

COSMOSTEEL HOLDINGS LIMITED
Co. Reg. No. 200515540Z

FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

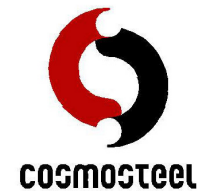
1(a)(i) A consolidated statement of comprehensive income together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group					
	<u>4QFY2016</u>	<u>4QFY2015</u>	%	<u>1-Oct-15</u>	<u>1-Oct-14</u>	%
	S\$'000	S\$'000	+ / (-)	<u>30-Sep-16</u>	<u>30-Sep-15</u>	S\$'000
Revenue	13,492	24,218	(44.3)	68,757	109,903	(37.4)
Cost of sales	(10,915)	(19,862)	(45.0)	(53,827)	(90,339)	(40.4)
Gross profit	2,577	4,356	(40.8)	14,930	19,564	(23.7)
Financial income	9	4	125.0	55	15	266.7
Financial expense	(114)	(266)	(57.1)	(673)	(1,359)	(50.5)
Distribution costs	(1,411)	(1,551)	(9.0)	(6,137)	(8,145)	(24.7)
Administrative expenses	(1,714)	(1,883)	(9.0)	(7,161)	(7,606)	(5.9)
Depreciation expense	(1,494)	(1,337)	11.7	(5,609)	(4,434)	26.5
Other (charges)/credits	(5,773)	1,140	(606.4)	(4,206)	603	(797.5)
(Loss)/Profit before income tax	(7,920)	463	(1,810.6)	(8,801)	(1,362)	546.2
Income tax income	1,322	560	136.1	1,226	478	156.5
(Loss)/Profit for the period	(6,598)	1,023	(745.0)	(7,575)	(884)	756.9
Other Comprehensive Income:						
Items that will not be reclassified to profit or loss:						
Gains on property revaluation, net of tax	1,679	3,311	(49.3)	1,679	3,311	(49.3)
Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translating foreign operations, net of tax	(37)	44	(184.1)	(27)	180	(115.0)
Available-for-sale financial assets, net of tax	(38)	-	NM	(38)	-	NM
Other Comprehensive Income for the period, net of tax	1,604	3,355	(52.2)	1,614	3,491	(53.8)
Total Comprehensive (Loss)/Income for the period, net of tax	(4,994)	4,378	(214.1)	(5,961)	2,607	(328.7)

NM: Not meaningful

1(a)(ii) The consolidated statement of comprehensive income is arrived after crediting / (charging) the following:

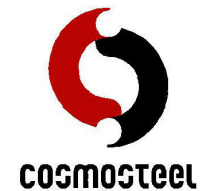
	Group			
	<u>4QFY2016</u>	<u>4QFY2015</u>	<u>1-Oct-15</u>	<u>1-Oct-14</u>
	S\$'000	S\$'000	<u>30-Sep-16</u>	<u>30-Sep-15</u>
Reversal/(Allowance) for impairment on trade receivables	17	(4)	5	177
(Allowance)/Reversal for slow-moving inventories and decline in net realisable values	(5,978)	689	(4,158)	(83)
Bad debts (written off)/recovered	(79)	135	(58)	162
Foreign exchange gain/(loss)	246	94	56	96
(Loss)/Gain on disposal of plant and equipment	-	-	(2)	4
Interest on borrowings	(114)	(266)	(673)	(1,359)



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1(b)(i) Statements of financial position together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	<u>As at</u> <u>30/09/16</u> S\$'000	<u>As at</u> <u>30/09/15</u> S\$'000	<u>As at</u> <u>30/09/16</u> S\$'000	<u>As at</u> <u>30/09/15</u> S\$'000
<u>ASSETS</u>				
<u>Non-Current Assets</u>				
Property, Plant and Equipment	28,361	30,863	-	-
Investments in Subsidiaries	-	-	60,107	60,107
Trade and Other Receivables	2,139	2,214	-	-
Available-For-Sale Financial Assets	92	130	-	-
Total Non-Current Assets	30,592	33,207	60,107	60,107
<u>Current Assets</u>				
Inventories	78,838	93,851	-	-
Trade and Other Receivables	16,768	25,958	1,156	2,010
Financial Assets at Fair Value Through Profit or Loss	1,557	1,606	-	-
Other Assets	411	517	32	34
Cash and Cash Equivalents	17,108	25,021	701	1,211
Total Current Assets	114,682	146,953	1,889	3,255
Total Assets	145,274	180,160	61,996	63,362
<u>EQUITY AND LIABILITIES</u>				
<u>Equity</u>				
Share Capital	56,325	56,325	56,325	56,325
Retained Earnings	44,780	50,807	5,208	6,546
Other Reserves	14,116	15,502	-	-
Total Equity	115,221	122,634	61,533	62,871
<u>Non-Current Liabilities</u>				
Deferred Tax Liabilities	2,859	3,740	-	-
Provisions	70	88	-	-
Other Financial Liabilities	2,524	4,762	-	-
Finance Leases	226	-	-	-
Total Non-Current Liabilities	5,679	8,590	-	-
<u>Current Liabilities</u>				
Income Tax Payable	32	85	9	35
Trade and Other Payables	8,801	11,879	454	456
Finance Leases	147	-	-	-
Other Financial Liabilities	15,286	36,852	-	-
Other Non-Financial Liabilities	108	120	-	-
Total Current Liabilities	24,374	48,936	463	491
Total Liabilities	30,053	57,526	463	491
Total Equity and Liabilities	145,274	180,160	61,996	63,362



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1(b)(ii) Aggregate amount of the Group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30/09/2016		As at 30/09/2015	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
15,433	-	36,852	-

Amount repayable after one year

As at 30/09/2016		As at 30/09/2015	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
2,750	-	4,762	-

Details of any collateral

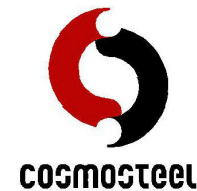
As at 30 September 2016, the Group's borrowings and debt securities consist of bills payable, term loans and loans for the properties at 14 Lok Yang Way Singapore 628633 and 36 Tuas Crescent Singapore 638724.

The borrowings are secured by:

- (a) Legal mortgage on the Group's leasehold property at 14 Lok Yang Way Singapore 628633;
- (b) Legal mortgage on the Group's leasehold property at 36 Tuas Crescent Singapore 638724;

and covered by corporate guarantees issued by the Company.

The obligations under finance leases are secured by the lessor's charge over the leased assets.

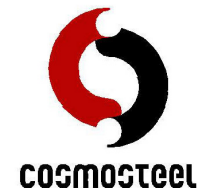


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1(c) A consolidated statement of cash flows together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			
	<u>4QFY2016</u> S\$'000	<u>4QFY2015</u> S\$'000	<u>1-Oct-15</u> <u>30-Sep-16</u> S\$'000	<u>1-Oct-14</u> <u>30-Sep-15</u> S\$'000
Cash Flows From Operating Activities :				
(Loss)/Profit Before Tax	(7,920)	463	(8,801)	(1,362)
Adjustments for :				
Interest Income	(9)	(4)	(55)	(15)
Interest Expense	114	266	673	1,359
Depreciation of Property, Plant and Equipment	1,494	1,337	5,609	4,434
Loss/(Gain) on Disposal of Plant and Equipment	-	-	2	(4)
Net Effect of Exchange Rate Changes in Consolidating Foreign Operations	(37)	44	(27)	180
Fair Value (Gain)/Loss on Financial Assets at Fair Value through Profit or Loss	(20)	(17)	49	(152)
Fair Value (Gain)/Loss on Derivative Financial Instruments	(7)	9	-	(95)
Operating Cash Flows before Changes in Working Capital Inventories	(6,385)	2,098	(2,550)	4,345
Trade and Other Receivables	9,038	5,501	15,013	15,363
Other Assets	677	2,914	9,265	12,999
Bills Payable	140	353	106	851
Trade and Other Payables	(5,133)	(9,778)	(19,230)	(25,463)
Other Non-Financial Liabilities	(53)	1,947	(3,078)	(14,097)
Provisions	(18)	(799)	(12)	(2,070)
Net Cash Flows (Used in)/From Operations	(18)	24	(18)	24
Income Taxes Received/(Paid)	(1,752)	2,260	(504)	(8,048)
Net Cash Flows (Used in)/From Operating Activities	13	(290)	(52)	(1,468)
	(1,739)	1,970	(556)	(9,516)
Cash Flows From Investing Activities :				
Purchase of Property, Plant and Equipment	(90)	(111)	(682)	(7,268)
Disposal of Property, Plant and Equipment	-	-	38	27
Interest Received	9	4	55	15
Net Cash Flows Used in Investing Activities	(81)	(107)	(589)	(7,226)
Cash Flows From Financing Activities :				
Cash Restricted in Use Over 3 Months	(1)	1	(1)	45
Proceeds from Issue of Shares	-	-	-	14,263
Decrease in Other Financial Liabilities	(925)	(1,189)	(7,574)	(8,438)
Increase from New Borrowings	3,000	-	3,000	5,440
Finance Leases Repayments	(37)	-	(69)	-
Dividends Paid	-	-	(1,452)	(1,320)
Interest Paid	(114)	(266)	(673)	(1,359)
Net Cash Flows From/(Used in) Financing Activities	1,923	(1,454)	(6,769)	8,631
Net Increase/(Decrease) in Cash and Cash Equivalents	103	409	(7,914)	(8,111)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	16,979	24,587	24,996	33,107
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	17,082	24,996	17,082	24,996



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	<u>4QFY2016</u>	<u>4QFY2015</u>	<u>1-Oct-15</u>	<u>1-Oct-14</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>30-Sep-16</u>	<u>30-Sep-15</u>
			<u>S\$'000</u>	<u>S\$'000</u>
Cash and Cash Equivalents	17,108	25,021	17,108	25,021
Cash Restricted in Use Over 3 Months	(26)	(25)	(26)	(25)
Cash and Cash Equivalents for Statement of Cash Flows purposes at end of the period	17,082	24,996	17,082	24,996

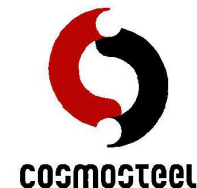
Non-cash transactions:

There were acquisitions of certain assets under property, plant and equipment with a total cost of \$441,500 (FY2015: Nil) acquired by means of finance leases.

1(d)(i) A statement (for the issuer) 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.

<u>Group</u>	<u>Share Capital</u>	<u>Translation Reserve</u>	<u>Asset Revaluation Reserve</u>	<u>Retained Earnings</u>	<u>Total Equity</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Balance at 1 October 2014	42,062	101	14,279	50,642	107,084
Total Comprehensive Income for FY2015	-	180	3,311	(884)	2,607
Dividends Paid	-	-	-	(1,320)	(1,320)
Transfer to Retained Earnings of Difference Between Depreciation on Carrying Revalued Amount and Depreciation Based on Original Cost	-	-	(2,369)	2,369	-
Issue of New Shares Pursant to Private Placement	15,312	-	-	-	15,312
Placement Issue Expense	(1,049)	-	-	-	(1,049)
Balance at 30 September 2015	56,325	281	15,221	50,807	122,634
Balance at 1 October 2015	56,325	281	15,221	50,807	122,634
Total Comprehensive Loss for FY2016	-	(27)	1,641	(7,575)	(5,961)
Dividends Paid	-	-	-	(1,452)	(1,452)
Transfer to Retained Earnings of Difference Between Depreciation on Carrying Revalued Amount and Depreciation Based on Original Cost	-	-	(3,000)	3,000	-
Balance at 30 September 2016	56,325	254	13,862	44,780	115,221

<u>Company</u>	<u>Share Capital</u>	<u>Retained Earnings</u>	<u>Total Equity</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Balance at 1 October 2014	42,062	7,372	49,434
Total Comprehensive Income for FY2015	-	494	494
Dividends Paid	-	(1,320)	(1,320)
Issue of New Shares Pursant to Private Placement	15,312	-	15,312
Placement Issue Expense	(1,049)	-	(1,049)
Balance at 30 September 2015	56,325	6,546	62,871
Balance at 1 October 2015	56,325	6,546	62,871
Total Comprehensive Income for FY2016	-	114	114
Dividends Paid	-	(1,452)	(1,452)
Balance at 30 September 2016	56,325	5,208	61,533



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- 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 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 at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There were no changes in the Company's share capital since 30 September 2015. There were no outstanding convertibles and treasury shares as at 30 September 2015 and 30 September 2016.

- 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.**

As at 30/09/16	As at 30/09/15
290,399,997	290,399,997

The Company did not have any treasury shares at the end of the current financial year and as at the end of the immediately preceding year.

- 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.

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

The figures have not been audited or reviewed.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a 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 financial statements for the current financial year as in the most recently audited financial statements for the financial year ended 30 September 2015.

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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.

There were no changes in the accounting policies and methods of computation.

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.

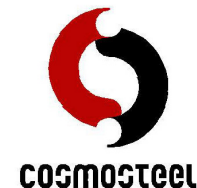
	Group			
Earnings per ordinary share of the Company (in cents):	4QFY2016	4QFY2015	As at 30/09/16	As at 30/09/15
(a) Based on weighted average number of ordinary shares in issue	(2.27)	0.37	(2.61)	(0.32)
(b) On a fully diluted basis	(2.27)	0.37	(2.61)	(0.32)
Weighted average number of ordinary shares in issue	290,399,997	279,116,709	290,399,997	279,116,709

The fully diluted earnings per ordinary share is the same as the basic earnings per ordinary share as there were no options granted or outstanding during the financial year.

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:
- current financial period reported on; and
 - immediately preceding financial year.

	Group		Company	
	As at 30/09/2016	As at 30/09/2015	As at 30/09/2016	As at 30/09/2015
Net asset value per ordinary share based on issued share capital at the end of the financial year (in cents):	39.68	42.23	21.19	21.65
Number of ordinary shares in issue	290,399,997	290,399,997	290,399,997	290,399,997

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:
- 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
 - any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.



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Statement of Comprehensive Income Review

Revenue

Revenue had decreased by \$10.7 million or 44.3% from \$24.2 million in 4QFY2015 to \$13.5 million in 4QFY2016. The decrease was mainly due to a decrease in revenue from customers in the Energy Sector which resulted from an oil supply glut. Revenue from such customers had decreased by \$7.3 million or 44.8% from \$16.2 million in 4QFY2015 to \$8.9 million in 4QFY2016.

Correspondingly, the same reason had also contributed to the year on year decrease in revenue of \$41.1 million or 37.4% from \$109.9 million in FY2015 to \$68.8 million in FY2016. Revenue from customers in the Energy Sector had decreased by \$43.2 million or 51.8% from \$83.4 million in FY2015 to \$40.2 million in FY2016 whilst revenue had increased in all other sectors. Despite the decrease, the Energy Sector remains the main contributor at 58.4% of the total revenue generated in FY2016.

Geographically, despite being the main contributor at 58.0% of the revenue generated in FY2016, the Singapore market saw the largest decline in revenue of \$16.8 million or 29.6% from \$56.7 million FY2015 to \$39.9 million in FY2016. Revenue had decreased across all markets with the exception of Malaysia and Europe, which saw an increase of \$2.0 million or 120.3% and \$1.6 million or 220.3% respectively in FY2016 as compared to FY2015.

Gross Profit and Gross Profit Margin

Corresponding to the decrease in revenue, gross profit had decreased by \$1.8 million or 40.8% from \$4.4 million in 4QFY2015 to \$2.6 million in 4QFY2016. However, gross profit margin had improved marginally by 1.1 percentage point from 18.0% in 4QFY2015 to 19.1% in 4QFY2016 from a decrease in cost of sales which resulted from a reduction in the value-added services requested by customers.

Year on year, gross profit had decreased by \$4.7 million or 23.7% from \$19.6 million in FY2015 to \$14.9 million in FY2016. On the other hand, gross profit margin had improved by 3.9 percentage points from 17.8% in FY2015 to 21.7% in FY2016 as per the reason contributing to the quarter on quarter improvement as well as a result of stringent costs management.

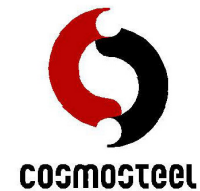
Financial Income and Expense

Financial income in 4QFY2016 had increased by \$5 thousand from interest earned on fixed deposits. Year on year, financial income had increased by \$40 thousand from \$15 thousand in FY2015 to \$55 thousand in FY2016 from both interest earned on fixed deposits as well as gains on investment in a financial asset.

Financial expense had decreased by \$0.2 million or 57.1% from \$0.3 million in 4QFY2015 to \$0.1 million in 4QFY2016 mainly from lower interest paid on reduced borrowings. The same reason accounted for the year on year decrease of \$0.7 million or 50.5% from \$1.4 million in FY2015 to \$0.7 million in FY2016.

Operating Expenses

In tandem with the decrease in revenue, distribution costs had decreased by \$0.2 million or 9.0% from \$1.6 million in 4QFY2015 to \$1.4 million in 4QFY2016, however, to a lower extent as a result of certain fixed operating expenditure such as manpower costs. Year on year, distribution costs had decreased by \$2.0 million or 24.7% from \$8.1 million in FY2015 to \$6.1 million in FY2016 as a result of the reasons as aforesaid.



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Administrative expenses had decreased by \$0.2 million or 9.0% from \$1.9 million in 4QFY2015 to \$1.7 million in 4QFY2016 through implementation of cost-cutting measures which also accounted for the year on year decrease of \$0.4 million or 5.9% from \$7.6 million in FY2015 to \$7.2 million in FY2016.

Depreciation expense had increased by \$0.2 million or 11.7% from \$1.3 million in 4QFY2015 to \$1.5 million in 4QFY2016 mainly from higher depreciation on properties. Likewise, depreciation expense, year on year, had increased by \$1.2 million or 26.5% from \$4.4 million in FY2015 to \$5.6 million in FY2016.

Other (Charges)/Credits

Other charges had increased by \$6.9 million from a credit of \$1.1 million in 4QFY2015 to a charge of \$5.8 million in 4QFY2016 mainly due to provision for slow-moving inventories. Year on year, other charges had increased by \$4.8 million from a credit of \$0.6 million in FY2015 to a charge of \$4.2 million in FY2016 which was also attributable to the provision for slow-moving inventories.

(Loss)/Profit Before Income Tax

A loss before income tax of \$7.9 million was incurred in 4QFY2016 as compared to a profit of \$0.5 million in 4QFY2015 due to reasons as aforementioned which also accounted for the year on year loss which had increased by \$7.4 million or 546.2% from \$1.4 million in FY2015 to \$8.8 million in FY2016.

Other Comprehensive Income

Other comprehensive income had decreased by \$1.8 million or 52.2% quarter on quarter, from \$3.4 million in 4QFY2015 to \$1.6 million in 4QFY2016, mainly due to lower upward revaluations of the leasehold properties of the Group performed in August 2016. The same reason accounted for the year on year decrease of \$1.9 million or 53.8% from \$3.5 million in FY2015 to \$1.6 million in FY2016.

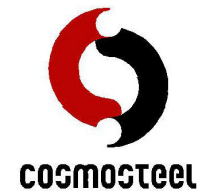
Statement of Financial Position Review

Non-Current Assets

Non-current assets had decreased by \$2.6 million or 7.9% from \$33.2 million as at 30 September 2015 to \$30.6 million at 30 September 2016 mainly due to depreciation charged in the current financial year.

Current Assets

Current assets had decreased by \$32.3 million or 22.0% from \$147.0 million as at 30 September 2015 to \$114.7 million as at 30 September 2016. The decrease was mainly due to a decrease in both trade and other receivables and inventories. Trade and other receivables decreased by \$9.2 million or 35.4% from \$26.0 million as at 30 September 2015 to \$16.8 million as at 30 September 2016, following the decrease in revenue generated. Inventories had decreased by \$15.1 million or 16.0% from \$93.9 million as at 30 September 2015 to \$78.8 million as at 30 September 2016 from both provision for slow-moving inventories and stricter inventory management controls. Notwithstanding the decrease in current assets, the Group's current ratio has improved from 3.00 as at 30 September 2015 to 4.71 as at 30 September 2016.



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Non-Current Liabilities

Non-current liabilities had decreased by \$2.9 million or 33.9% from \$8.6 million as at 30 September 2015 to \$5.7 million as at 30 September 2016 mainly from repayments of long-term borrowings which decreased by \$2.3 million or 47.0% from \$4.8 million as at 30 September 2015 to \$2.5 million as at 30 September 2016.

Current Liabilities

Similarly, current liabilities had also decreased by \$24.5 million or 50.2% from \$48.9 million as at 30 September 2015 to \$24.4 million as at 30 September 2016, primarily from a decrease in trade and other payables and other financial liabilities. Trade and other payables had decreased by \$3.1 million or 25.9% from \$11.9 million as at 30 September 2015 to \$8.8 million as at 30 September 2016 from repayments. Other financial liabilities, which consist of short-term borrowings and current portion of long-term borrowings, had also decreased substantially by \$21.6 million or 58.5% from \$36.9 million as at 30 September 2015 to \$15.3 million as at 30 September 2016. With the decrease, the Group's gearing ratio (defined as total liabilities to equity) has improved from 0.47 as at 30 September 2015 to 0.26 as at 30 September 2016.

Equity

Total equity decreased by \$7.4 million or 6.0% from \$122.6 million as at 30 September 2015 to \$115.2 million as at 30 September 2016 mainly from the loss incurred in FY2016.

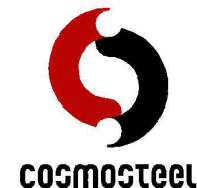
Statement of Cash Flows Review

Cash Flows (used in)/from Operating Activities

Cash used in operating activities had increased by \$3.7 million from an inflow of \$2.0 million in 4QFY2015 to an outflow of \$1.7 million in 4QFY2016 mainly due to trade and other payables payments and decrease in customers' receipts. Year on year, cash used in operating activities had decreased by \$8.9 million or 94.1% from \$9.5 million in FY2015 to \$0.6 million in FY2016 mainly from comparatively lower repayments of borrowings.

Cash Flows used in Investing Activities

Cash used in investing activities had decreased marginally by \$26 thousand from \$107 thousand in 4QFY2015 to \$81 thousand in 4QFY2016 due to minimal capital expenditure for the quarter. Year on year, cash used in investing activities had decreased by \$6.6 million or 91.8% from \$7.2 million in FY2015 where the warehouse at 36 Tuas Crescent Singapore 628724 was purchased, to \$0.6 million in FY2016 which was incurred for replacement of old commercial vehicles and purchase of overhead cranes.



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Cash Flows from/(used in) Financing Activities

Cash from financing activities had increased by \$3.4 million from an outflow of \$1.5 million in 4QFY2015 to an inflow of \$1.9 million in 4QFY2016 from draw-downs of short-term loans. Year on year, cash used in financing activities had increased by \$15.4 million or 178.4% from an inflow of \$8.6 million in FY2015 which arose from a placement of new shares which was completed in March 2015, to an outflow of \$6.8 million in FY2016 that resulted from both repayments of bank borrowings and payment of dividends.

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

No forecast or prospect statement was previously disclosed.

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.

We expect revenue generation to continue to be impacted by the persisting volatility and intense local and global competition in the Energy industry, and our 1QFY2017 financial performance may be adversely affected accordingly.

In view of this, we will keep our focus on cost management of our operations and to market our services to identify new potential markets or suitable opportunities for growth while remaining vigilant in the management of the Group's business activities.

11. Dividend

(a) Current Financial Period Reported On

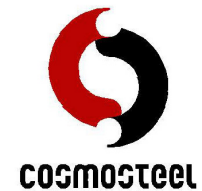
The Board of Directors has proposed a final dividend which is tax exempt in respect of the financial year ended 30 September 2016 as stated below:

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Share	\$0.005

The dividend amount per share is computed based on 290,399,997 ordinary shares in issue and the dividends are not taxable in the hands of shareholders.

(b) Corresponding Period of the Immediately Preceding Financial Year

A dividend of \$0.005 per share was declared by the Company for the corresponding period of the immediately preceding financial year.



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(c) Date payable

To be advised.

(d) Books closure date

To be advised.

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

See paragraph above.

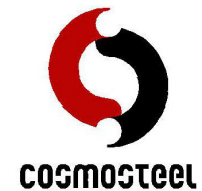
13. If the Group has obtained a general mandate from shareholders for IPTS, the aggregate value of such transactions as required under Rule 920(1)(a)(ii), If no IPT mandate has been obtained, a statement to that effect.

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under the IPT Mandate)	Aggregate value of all interested person transactions conducted under the IPT Mandate (excluding transactions less than S\$100,000)
	S\$'000	S\$'000
Hanwa Group *	-	10,827

* Hanwa Co., Ltd and its subsidiaries, and (where applicable) its associated companies.

15. Confirmation pursuant to Rule 720 (1) of the Listing Manual

The Company confirms that it has procured undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 under Rule 720 (1) of the Listing Manual.



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PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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 statement, with comparative information for the immediately preceding year.**

By Customer Types

Financial year ended 30 September 2016

	<u>Energy</u> S\$'000	<u>Marine</u> S\$'000	<u>Trading</u> S\$'000	<u>Others</u> S\$'000	<u>Group</u> S\$'000
REVENUE					
Total Revenue	40,172	18,266	8,826	1,493	68,757
Segment Results	8,031	3,844	2,854	201	14,930
Unallocated corporate expenses					(18,907)
Financial income					55
Financial expense					(673)
Other charges					(4,206)
Loss before income tax					(8,801)
Income tax income					1,226
Loss for the year					(7,575)

Balance Sheet

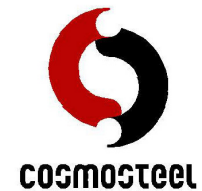
As at 30 September 2016

ASSETS

Unallocated corporate assets	145,274
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LIABILITIES

Unallocated corporate liabilities	30,053
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By Customer Types

Financial year ended 30 September 2015

	<u>Energy</u> S\$'000	<u>Marine</u> S\$'000	<u>Trading</u> S\$'000	<u>Others</u> S\$'000	<u>Group</u> S\$'000
REVENUE					
Total Revenue	83,413	16,502	8,742	1,246	109,903
Segment Results	15,279	3,051	1,156	78	19,564
Unallocated corporate expenses					(20,185)
Financial income					15
Financial expense					(1,359)
Other credits					603
Loss before income tax					(1,362)
Income tax income					478
Loss for the year					(884)

Balance Sheet

As at 30 September 2015

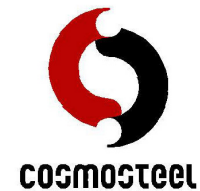
ASSETS

Unallocated corporate assets 180,160

LIABILITIES

Unallocated corporate liabilities 57,526

Others include customers in other industries such as manufacturing sector.



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By Geographical Segments

Sales revenue by geographical market
Financial year ended 30 September

	FY2016	FY2015
	S\$'000	S\$'000
Brunei	3,067	12,684
Europe	2,283	713
Indonesia	488	813
Japan	5,248	16,314
Malaysia	3,750	1,702
Middle East	119	325
Others	5,505	7,811
Singapore	39,883	56,665
Thailand	57	152
Vietnam	8,357	12,724
	68,757	109,903

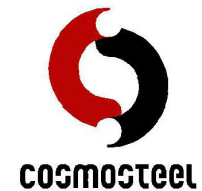
Others include customers in Australia, China and the Philippines.

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

Please refer to paragraph 8.

18. A breakdown of sales.

	FY2016	FY2015	Increase/ (Decrease)
	S\$'000	S\$'000	%
(a) Sales reported for first half year	38,768	59,679	(35.0)
(b) Operating (loss)/profit after tax before deducting minority interest reported for first half year	(350)	578	(160.6)
(c) Sales reported for second half year	29,989	50,224	(40.3)
(d) Operating loss after tax before deducting minority interest reported for second half year	(7,225)	(1,462)	394.2



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

	FY2016 \$'000	FY2015 \$'000
Ordinary	1,452	1,452

20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive office or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company wishes to confirm that the persons occupying managerial positions of the Company or any of its principal subsidiaries who are relatives of a director or chief executive officer or substantial shareholder of the Company as at 30 September 2016 are as follows: -

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any during the year
Teoh Bee Choo	65	Spouse of Mr Ong Chin Sum, Chief Executive Officer and Executive Director Mother of Mr Ong Tong Hai and Mr Ong Tong Yang, Executive Directors	Human Resource Manager, position first held in 2005	Nil

By order of the Board

Ong Chin Sum
Chief Executive Officer

Ong Tong Hai
Director

16 November 2016