrease in other receivables by S\$0.2 million, offset by (i) bank bills paid off of S\$2.5 million, (ii) an increase in trade receivables by S\$0.9 million, and (iii) a decrease in trade payables by S\$0.4 million.

We paid interest for bank bills of S\$0.1 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\$0.1 million in 4Q FY2018 mainly due to the purchase of PPE of S\$0.1 million by one of the subsidiary.

Net cash generated from financing activities

Net cash generated from financing activities amounted to S\$56.4 million in 4Q FY2018. This was mainly due to proceeds from issuance of shares of S\$68.0 million, offset by (i) the repayment of bank borrowings and related interest of S\$11.1 million, (ii) the repayment of obligations under finance leases of S\$0.2 million (iii) restricted cash of S\$0.2 million due to covenant agreement with bank, and (iv) payment of share issue expenses 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

Low oil prices and the concomitant reduced activity by major customers continued to weigh on Gaylin in FY18. These industry dynamics have been evident since 2015 and severally effected many industry players.

Over the past few months Gaylin has announced significant financial and corporate actions to enhance financial stability and strengthen operational competitiveness.

On 13 March 2018, Gaylin received a S\$68.0 million equity investment from PeakBayou Limited, an investment company managed by ShawKwei & Partners. In addition, Gaylin also completed a debt restructuring program extending the maturity of its bank debt. As a result of the new equity injection and debt restructuring, at 31st March 2018 the cash balance was S\$57.8 million, while short-term debt decreased to S\$8.9 million, and long-term debt increased to S\$48.2 million. Importantly, Gaylin's net cash (Cash minus Total Debt) was S\$0.7 million at 31st March 2018, the first positive balance since 2012.

During April 2018, Perry Kennedy joined Gaylin as the new CEO and during March 2018, James Parsons joined as the new Global Managing Director. Since joining, they have undertaken a comprehensive review and subsequent actions to establish a firm foundation for Gaylin's future, including:

- Completed group-wide asset rationalization, resulting in S\$35.5 million provision for slow moving and aged inventory. The inventory provision will reset Gaylin's inventory cost base and allow Gaylin to be more competitive in pricing. Increasing sales and repositioning of inventory will also allow for a reduction in required real estate for warehousing and storage;
- Expensed in FY2018 non-recurring and restructuring related costs of S\$6.0 million to eliminate redundancies and unnecessary non-core expenses;
- Announced the proposed acquisition of Amos International Holdings Pte. Ltd. Amos and its subsidiaries are principally engaged in the provision of supplies, services and logistics solutions to the maritime fleet and offshore oil & gas operators and can bring much larger scale effects to Gaylin's already successful ship chandling business; and,
- Initiated strategies to revitalize and grow Gaylin's businesses across 10 operations located throughout Asia, Middle East, and Europe.

The per barrel oil price has risen since 2015 from below US\$30 to around US\$75 and Gaylin share in the increasing mood of optimism now evident across the global oilfield services market. The new equity investment, the debt restructuring, and the new management team will provide financial stability, improve market competitiveness, and strengthen Gaylin's abilities in its major markets.

11. Dividend

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

Nil

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

No

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

Not applicable.

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

Not applicable as no IPT mandate has been obtained.

14 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.

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

Segmental information

Year ended 31 March 2018

	Rigging and lifting S\$'000	Ship chandling S\$'000	Group S\$'000
Revenue			
Sales	52,430	15,677	68,107
Inter-segment sales	(300)	(222)	(522)
Sales to external customers	52,130	15,455	67,585
(Loss) profit from operations			
Other non-recurring expenses	(4,390) ⁽¹⁾	(4)	(4,394)
Restructuring cost	-	-	(1,545)
Provision for slow moving and aged inventory	(35,490)	-	(35,490)
Interest expense			(2,653)
Income tax expense			(312)
Unallocated loss from operations			(2,018)
Loss for the year			<u>(51,594)</u>
Assets			
Segment assets	117,613	12,162	129,775
Unallocated assets			52,642
Total assets			<u>182,417</u>
Liabilities			
Segment liabilities	65,197	5,877	71,074
Unallocated liabilities			1,946
Total liabilities			<u>73,020</u>
Other information			
Depreciation and amortisation	(4,592)	(530)	(5,122)
Unallocated depreciation			(203)
			<u>(5,325)</u>
Other non-recurring expenses			
Intangible asset written off	(1,972)	-	(1,972)
Loss on disposal of PPE	(1,307)	(4)	(1,311)
Trade receivables written off	(300)	-	(300)
Allowance for doubtful trade receivables	(131)	-	(131)
PPE written off	(238)	-	(238)
Provision for cancellation of contracts	(442)	-	(442)
	(4,390)	(4)	(4,394)
Restructuring cost	-	-	(1,545)
Total other non-recurring expenses	(4,390)	(4)	(5,939)
Provision for slow moving and aged inventory	(35,490)	-	(35,490)
Addition to non-current assets	1,999	9	2,008
Unallocated non-current assets			7
			<u>2,015</u>

⁽¹⁾ (Loss) profit for the year from rigging and lifting segment includes:
Impairment of intangible asset arising from the acquisition of Rigmarine of S\$2.0 million

Year ended 31 March 2017

	Rigging and lifting S\$'000	Ship chandling S\$'000	Group S\$'000
Revenue			
Sales	65,784	14,274	80,058
Inter-segment sales	(279)	(121)	(400)
Sales to external customers	65,505	14,153	79,658
(Loss) profit from operations			
Other non-recurring expenses	(2,023) ⁽¹⁾	(31)	(2,054)
Provision for slow moving and aged inventory	(2,271)	-	(2,271)
Interest expense			(2,782)
Income tax benefit			199
Unallocated profit from operations			1,465
Loss for the year			<u>(11,402)</u>
Assets			
Segment assets	182,336	13,214	195,550
Unallocated assets			874
Total assets			<u>196,424</u>
Liabilities			
Segment liabilities	91,564	10,631	102,195
Unallocated liabilities			299
Total liabilities			<u>102,494</u>
Other information			
Depreciation and amortisation	(3,869)	(563)	(4,432)
Unallocated depreciation			(224)
			<u>(4,656)</u>
Other non-recurring expenses			
Intangible asset written off	(722)	-	(722)
Trade receivables written off	(87)		(87)
Other receivables written off	(93)	(2)	(95)
Allowance for doubtful trade receivables	(1,121)	(29)	(1,150)
	<u>(2,023)</u>	<u>(31)</u>	<u>(2,054)</u>
Provision for slow moving and aged inventory	(2,271)	-	(2,271)
Addition to non-current assets	4,773	1,428	6,201
Unallocated non-current assets			2
			<u>6,203</u>

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

Geographical information

Revenue from external customers
(based on location of customer)

	Group		
	FY2018 S\$'000	FY2017 S\$'000	Incr/ (decr) %
Singapore	14,197	15,428	(8.0)
Azerbaijan	9,234	13,549	(31.8)
France	4,146	8,119	(48.9)
Other Asia ^{(1) (2)}	23,214	24,861	(6.6)
Europe ⁽¹⁾	7,275	11,464	(36.5)
Others ⁽¹⁾	9,519	6,237	52.6
	<u>67,585</u>	<u>79,658</u>	<u>(15.2)</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		
	FY2018 S\$'000	FY2017 S\$'000	Incr/ (decr) %
Singapore	10,385	11,293	(8.0)
Malaysia	6,552	7,353	(10.9)
Azerbaijan	685	3,085	(77.8)
South Korea	7,380	7,743	(4.7)
Middle East	3,589	5,099	(29.6)
Others	3,572	3,667	(2.6)
	<u>32,163</u>	<u>38,240</u>	<u>(15.9)</u>

16 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 France decreased by S\$4.0 million due to a decrease in projects and orders from customers. Sales to Azerbaijan, Europe, Other Asia, and Singapore decreased by S\$4.3 million, S\$4.2 million, S\$1.6 million and S\$1.2 million respectively mainly due to a drop in demand from customers in these regions.

17 A breakdown of sales

	FY2018 S\$'000	FY2017 S\$'000	Incr/ (decr) %
(a) Sales reported for the first half year	37,461	38,954	(3.8)
(b) Operating (loss) profit after tax reported for the first half year	(4,556)	(3,036)	50.1
(c) Sales reported for the second half year	30,124	40,704	(26.0)
(d) Operating (loss) profit after tax reported for the second half year	(47,038)	(8,366)	462.3

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

	FY2018	FY2017
Type of Dividend	-	-
Dividend per share	-	-
Annual Dividend (S\$'000)	-	-

19 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 as at 31 March 2018	Details of changes in duties and position held, if any, during the year
Teo Sze Han, Jae	35	Daughter of Teo Bee Chiong (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	NA
Teo Sze Purn, Terry	33	Nephew of Teo Bee Chiong (Deemed Substantial Shareholder)	Operations Manager In charge of operations flow between sales, production, logistics & warehouse and provide technical support. Position held since 2011	NA

* Please be informed that Keh Swee Investment Pte Ltd has ceased to be substantial shareholder on 11 May 2018, thus Mr Teo Bee Chiong has ceased to be deemed as substantial shareholder on 11 May 2018.

BY ORDER OF THE BOARD

KYLE ARNOLD SHAW, JR

Chairman

28 May 2018