



## ASL MARINE HOLDINGS LTD.

(CO. REG. NO. 200008542N)

### UNAUDITED QUARTERLY FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 31 MARCH 2016

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 31 March			9 months ended 31 March		
	3Q FY2016 \$'000	3Q FY2015 \$'000	Inc/ (Dec) %	9M FY2016 \$'000	9M FY2015 \$'000	Inc/ (Dec) %
<b>Revenue</b>	90,101	63,416	42.1	265,733	110,859	139.7
Cost of sales	(77,108)	(51,346)	50.2	(226,339)	(83,541)	170.9
<b>Gross profit</b>	<b>12,993</b>	<b>12,070</b>	<b>7.6</b>	<b>39,394</b>	<b>27,318</b>	<b>44.2</b>
Other operating income	1,952	1,001	95.0	3,947	10,982	(64.1)
Administrative expenses	(5,810)	(6,127)	(5.2)	(16,690)	(20,255)	(17.6)
Other operating expenses	(221)	(1,068)	(79.3)	(2,000)	(3,685)	(45.7)
Finance costs	(5,030)	(4,006)	25.6	(14,325)	(11,361)	26.1
Share of results of joint ventures and associates	(956)	622	Nm	(295)	3,152	Nm
<b>Profit before tax</b>	<b>2,928</b>	<b>2,492</b>	<b>17.5</b>	<b>10,031</b>	<b>6,151</b>	<b>63.1</b>
Tax expense						
- current period	(2,106)	(389)	441.4	(2,203)	969	Nm
- under provision in prior years	(2)	20	Nm	(124)	(855)	(85.5)
<b>Profit for the period</b>	<b>820</b>	<b>2,123</b>	<b>(61.4)</b>	<b>7,704</b>	<b>6,265</b>	<b>23.0</b>
Attributable to:						
<b>Owners of the Company</b>	<b>1,278</b>	<b>1,937</b>	<b>(34.0)</b>	<b>8,351</b>	<b>6,469</b>	<b>29.1</b>
Non-controlling interests	(458)	186	Nm	(647)	(204)	217.2
	<b>820</b>	<b>2,123</b>	<b>(61.4)</b>	<b>7,704</b>	<b>6,265</b>	<b>23.0</b>

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**

		<b>Group</b>					
		<b>3 months ended 31 March</b>			<b>9 months ended 31 March</b>		
		<b>3Q FY2016</b>	<b>3Q FY2015</b>	<b>Inc/ (Dec) %</b>	<b>9M FY2016</b>	<b>9M FY2015</b>	<b>Inc/ (Dec) %</b>
<b>Note</b>		<b>\$'000</b>	<b>\$'000</b>		<b>\$'000</b>	<b>\$'000</b>	
	<b>Profit for the period</b>	<b>820</b>	<b>2,123</b>	<b>(61.4)</b>	<b>7,704</b>	<b>6,265</b>	<b>23.0</b>
	Translation differences relating to financial statements of foreign subsidiaries, net of tax						
(i)		(3,562)	2,880	Nm	(26)	6,669	Nm
	Share of other comprehensive income of joint ventures and associates						
		(665)	651	Nm	153	1,452	(89.5)
	Net fair value changes to cash flow hedges						
(ii)		2,569	(839)	Nm	(17)	(837)	(98.0)
	<b>Other comprehensive income for the period, net of tax</b>	<b>(1,658)</b>	<b>2,692</b>	<b>Nm</b>	<b>110</b>	<b>7,284</b>	<b>(98.5)</b>
	<b>Total comprehensive income for the period</b>	<b>(838)</b>	<b>4,815</b>	<b>Nm</b>	<b>7,814</b>	<b>13,549</b>	<b>(42.3)</b>
	Attributable to:						
	<b>Owners of the Company</b>	<b>(149)</b>	<b>4,419</b>	<b>Nm</b>	<b>8,426</b>	<b>13,260</b>	<b>(36.5)</b>
	Non-controlling interests	(689)	396	Nm	(612)	289	Nm
		<b>(838)</b>	<b>4,815</b>	<b>Nm</b>	<b>7,814</b>	<b>13,549</b>	<b>(42.3)</b>

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 and Indonesia Rupiah.
- (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):-**

	<b>Group</b>			
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>31 March</b>		<b>31 March</b>	
	<b>3Q</b>	<b>3Q</b>	<b>9M</b>	<b>9M</b>
	<b>FY2016</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
(Allowance for)/ write back of impairment of doubtful receivables (net)	(150)	331	(26)	958
Amortisation of intangible assets	(208)	(210)	(622)	(653)
Amortisation of lease prepayments	(76)	(74)	(280)	(217)
Bad debts (written off)/ recovered	(71)	(41)	(71)	195
Depreciation of property, plant and equipment	(11,848)	(11,429)	(37,784)	(33,769)
Gain on disposal of property, plant and equipment	299	308	1,112	6,607
Gain/ (loss) on foreign exchange (net)	587	(1,026)	(1,903)	(2,841)
Interest income from bank balances	7	58	36	113
Interest income from finance lease receivables	196	-	594	-
Property, plant and equipment written off	-	(1)	-	(803)
(Provision)/ reversal for pension liabilities	(39)	(16)	(278)	87
Reversal/ (provision) for warranty	149	250	374	(595)
(Under)/ over provision of tax in respect of prior years				
- current tax expense	(2)	34	(124)	187
- deferred tax expense	-	(14)	-	(1,042)

**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-Mar-16 \$'000	30-Jun-15 \$'000	31-Mar-16 \$'000	30-Jun-15 \$'000
<b>Non-current assets</b>				
Property, plant and equipment	598,052	582,872	-	-
Lease prepayments	5,750	6,032	-	-
Finance lease receivable	8,937	-	-	-
Investment in subsidiaries	-	-	70,713	70,663
Investment in joint ventures and associates	17,794	18,108	-	-
Intangible assets	18,450	18,674	-	-
	<b>648,983</b>	<b>625,686</b>	<b>70,713</b>	<b>70,663</b>
<b>Current assets</b>				
Inventories	237,426	216,876	-	-
Construction work-in-progress	115,147	48,542	-	-
Trade and other receivables	266,011	238,907	270,026	267,574
Finance lease receivable	740	-	-	-
Derivative financial instruments	567	542	-	-
Cash and bank balances	28,193	77,919	2,136	1,190
	<b>648,084</b>	<b>582,786</b>	<b>272,162</b>	<b>268,764</b>
<b>Current liabilities</b>				
Trade and other payables	195,194	180,461	92,286	88,456
Provision for warranty	42	929	-	-
Progress billings in excess of construction work-in-progress	16,647	34,625	-	-
Trust receipts	93,574	68,847	-	-
Interest-bearing loans and borrowings	291,185	150,431	100,000	-
Derivative financial instruments	910	873	-	-
Income tax payables	5,452	2,390	-	3
Bank overdrafts	-	1,130	-	-
	<b>603,004</b>	<b>439,686</b>	<b>192,286</b>	<b>88,459</b>
<b>Net current assets</b>	<b>45,080</b>	<b>143,100</b>	<b>79,876</b>	<b>180,305</b>
<b>Non-current liabilities</b>				
Other liabilities	3,443	3,327	-	-
Interest-bearing loans and borrowings	242,228	323,075	50,000	150,000
Deferred tax liabilities	16,946	17,075	-	-
	<b>262,617</b>	<b>343,477</b>	<b>50,000</b>	<b>150,000</b>
<b>Net assets</b>	<b>431,446</b>	<b>425,309</b>	<b>100,589</b>	<b>100,968</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	83,092	83,092	83,092	83,092
Treasury shares	(923)	(923)	(923)	(923)
Reserves	344,102	337,354	18,420	18,799
	<b>426,271</b>	<b>419,523</b>	<b>100,589</b>	<b>100,968</b>
<b>Non-controlling interests</b>	5,175	5,786	-	-
<b>Total equity</b>	<b>431,446</b>	<b>425,309</b>	<b>100,589</b>	<b>100,968</b>

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

	<b>Group</b>					
	<b>As at 31-Mar-16</b>			<b>As at 30-Jun-15</b>		
	<b>Secured \$'000</b>	<b>Unsecured \$'000</b>	<b>Total \$'000</b>	<b>Secured \$'000</b>	<b>Unsecured \$'000</b>	<b>Total \$'000</b>
Amount repayable in one year or less, or on demand	233,628	151,131	384,759	148,999	71,409	220,408
Amount repayable after one year	192,228	50,000	242,228	173,075	150,000	323,075
	<b>425,856</b>	<b>201,131</b>	<b>626,987</b>	<b>322,074</b>	<b>221,409</b>	<b>543,483</b>

**Details of any collateral**

The Group's secured borrowings comprised of 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 FY2016	3Q FY2015	9M FY2016	9M FY2015
	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>				
Profit before tax	2,928	2,492	10,031	6,151
<b>Adjustments for:</b>				
Amortisation of intangible assets	208	210	622	653
Amortisation of lease prepayments	76	74	280	217
Allowance for/ (write back of) impairment of doubtful receivables (net)	150	(331)	26	(958)
Bad debts written off/ (recovered) (net)	71	42	71	(194)
Depreciation of property, plant and equipment	11,848	11,429	37,784	33,769
Gain on disposal of property, plant and equipment	(299)	(308)	(1,112)	(6,607)
Interest expense	5,030	4,006	14,325	11,361
Interest income	(203)	(58)	(630)	(113)
(Reversal)/ provision for warranty (net)	(149)	(250)	(374)	595
Property, plant and equipment written off	-	1	-	803
Provision/ (reversal) for pension liabilities	39	16	278	(87)
Share of results of joint venture and associates	956	(622)	295	(3,152)
<b>Operating cash flows before changes in working capital</b>	<b>20,655</b>	<b>16,701</b>	<b>61,596</b>	<b>42,438</b>
<b>Changes in working capital:</b>				
Inventories	(617)	(9,415)	(18,571)	(145,643)
Construction work-in-progress and progress billings in excess of construction work-in-progress	(12,547)	23,156	(83,832)	156,558
Trade and other receivables	(10,076)	(2,080)	(27,991)	24,607
Trade and other payables	5,988	10,406	10,896	(27,917)
Other liabilities	(30)	(208)	(749)	(98)
Balances with related parties (trade)	1,599	141	(1,055)	1,643
Cash and bank balances (restricted use)	(354)	-	(1,130)	447
<b>Cash flows generated from/ (used in) operations</b>	<b>4,618</b>	<b>38,701</b>	<b>(60,836)</b>	<b>52,035</b>
Tax (paid)/ refunded	(43)	(925)	563	(1,555)
<b>Net cash flows generated from/ (used in) operating activities</b>	<b>4,575</b>	<b>37,776</b>	<b>(60,273)</b>	<b>50,480</b>
<b>Cash flows from investing activities</b>				
Interest received	203	58	630	113
Purchase of property, plant and equipment	(14,024)	(41,224)	(71,089)	(68,980)
Proceeds from disposal of property, plant and equipment	2,781	1,140	8,280	50,588
Proceeds from finance lease receivable	101	-	303	-
Lease prepayments	-	(420)	(53)	(420)
Balances with related parties (non-trade)	2,021	5,308	4,460	(17,206)
<b>Net cash flows used in investing activities</b>	<b>(8,918)</b>	<b>(35,138)</b>	<b>(57,469)</b>	<b>(35,905)</b>

	<b>Group</b>			
	<b>3 months ended 31 March</b>		<b>9 months ended 31 March</b>	
	<b>3Q FY2016</b>	<b>3Q FY2015</b>	<b>9M FY2016</b>	<b>9M FY2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from financing activities</b>				
Interest paid	(5,548)	(7,216)	(14,375)	(13,350)
Dividends paid	-	-	(1,678)	(4,195)
Repayment of interest-bearing loans and borrowings	(35,316)	(11,494)	(106,629)	(139,848)
Proceeds from interest-bearing loans and borrowings	18,048	14,671	165,381	159,112
Repayment of trust receipts	(31,434)	(9,934)	(73,232)	(66,568)
Proceeds from trust receipts	37,264	14,752	99,278	50,197
<b>Net cash flows (used in)/ generated from financing activities</b>	<b>(16,986)</b>	<b>779</b>	<b>68,745</b>	<b>(14,652)</b>
Net (decrease)/ increase in cash and cash equivalents	(21,329)	3,417	(48,997)	(77)
Cash and cash equivalents at beginning of period	46,696	61,481	74,865	64,581
Effects of exchange rate changes on cash and cash equivalents	(228)	282	(729)	676
<b>Cash and cash equivalents at end of period (Note 1)</b>	<b>25,139</b>	<b>65,180</b>	<b>25,139</b>	<b>65,180</b>

**Note 1:**

Cash and cash equivalents comprise the followings:

Cash and bank balances	28,193	69,116
Less: Restricted cash		
- Cash at banks	(2,200)	(1,381)
- Fixed deposits with banks	(854)	-
	<u>25,139</u>	<u>67,735</u>
Bank overdrafts	-	(2,555)
<b>Cash and cash equivalents at end of period</b>	<b><u>25,139</u></b>	<b><u>65,180</u></b>

The Group's restricted cash has been set aside for specific use with respect to certain banking facilities granted to the Group.

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

Statement of Changes in Equity for the period ended 31-Mar-16									
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			
<u>9M FY2016</u>									
At 1-Jul-15	83,092	(923)	742	(422)	337,034	337,354	419,523	5,786	425,309
Profit for the period	-	-	-	-	8,351	8,351	8,351	(647)	7,704
<u>Other comprehensive income</u>									
Translation differences relating to financial statements of foreign subsidiaries, net of tax	-	-	(47)	-	-	(47)	(47)	22	(25)
Share of other comprehensive income of joint ventures and associates	-	-	139	-	-	139	139	14	153
Net fair value changes to cash flow hedges	-	-	-	(17)	-	(17)	(17)	-	(17)
Other comprehensive income for the year, net of tax	-	-	92	(17)	-	75	75	36	111
Total comprehensive income for the period	-	-	92	(17)	8,351	8,426	8,426	(611)	7,815
<u>Distributions to owners</u>									
Dividends on ordinary shares	-	-	-	-	(1,678)	(1,678)	(1,678)	-	(1,678)
Total distributions to owners	-	-	-	-	(1,678)	(1,678)	(1,678)	-	(1,678)
At 31-Mar-16	83,092	(923)	834	(439)	343,707	344,102	426,271	5,175	431,446

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			
<u>9M FY2015</u>									
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
<u>Other comprehensive income</u>									
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 joint ventures and associates	-	-	1,322	-	-	1,322	1,322	130	1,452
Net fair value changes to cash flow hedges	-	-	-	(837)	-	(837)	(837)	-	(837)
Other comprehensive income for the year, net of tax	-	-	7,629	(837)	-	6,792	6,792	493	7,285
Total comprehensive income for the period	-	-	7,629	(837)	6,469	13,261	13,261	289	13,550
<u>Distributions to owners</u>									
Dividends on ordinary shares	-	-	-	-	(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-16 and 31-Mar-15

<u>Company</u>	Share capital \$'000	Treasury shares \$'000	Hedging reserve \$'000	Accumulated profits \$'000	Total reserves \$'000	Total equity \$'000
<u>9M FY2016</u>						
At 1-Jul-15	83,092	(923)	-	18,799	18,799	100,968
Profit for the period, representing total comprehensive income for the period	-	-	-	1,299	1,299	1,299
<u>Distributions to owners</u>						
Dividends on ordinary shares	-	-	-	(1,678)	(1,678)	(1,678)
Total distributions to owners	-	-	-	(1,678)	(1,678)	(1,678)
At 31-Mar-16	83,092	(923)	-	18,420	18,420	100,589
<u>9M FY2015</u>						
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
<u>Distributions to owners</u>						
Dividends on ordinary shares	-	-	-	(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	101,228

- 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.**

	<b>Number of Ordinary Shares (excluding treasury shares)</b>
Balance as at 31-Mar-16 and 30-Jun-15	<u>419,511,294</u>

There have been no changes in the issued and paid-up capital of the Company since 30 June 2015.

There are no outstanding share options granted under the ESOS as at 31 March 2016 and 31 March 2015.

- 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.**

	<b>As at 31-Mar-16</b>	<b>As at 30-Jun-15</b>	<b>As at 31-Mar-15</b>
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 2015 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 2015. 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	
Earnings per ordinary share:	3Q FY2016	3Q FY2015	9M FY2016	9MFY2015
(i) On weighted average no. of ordinary shares in issue	0.30 cents	0.46 cents	1.99 cents	1.54 cents
(ii) On a fully diluted basis	0.30 cents	0.46 cents	1.99 cents	1.54 cents
<b>Net profit attributable to shareholders:</b>	\$1,278,000	\$1,937,000	\$8,351,000	\$6,469,000
<b>Number of shares in issue:</b>				
(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-16	30-Jun-15	31-Mar-16	30-Jun-15
Net Asset Value (NAV) per ordinary share	101.61 cents	100.00 cents	23.98 cents	24.07 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

Group revenue of \$90.1 million for the 3 months ended 31 March 2016 ("3Q FY2016") was \$26.7 million (42.1%) higher compared to the corresponding period in FY2015 ("3Q FY2015").

Details for revenue generated from each segment are as follows:

	Group					
	3Q		Increase/ (Decrease) %	9M		Increase/ (Decrease) %
	FY2016 \$'000	FY2015 \$'000		FY2016 \$'000	FY2015 \$'000	
Shipbuilding	41,657	13,886	200.0	139,304	(53,603)	Nm
Shiprepair and conversion	18,783	20,773	(9.6)	44,622	79,055	(43.6)
Shipchartering	21,048	17,830	18.0	59,023	52,784	11.8
Engineering	8,613	10,927	(21.2)	22,784	32,623	(30.2)
	<b>90,101</b>	<b>63,416</b>	<b>42.1</b>	<b>265,733</b>	<b>110,859</b>	<b>139.7</b>

### Shipbuilding

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

The breakdown of shipbuilding revenue generated and the number of units recognised under POC are as follows:

	Group									
	3Q		3Q		Increase/ (Decrease) %	9M		9M		Increase/ (Decrease) %
	Units	\$'000	Units	\$'000		Units	\$'000	Units	\$'000	
Offshore support vessels ("OSV")	3	3,060	8	6,433	(52.4)	5	26,067	15	(95,268)	Nm
Dredger	-	-	-	(24)	Nm	-	-	1	8,084	Nm
Tugs	13	32,260	11	6,568	391.2	13	83,360	11	28,401	193.5
Barges and others	11	6,337	2	909	597.1	11	29,877	3	5,180	476.8
	<b>27</b>	<b>41,657</b>	<b>21</b>	<b>13,886</b>	<b>200.0</b>	<b>29</b>	<b>139,304</b>	<b>30</b>	<b>(53,603)</b>	<b>Nm</b>

Shipbuilding revenue in 3Q FY2016 increased by 200.0% to \$41.7 million compared to the corresponding quarter mainly as a result of the higher POC achieved from the construction of Tugs and more barges being built and recognised. Of the 13 units of Tugs under construction, delivery of 7 units is expected to take place in 2016. Of the 11 units of Barges and others, 8 units were delivered.

The negative revenue in 9M FY2015 was due to the reversal of revenue pertaining to the cancellation of 2 OSV in 2Q FY2015 and as previously announced.

### Shiprepair and conversion

Shiprepair and conversion projects are meant to be short term in nature, resulting in revenue recognised only upon completion. With several of our shiprepair jobs being partial conversions, which take far longer than historic jobs to complete (i.e. may not complete within a quarter), revenue from shiprepair and conversions can now be lumpy.

The breakdown of revenue generated from the shiprepair and conversion segment are as follows:

	Group					
	3Q	3Q	Increase/	9M	9M	Increase/
	FY2016	FY2015	(Decrease)	FY2016	FY2015	(Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Shiprepair and conversion	18,528	20,522	(9.7)	43,997	78,653	(44.1)
Other marine related services	255	251	1.6	625	402	55.5
	<b>18,783</b>	<b>20,773</b>	<b>(9.6)</b>	<b>44,622</b>	<b>79,055</b>	<b>(43.6)</b>

Shiprepair and conversion revenue decreased by \$2.0 million (9.7%) to \$18.5 million in 3Q FY2016 compared to 3Q FY2015 due to lower value shiprepair and conversion jobs completed during the quarter.

The 43.6% decline in shiprepair & conversion revenue recorded in 9M FY2016 was mainly attributed to the absence of any large rig repair work, which in 2Q FY2015 contributed \$32.1 million. Excluding this rig repair work, the shiprepair and conversion revenue for 9M FY2016 would have only been \$2.4 million (5.0%) lower as compared to previous corresponding period.

### Shipchartering

The breakdown of revenue generated from the shipchartering segment are as follows:

	Group					
	3Q	3Q	Increase/	9M	9M	Increase/
	FY2016	FY2015	(Decrease)	FY2016	FY2015	(Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
OSV	3,020	3,298	(8.4)	9,538	12,093	(21.1)
Landing crafts	947	1,419	(33.3)	4,095	4,067	0.7
Tug boats	5,761	5,189	11.0	16,183	16,066	0.7
Barges	9,994	7,495	33.3	26,388	19,115	38.0
<b>Total charter</b>	<b>19,722</b>	<b>17,401</b>	<b>13.3</b>	<b>56,204</b>	<b>51,341</b>	<b>9.5</b>
Trade sales	1,326	429	209.1	2,819	1,443	95.4
	<b>21,048</b>	<b>17,830</b>	<b>18.0</b>	<b>59,023</b>	<b>52,784</b>	<b>11.8</b>

Shipchartering revenues were higher in 3Q FY2016 and 9M FY2016 mainly due to higher contributions from Barges and Trade Sales, partially offset by lower revenue from OSV.

The higher revenue from Barges in 3Q FY2016 and 9M FY2016 were largely contributed by the chartering of grab dredgers and hopper barges to support our customers in the domestic marine infrastructure projects.

The decrease in revenue from OSV in 3Q FY2016 and 9M FY2016 was mainly due to lower utilization and the disposal of a ROV support vessel in 2Q FY2015.

## Engineering

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

The breakdown by revenue generated from the engineering segment are as follows:

	Group					
	3Q		Increase/ (Decrease) %	9M		Increase/ (Decrease) %
	FY2016	FY2015		FY2016	FY2015	
\$'000	\$'000		\$'000	\$'000		
Engineered dredgers products & dredger ("New Buildings")	1,995	5,917	(66.3)	3,617	9,046	(60.0)
Components & services ("Components")	6,618	5,010	32.1	19,167	23,577	(18.7)
	<b>8,613</b>	<b>10,927</b>	<b>(21.2)</b>	<b>22,784</b>	<b>32,623</b>	<b>(30.2)</b>

Revenue from New Buildings decreased in 3Q FY2016 and 9M FY2016, as there were no new orders received. Revenue from Components increased in 3Q FY2016 and was attributed to the POC recognized for the Multi-Purpose Pontoon project that commenced in late 2Q FY2016. The lower revenue in 9M FY2016 was due to lower orders for spare parts and cutting/ coupling products.

## Gross profit and gross profit margin

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

	Group							
	3Q		3Q		9M		9M	
	FY2016		FY2015		FY2016		FY2015	
	\$'000	GPM	\$'000	GPM	\$'000	GPM	\$'000	GPM
Shipbuilding	4,994	12.0%	(1,570)	Nm	20,747	14.9%	(7,605)	Nm
Shiprepair and conversion	4,022	21.4%	7,656	36.9%	9,027	20.2%	16,954	21.4%
Shipchartering	557	2.6%	2,593	14.5%	1,967	3.3%	9,441	17.9%
Engineering	3,420	39.7%	3,391	31.0%	7,653	33.6%	8,528	26.1%
	<b>12,993</b>	<b>14.4%</b>	<b>12,070</b>	<b>19.0%</b>	<b>39,394</b>	<b>14.8%</b>	<b>27,318</b>	<b>24.6%</b>

## Shipbuilding

The gross profit of \$5.0 million and \$20.7 million achieved in 3Q FY2016 and 9M FY2016, respectively, was mainly due to the progressive recognition of revenue.

The gross loss in 3Q FY2015 and 9M FY2015 was due to: overruns in subcontractor costs incurred to ensure timely delivery of 4 units of tugs; and the reversal of gross profits pertaining to the cancellation of 2 OSV in 2Q FY2015 as previously announced.

## Shiprepair and conversion

The lower gross profit and gross profit margin in 3Q FY2016 was due to the absence of a special one-off project that was completed in the previous corresponding period. Excluding this special one-off project, the gross profit and gross profit margin in 3Q FY 2015 would have been \$4.5m and 28.5% respectively.

The lower gross profit in 9M FY2016 was in-line with the lower revenue. However, gross profit margin remained stable with only a slight drop of 1.2% due to competition.

## Shipchartering

The breakdown of gross profit and gross profit margin from shipchartering segment are as follows:

	Group							
	3Q		3Q		9M		9M	
	FY2016	FY2015	FY2016	FY2015	FY2016	FY2015	FY2016	FY2015
	\$'000	GPM	\$'000	GPM	\$'000	GPM	\$'000	GPM
OSV	161	5.3%	1,414	42.9%	905	9.5%	6,182	51.1%
Landing crafts	(984)	Nm	592	41.7%	(812)	Nm	513	12.6%
Tug boats and barges	1,054	6.7%	331	2.6%	1,046	2.5%	2,011	5.7%
<b>Total charter</b>	<b>231</b>	<b>1.2%</b>	<b>2,337</b>	<b>13.4%</b>	<b>1,139</b>	<b>2.0%</b>	<b>8,706</b>	<b>17.0%</b>
Trade sales	326	24.6%	256	59.7%	828	29.4%	735	50.9%
	<b>557</b>	<b>2.6%</b>	<b>2,593</b>	<b>14.5%</b>	<b>1,967</b>	<b>3.3%</b>	<b>9,441</b>	<b>17.9%</b>

Despite the higher revenue in 3Q FY2016 and 9M FY2016, the overall gross profit and gross profit margin recorded, was lower as compared with corresponding periods. This was mainly due to:-

- i) Lower demand and reduction in charter rates from OSV, mainly AHTS and disposal of a ROV support vessel in 2Q FY2015;
- ii) Lower utilisation of landing crafts due to maintenance of vessels and slow down in demand of precast in Singapore; and
- iii) Lower utilisation and reduction in charter rates of tug boats and higher maintenance costs incurred on tug boats.

## Engineering

The breakdown of gross profit and gross profit margin from engineering segment are as follows:

	Group							
	3Q		3Q		9M		9M	
	FY2016		FY2015		FY2016		FY2015	
	\$'000	GPM	\$'000	GPM	\$'000	GPM	\$'000	GPM
New Buildings	1,763	88.4%	1,291	21.8%	3,195	88.3%	1,982	21.9%
Components	1,657	25.0%	2,100	41.9%	4,458	23.3%	6,546	27.8%
	<b>3,420</b>	<b>39.7%</b>	<b>3,391</b>	<b>31.0%</b>	<b>7,653</b>	<b>33.6%</b>	<b>8,528</b>	<b>26.1%</b>

The higher gross profit margin in 3Q FY2016 and 9M FY2016 was mainly due to downward revision of costs for New Buildings projects that are near completion and reversal of warranty provisions.

## Other operating income

Details for other operating income are as follows:

	Group			
	3Q	3Q	9M	9M
	FY2016	FY2015	FY2016	FY2015
	\$'000	\$'000	\$'000	\$'000
Gain on disposal of plant and equipment	299	308	1,112	6,607
Gain on foreign exchange (net)				
- unrealised	(295)	-	-	-
- realised	882	-	-	-
Interest income from bank balances	7	58	36	113
Interest income from finance				
lease receivables	196	-	594	-
Insurance claims	45	53	133	936
Rental income	651	(33)	1,628	1,618
Write-back of allowance for impairment				
of doubtful receivables (net)	-	331	-	958
Bad debts recovered	-	-	-	236
Miscellaneous income	167	284	444	514
	<b>1,952</b>	<b>1,001</b>	<b>3,947</b>	<b>10,982</b>

Other operating income decreased by \$7.0 million (64.1%) to \$3.9 million in 9M FY2016 mainly due to the absence of any gain on disposal of plant and equipment of \$5.5 million arising from the sale of one unit of ROV support vessel and two units of Anchor Handling Tugs.

## Administrative expenses

Administrative expenses decreased by \$0.3 million (5.2%) to \$5.8 million in 3Q FY2016 mainly due to lower depreciation charged and staff costs incurred.

Administrative expenses decreased by \$3.6 million (17.6%) in 9M FY2016 mainly due to absence of interest of approximately \$1.8 million paid on installments collected from buyers of the cancelled PSVs in 9M FY2015 coupled with lower depreciation charged and a variety of administrative expenses including staff costs, rental, travelling and upkeep expenses resulting from cost cutting measures.

## Other operating expenses

Other operating expenses comprised the following:

	<b>Group</b>			
	<b>3Q FY2016 \$'000</b>	<b>3Q FY2015 \$'000</b>	<b>9M FY2016 \$'000</b>	<b>9M FY2015 \$'000</b>
Allowance for impairment of doubtful receivables (net)	150	-	26	-
Bad debts written off (trade)	71	41	71	41
Loss on foreign exchange (net)				
- unrealised	-	2,212	2,218	3,891
- realised	-	(1,186)	(315)	(1,050)
Property, plant and equipment written off	-	1	-	803
	<b>221</b>	<b>1,068</b>	<b>2,000</b>	<b>3,685</b>

Unrealised foreign exchange loss in 9M FY2016 was mainly due to the appreciation of USD against SGD on USD denominated liabilities.

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

	<b>31 Mar 2016</b>	<b>31 Mar 2015</b>	<b>31 Dec 2015</b>	<b>31 Dec 2014</b>	<b>30 Jun 2015</b>	<b>30 Jun 2014</b>
<b>USD against SGD</b>	1.3505	1.3761	1.4218	1.3023	1.3474	1.2490
<b>EUR against SGD</b>	1.5306	1.4914	1.5454	1.6089	1.4989	1.7073
<b>IDR against USD</b>	13,240	13,106	13,864	12,456	13,210	12,010
<b>IDR against SGD</b>	9,804	9,524	9,751	9,434	9,804	9,615

## Finance costs

Finance costs increased by \$1.0 million (25.6%) to \$5.0 million in 3Q FY2016 due to increase in bank borrowings from \$549.1 million as at 31 March 2015 to \$627.0 million as at 31 March 2016.

## Share of results of joint ventures and associates

	Group's effective interest	Group			
		3Q	3Q	9M	9M
		FY2016	FY2015	FY2016	FY2015
		\$'000	\$'000	\$'000	\$'000
<u>Joint ventures</u>					
Sindo-Econ Group	50%	260	1	2,594	1,163
<u>Associates</u>					
PT. Hafar Capitol					
Nusantara ("PT Hafar")	36.75%	(460)	1,189	(173)	3,785
PT Capitol Nusantara					
Indonesia ("PT CNI")	27%	(756)	(568)	(2,716)	(1,796)
		<b>(956)</b>	<b>622</b>	<b>(295)</b>	<b>3,152</b>

PT Hafar derived its profit mainly from the charter and operation of its pipe-lay cum accommodation barge. The loss incurred in 3Q FY2016 was due to lower charter income earned as the vessel was under repair during the quarter.

PT CNI was experiencing extremely low utilisation rates for some of its vessels and coupled with several of its vessels having remained off-hire. All these were due to the slowdown in Indonesia coal mining industry conditions.

### Profit before tax

The Group's profit before tax increased slightly by \$0.4 million (17.5%) to \$2.9 million in 3Q FY2016 consequent to the higher finance costs and share of losses of associates, and partially offset by the gain on foreign exchange and lower administrative expenses.

In line with the increase in gross profits of \$12.1 million (44.2%) in 9M FY2016, the Group's profit before tax increased by \$3.9 million (63.1%) to \$10.0 million. There were lower gain on disposal of plant and equipment, higher finance costs and share of losses of associates partially offset by lower administrative expenses.

### Tax (expense)/ credit

The Group's current period tax (expenses)/ credit comprised:

	Group			
	3Q	3Q	9M	9M
	FY2016	FY2015	FY2016	FY2015
	\$'000	\$'000	\$'000	\$'000
Income tax	(1,963)	118	(2,401)	(399)
Deferred tax	(143)	(507)	198	1,368
	<b>(2,106)</b>	<b>(389)</b>	<b>(2,203)</b>	<b>969</b>
Effective tax rate			<b>21.3%</b>	<b>Nm</b>

The Group recorded income tax expense of \$2.0 million in 3Q FY2016 and \$2.4 million in 9M FY2016 with majority incurred by the shipbuilding and shiprepair segments.

## Non-controlling interests

Non-controlling interests' share of loss of \$0.5 million for 3Q FY2016 mainly pertains to the portion of results of its non-wholly owned subsidiaries in China and Indonesia.

## Operating cash flow

### 3Q FY2016

The Group recorded a lower net cash inflow of \$4.6 million from operating activities in 3Q FY2016 (3Q FY2015: \$37.8 million) due mainly to higher construction costs incurred on shipbuilding and shiprepair projects.

The lower net cash outflow of \$8.9 million from investing activities (3Q FY2015: \$35.1 million) was attributed to lower acquisition of property, plant and equipment during the current quarter.

The net cash outflow from financing activities of \$17.0 million (3Q FY2015: inflow of \$0.8 million) depicts that the Group's repaid more money than it borrowed.

### 9M FY2016

In 9M FY2016, the Group recorded a net cash outflow of \$60.3 million from operating activities as compared to a net cash inflow of \$50.5 million in 9M FY2015. The higher cash outflow was mainly attributed to additional construction costs incurred on shipbuilding projects, vessels for resale and lower receipts from debtors.

The Group funded its working capital and capital expenditure through net proceeds from bank borrowings.

## REVIEW OF FINANCIAL POSITION AS AT 31 MARCH 2016

### Non-current assets

Property, plant and equipment ("PPE") increased by \$15.2 million (2.6%) from \$582.9 million as at 30 June 2015 to \$598.1 million as at 31 March 2016.

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

	<b>\$'000</b>
Balance as at 1 July 2015	582,872
Acquisition of property, plant and equipment	72,849
Inclusive of :	
- \$2.9 million for plant and machinery	
- \$41.4 million for vessels	
- \$25.3 million for assets under construction	
Disposal/ write-off of plant and equipment	(17,477)
Depreciation charge	(40,514)
Translation differences	322
Balance as at 31 March 2016	<u><b>598,052</b></u>

The vessels acquired in 9M FY2016 were mainly hopper barges, self-propelled barges, floating crane barges, workboats and LCT. These vessels will be deployed to support our customers in the domestic marine infrastructure projects.

## Current assets

Current assets increased by \$65.3 million (11.2%) from \$582.8 million as at 30 June 2015 to \$648.1 million as at 31 March 2016. The increase was mainly from inventory, construction work-in-progress and trade and other receivables.

Inventories comprised the following:

	Group			
	31-Mar-16	30-Jun-15	Increase/ (Decrease)	
	\$'000	\$'000	\$'000	%
Raw materials and consumables	13,556	15,677	(2,121)	(13.5)
Work-in-progress	220,578	197,670	22,908	11.6
Finished goods	3,292	3,529	(237)	(6.7)
Total inventories at cost	<b>237,426</b>	<b>216,876</b>	<b>20,550</b>	<b>9.5</b>

The increase in work-in-progress relates to costs incurred on the construction of the 4 units of AHTs and the 3 units of platform supply vessels. These vessels are recorded as inventory, as they are vessels available for sale.

Trade and other receivables comprised the following:

	Group			
	31-Mar-16	30-Jun-15	Increase/ (Decrease)	
	\$'000	\$'000	\$'000	%
Trade receivables	174,395	143,548	30,847	21.5
Other receivables and deposits	27,665	30,660	(2,995)	(9.8)
Amounts due from related parties	63,951	64,699	(748)	(1.2)
	<b>266,011</b>	<b>238,907</b>	<b>27,104</b>	<b>11.3</b>

The increase in trade receivables was partly (75%) due to down-payment billings for new shipbuilding projects. Of the total trade receivables, \$40.8 million was received subsequent to the period under review, of which \$25.0 million pertained to shipbuilding projects.

Other receivables and deposits decreased mainly due to the capitalisation of deposits paid previously for the acquisition of property, plant and equipment.

## Current liabilities

Current liabilities increased by \$163.3 million (37.1%) from \$439.7 million as at 30 June 2015 to \$603.0 million as at 31 March 2016. The increase was mainly for trade and other payables and bank borrowings.

Trade and other payables comprised the following:

	<b>Group</b>			
	<b>31-Mar-16</b>	<b>30-Jun-15</b>	<b>Increase/ (Decrease)</b>	
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
Trade and other payables	182,588	170,513	12,075	7.1
Amounts due to related parties	12,399	9,742	2,657	27.3
Loan from non-controlling interests of subsidiaries	207	206	1	0.5
	<b>195,194</b>	<b>180,461</b>	<b>14,733</b>	<b>8.2</b>

Net construction work-in-progress in excess of progress billings increased by \$84.6 million (607.8%) from \$13.9 million as at 30 June 2015 to \$98.5 million as at 31 March 2016, mainly attributed to higher work-in-progress incurred for shipbuilding projects but have yet to meet the stipulated milestones for further progress billings.

The breakdown of the Group's total borrowings are as follows:

	<b>Group</b>			
	<b>31-Mar-16</b>	<b>30-Jun-15</b>	<b>Increase/ (Decrease)</b>	
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
<b>Current</b>				
<b>Bonds</b>	100,000	-	100,000	Nm
<b>Short term loan</b>				
- shipbuilding related	44,977	29,800	15,177	50.9
- general	53,459	48,962	4,497	9.2
	98,436	78,762	19,674	25.0
<b>Trust receipts</b>				
- shipbuilding related	69,859	41,112	28,747	69.9
- general	23,715	27,735	(4,020)	(14.5)
	93,574	68,847	24,727	35.9
<b>Long term loan</b>				
- vessels loan	49,627	30,632	18,995	62.0
- assets financing	36,429	31,623	4,806	15.2
	86,056	62,255	23,801	38.2
<b>Finance lease liabilities</b>	6,693	9,414	(2,721)	(28.9)
<b>Bank overdraft</b>	-	1,130	(1,130)	(100.0)
	<b>384,759</b>	<b>220,408</b>	<b>164,351</b>	<b>74.6</b>
<b>Non-current</b>				
<b>Bonds</b>	50,000	150,000	(100,000)	(66.7)
<b>Long term loan</b>				
- vessels loan	113,833	85,493	28,340	33.1
- assets financing	71,092	74,642	(3,550)	(4.8)
	184,925	160,135	24,790	15.5
<b>Finance lease liabilities</b>	7,303	12,940	(5,637)	(43.6)
	<b>242,228</b>	<b>323,075</b>	<b>(80,847)</b>	<b>(25.0)</b>
<b>Total borrowings</b>	<b>626,987</b>	<b>543,483</b>	<b>83,504</b>	<b>15.4</b>
<b>Total shareholders' funds</b>	<b>426,271</b>	<b>419,523</b>		
<b>Gearing ratio (times)</b>	<b>1.47</b>	<b>1.30</b>		
<b>Net gearing ratio (times)</b>	<b>1.40</b>	<b>1.11</b>		

The current portion of Group's total borrowings increased by \$164.4 million (74.6%). This was mainly due to classification of a \$100 million 4 year bond due in March 2017 as current liabilities. There were also additional short-term loans and trust receipts obtained for the financing of current shipbuilding projects. The shipbuilding related borrowings are repayable only upon the completion and delivery of vessels.

### **Non-current liabilities**

Non-current liabilities decreased by \$80.9 million (23.5%) to \$262.6 million as at 31 March 2016 mainly due to decrease in the non-current portion of the Group's total borrowings. The \$100 million 4 year bond due in March 2017 has been reclassified as current liabilities, partially offset by the increase in loans drawdown for vessels and yard acquisition.

**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 4 February 2016 with respect to the second quarter ended 31 December 2015, the Group was profitable in 9M FY2016.

**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.**

### **Shipbuilding and Shiprepair**

For the 9 months ended 31 March 2016, the Group derived approximately 44% of its total revenue from the transportation (shipping and marine logistics) industry; 36% from the infrastructure & construction industry, 17% from the oil and gas industry and 3% from others.

The outlook for the transportation industry is mixed with weakening China and global economic growth. However, there remain bright spots including coastal and regional transportation and oil / refined fuel tankers. We have been approached to undertake several larger type projects for a player in this industry but have suggested to the client that we await confirmation of the funding prior to final negotiation.

The outlook for infrastructure and construction is mixed but arguably the most positive of our business segments. On the negative side, many of our regional neighbors are cash constrained resulting in a slow down of their infrastructure including maritime infrastructure. On the positive side, the \$25 billion promised by the Singapore Government in the FY2015 Budget is flowing through strongly. As a result, we have seen better orders in this area and expect to see further orders.

The outlook for the oil and gas industry is weak. The continuous low oil price has dampen demand for new vessels especially in the OSV markets. Despite this there are still limited demand for non-OSV new vessels, albeit with stiff competition from other shipyards, prices are depressed.

## **Shipchartering Operations**

Out of the Group's operating fleet of 207 vessels, we have 7 OSV. Our larger tug and barge fleet, which is our core chartering business, remains viable as it supports the marine infrastructure business in the region.

The Group remains strategically committed to maximising deployment, enhancing and renewing its chartering fleet to better respond to market changes and customers' needs. The Group's shipchartering operations currently have an outstanding delivery order of 31 vessels worth approximately \$45 million, comprising tugs and barges. With the exception of 4 vessels with a total worth of \$8 million, these vessels are being built internally by the Group.

## **Engineering Operations**

Our engineering division engages mostly in the infrastructure and construction industry where weak oil price has no direct impact on the segment.

## **Order Book**

As at 31 March 2016, the Group had an outstanding shipbuilding order book from external customers of approximately \$246 million for 21 vessels with progressive deliveries up to first quarter of FY2018. The order book comprises AHTS, tugs, barges, seismic support vessel and tanker.

The Group's shipchartering revenue consists of mainly short-term and ad-hoc contracts. Approximately 19% of shipchartering revenue in 9M FY2016 was attributed to long-term chartering contracts (meaning contracts with a duration of more than one year). As at 31 March 2016, the Group had an outstanding chartering order book of approximately \$52 million with respect to long-term contracts.

In addition to the above, the Group has a total new order book of \$156 million, comprising \$41 million for shipbuilding and shiprepair and conversion, \$110 million for shipchartering and \$5 million for engineering.

## **Overall**

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 2016.

**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 that 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 2016 to be false or misleading in any material aspect.

**15. Undertakings pursuant to Rule 720(1).**

We further confirm that the Company has procured undertakings from the Company's directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the SGX-ST Listing manual.

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 2016