

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

**PART 1**

Information required for announcements of quarterly (Q1, Q2, Q3), Half Year and Full Year Announcements

1(a)(i) An income statement and statement of comprehensive income, for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group		
	2016 \$'000	2015 \$'000	Change %
Revenue	223,944	61,779	262.5
Cost of sales	(196,707)	(54,692)	259.7
<b>Gross profit</b>	<u>27,237</u>	<u>7,087</u>	284.3
Other income			
- Project related	1,565	287	445.3
- Other operating income	3,289	7,574	(56.6)
Selling and distribution costs	(893)	(376)	137.5
Administrative expenses	(12,307)	(7,513)	63.8
Other expenses	(1,653)	(1,641)	0.7
<b>Profit from operations</b>	<u>17,238</u>	<u>5,418</u>	218.2
Finance costs	(2,493)	(675)	269.3
<b>Profit before tax</b>	<u>14,745</u>	<u>4,743</u>	210.9
Tax expense	(3,069)	(1,063)	188.7
<b>Profit from continuing operations</b>	<u>11,676</u>	<u>3,680</u>	217.3
<b>Results of discontinued operations</b>			
<b>Discontinued operations</b>			
(Loss)/profit from discontinued operations (net of tax)	(1,761)	2,816	NM
<b>Profit for the year</b>	<u>9,915</u>	<u>6,496</u>	52.6
<b>Profit attributable to:</b>			
Owners of the Company #	9,628	6,469	48.8
Non-controlling interest	287	27	963.0
<b>Profit for the year</b>	<u>9,915</u>	<u>6,496</u>	52.6

As announced on 30 December 2016, the Company has entered into conditional sale and purchase agreements to sell an aggregate of 81% in the issued and paid up share capital of Mancala Holdings Limited (the "Mining Services Business") (the "Proposed Transaction"). The financial statements of the Mining Services Business are presented in the Balance Sheet as Held For Sale. Accordingly, the financials for the Mining Service Business have been re-presented, on the face of Profit and Loss Account and Statement of Cash Flows, as discontinued operations and the comparatives of which have also been re-presented as part of the discontinued operations.

# Profit attributable to Owners of the Company includes net profits from the following business segments:

- Infrastructure	10,996	2,534 <sup>@</sup>	333.9
- Mining Services	(1,761)	2,816	NM
- Corporate	393	1,119	(64.9)

<sup>@</sup> 3 months result from 1 Oct to 31 December 2015.

**Note:** NM – Not Meaningful.

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

	Group		
	2016 \$'000	2015 \$'000	Change %
<b>Results of discontinued operations</b>			
Revenue	26,065	54,572	(52.2)
Cost of sales	(19,430)	(42,462)	(54.2)
<b>Gross profit</b>	6,635	12,110	(45.2)
Other income	306	792	(61.4)
Administrative expenses	(7,050)	(7,617)	(7.4)
Other expenses	(1,124)	(318)	253.5
<b>(Loss)/profit from operations</b>	(1,233)	4,967	NM
Finance costs	(567)	(1,239)	(54.2)
<b>(Loss)/profit before tax</b>	(1,800)	3,728	NM
Tax expense	39	(912)	NM
<b>(Loss)/profit from discontinued operations</b>	(1,761)	2,816	NM

**Cumulative income or expense recognised in other comprehensive income**

There is a cumulative translation loss of \$139.8k recognised in other comprehensive income relating to the assets held for sale.

**Fair value less cost to sell value ("FVLCS") of the Mining Services Business**

As announced on 30 December 2016, the Company has entered into conditional sale and purchase agreements to sell an aggregate of 81% in the Mining Services Business for an aggregate consideration of HK\$63.2 million (\$11.8 million). As such the derived FVLCS of 100% of the Disposal Group for the Proposed Transaction is S\$14.6 million. Given that the carrying value of the Mining Services Business is S\$14.1 million, no impairment has been recognised.

Consolidated Statement of Comprehensive Income

	<b>Group</b>		<b>Change</b>
	<b>2016</b>	<b>2015</b>	
	<b>\$'000</b>	<b>\$'000</b>	
<b>Profit for the year</b>	9,915	6,496	52.6
<b>Other comprehensive income</b>			
Translation differences relating to financial statements of foreign subsidiaries <sup>(1)</sup>	(3,136)	(2,162)	45.1
<b>Other comprehensive income for the year, net of tax</b>	(3,136)	(2,162)	45.1
<b>Total comprehensive income for the year</b>	<u>6,779</u>	<u>4,334</u>	56.4
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	6,559	4,354	50.6
Non-controlling interests	220	(20)	NM
<b>Total comprehensive income for the year</b>	<u>6,779</u>	<u>4,334</u>	56.4

**Note:**

- (1) Translation differences relating to accounting translation of financial statements of our foreign subsidiaries to S\$ term. Translation loss in 2016 arose mainly due to weakening of RMB against the S\$.

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

1(a)(ii) Items, which if significant must be included in the income statement.

Notes to Income Statement

	Group Discontinued operations			Group Continuing operations		
	2016 \$'000	2015 \$'000	Change %	2016 \$'000	2015 \$'000	Change %
<b>Revenue includes the following:</b>						
Mining services	26,065	54,572	(52.2)	–	–	–
Infrastructure	–	–	–	223,944	61,779	262.5

**Other income includes the following:**

<b>Project related:</b>						
Consultancy fees	–	–	–	833	127	555.9
Unwinding of discount on retention monies	–	–	–	732	160	357.5
<b>Other operating income:</b>						
Interest income – banks	51	49	4.1	143	905	(84.2)
Interest income – bond	–	–	–	–	1,238	NM
Interest income – others	–	272	NM	–	–	–
Gain on changes in fair value of contingent consideration	–	–	–	1,094	2,099	(47.9)
Gain on disposal of property, plant and equipment	–	75	NM	–	–	–
Gain on disposal of other investment	18	–	NM	–	–	–
Gain on disposal of non-current assets held for sale	62	–	NM	–	–	–
Exchange gain (net)	151	370	(59.2)	175	3,061	(94.3)
Rental income	–	12	NM	727	219	232.0

**Other expenses include the following:**

Amortisation of intangible assets	(157)	(158)	(0.6)	(142)	(478)	(70.3)
Impairment loss on non-current assets held for sale	(92)	–	NM	–	–	–
Impairment loss on goodwill	–	–	–	–	(1,215)	NM
Loss on disposal of property, plant and equipment	(422)	–	NM	(317)	–	NM
Bad debts written off	–	–	–	–	(26)	NM
Impairment loss on receivables	(276)	(11)	NM	–	(65)	NM

**Finance costs include the following:**

Interest expense – finance lease	(347)	(635)	(45.4)	(307)	(130)	136.2
Interest expense – corporate bond	–	–	–	(676)	(216)	213.0
Interest expense – banks	(220)	(604)	(63.6)	(1,510)	(329)	359.0

**Profit before income tax is arrived after deducting:**

Depreciation of property, plant and equipment	(2,636)	(3,980)	(33.8)	(11,078)	(2,058)	438.3
Depreciation of investment properties	–	–	–	(480)	(208)	130.8

**Income tax arrived is arrived after:**

Over-provision of tax for prior year	–	805	NM	–	–	–
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FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

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

	Group		Company	
	31.12.2016 \$'000	31.12.2015 \$'000	31.12.2016 \$'000	31.12.2015 \$'000
<b>Assets</b>				
Property, plant and equipment	20,747	46,334	71	111
Intangible assets	15,639	16,435	–	–
Investment properties	12,389	13,457	–	–
Interests in subsidiaries	–	–	76,811	89,847
Other investments	21	86	–	1
Other receivables	–	–	–	5,164
Deferred tax assets	3,770	2,226	–	–
<b>Total non-current assets</b>	<b>52,566</b>	<b>78,538</b>	<b>76,882</b>	<b>95,123</b>
Inventories	1,962	3,442	–	–
Construction work in progress	83,046	54,858	–	–
Trade receivables (Note 1)	136,067	124,616	–	–
Other receivables	21,944	29,544	10,459	1,105
Assets classified as held for sale (Note 2)	41,425	8,148	13,036	–
Cash and cash equivalents	30,224	35,079	638	5,791
<b>Total current assets</b>	<b>314,668</b>	<b>255,687</b>	<b>24,133</b>	<b>6,896</b>
<b>Total assets</b>	<b>367,234</b>	<b>334,225</b>	<b>101,015</b>	<b>102,019</b>
<b>Equity</b>				
Share capital	87,933	277,067	87,933	277,067
Reserves	9,237	(186,505)	(178)	(189,759)
Equity attributable to owners of the Company	97,170	90,562	87,755	87,308
Non-controlling interests	1,764	1,544	–	–
<b>Total equity</b>	<b>98,934</b>	<b>92,106</b>	<b>87,755</b>	<b>87,308</b>
<b>Liabilities</b>				
Other payables	4,085	8,653	–	–
Financial liabilities	3,002	5,928	–	11
Deferred tax liabilities	1,464	1,816	–	–
<b>Total non-current liabilities</b>	<b>8,551</b>	<b>16,397</b>	<b>–</b>	<b>11</b>
Trade payables	109,584	74,361	–	–
Other payables	74,349	71,204	13,249	14,690
Progress billings in excess of construction work in progress	17,229	8,416	–	–
Financial liabilities	33,232	66,852	11	10
Current tax liabilities	4,876	4,889	–	–
Liabilities classified as held for sale (Note 2)	20,479	–	–	–
<b>Total current liabilities</b>	<b>259,749</b>	<b>225,722</b>	<b>13,260</b>	<b>14,700</b>
<b>Total liabilities</b>	<b>268,300</b>	<b>242,119</b>	<b>13,260</b>	<b>14,711</b>
<b>Total equity and liabilities</b>	<b>367,234</b>	<b>334,225</b>	<b>101,015</b>	<b>102,019</b>

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

Note 1: Details of trade receivables were as follows:

	As at 31 December 2016		
	Trade receivables	Revenue	Turnover (days)
Infrastructure Business	136,067	223,944	222
Mining Services Business	2,156	26,065	30

Not past due	98%
Due less than 1 year	1%
Due more than 1 year	1%
	100%

	As at 31 December 2015		
	Trade receivables	Revenue	Turnover (days)
Infrastructure Business	117,639	61,779 (3 months)	174
Mining Services Business	6,977	54,572	47

Not past due	95%
Due less than 1 year	3%
Due more than 1 year	2%
	100%

Note 2: As at 31 December 2016, the assets and liabilities of the Mining Services Business are as follows:

	<b>Group</b> <b>31.12.2016</b> <b>\$'000</b>
<b>Assets</b>	
Property, plant and equipment	19,279
Intangible assets	213
Deferred tax assets	1,114
Inventories	2,205
Trade receivables	2,156
Other receivables	3,728
Non-current assets held for sale	9,100
Cash and cash equivalents	3,630
<b>Assets classified as held for sale disclosed on the balance sheet</b>	<b>41,425</b>
<b>Liabilities</b>	
Deferred tax liabilities	198
Trade payables	5,287
Other payables	16,953
Financial liabilities	3,730
Current tax liabilities	1,157
	<b>27,325<sup>#</sup></b>
Net assets of the Mining Services Business	<b>14,100</b>
# Liabilities of the Mining Services Business	27,325
Amount owing to the Company	(6,846)
<b>Liabilities classified as held for sale disclosed on the balance sheet</b>	<b>20,479</b>

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

	31.12.2016		31.12.2015	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Amount repayable in one year or less, or on demand	33,232	–	66,852	–
Amount repayable after one year	3,002	–	5,928	–
	36,234	–	72,780	–
Financial liabilities classified as held for sale	3,730	–	–	–
	39,964	–	72,780	–
<b>Mancala (Disposal Group)</b>				
- Bank overdraft	–	–	911	–
- Short-term bank borrowings	–	–	1,047	–
- Current portion of finance lease	3,303	–	2,577	–
- Non-current portion of finance Lease	427	–	2,963	–
<b>Ranken</b>				
- Short-term bank borrowings	30,397	–	49,200	–
- Current portion of finance lease	2,824	–	5,663	–
- Short term bond	–	–	7,444	–
- Non-current portion of finance lease	–	–	2,954	–
- Long term bond	3,002	–	–	–
<b>Corporate function</b>				
- Current portion of finance lease	11	–	10	–
- Non-current portion of finance lease	–	–	11	–
<b>Total</b>	<b>39,964</b>	<b>–</b>	<b>72,780</b>	<b>–</b>

**Details of any collateral as at 31 December 2016**

**Mancala Australia**

- (i) The bank overdraft and short term bank loans for Mancala Australia are secured by personal guarantees granted by the vendors of Mancala Australia and subordinated loans of A\$5.0 million from Sapphire to Mancala Australia.
- (ii) The carrying value of fixed assets under finance lease as at 31 December 2016 was approximately \$7.7 million.

**Ranken**

- (i) The short-term and long-term bank loans for Ranken are secured by personal guarantees by the vendors of Ranken and land and building with total carrying amounts of \$15.6 million and deposits pledged of \$2.2 million.
- (ii) The carrying value of fixed assets under finance lease as at 31 December 2016 was approximately \$6.3 million.
- (iii) As at 31 December 2016, the vendors have granted personal guarantees for the purpose of securing total banking facilities of \$115.4 million (RMB 554.3 million) for Ranken's working capital.

**Corporate function**

- (i) The carrying value of fixed assets under finance lease as at 31 December 2016 was approximately \$0.02 million.



FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

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

	Group	
	2016 \$'000	2015 \$'000
<b>Operating activities</b>		
Profit before tax	14,745	4,743
Adjustments for:		
Amortisation of intangible assets	142	478
Bad debts written off	–	26
Depreciation of property, plant and equipment	11,078	2,058
Depreciation of investment properties	480	208
Interest expense	2,493	675
Interest income	(143)	(2,143)
Unwinding of discount on retention monies	(732)	(160)
Impairment loss on receivables	–	65
Impairment loss on goodwill	–	1,215
Loss on disposal of property, plant and equipment	317	–
Share awards scheme	49	78
<b>Operating profit before working capital changes</b>	<b>28,429</b>	<b>7,243</b>
Changes in working capital:		
Inventories	(610)	720
Construction work-in-progress, net	(21,349)	1,199
Trade and other payables	59,428	(95,279)
Trade and other receivables	(21,976)	37,832
Release of fixed deposits pledged	1,443	55,760
<b>Cash flows from operations</b>	<b>45,365</b>	<b>7,475</b>
Tax paid	(2,973)	(1,607)
<b>Cash flows from operating activities</b>	<b>42,392</b>	<b>5,868</b>
<b>Net cash from operating activities from discontinued operations</b>	<b>5,031</b>	<b>7,022</b>
	<b>47,423</b>	<b>12,890</b>
<b>Investing activities</b>		
Acquisition of a subsidiary, net of cash acquired (Note A)	–	(40,210)
Interest received	143	2,143
Payment for purchase of property, plant and equipment	(11,614)	(1,621)
Proceeds from sale of property, plant and equipment	44	17
Proceeds from sale of subsidiary	–	56,161
Payment for purchase of financial asset	(21)	–
<b>Cash flows (used in)/generated from investing activities</b>	<b>(11,448)</b>	<b>16,490</b>
<b>Cash flows used in investing activities from discontinued operations</b>	<b>(74)</b>	<b>(560)</b>
	<b>(11,522)</b>	<b>15,930</b>
<b>Financing activities</b>		
Interest paid	(3,060)	(675)
Repayment to previous shareholders of Ranken's subsidiary	(1,026)	–
Proceeds from bank loans	26,170	26,292
Proceeds from bond	3,116	–
Payment of finance lease liabilities	(5,719)	(1,382)
Payment of bank loans	(42,786)	(27,945)
Payment of bond	(7,270)	–
<b>Cash flows used in financing activities</b>	<b>(30,575)</b>	<b>(3,710)</b>
<b>Cash flows used in financing activities from discontinued operations</b>	<b>(2,877)</b>	<b>(5,526)</b>
	<b>(33,452)</b>	<b>(9,236)</b>

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

	Group	
	2016 \$'000	2015 \$'000
Net increase in cash and cash equivalents	2,449	19,584
Cash and cash equivalents at beginning of the year	30,337	10,511
Effect of exchange rate changes on the balances held in foreign currencies	(1,149)	242
Cash and cash equivalents classified as held for sale	(3,630)	–
<b>Cash and cash equivalents at end of year</b>	<b>28,007</b>	<b>30,337</b>

**Cash and cash equivalents consist of the following:**

Cash and bank balances	28,007	28,550
Fixed deposits	2,217	6,529
Cash and cash equivalents	30,224	35,079
Bank overdraft	–	(911)
Fixed deposits pledged	(2,217)	(3,831)
	<b>28,007</b>	<b>30,337</b>

**Note A**

On 1 October 2015, the Group acquired 100% of the equity interest in Ranken Infrastructure Limited (“Ranken”), an Engineering, Procurement and Construction (“EPC”) business specialising in design, construction and project consultation in China’s rail transit sector. The effect of cash flow arising from the acquisition of 100% equity interests in Ranken, is set out below:

	Group 2015 \$'000
Property, plant and equipment	22,518
Intangibles	7,240
Investment properties	14,084
Deferred tax assets	1,765
Inventories	2,170
Construction work in progress	59,025
Trade and other receivables	178,228
Fixed deposit pledged	59,591
Cash and cash equivalents	23,071
Trade and other payables	(227,349)
Financial liabilities	(69,754)
Deferred tax liabilities	(1,732)
Total identifiable net assets	68,857
Non-controlling interest	(1,564)
Goodwill on acquisition	9,518
<b>Total consideration</b>	<b>76,811</b>
Fair value of equity instruments issued (165,000,000 ordinary shares)	13,530
Consideration payable in cash	63,281
	<b>76,811</b>
Cash consideration paid	(63,281)
Cash and cash equivalents acquired	23,071
<b>Acquisition of a subsidiary, net of cash acquired</b>	<b>(40,210)</b>

**SAPPHIRE CORPORATION LIMITED**
**REGISTRATION NUMBER: 198502465W**
**FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016**

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

**Consolidated Statement of Changes in Equity**

Group	Share capital \$'000	Capital reserve \$'000	Merger reserve \$'000	Other reserves \$'000	Currency translation reserve \$'000	Accumulated profit / (losses) \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
At 1 January 2015	260,489	1,235	418	(1,353)	(690)	(187,499)	72,600	–	72,600
<b>Total comprehensive income for the year</b>									
Profit for the year	–	–	–	–	–	6,469	6,469	27	6,496
<b>Other comprehensive income</b>									
Translation differences relating to financial statements of foreign subsidiaries	–	–	–	–	(2,115)	–	(2,115)	(47)	(2,162)
Total other comprehensive income	–	–	–	–	(2,115)	–	(2,115)	(47)	(2,162)
<b>Total comprehensive income for the year</b>	–	–	–	–	(2,115)	6,469	4,354	(20)	4,334
<b>Transactions with owners, recognised directly in equity</b>									
<b>Contributions by and distributions to owner</b>									
Issues of shares for acquisition of a subsidiary <sup>(1)</sup>	16,500	(2,970)	–	–	–	–	13,530	–	13,530
Issues of shares, net of expenses (Share Award Scheme) <sup>(2)</sup>	78	–	–	–	–	–	78	–	78
<b>Total contributions by and distributions to owners</b>	16,578	(2,970)	–	–	–	–	13,608	–	13,608
<b>Changes in ownership of subsidiaries</b>									
Acquisition of subsidiary with non-controlling interests	–	–	–	–	–	–	–	1,564	1,564
<b>Total changes in ownership of subsidiaries</b>	–	–	–	–	–	–	–	1,564	1,564
<b>Total transactions with owners</b>	16,578	(2,970)	–	–	–	–	13,608	1,564	15,172
At 31 December 2015	277,067	(1,735)	418	(1,353)	(2,805)	(181,030)	90,562	1,544	92,106

**SAPPHIRE CORPORATION LIMITED**  
**REGISTRATION NUMBER: 198502465W**

**FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016**

**Consolidated Statement of Changes in Equity**

Group	Share capital \$'000	Capital reserve \$'000	Merger reserve \$'000	Fair value reserve \$'000	Other reserves \$'000	Currency translation reserve \$'000	Accumulated profit / (losses) \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
At 1 January 2016	277,067	(1,735)	418	–	(1,353)	(2,805)	(181,030)	90,562	1,544	92,106
Profit for the year	–	–	–	–	–	–	9,628	9,628	287	9,915
<b>Other comprehensive income</b>										
Translation differences relating to financial statements of foreign subsidiaries	–	–	–	–	–	(3,069)	–	(3,069)	(67)	(3,136)
Total other comprehensive income	–	–	–	–	–	(3,069)	–	(3,069)	(67)	(3,136)
<b>Total comprehensive income for the year</b>	–	–	–	–	–	(3,069)	9,628	6,559	220	6,779
<b>Transactions with owners, recognised directly in equity</b>										
<b>Contributions by and distributions to owner</b>										
Issues of shares, net of expenses (Share Award Scheme) <sup>(3)</sup>	49	–	–	–	–	–	–	49	–	49
Reduction of share capital <sup>(4)</sup>	(189,183)	–	–	–	–	–	189,183	–	–	–
<b>Total contributions by and distributions to owner</b>	(189,134)	–	–	–	–	–	189,183	49	–	49
At 31 December 2016	87,933	(1,735)	418	–	(1,353)	(5,874)	17,781	97,170	1,764	98,934

Statement of Changes in Equity

Company	Share capital \$'000	Capital reserve \$'000	Other reserves \$'000	Accumulated profit/(losses) \$'000	Total equity \$'000
At 1 January 2015	260,489	1,084	(1,353)	(189,183)	71,037
Profit for the year	-	-	-	2,663	2,663
<b>Total comprehensive income</b>	-	-	-	2,663	2,663
<b>Transactions with owners, recognised directly in equity</b>					
Issues of shares for acquisition of a subsidiary <sup>(1)</sup>	16,500	(2,970)	-	-	13,530
Issues of shares, net of expenses (Share Award Scheme) <sup>(2)</sup>	78	-	-	-	78
<b>Total contributions by and distributions to owners</b>	16,578	(2,970)	-	-	13,608
At 31 December 2015	277,067	(1,886)	(1,353)	(186,520)	87,308

<sup>(1)</sup> On 1 October 2015, the Company issued 165,000,000 ordinary shares pursuant to the acquisition of the subsidiary, Ranken Infrastructure Limited for S\$0.10 each. The fair value of the shares issued was S\$13,530,000 and the difference of S\$2,970,000 was recorded in capital reserve.

<sup>(2)</sup> Directors' fees for FY2014 paid in the form of share awards under the Sapphire Shares Award Scheme.

Statement of Changes in Equity

Company	Share capital \$'000	Capital reserve \$'000	Other reserves \$'000	Accumulated profit/(losses) \$'000	Total equity \$'000
At 1 January 2016	277,067	(1,886)	(1,353)	(186,520)	87,308
Profit for the year	–	–	–	398	398
<b>Total comprehensive income</b>	–	–	–	398	398
<b>Transactions with owners, recognised directly in equity</b>					
<b>Contributions by and distributions to owner</b>					
Issues of shares, net of expenses (Share Award Scheme) <sup>(3)</sup>	49	–	–	–	49
Reduction of share capital <sup>(4)</sup>	(189,183)	–	–	189,183	–
<b>Total contributions by and distributions to owner</b>	(189,134)	–	–	189,183	49
At 31 December 2016	87,933	(1,886)	(1,353)	3,061	87,755

<sup>(3)</sup> Directors' fees for FY2015 paid in the form of share awards under the Sapphire Shares Award Scheme.

<sup>(4)</sup> Please refer to page 15 for details of the Company's Capital Reduction exercise

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

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

Share Capital

	No. of shares	Share capital \$'000
As at 1 January 2016	976,845,247	277,067
9 March 2016: Share Consolidation of three (3) ordinary shares into one (1) consolidated ordinary share	(651,233,490)	–
16 June 2016: Capital reduction	–	(189,183)
20 June 2016: Issue of shares to Directors under the Sapphire Shares Award Scheme	185,585	49
<b>As at 31 December 2016</b>	<b>325,797,342</b>	<b>87,933</b>

Convertible Securities

The Company has no outstanding convertible securities as at end of the current financial year and as at end of the immediately preceding financial year.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at end of the current financial period and as at end of the immediately preceding year

	31.12.2016	31.12.2015
Total number of issued shares excluding treasury shares	325,797,342	976,845,247 <sup>#</sup>

<sup>#</sup> The total issued shares as at 31 December 2015 are stated based on the number of shares in issue before the share consolidation exercise on 9 March 2016.

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

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

There were no treasury shares as at end of the current financial year.

**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 by our auditors.

**3 Where the figures have been audited, or reviewed, the auditors' report (including any qualification 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**

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for current reporting year compared with the audited financial statements for the year ended 31 December 2015.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as reasons for, and the effect of, the change**

The Group adopted the new/revised FRS and INT FRS applicable for the financial year beginning 1 January 2016. The adoption of the new/revised FRSs did not result in any substantial change to the Group accounting policies or has any significant impact on the full year financial statements for FY2016.

**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**

	For the 12 months ended					
	Continuing operations		Discontinued operations		Total	
	2016	2015	2016	2015	2016	2015 (restated)
Basic earnings per share (cents)	3.50	1.28	(0.54)	0.99	2.96	2.27
Diluted earnings per share (cents)	3.50	1.28	(0.54)	0.99	2.96	2.27



**FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016**

The calculation of the above basic earnings per share and diluted earnings per share was computed based on profit attributable to owners of the Company divided by the weighted average number of shares as detailed below:

	For the 12 months ended	
	2016	2015 (restated)
Weighted average number of shares	325,710,127	284,364,368

The weighted average number of shares during the year is the number of shares outstanding at the beginning of the year, adjusted by the number of shares issued during the year multiplied by a time-weighting factor.

On 9 March 2016, the Company completed the Share Consolidation of three (3) ordinary shares into one (1) consolidated ordinary share. The earnings per share for the current and prior years have been presented after adjusting the number of weighted average number of shares in issue for the effect of the share consolidation.

The diluted earnings per share are the same as basic earnings per share as the Group does not have any dilutive capital instruments.

**7 Net asset value (for the issuer and the 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 the immediately preceding financial year**

	Group		Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Net asset value per ordinary share (cents)	29.83	9.27 #	26.94	8.94 #
Number of shares in issue	325,797,342	976,845,247 #	325,797,342	976,845,247 #

# Before completion of share consolidation (completed on 9 March 2016).

For illustration purpose, had the Share Consolidation of three (3) ordinary shares into one (1) consolidated ordinary share of the Company been completed on 31 December 2015, the comparative figure for net asset value per ordinary share as at 31 December 2015, would have been as follows:

	Group		Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Net asset value per ordinary share (cents)	29.83	27.81	26.94	26.81
Number of shares in issue	325,797,342	325,611,757	325,797,342	325,611,757

- 8 A review of the performance of the Group to the extent necessary for a reasonable understanding of the Group's business. The review must discuss 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. It must also discuss any material factors that affected the cashflow, working capital, assets or liabilities of the Group during the current financial period reported on.

### Review of Group Performance

#### **Overview for FY2016**

On 1 October 2015, the Group completed the acquisition of the entire equity stake of Ranken Infrastructure Limited ("Ranken"), an Engineering, Procurement and Construction ("EPC") business specialising in design, construction and project consultation in China's rail transit sector ("Infrastructure Business"). The proposed disposal of 81% of the Mining Services Business was announced on 30 December 2016.

As such the Profit and Loss Account and Statement of Cash Flows for the Group in FY2016 included the full-year financial performance of the Infrastructure Business whereas the comparatives for FY2015 only included three months ("4Q2015") of contributions.

The results of the Mining Services are presented as discontinued operations, and the financial statements of the Mining Services Business are presented in the Balance Sheet as assets and liabilities classified as held for sale ("Held for Sale").

As a result, the financial performance for our continuing operations improved with net profit from \$3.7 million to \$11.4 million in FY2016.

#### **Review of Financial Performance (FY2016 vs FY2015)**

##### **Continuing Operations**

*Note: Significant changes in revenue, cost of sales and operating expenses during the financial year under review were mainly attributed to the consolidation of Ranken's full year financial performance in FY2016 as compared to 3 months (4Q2015) in FY2015.*

Revenue rose by \$162.2 million to \$223.9 million in FY2016, boosted by the consolidation of Ranken's full year results in FY2016, on the back of revenue recognition for several projects based on their stage of completion. (Note: Ranken also procured materials on behalf of some project owners as part of its supply chain and these materials, as procured on cost-to-cost basis, were not included).

Given the higher revenue, the Group's gross profit rose by \$20.2 million to \$27.2 million. The overall gross profit margin in FY2016 was 12.2% compared to 11.5% in FY2015.

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

Other income fell by \$3.0 million to \$4.9 million in FY2016 due mainly to:

- (1) the absence of interest income relating to the redemption of the bond upon completion of disposal of the Steel Business amounting to \$1.2 million;
- (2) lower fair value gain of \$1.1 million (FY2015: \$2.1 million) related to the acquisition of Mancala as a result of a fall in fair value of contingent purchase consideration payable on acquisition of Mancala. The deferred purchase consideration of Mancala had previously been recorded and estimated based on an accounting valuation recommended by an external independent professional valuer, taking into account certain net profit targets which Mancala could achieve. As Mancala's actual Net Profit was below this accounting estimate, the Group's liabilities to pay deferred consideration "on-the-book" fell by \$1.1 million given the "lower-than-expected" Net Profit of Mancala; and
- (3) lower net foreign exchange gain amounting to \$2.9 million.

Despite increase in (1) rental income; (2) interest income from retention monies; and (3) consultancy fees.

Selling and distribution costs rose by \$0.5 million to \$0.9 million due mainly to consolidation of Ranken's full year results in FY2016. These relate mainly to Ranken's travelling expenses.

Administrative expenses rose by \$4.8 million to \$12.3 million due mainly to the inclusion of additional three financial quarters' results of \$5.6 million in administrative expenses incurred by Ranken in FY2016, further offset by lower corporate function expenses.

Other expenses remained relatively unchanged at \$1.7 million despite consolidation of Ranken's full year results in FY2016, due mainly to absence of impairment of goodwill of \$1.2 million relating to Mancala, offset by loss on disposal/write-off of plant and equipment of \$0.3 million upon completion of certain Ranken's projects in FY2016.

Finance costs rose by \$1.8 million in FY2016 to \$2.5 million due mainly to consolidation of Ranken's full year results in FY2016. Interest expense incurred by Ranken is primarily for its working capital borrowings.

Income tax expense rose by \$2.0 million due mainly to consolidation of Ranken's full year results in FY2016. Income tax expense is attributable to provision for income tax on taxable profits for Ranken's operations.

Given the above,

- net profit of our Continuing Operations rose from \$3.7 million to \$11.4 million in FY2016.
- operating profits before Working Capital or "Cash Profit" of Continuing Operations rose from \$7.2 million to \$28.4 million in FY2016.

#### **Discontinued Operations**

Revenue for discontinued operations (namely the Group's Mining Service Business) fell by \$28.5 million to \$26.1 million amid uncertain market sentiment in the mining industry and volatility of commodity prices.

Given the lower revenue, total gross profit fell by \$5.5 million to \$6.6 million.

Other income fell by \$0.5 million to \$0.3 million due mainly to lower interest income and lower exchange gain.

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

Administrative expenses fell by \$0.6 million to \$7.1 million, due mainly to cost cutting measures that were undertaken during the year.

Other expenses rose by \$0.8 million to \$1.1 million, due mainly to recognition of loss on disposal of plant and equipment of \$0.4 million and impairment loss on receivables of \$0.3 million.

Finance cost fell by \$0.7 million to \$0.6 million as Mancala continued to pay down its working capital borrowings and finance lease obligations.

Given the above,

- Discontinued Operations made a net loss of \$1.8 million in FY2016 compared to net profit of \$2.8 million in FY2015.
- Nonetheless, the net cash from operating activities of the Discontinued Operations remains positive at \$5.0 million, albeit a fall from FY2015's \$7.0 million.

**Overall**

Given the full year contribution of Ranken's results (Continuing Operations), offset by the loss incurred by Mancala (Discontinued Operations), Profit attributable to Owners of the Company ("Net Profit") for FY2016 rose to \$9.6 million from \$6.5 million for FY2015.

**Review of Financial Position (31 December 2016 vs 31 December 2015)**

*Note: Significant changes in financial position during the financial year under review were mainly attributed to classification of Mancala's financial position to assets and liabilities held for sale as at 31 December 2016.*

Total non-current assets fell by \$26.0 million mainly due to classification of the disposal group's non-current assets of \$20.6 million as Held for Sale. As at 31 December 2016 and 2015, non-current assets excluding disposal group were \$52.6 million and \$52.7 million, respectively. Additions of plant and equipment and site facilities by Ranken for its recently-secured new projects, were offset by depreciation resulting in relatively unchanged balance of non-current assets.

Total current assets increased by \$59.0 million partly due to classification of the disposal group's non-current assets of \$20.6 million as Held for Sale and partly due to increased current assets of Ranken. As at 31 December 2016 and 2015, current assets excluding disposal group were \$273.2 million and \$229.6 million respectively. Significant changes excluding the current assets of disposal group during the year under review were:

- Contract work in progress related to Ranken's projects under construction rose by \$28.2 million to \$83.0 million due to works completed over stages but not yet certified (and thus not invoiced and not recognised as revenue) during the year;
- Trade receivables related to Ranken's projects rose by \$18.4 million to \$136.1 million. Trade debtors' turnaround time increased to 222 days as at 31 December 2016 from 193 days as at 30 September 2016. 98% of trade receivables are not past due;
- Other receivables, deposits and prepayment, which comprised mainly Ranken's materials procured on behalf of project owners and security deposits placed with the project owners (refundable on project completion), decreased by \$1.3 million to \$21.9 million in FY2016; and

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

- Cash and cash equivalents, after accounting for operating cash inflow of \$42.4 million for the current year, fell by \$4.9 million to \$30.2 million as at 31 December 2016; due mainly to (i) cash investments in plant and equipment and site facilities of \$11.6 million mainly for Ranken's recently-secured new projects, and (ii) net repayment of bank loans, bond, finance lease liabilities, interest expense and loans from previous shareholders of Ranken's subsidiary amounting to \$30.6 million. More specifically, the cash position for corporate function and Ranken were \$0.6 million, and \$29.6 million, respectively as at 31 December 2016. Total cash of \$2.2 million was pledged as fixed deposits for Ranken's secured bank borrowings.

Total non-current liabilities fell by \$7.8 million, due partly to classification of the disposal group's non-current liabilities of \$1.5 million as Held for Sale and partly due to lower non-current liabilities of Ranken. As at 31 December 2016 and 2015, non-current liabilities excluding disposal group were \$8.6 million and \$12.3 million respectively. The decrease was due mainly to (i) repayments of working capital borrowings and finance lease obligations and (ii) partial repayment of amounts due to previous shareholders of Ranken's subsidiary, which were extended to Ranken prior to acquisition by the Group.

Total current liabilities increased by \$34.0 million due partly to classification of the disposal group's non-current liabilities of \$1.5 million as Held for Sale and partly due to increased current liabilities of Ranken. As at 31 December 2016 and 2015, current liabilities excluding disposal group were \$239.3 million and \$199.8 million respectively. Significant changes excluding current liabilities of disposal group, during the year under review were:

- Trade payables related to Ranken's projects rose by \$47.1 million to \$109.6 million, due mainly to higher purchases and longer credit terms (for goods and services from suppliers and contractors);
- Progress billings in excess of construction work in progress rose by \$8.8 million, as a result of higher construction activities;
- Other payables and accruals increased by \$11.1 million to \$74.3 million due mainly to increase in advanced deposits received from clients. Other payables and accruals for Ranken and the Company (corporate) and were \$61.2 million and \$13.1 million respectively as at 31 December 2016. Other payables and accruals for Ranken comprised deposits received from clients and security deposits from sub-contractors, VAT payables and accruals of operating expenses. Other payables of the Company (corporate) comprised mainly the purchase consideration payable to Mancala's vendors; and
- Current financial liabilities fell by \$29.1 million to \$33.2 million as Ranken continued to pay down working capital borrowings, finance lease obligations and bond.

Total equity

Despite higher earnings of \$9.6 million during the twelve months under review, total equity attributable to owners of the Company or Shareholders' Equity, only increased by \$6.6 million to \$97.2 million. This was due mainly to a non-cash or accounting translation loss of \$3.1 million in relation to translating financial statements of foreign subsidiaries to S\$, as a result of (i) weakening of RMB against S\$ and (ii) the weakening of the Vietnamese Dong against A\$.

**Review of Cash Flows (FY2016)**

Operating cash inflow of continuing operation for FY2016 rose by \$36.5 million to \$42.4 million after taking into account profit before income tax of \$14.7 million.

Cash flows used in investing activities of continuing operation for FY2016 amounted to \$11.4 million, due mainly to Ranken's investment in equipment and site facilities for recently secured projects.

Cash flows used in financing activities of continuing operation for FY2016 amounted to \$30.6 million, due mainly to repayment of bank loans, finance lease liabilities, bond, interest expense and loans from previous shareholders of Ranken's subsidiary amounting to \$59.9 million, offset by proceeds from bank loans and bond of \$29.3 million.

The discontinued operations recorded net cash from operating activities of \$5.0 million, offset by cash used in financing activities of \$2.9 million and its balance of \$3.6 million cash were classified as Held for Sale as at 31 December 2016.

Given the above, cash and cash equivalents decreased by \$2.3 million to \$28.0 million (net of fixed deposits pledged of \$2.2 million).

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

In the Group's 3Q2016 results announcement, the Board stated that the Group expects to report higher net profit in FY2016 compared to FY2015, barring unforeseen circumstances.

The Group reported higher net profit of \$9.6 million for FY2016 compared to \$6.5 million for FY2015.

**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**

**Infrastructure Business**

FY2016 marks the first financial year in which the Group recognised the full 12-month revenue contributions from Ranken Infrastructure Limited ("Ranken"), its wholly owned China rail engineering subsidiary. Since the completion of the Ranken acquisition on 1 October 2015, the Group has announced a cumulative RMB2.6 billion (\$541.3 million) worth of new contracts secured. The Group's order book stood at RMB2.3 billion (\$478.9 million) as at 31 December 2016 after delivering part of the works in progress while following up closely on new contracts won over the next few weeks.

With its strong operational capabilities and track record, Ranken is well positioned to ride the wave of public infrastructure spending in the region. The mainland Chinese government is expected to invest a further RMB 4.7 trillion in transport infrastructure over the next three years as it extends its 'One Belt, One Road' initiative. Investments in the rail sector and major land transport infrastructure are expected to remain buoyant in both China and other emerging Asia. Building on such capabilities, Ranken will continue to explore new construction management works in Bangladesh and other parts of South Asia.

As Ranken seeks out new projects, it will progressively scale up its production capacity via an 'asset-light' business model so as to meet the increase in orders and execute growth strategies without significant capital expenditure.

**Mining Services Business**

On 30 December 2016, Sapphire announced the proposed disposal of an 81% stake in Mancala Holdings (“Mancala”), its Australian mining services subsidiary. The Group will retain the remaining 19% stake in Mancala as part of a ‘passive investing strategy’, which enables the Group to focus resources on its core infrastructure business.

Barring unforeseen circumstances, the Group expects to be profitable in the financial year ending 31 December 2017 (“FY2017”).

**11 Dividend**

**(a) Current Financial Period Reported on – any dividend declared for the current financial period reported on?**

No.

**(b) Corresponding Period of the Immediately Preceding Financial Year – any dividend declared for the corresponding period of the immediately preceding financial year?**

No.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12 If no dividend has been declared/recommendeded, a statement to that effect**

No dividend has been declared/recommendeded in the current period reported on.

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

13 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

(a) By business segment: FY2016

	Infrastructure (Continuing Operations) \$'000	Mining services (Discontinued Operations) \$'000	Total \$'000
<b>Revenue and expenses</b>			
Total revenue from external customers	223,944	26,065	250,009
Interest income	128	51	179
Unwinding of discount on retention monies	732	–	732
Interest expenses	(2,493)	(567)	(3,060)
Depreciation and amortisation	(11,655)	(2,793)	(14,448)
Reportable segment profit/(loss) before income tax	14,352	(1,800)	12,552
Reportable segment assets	315,475	41,425	356,900
Capital expenditure	11,612	660	12,272
Reportable segment liabilities	238,115	27,325	265,440

(b) By business segment: FY2015

	3 months Infrastructure (Continuing Operations) \$'000	Mining services (Discontinued Operations) \$'000	Total \$'000
<b>Revenue and expenses</b>			
Total revenue from external customers	61,779	54,572	116,351
Interest income	887	321	1,208
Unwinding of discount on retention monies	160	–	160
Interest expenses	(675)	(1,239)	(1,914)
Depreciation and amortisation	(2,701)	(4,138)	(6,839)
Reportable segment profit before income tax	3,641	3,728	7,369
Reportable segment assets	266,758	51,950	318,708
Capital expenditure	1,577	1,272	2,849
Reportable segment liabilities	197,693	35,939	233,632



FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

**Reconciliations of reportable segment revenues, profit and loss, assets and liabilities and other material items**

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue</b>		
Total revenue for reportable segments	250,009	116,351
<b>Profit or loss</b>		
Total profit/(loss) before tax for reportable segments	12,552	7,369
Unallocated amounts:		
- Other income	2,629	6,668
- Other expense	(2,236)	(5,566)
- Tax expense	(3,030)	(1,975)
Consolidated profit for the year	9,915	6,496
<b>Assets</b>		
Total assets for reportable segments	356,900	318,708
Elimination of inter-segment assets	(104)	(667)
Other unallocated amounts	10,438	16,184
Consolidated total assets	367,234	334,225
<b>Liabilities</b>		
Total liabilities for reportable segments	265,440	233,632
Elimination of inter-segment liabilities	(10,253)	(5,978)
Other unallocated amounts	13,113	14,465
Consolidated total liabilities	268,300	242,119

	<b>Reportable segment total</b>	<b>Unallocated amounts</b>	<b>Consolidated total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Other material items 2016</b>			
Interest income	179	15	194
Unwinding of discount on retention monies	732	-	732
Interest expenses	(3,060)	-	(3,060)
Capital expenditure	(12,272)	(2)	(12,274)
Depreciation and amortisation	(14,448)	(45)	(14,493)
<b>Other material items 2015</b>			
Interest income	1,208	1,256	2,464
Unwinding of discount on retention monies	160	-	160
Interest expenses	(1,914)	-	(1,914)
Capital expenditure	(2,849)	(45)	(2,894)
Depreciation and amortisation	(6,839)	(43)	(6,882)

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

(c) By geographical segment

	Revenue		Non-current assets	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Continuing Operations</b>				
Singapore	–	–	71	111
China	222,780	61,657	52,495	52,604
Bangladesh	1,094	105	–	–
India	70	17	–	–
	<u>223,944</u>	<u>61,779</u>	<u>52,566</u>	<u>52,715</u>
<b>Discontinued Operations</b>				
Australia	15,177	33,702	–	19,287
Vietnam	10,888	20,870	–	6,536
	<u>26,065</u>	<u>54,572</u>	<u>–</u>	<u>25,823</u>
<b>Total</b>	<u>250,009</u>	<u>116,351</u>	<u>52,566</u>	<u>78,538</u>

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

Please refer to paragraph 8.

**15 A breakdown of sales**

	2016 \$'000	2015 \$'000	Change %
<b>Continuing Operations</b>			
(a) Sales reported for first half year	90,872	–	NM
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	4,603	484	851.0
(c) Sales reported for second half year	133,072	61,779	115.4
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	7,073	3,196	121.3
<b>Discontinued Operations</b>			
(a) Sales reported for first half year	16,238	29,561	(45.1)
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	277	413	(32.9)
(c) Sales reported for second half year	9,827	25,011	(60.7)
(d) Operating (loss)/profit after tax before deducting non-controlling interests reported for second half year	(2,038)	2,403	NM

**FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016**

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

Not applicable

- 17 Disclosure of Interested Person Transaction Conducted under a Shareholder Mandate for the period ended 31 December 2016**

There was no such interested person transaction in the current year reported on.

- 18 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)**

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

- 19 Report of persons occupying managerial positions who are related to a director, CEO or substantial shareholder**

Pursuant to Rule 704(13) of the SGX-ST Listing Manual, the Company wishes to inform that none of the persons occupying a managerial position in the Company or any of its principal subsidiaries is related to a Director or Chief Executive Officer of Substantial Shareholder of the Company as at 31 December 2016.

**BY ORDER OF THE BOARD**

**Teh Wing Kwan**  
**Managing Director and Group Chief Executive Officer**  
**27 February 2017**