

UNAUDITED QUARTERLY FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 31 MARCH 2015

- 1(a)(i) **An income statement and statement of comprehensive income, or a statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Income Statement

	Group					
	3 months ended			9 months ended		
	31 March			31 March		
	3Q	3Q	Inc/	9M	9M	Inc/
FY2015	FY2014	(Dec)	FY2015	FY2014	(Dec)	
\$'000	\$'000	%	\$'000	\$'000	%	
Revenue	63,416	144,839	(56.2)	110,859	483,577	(77.1)
Cost of sales	(51,346)	(134,768)	(61.9)	(83,541)	(431,127)	(80.6)
Gross profit	12,070	10,071	19.8	27,318	52,450	(47.9)
Other operating income	2,187	3,066	(28.7)	12,032	8,417	42.9
Administrative expenses	(6,127)	(6,527)	(6.1)	(20,255)	(22,061)	(8.2)
Other operating expenses	(2,254)	(1,565)	44.0	(4,735)	(1,244)	280.6
Finance costs	(4,006)	(3,179)	26.0	(11,361)	(10,040)	13.2
Share of results of jointly-controlled entity and associates	622	1,704	(63.5)	3,152	2,513	25.4
Profit before tax	2,492	3,570	(30.2)	6,151	30,035	(79.5)
Tax credit/ (expense)						
- current period	(389)	1,620	NM	969	(4,898)	NM
- over/ (under) provision in prior years	20	(189)	NM	(855)	168	NM
Profit for the period	2,123	5,001	(57.5)	6,265	25,305	(75.2)
Attributable to:						
Owners of the Company	1,937	5,650	(65.7)	6,469	26,265	(75.4)
Non-controlling interests	186	(649)	NM	(204)	(960)	(78.8)
	2,123	5,001	(57.5)	6,265	25,305	(75.2)

NM: Not meaningful

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

Statement of Comprehensive Income

	Group					
	3 months ended			9 months ended		
	31 March			31 March		
	3Q	3Q	Inc/	9M	9M	Inc/
FY2015	FY2014	(Dec)	FY2015	FY2014	(Dec)	
	\$'000	\$'000	%	\$'000	\$'000	%
Profit for the period	2,123	5,001	(57.5)	6,265	25,305	(75.2)
Translation differences relating to financial statements of foreign subsidiaries, net of tax	2,880	120	2,300.0	6,669	(1,209)	NM
Share of other comprehensive income of jointly-controlled entities and associates	651	78	734.6	1,452	98	1,381.6
Realisation of reserves on change of interest in an associate	-	45	NM	-	45	NM
Net change in fair value of cash flow hedges	(839)	375	NM	(837)	726	NM
Other comprehensive income for the period, net of tax	2,692	618	335.6	7,284	(340)	NM
Total comprehensive income for the period	4,815	5,619	(14.3)	13,549	24,965	(45.7)
Attributable to:						
Owners of the Company	4,419	6,199	(28.7)	13,260	26,034	(49.1)
Non-controlling interests	396	(580)	NM	289	(1,069)	NM
	4,815	5,619	(14.3)	13,549	24,965	(45.7)

NM: Not meaningful

Notes:

- (i) The movement in foreign currency translation reserves arose mainly from the consolidation of subsidiaries whose functional currencies are United States Dollar ("USD"), Euro ("EUR") and Indonesian Rupiah ("IDR").
- (ii) The fair value gain on cash flow hedges was primarily due to fair value adjustments on foreign currency forward contracts and interest rate swaps.

1(a)(ii) Net profit for the period was stated after crediting/ (charging):-

	Group			
	3 months ended		9 months ended	
	31 March		31 March	
	3Q	3Q	9M	9M
	FY2015	FY2014	FY2015	FY2014
	\$'000	\$'000	\$'000	\$'000
Allowance for impairment of doubtful trade receivables	-	(14)	-	(14)
Allowance for impairment of doubtful trade receivables written back	331	313	958	518
Amortisation of intangible assets	(210)	(284)	(653)	(1,021)
Amortisation of lease prepayments	(74)	(68)	(217)	(198)
Bad debts (written off)/ recovered	(42)	(44)	194	(45)
Changes in fair value of short term investment	-	-	-	37
Depreciation of property, plant and equipment	(11,429)	(11,311)	(33,769)	(32,695)
Gain on change of interest in an associate	-	20	-	20
(Loss)/ gain on disposal of assets held for sale	-	(3)	-	283
Gain on disposal of property, plant and equipment	308	802	6,607	3,155
(Loss)/ gain on foreign exchange (net)	(1,026)	(1,326)	(2,841)	240
Interest income	58	61	113	211
Property, plant and equipment written off	(1)	(5)	(803)	(1,184)
Reversal/ (provision) for warranty	250	387	(595)	2,574
(Provision)/ reversal for pension liabilities	(16)	(48)	87	(149)
Over/ (under)provision of tax in respect of prior years				
- current tax expense	34	(189)	187	739
- deferred tax expense	(14)	-	(1,042)	(571)

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

	Group		Company	
	31-Mar-15 \$'000	30-Jun-14 \$'000	31-Mar-15 \$'000	30-Jun-14 \$'000
Non-current assets				
Property, plant and equipment	550,961	542,777	-	-
Lease prepayments	6,126	5,817	-	-
Subsidiaries	-	-	70,613	70,513
Interest in jointly-controlled entities and associates	17,813	13,375	-	-
Intangible assets	18,781	22,190	-	-
	593,681	584,159	70,613	70,513
Current assets				
Inventories	218,298	72,655	-	-
Construction work-in-progress	50,669	199,318	-	-
Trade and other receivables	281,749	287,658	258,748	209,861
Bank balances, deposits and cash	69,116	73,155	1,271	2,663
	619,832	632,786	260,019	212,524
Current liabilities				
Trade and other payables	176,492	193,916	79,341	82,422
Provision for warranty	1,618	1,224	-	-
Progress billings in excess of construction work-in-progress	37,534	35,012	-	-
Trust receipts	84,433	100,204	-	-
Interest-bearing loans and borrowings	143,742	161,844	-	-
Derivative financial instruments	983	2	-	-
Income tax payables	1,943	4,160	3	-
Bank overdrafts	2,555	6,724	-	-
	449,300	503,086	79,344	82,422
Net current assets	170,532	129,700	180,675	130,102
Non-current liabilities				
Other liabilities	3,171	3,746	-	-
Interest-bearing loans and borrowings	318,321	277,035	150,000	100,000
Deferred tax liabilities	16,858	16,570	-	-
	338,350	297,351	150,000	100,000
Net assets	425,863	416,508	101,288	100,615
Share capital	83,092	83,092	83,092	83,092
Treasury shares	(923)	(923)	(923)	(923)
Reserves	337,499	328,433	19,119	18,446
	419,668	410,602	101,288	100,615
Non-controlling interests	6,195	5,906	-	-
Total equity	425,863	416,508	101,288	100,615

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

	Group			
	As at 31-Mar-15		As at 30-Jun-14	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Amount repayable in one year or less, or on demand (Note 1)	155,492	75,238	155,525	113,247
Amount repayable after one year	168,321	150,000	176,976	100,059
	323,813	225,238	332,501	213,306

Note 1:

Of the total secured loans due within one year or less is an amount of approximately \$81.6 million relating to the financing of 3rd parties shipbuilding projects.

These loans may be renewed and are repayable only upon the completion of construction of these vessels.

Details of any collateral

The Group's secured borrowings comprised term loans and finance leases which are secured by way of:

- Legal mortgages of certain leasehold properties of subsidiaries
- Legal mortgages over certain vessels, plant and equipment of subsidiaries
- Assignment of charter income and insurance of certain vessels of subsidiaries
- Corporate guarantees from the Company and certain subsidiaries

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			
	3 months ended 31 March		9 months ended 31 March	
	3Q FY2015	3Q FY2014	9M FY2015	9M FY2014
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Profit before tax	2,492	3,570	6,151	30,035
Adjustments for:				
Amortisation of intangible assets	210	284	653	1,021
Amortisation of lease prepayments	74	68	217	198
Allowance for impairment of doubtful trade receivables written back (net)	(331)	(299)	(958)	(504)
Bad debts written off/ (recovered)	42	44	(194)	45
Changes in fair value of short term investment	-	-	-	(37)
Depreciation of property, plant and equipment	11,429	11,311	33,769	32,695
Loss/ (gain) on disposal of assets held for sale	-	3	-	(283)
Gain on disposal of property, plant and equipment	(308)	(802)	(6,607)	(3,155)
Gain on change of interest in an associate	-	(20)	-	(20)
Interest expense	4,006	3,179	11,361	10,040
Interest income	(58)	(61)	(113)	(211)
(Reversal)/ provision for warranty	(250)	(387)	595	(2,574)
Provision/ (reversal) for pension liabilities	16	48	(87)	149
Property, plant and equipment written off	1	5	803	1,184
Share of results of jointly-controlled entity and associates	(622)	(1,704)	(3,152)	(2,513)
Operating profit before working capital changes	16,701	15,239	42,438	66,070
Changes in working capital:				
Inventories	(9,415)	4,414	(145,643)	10,988
Construction work-in-progress and progress billings in excess of construction work-in-progress	23,156	23,906	156,558	1,710
Trade and other receivables	(2,080)	(31,400)	24,607	(70,165)
Trade and other payables	10,406	(30,186)	(27,917)	(19,031)
Other liabilities	(208)	(19)	(98)	(74)
Balances with related parties (trade)	141	870	1,643	27,656
Bank balances, deposits and cash (restricted use)	-	975	447	958
Cash generated from/ (used in) operations	38,701	(16,201)	52,035	18,112
Tax paid	(925)	(3,005)	(1,555)	(6,018)
Net cash generated from/ (used in) operating activities	37,776	(19,206)	50,480	12,094
Cash flows from investing activities				
Interest received	58	11	113	261
Purchase of assets held for sale	-	-	-	(1,941)
Investment in jointly-controlled entity	-	(9)	-	(9)
Purchase of property, plant and equipment	(41,224)	(32,008)	(68,980)	(66,918)
Proceeds from disposal of assets held for sale	-	(3)	-	2,224
Proceeds from disposal of property, plant and equipment	1,140	2,903	50,588	7,566
Lease prepayments	(420)	(150)	(420)	(150)
Balances with related parties (non-trade)	5,308	(531)	(17,206)	(1,982)
Net cash used in investing activities	(35,138)	(29,787)	(35,905)	(60,949)

	Group			
	3 months ended		9 months ended	
	31 March		31 March	
	3Q	3Q	9M	9M
FY2015	FY2014	FY2015	FY2014	
\$'000	\$'000	\$'000	\$'000	
Cash flows from financing activities				
Interest paid	(7,216)	(5,787)	(13,350)	(11,851)
Dividends paid	-	-	(4,195)	(8,390)
Repayment of interest-bearing loans and borrowings	(11,494)	(83,323)	(139,848)	(124,620)
Proceeds from interest-bearing loans and borrowings	14,671	100,998	159,112	142,191
Repayment of trust receipts	(9,934)	(10,247)	(66,568)	(87,366)
Proceeds from trust receipts	14,752	20,624	50,197	92,542
Net cash generated from/ (used in) financing activities	779	22,265	(14,652)	2,506
Net increase/ (decrease) in cash and cash equivalents	3,417	(26,728)	(77)	(46,349)
Cash and cash equivalents at beginning of period	61,481	58,466	64,604	78,077
Effects of exchange rate changes on opening cash and cash equivalents	282	(46)	653	(36)
Cash and cash equivalents at end of period (Note 1)	65,180	31,692	65,180	31,692

Note 1:

Cash and cash equivalents comprise the followings:

Bank balances, deposits and cash as at March	69,116	39,834
Less: Restricted cash		
- Cash at banks	(1,381)	(1,353)
- Fixed deposits with banks	-	(630)
	<u>67,735</u>	<u>37,851</u>
Bank overdrafts	(2,555)	(6,159)
Cash and cash equivalents	<u>65,180</u>	<u>31,692</u>

1(d)(i) A statement (for the group and 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.

Statement of Changes in Equity for the period ended 31-Mar-15									
Group	Attributable to owners of the Company						Equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Foreign currency translation reserve \$'000	Hedging reserve \$'000	Accumulated profits \$'000	Total reserves \$'000			
9M FY2015									
At 1-Jul-14	83,092	(923)	(4,891)	(2)	333,326	328,433	410,602	5,906	416,508
Profit for the period	-	-	-	-	6,469	6,469	6,469	(204)	6,265
Other comprehensive income for the period, net of tax									
Translation differences relating to financial statements of foreign subsidiaries, net of tax	-	-	6,307	-	-	6,307	6,307	363	6,670
Share of other comprehensive income of jointly-controlled entities and associates	-	-	1,322	-	-	1,322	1,322	130	1,452
Net fair value changes to cash flow hedges	-	-	-	(837)	-	(837)	(837)	-	(837)
Total comprehensive income for the period	-	-	7,629	(837)	6,469	6,792	6,792	493	7,285
Contributions by and distributions to owners									
Dividends	-	-	-	-	(4,195)	(4,195)	(4,195)	-	(4,195)
Total distributions to owners	-	-	-	-	(4,195)	(4,195)	(4,195)	-	(4,195)
At 31-Mar-15	83,092	(923)	2,738	(839)	335,600	337,499	419,668	6,195	425,863

Statement of Changes in Equity for the period ended 31-Mar-14

<u>Group</u>	Attributable to owners of the Company						Equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Foreign currency translation reserve \$'000	Hedging reserve \$'000	Accumulated profits \$'000	Total reserves \$'000			
9M FY2014									
At 1-Jul-13 (Restated)	83,092	(923)	(3,390)	(1,272)	320,297	315,635	397,804	6,870	404,674
Profit for the period	-	-	-	-	26,265	26,265	26,265	(960)	25,305
Other comprehensive income for the period, net of tax									
Translation differences relating to financial statements of foreign subsidiaries, net of tax	-	-	(1,088)	-	-	(1,088)	(1,088)	(121)	(1,209)
Share of other comprehensive income of jointly-controlled entities and associates	-	-	86	-	-	86	86	12	98
Realisation of reserves on change of interest in an associate	-	-	45	-	-	45	45	-	45
Net fair value changes to cash flow hedges	-	-	-	726	-	726	726	-	726
Total comprehensive income for the period	-	-	(957)	726	-	(231)	(231)	(109)	(340)
Contributions by and distributions to owners									
Dividends	-	-	-	-	(8,390)	(8,390)	(8,390)	-	(8,390)
Total distributions to owners	-	-	-	-	(8,390)	(8,390)	(8,390)	-	(8,390)
At 31-Mar-14	83,092	(923)	(4,347)	(546)	338,172	333,279	415,448	5,801	421,249

Statement of Changes in Equity for the period ended 31-Mar-15 and 31-Mar-14

<u>Company</u>	Share capital \$'000	Treasury shares \$'000	Hedging reserve \$'000	Accumulated profits \$'000	Total reserves \$'000	Total equity \$'000
9M FY2015						
At 1-Jul-14	83,092	(923)	-	18,446	18,446	100,615
Profit for the period, representing total comprehensive income for the period	-	-	-	4,868	4,868	4,868
Contributions by and distributions to owners						
Dividends	-	-	-	(4,195)	(4,195)	(4,195)
Total distributions to owners	-	-	-	(4,195)	(4,195)	(4,195)
At 31-Mar-15	83,092	(923)	-	19,119	19,119	101,288
9M FY2014						
At 1-Jul-13	83,092	(923)	(101)	18,470	18,369	100,538
Profit for the period	-	-	-	9,102	9,102	9,102
Other comprehensive income for the period, net of tax						
Net fair value changes to cash flow hedges	-	-	101	-	101	101
Total comprehensive income for the period	-	-	101	9,102	9,203	9,203
Contributions by and distributions to owners						
Dividends	-	-	-	(8,390)	(8,390)	(8,390)
Total distributions to owners	-	-	-	(8,390)	(8,390)	(8,390)
At 31-Mar-14	83,092	(923)	-	19,182	19,182	101,351

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

	Number of Ordinary Shares (excluding treasury shares)
Balance as at 31-Mar-15 and 30-Jun-14	<u>419,511,294</u>

There have been no changes in the issued and paid-up capital of the Company since 30 June 2014.

There are no outstanding share options granted under the ESOS as at 31 March 2015 and 31 March 2014.

- 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 31-Mar-15	As at 30-Jun-14	As at 31-Mar-14
Total number of issued shares	422,022,894	422,022,894	422,022,894
Total number of treasury shares	(2,511,600)	(2,511,600)	(2,511,600)
Total number of issued shares (excluding treasury shares)	<u>419,511,294</u>	<u>419,511,294</u>	<u>419,511,294</u>

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

During the current financial period reported on, there were no purchases, sales, transfers, disposal, cancellation and/or use of treasury shares.

- 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 the Company's auditors.

- 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 accounting policies adopted and methods of computation in the preparation of the financial statements are consistent with those of the audited financial statements as at 30 June 2014 except in the current financial period, the Group has adopted all the new and revised standards and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning as of 1 July 2014. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group.

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.

Not applicable.

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			
	3 months ended 31 March		9 months ended 31 March	
	3Q FY2015	3Q FY2014	9M FY2015	9M FY2014
Earnings per ordinary share:				
(i) On weighted average no. of ordinary shares in issue	0.46 cents	1.35 cents	1.54 cents	6.26 cents
(ii) On a fully diluted basis	0.46 cents	1.35 cents	1.54 cents	6.26 cents
Net profit attributable to shareholders:	\$1,937,000	\$5,650,000	\$6,469,000	\$26,265,000
Number of shares in issue:				
(i) Weighted average no. of shares in issue	419,511,294	419,511,294	419,511,294	419,511,294
(ii) On a fully diluted basis	419,511,294	419,511,294	419,511,294	419,511,294

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (a) current financial period reported on; and
(b) immediately preceding financial year.**

	Group		Company	
	31-Mar-15	30-Jun-14	31-Mar-15	30-Jun-14
Net Asset Value (NAV) per ordinary share	100.04 cents	97.88 cents	24.14 cents	23.98 cents
NAV has been computed based on the share capital of	419,511,294	419,511,294	419,511,294	419,511,294

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:-**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

REVIEW OF GROUP PERFORMANCE

Revenue

Total Group revenue of \$63.4 million for the 3 months ended 31 March 2015 ("3Q FY2015") was \$81.4 million (56.2%) lower compared to the corresponding period in FY2014 ("3Q FY2014").

Details for revenue generated from each segment are as follows:

	Group					
	3Q	3Q	Increase/	9M	9M	Increase/
	FY2015	FY2014	(Decrease)	FY2015	FY2014	(Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Shipbuilding	13,886	85,166	(83.7)	(53,603)	283,637	NM
Shiprepair and conversion	20,773	25,760	(19.4)	79,055	99,863	(20.8)
Shipchartering	17,830	19,334	(7.8)	52,784	54,327	(2.8)
Engineering	10,927	14,579	(25.0)	32,623	45,750	(28.7)
	63,416	144,839	(56.2)	110,859	483,577	(77.1)

Shipbuilding

Recognition of shipbuilding revenue is calculated based on project value multiplied by the percentage of completion ("POC").

As several of the ongoing shipbuilding projects were either completed in earlier quarters of FY2015 or near completion in this current quarter, revenue recognised from these projects were much lower compared to the corresponding period. Coupled with the low POC achieved in 3Q FY2015 for the new projects, revenue from shipbuilding decreased by \$71.3 million (83.7%) to \$13.9 million in 3Q FY2015.

Shiprepair and conversion

Unlike shipbuilding projects, revenue from shiprepair and conversion are deemed to be short term in nature and are recognised only upon completion of the projects. However as several of our shiprepair jobs are partial conversions, and thus take far longer than historic jobs to complete, it is impossible to ensure that one major job completes each quarter.

The breakdown of revenue generated from the Shiprepair and conversion division is as follows:

	Group					
	3Q	3Q	Increase/	9M	9M	Increase/
	FY2015	FY2014	(Decrease)	FY2015	FY2014	(Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Shiprepair and conversion	20,522	25,631	(19.9)	78,653	98,906	(20.5)
Other marine related services	251	129	94.6	402	957	(58.0)
	20,773	25,760	(19.4)	79,055	99,863	(20.8)

Shiprepair and conversion revenue for 3Q FY2015 was 19.9% lower year-on-year (yoy) compared to 3Q FY2014. The high revenue recorded in 3Q FY2014 was mainly attributed from the completion of a crude oil tanker conversion project.

Shipchartering

The breakdown of revenue generated from the shipchartering division is as follows:

	Group					
	3Q	3Q	Increase/	9M	9M	Increase/
	FY2015	FY2014	(Decrease)	FY2015	FY2014	(Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Offshore support vessels ("OSV")	3,298	5,305	(37.8)	12,093	15,605	(22.5)
Landing crafts ("LCT")	1,419	451	214.6	4,067	1,179	245.0
Tug boats	5,189	5,733	(9.5)	16,066	15,905	1.0
Barges	7,495	5,534	35.4	19,115	17,123	11.6
Total charter	17,401	17,023	2.2	51,341	49,812	3.1
Trade sales	429	2,311	(81.4)	1,443	4,515	(68.0)
	17,830	19,334	(7.8)	52,784	54,327	(2.8)

Shipchartering revenue decreased by \$1.5 million (7.8%) to \$17.8 million in 3Q FY2015 and \$1.5 million (2.8%) to \$52.8 million for 9M FY2015 compared to the corresponding periods.

The lower revenue generated by the shipchartering division in 3Q FY2015 was due to:

- (1) Lower revenue from OSV following disposal of the ROV Support Vessel in November 2014 as well as the absence of revenue for one unit of Anchor Handling Tug ("AHT"), and
- (2) Lower trade sales due to fewer ad hoc services

However charter of barges and LCT improved as a result of higher utilisation of barges and the contribution of an additional unit of LCT since July 2014. These vessels were mainly deployed to support our customers in marine infrastructure and transportation of precast/ reinforced concrete used in construction.

Engineering

The breakdown by revenue generated from the Engineering division is as follows:

	Group					
	3Q	3Q	Increase/	9M	9M	Increase/
	FY2015	FY2014	(Decrease)	FY2015	FY2014	(Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Engineered Dredger Products & Dredgers ("New Buildings")	5,676	787	621.2	9,046	10,731	(15.7)
Components & Services ("Components")	5,251	13,792	(61.9)	23,577	35,019	(32.7)
	10,927	14,579	(25.0)	32,623	45,750	(28.7)

Similar to shipbuilding, revenue from New Buildings is calculated based on project value multiply by POC.

Revenue generated from New Buildings in 3Q FY2015 increased by \$4.9 million (621.2%) due to achievement of higher POC in 3Q FY2015.

The decline in revenue from Components was due to few orders for spare parts and cutting/ coupling products received from customers in 3Q FY2015.

Gross profit and gross profit margin

Notwithstanding the lower revenue recorded in 3Q FY2015, the Group managed to achieve a total gross profit of \$12.1 million, an improvement of 19.8% compared to the corresponding period.

The breakdown of gross profit and gross profit margin for each respective segment are as follows:

	Group							
	3Q FY2015		3Q FY2014		9M FY2015		9M FY2014	
	\$'000	GPM	\$'000	GPM	\$'000	GPM	\$'000	GPM
Shipbuilding	(1,570)	NM	1,087	1.3%	(7,605)	NM	9,543	3.4%
Shiprepair and conversion	7,656	36.9%	3,644	14.1%	16,954	21.4%	19,404	19.4%
Shipchartering	2,593	14.5%	3,381	17.5%	9,441	17.9%	15,278	28.1%
Engineering	3,391	31.0%	1,959	13.4%	8,528	26.1%	8,225	18.0%
	12,070	19.0%	10,071	7.0%	27,318	24.6%	52,450	10.8%

Shipbuilding

The gross loss recorded in 3Q FY2015 was mainly due to overrun in subcontractors' costs to rapidly complete the construction of 4 units of tugs to avoid delays in delivery. These vessels were delivered by April 2015.

Shiprepair and conversion

Despite the lower revenue earned in 3Q FY2015, gross profit increased by \$4.0 million (110.1%) compared to the corresponding period.

The better performance in both gross profit and gross profit margin in 3Q FY2015 was due to the completion of a one-off special project.

Shipchartering

Gross profit in 3Q FY2015 declined by \$0.8 million (23.3%) to \$2.6 million. This is mainly due to the absence of charter income following the disposal of the ROV Support Vessel in November 2014.

Engineering

Although revenue earned in 3Q FY2015 was lower compared to 3Q FY2014, gross profit improved by \$1.4 million (73.1%) to \$3.4 million due to the better margin achieved from Components (3Q FY2015: 30.6% vs 3Q FY2014: 27.0%).

Other operating income

Details for other operating income are as follows:

	Group			
	3Q	3Q	9M	9M
	FY2015	FY2014	FY2015	FY2014
	\$'000	\$'000	\$'000	\$'000
Gain on disposal of plant and equipment	308	802	6,607	3,155
(Loss)/ gain on disposal of assets held for sale	-	(3)	-	283
Gain on foreign exchange				
- realised	1,186	190	1,050	292
Gain on change of interest in an associate	-	20	-	20
Interest income	58	61	113	211
Insurance claims	53	1,223	936	2,525
Rental income	(33)	238	1,618	678
Write-back of allowance for impairment of doubtful receivables (net)	331	299	958	504
Bad debts recovered	-	-	236	-
Miscellaneous income	284	236	514	749
	2,187	3,066	12,032	8,417

Realised foreign exchange gain of \$1.2 million in 3Q FY2015 was mainly derived from the appreciation of RMB against SGD on SGD denominated liabilities in RMB book.

Administrative expenses

Administrative expenses decreased by \$0.4 million (6.1%) to \$6.1 million in 3Q FY2015 mainly due to absence of the legal fee of approximately \$0.4 million incurred in 3Q FY2014 for the additional financing obtained.

Other operating expenses

Other operating expenses comprised the following:

	Group			
	3Q	3Q	9M	9M
	FY2015	FY2014	FY2015	FY2014
	\$'000	\$'000	\$'000	\$'000
Bad debts written off	41	44	41	45
Changes in fair value of short term investment	-	-	-	(37)
Loss on foreign exchange - unrealised	2,212	1,516	3,891	52
Property, plant and equipment written off	1	5	803	1,184
	2,254	1,565	4,735	1,244

Unrealised forex loss arose mainly due to the appreciation of USD against SGD (USD denominated liabilities).

Exchange rates for the respective reporting periods were as follows:-

	31 Mar 2015	31 Mar 2014	31 Dec 2014	31 Dec 2013	30 June 2014	30 June 2013
USD against SGD	1.3761	1.2601	1.3203	1.2660	1.2490	1.2662
EUR against SGD	1.4914	1.7323	1.6089	1.7468	1.7073	1.6512
IDR against USD	13,106	11,403	12,456	12,189	12,010	9,929
IDR against SGD	9,524	9,049	9,434	9,628	9,615	7,841

Finance costs

Finance costs increased by \$0.8 million (26.0%) to \$4.0 million in 3Q FY2015 mainly due to the additional loans of US\$70 million drawdown in 2H FY2014 to re-finance the redemption of bonds and to finance the acquisition of the new shipyard in Batam.

Share of results of jointly-controlled entity and associates

The Group's share of results of jointly-controlled entity and associates comprised:

	Group's effective interest	Group			
		3Q	3Q	9M	9M
		FY2015	FY2014	FY2015	FY2014
		\$'000	\$'000	\$'000	\$'000
<u>Jointly-controlled entity</u>					
Sindo-Econ Group	50.0%	1	-	1,163	(100)
<u>Associates</u>					
PT. Hafar Capitol Nusantara ("PT Hafar")	36.75%	1,189	1,620	3,785	2,773
PT Capitol Nusantara Indonesia ("PT CNP")	36.0%	(568)	84	(1,796)	(160)
		622	1,704	3,152	2,513

Share of results of jointly-controlled entity and associates fell 63.5% to \$0.6 million mainly attributable to the loss of PT CNI resultant from the low utilisation of its vessels. Several of its vessels have remained off-hired in 3Q FY2015 mainly due to the slowdown in Indonesia coal mining industry.

Profit before tax

Group's profit before tax decreased by \$1.1 million (30.2%) to \$2.5 million in 3Q FY2015 consequent to the lower contributions from our associates.

Tax (expense)/ credit

The Group's current period tax (expense)/ credit comprised the following:

	Group			
	3Q FY2015 \$'000	3Q FY2014 \$'000	9M FY2015 \$'000	9M FY2014 \$'000
Income tax	118	151	(399)	(3,369)
Deferred tax	(507)	1,469	1,368	(1,529)
	(389)	1,620	969	(4,898)
Effective tax rate			NM	18.5%

Non-controlling interests

Non-controlling interests' share of results increased by \$0.8 million in 3Q FY2015 mainly due to lower losses from China shipbuilding operations.

Operating cash flow

3Q FY2015

The Group recorded a net cash inflow of \$37.8 million from operating activities in 3Q FY2015 compared to net cash outflow of \$19.2 million in 3Q FY2014. The higher cash inflow was mainly attributed to lower payments made to suppliers and higher receipts from customers.

On the other hand, the Group recorded a net cash outflow of \$35.1 million from investing activities. Cash were utilised in purchase of vessels.

REVIEW OF FINANCIAL POSITION AS AT 31 MARCH 2015

Non-current assets

Property, plant and equipment ("PPE") increased by \$8.2 million (1.5%) from \$542.8 million as at 30 June 2014 to \$551.0 million as at 31 March 2015.

Movement in PPE during the period under review is as follows:

	\$'000
Balance as at 1 July 2014	542,777
Acquisition of property, plant and equipment	72,898
Inclusive of :	
- \$10.3 million for plant and machinery	
- \$52.4 million for vessels	
- \$10.2 million for vessels under construction	
Disposal/ write-off of plant and equipment	(44,784)
Depreciation charge	(36,419)
Translation differences	16,489
Balance as at 31 March 2015	<u><u>550,961</u></u>

Current assets

Current assets decreased by \$13.0 million (2.0%) from \$632.8 million as at 30 June 2014 to \$619.8 million as at 31 March 2015.

Inventories increased by \$145.6 million (200.5%) to \$218.3 million as at 31 March 2015 mainly due to transfer of vessels from construction work-in-progress to inventory work-in-progress following the rescission of shipbuilding contracts and the current period's progress of vessels under the Group's Build to Stock Program.

Trade and other receivables comprised the following:

	Total 31-Mar-15 \$'000	Total 30-Jun-14 \$'000	Increase/ (decrease) \$'000 %	
Trade receivables	179,379	207,278	(27,899)	(13.5)
Other receivables and deposits	31,274	26,828	4,446	16.6
Amounts due from related parties	71,096	53,552	17,544	32.8
	<u><u>281,749</u></u>	<u><u>287,658</u></u>	<u><u>(5,909)</u></u>	<u><u>(2.1)</u></u>

The decrease in trade receivables was mainly due to lower progressive billings for shipbuilding projects achieved during the period. Of the total trade receivables, \$14.1 million was received subsequent to the period under review.

The higher other receivables and deposits balance was mainly attributable to more down payments made for the purchase of project equipment, vessels and plant and equipment.

The increase in amount due from related parties was mainly due to the trade billings and sale of vessel to associates of the Group in the current financial year.

Current liabilities

Current liabilities decreased by \$53.8 million (10.7%) from \$503.1 million as at 30 June 2014 to \$449.3 million as at 31 March 2015.

Trade and other payables comprised the following:

	Total	Total	Increase/ (decrease)	
	31-Mar-15	30-Jun-14	\$'000	%
	\$'000	\$'000	\$'000	%
Trade payables	139,190	147,447	(8,257)	(5.6)
Other payables	27,720	39,097	(11,377)	(29.1)
Amounts due to related parties	9,371	7,181	2,190	30.5
Loan from non-controlling interests of subsidiaries	211	191	20	10.5
	176,492	193,916	(17,424)	(9.0)

Other payables comprised mainly payables for expenditure incurred on yard developments and vessels, deferred income and deposits received from customers for shiprepairs and shipchartering services. The decrease was mainly due to settlement of payables for purchase of vessels.

The decrease in current portion of interest-bearing loans and borrowings and trust receipts by \$18.1 million (11.2%) and \$15.8 million (15.7%) respectively was mainly due to the settlement of short term loans and trust receipts previously obtained, primarily to finance shipbuilding projects.

The Group's net construction work-in-progress in excess of progress billings decreased by \$151.2 million (92.0%) from \$164.3 million as at 30 June 2014 to \$13.1 million as at 31 March 2015. The decrease was mainly attributed to completion and delivery of vessels and rescission of the two shipbuilding contracts.

Non-current liabilities

Non-current liabilities increased by \$41.0 million (13.8%) to \$338.4 million as at 31 March 2015 mainly due to issuance of \$50 million in principal amount of 5.35% Notes due 2018. The net proceeds arising from the issue of these Notes in October 2014 (1Q FY2015) have been utilised to finance working capital and refinance existing borrowings of the Group.

The breakdown of total group borrowings is as follows:

	31-Mar-15	30-Jun-14	Increase/ (decrease)	
	\$'000	\$'000	\$'000	%
Long term loans	211,932	210,723	1,209	0.6
Notes issued under Multicurrency Debt Issuance Programme	150,000	100,000	50,000	50.0
Finance lease liabilities	21,784	25,800	(4,016)	(15.6)
Short term loans	78,347	102,356	(24,009)	(23.5)
Bank overdraft	2,555	6,724	(4,169)	(62.0)
Total interest-bearing loans and borrowings	464,618	445,603	19,015	4.3
Trust receipts	84,433	100,204	(15,771)	(15.7)
Total borrowings	549,051	545,807	3,244	0.6
Total shareholders' funds	419,668	410,602		
Gearing ratio (times)	1.31	1.33		
Net gearing ratio (times)	1.14	1.15		

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

In line with the Group's announcement made on 12 February 2015 with respect to the second quarter ended 31 December 2014, the Group was profitable in 9M FY2015.

On 12 February 2015, the Group announced an outstanding delivery order of 13 vessels worth approximately \$41 million for its shipchartering operations. During 3Q FY2015, the shipchartering operations took delivery of 3 vessels with a total worth of \$5.0 million.

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.

Lower oil prices have led to fewer new shipbuilding orders for offshore support vessels. As oil majors cut their CAPEX budgets new buildings projects have slowed down, been put on hold or have been cancelled.

Whilst the Group's offshore support vessel businesses have also been affected, the Group also builds other vessels including Harbour tugs, tugs, work barges, dredgers, tankers etc.. The demand for these non-offshore related vessels are not directly affected by oil prices.

Outside of ship construction the Group expects healthy levels of activities in its Ship Chartering division on the back of the upcoming major infrastructure projects in Singapore, Malaysia and Indonesia where the Group will be supplying various support equipment (grab dredgers, tugs, hopper barges, crane barges) to the main contractors.

As at 31 March 2015, the Group had an outstanding shipbuilding order book from external customers of approximately \$257 million for 18 vessels with progressive deliveries up to second quarter of FY2017. The order book comprised AHTS, tugs, a Seismic Support Vessel and a tanker.

The Group's shipchartering revenue consists of mainly short-term and ad-hoc contracts. Approximately 29% of shipchartering revenue in 9M FY2015 was attributed to long-term chartering contracts (meaning contracts with a duration of more than one year). As at 31 March 2015, the Group had an outstanding order book of approximately \$58 million with respect to long-term shipchartering contracts.

The Group remains strategically committed to maximising deployment, enhancing and renewing its fleet to better response to market changes and customer needs. The Group's shipchartering operations currently have an outstanding delivery order of 14 vessels worth approximately \$40 million, comprising Landing Crafts, tugs and barges. With the exception of 6 vessels with a total worth of \$11 million, these vessels are being built internally by the Group.

Barring any unforeseen circumstances, the Board expects the Group to remain profitable for the year.

11. Dividend

(a) Current Financial Period

Any dividend recommended for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No interim dividend has been declared for the period ended 31 March 2015.

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

The Group did not obtain a general mandate from shareholders for Interested Person Transactions.

14. Negative confirmation pursuant to Rule 705(5).

We, the undersigned, hereby confirm to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial statements of the Group and the Company for the third quarter and nine months ended 31 March 2015 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Ang Kok Tian
Chairman and Managing Director

Ang Ah Nui
Deputy Managing Director

BY ORDER OF THE BOARD

Ang Kok Tian
Chairman and Managing Director
12 May 2015