



## ASL MARINE HOLDINGS LTD.

(CO. REG. NO. 200008542N)

### UNAUDITED QUARTERLY FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FOURTH QUARTER ENDED 30 JUNE 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 30 June			12 months ended 30 June		
	4Q FY2016 \$'000	4Q FY2015 \$'000	Inc/ (Dec) %	FY2016 \$'000	FY2015 \$'000	Inc/ (Dec) %
<b>Revenue</b>	98,706	73,297	34.7	364,439	184,156	97.9
Cost of sales	(87,638)	(62,518)	40.2	(313,977)	(146,059)	115.0
<b>Gross profit</b>	<b>11,068</b>	<b>10,779</b>	<b>2.7</b>	<b>50,462</b>	<b>38,097</b>	<b>32.5</b>
Other operating income	1,736	2,188	(20.7)	5,532	10,664	(48.1)
Administrative expenses	(6,678)	(5,355)	24.7	(23,368)	(25,609)	(8.8)
Other operating expenses	(7,878)	(1,619)	386.6	(9,727)	(2,799)	247.5
Finance costs	(4,801)	(4,263)	12.6	(19,126)	(15,624)	22.4
Share of results of joint ventures and associates	(2,958)	730	Nm	(3,253)	3,882	Nm
<b>(Loss)/profit before tax</b>	<b>(9,511)</b>	<b>2,460</b>	<b>Nm</b>	<b>520</b>	<b>8,611</b>	<b>(94.0)</b>
Tax credit/(expense)						
- current period	2,035	(631)	Nm	(168)	337	Nm
- under provision in prior years	715	(633)	(213.0)	591	(1,487)	Nm
<b>(Loss)/profit for the period/ year</b>	<b>(6,761)</b>	<b>1,196</b>	<b>Nm</b>	<b>943</b>	<b>7,461</b>	<b>(87.4)</b>
Attributable to:						
<b>Owners of the Company</b>	<b>(6,366)</b>	<b>1,462</b>	<b>Nm</b>	<b>1,985</b>	<b>7,931</b>	<b>(75.0)</b>
Non-controlling interests	(395)	(266)	48.5	(1,042)	(470)	121.7
	<b>(6,761)</b>	<b>1,196</b>	<b>Nm</b>	<b>943</b>	<b>7,461</b>	<b>(87.4)</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</b>			<b>12 months ended</b>		
		<b>30 June</b>			<b>30 June</b>		
		<b>4Q</b>	<b>4Q</b>	<b>Inc/ (Dec)</b>	<b>FY2016</b>	<b>FY2015</b>	<b>Inc/ (Dec)</b>
<b>Note</b>		<b>\$'000</b>	<b>\$'000</b>	<b>%</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
	<b>(Loss)/profit for the period/ year</b>	<b>(6,761)</b>	<b>1,196</b>	<b>Nm</b>	<b>943</b>	<b>7,461</b>	<b>(87.4)</b>
	<b>Other comprehensive income:</b>						
	<i>Items that may be reclassified subsequently to profit or loss:</i>						
	Translation differences relating to financial statements of foreign subsidiaries, net of tax						
(i)		109	(1,755)	Nm	83	4,914	(98.3)
	Share of other comprehensive income of joint ventures and associates						
		35	(383)	Nm	188	1,069	(82.4)
	Net fair value changes to cash flow hedges						
(ii)		(43)	417	Nm	(60)	(420)	(85.7)
	<i>Items that will not be reclassified subsequently to profit or loss:</i>						
	Remeasurement of defined benefit pension plans						
		(380)	(28)	1,257.1	(380)	(28)	1,257.1
	<b>Other comprehensive income for the period/ year, net of tax</b>	<b>(279)</b>	<b>(1,749)</b>	<b>(84.0)</b>	<b>(169)</b>	<b>5,535</b>	<b>Nm</b>
	<b>Total comprehensive income for the period/year</b>	<b>(7,040)</b>	<b>(553)</b>	<b>1,173.1</b>	<b>774</b>	<b>12,996</b>	<b>(94.0)</b>
	Attributable to:						
	<b>Owners of the Company</b>	<b>(6,637)</b>	<b>(144)</b>	<b>4,509.0</b>	<b>1,789</b>	<b>13,116</b>	<b>(86.4)</b>
	Non-controlling interests	(403)	(409)	(1.5)	(1,015)	(120)	745.8
		<b>(7,040)</b>	<b>(553)</b>	<b>1,173.1</b>	<b>774</b>	<b>12,996</b>	<b>(94.0)</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 ("EUR") and Indonesian Rupiah ("IDR").
- (ii) The fair value (loss)/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 (charging)/crediting:-

	Group			
	3 months ended 30 June		12 months ended 30 June	
	4Q	4Q		
	FY2016	FY2015	FY2016	FY2015
	\$'000	\$'000	\$'000	\$'000
Allowance for impairment of doubtful receivables (net)	(3,962)	(1,531)	(3,988)	(573)
Amortisation of intangible assets	(207)	(199)	(829)	(852)
Amortisation of lease prepayments	(75)	(75)	(355)	(292)
Bad debts recovered/(written off)	18	(18)	(53)	176
Depreciation of property, plant and equipment	(18,777)	(11,058)	(56,561)	(44,827)
Gain on disposal of property, plant and equipment	354	316	1,466	6,923
Gain/(loss) on foreign exchange (net)	151	1,548	(1,752)	(1,293)
Impairment loss on				
- inventory	(2,700)	-	(2,700)	-
- investment in joint venture	(36)	-	(36)	-
- property, plant and equipment	(1,198)	-	(1,198)	-
Interest income from bank balances	7	21	43	134
Interest income from finance lease receivables	186	-	780	-
Property, plant and equipment written off	-	(70)	-	(873)
Provision for pension liabilities	43	(139)	(235)	(52)
(Provision)/reversal for warranty	(174)	748	200	153
Under provision of tax in respect of prior years				
- current tax expense	715	(628)	591	(440)
- deferred tax expense	-	(5)	-	(1,047)

**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	
	30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15
	\$'000	\$'000	\$'000	\$'000
<b>Non-current assets</b>				
Property, plant and equipment	603,114	582,872	-	-
Lease prepayments	5,647	6,032	-	-
Finance lease receivable	8,759	-	-	-
Investment in subsidiaries	-	-	70,713	70,663
Investment in joint ventures and associates	14,726	18,108	-	-
Intangible assets	17,840	18,674	-	-
	<b>650,086</b>	<b>625,686</b>	<b>70,713</b>	<b>70,663</b>
<b>Current assets</b>				
Inventories	238,481	216,876	-	-
Construction work-in-progress	108,958	48,542	-	-
Trade and other receivables	248,767	238,907	270,294	267,574
Finance lease receivable	650	-	-	-
Derivative financial instruments	313	542	-	-
Cash and bank balances	24,710	77,919	290	1,190
Assets classified as held for sale	3,708	-	-	-
	<b>625,587</b>	<b>582,786</b>	<b>270,584</b>	<b>268,764</b>
<b>Current liabilities</b>				
Trade and other payables	223,371	180,461	90,987	88,456
Provision for warranty	54	929	-	-
Progress billings in excess of construction work-in-progress	6,862	34,625	-	-
Trust receipts	72,196	68,847	-	-
Interest-bearing loans and borrowings	290,724	150,431	100,000	-
Derivative financial instruments	897	873	-	-
Income tax payables	2,810	2,390	-	3
Bank overdrafts	-	1,130	-	-
	<b>596,914</b>	<b>439,686</b>	<b>190,987</b>	<b>88,459</b>
<b>Net current assets</b>	<b>28,673</b>	<b>143,100</b>	<b>79,597</b>	<b>180,305</b>
<b>Non-current liabilities</b>				
Other liabilities	9,272	3,327	-	-
Interest-bearing loans and borrowings	229,266	323,075	50,000	150,000
Deferred tax liabilities	15,816	17,075	-	-
	<b>254,354</b>	<b>343,477</b>	<b>50,000</b>	<b>150,000</b>
<b>Net assets</b>	<b>424,405</b>	<b>425,309</b>	<b>100,310</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	337,465	337,354	18,141	18,799
	<b>419,634</b>	<b>419,523</b>	<b>100,310</b>	<b>100,968</b>
<b>Non-controlling interests</b>	4,771	5,786	-	-
<b>Total equity</b>	<b>424,405</b>	<b>425,309</b>	<b>100,310</b>	<b>100,968</b>

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

	<b>Group</b>					
	<b>As at 30-Jun-16</b>			<b>As at 30-Jun-15</b>		
	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Amount repayable in one year or less, or on demand	223,798	139,122	362,920	148,999	71,409	220,408
Amount repayable after one year	179,266	50,000	229,266	173,075	150,000	323,075
	<b>403,064</b>	<b>189,122</b>	<b>592,186</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 30 June		12 months ended 30 June	
	4Q FY2016	4Q FY2015	FY2016	FY2015
	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>				
(Loss)/profit before tax	(9,511)	2,460	520	8,611
<b>Adjustments for:</b>				
Amortisation of intangible assets	207	199	829	852
Amortisation of lease prepayments	75	75	355	292
Allowance for/(write back of) impairment of doubtful receivables (net)	3,962	1,531	3,988	573
Bad debts (recovered)/written off (net)	(18)	18	53	(176)
Depreciation of property, plant and equipment	18,777	11,058	56,561	44,827
Gain on disposal of property, plant and equipment	(354)	(316)	(1,466)	(6,923)
Impairment loss on property, plant and equipment	1,198	-	1,198	-
Impairment loss on investment in joint venture	36	-	36	-
Impairment loss on inventories	2,700	-	2,700	-
Interest expense	4,801	6,880	19,126	18,241
Interest income	(193)	(21)	(823)	(134)
Provision/(reversal) for warranty (net)	174	(748)	(200)	(153)
Property, plant and equipment written off	-	70	-	873
Provision for pension liabilities	(43)	139	235	52
Share of results of joint venture and associates	2,958	(730)	3,253	(3,882)
<b>Operating cash flows before changes in working capital</b>	<b>24,769</b>	<b>20,615</b>	<b>86,365</b>	<b>63,053</b>
<b>Changes in working capital:</b>				
Inventories	(4,685)	(3,816)	(23,256)	(149,459)
Construction work-in-progress and progress billings in excess of construction work-in-progress	(2,076)	6,142	(85,908)	162,700
Trade and other receivables	12,565	34,894	(15,426)	59,501
Trade and other payables	32,559	17,095	43,455	(10,822)
Finance lease receivable	265	-	568	-
Other liabilities	(54)	(27)	(803)	(125)
Balances with related parties (trade)	1,925	575	870	2,218
<b>Cash flows generated from operations</b>	<b>65,268</b>	<b>75,478</b>	<b>5,865</b>	<b>127,066</b>
Interest received	186	-	780	-
Tax paid	(789)	(623)	(226)	(2,178)
<b>Net cash flows generated from operating activities</b>	<b>64,665</b>	<b>74,855</b>	<b>6,419</b>	<b>124,888</b>
<b>Cash flows from investing activities</b>				
Interest received	7	21	43	134
Purchase of property, plant and equipment	(26,071)	(49,787)	(97,160)	(118,767)
Proceeds from disposal of property, plant and equipment	1,017	1,434	9,297	52,022
Lease prepayments	-	-	(53)	(420)
Balances with related parties (non-trade)	566	6,193	5,026	(11,013)
<b>Net cash flows used in investing activities</b>	<b>(24,481)</b>	<b>(42,139)</b>	<b>(82,847)</b>	<b>(78,044)</b>

	<b>Group</b>			
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>30 June</b>		<b>30 June</b>	
	<b>4Q FY2016</b>	<b>4Q FY2015</b>	<b>FY2016</b>	<b>FY2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from financing activities</b>				
Interest paid	(9,294)	(6,436)	(23,669)	(19,786)
Dividends paid	-	-	(1,678)	(4,195)
Repayment of interest-bearing loans and borrowings	(26,291)	(32,885)	(132,920)	(172,733)
Proceeds from interest-bearing loans and borrowings	12,957	33,855	178,337	192,967
Repayment of trust receipts	(37,533)	(33,946)	(110,765)	(100,514)
Proceeds from trust receipts	16,519	17,732	115,797	67,929
Cash and bank balances (restricted use)	(35)	(521)	(1,165)	(74)
<b>Net cash flows (used in)/generated from financing activities</b>	<b>(43,677)</b>	<b>(22,201)</b>	<b>23,937</b>	<b>(36,406)</b>
Net (decrease)/increase in cash and cash equivalents	(3,493)	10,515	(52,491)	10,438
Cash and cash equivalents at beginning of period	25,139	65,180	74,865	64,581
Effects of exchange rate changes on cash and cash equivalents	(25)	(830)	(753)	(154)
<b>Cash and cash equivalents at end of period (Note 1)</b>	<b>21,621</b>	<b>74,865</b>	<b>21,621</b>	<b>74,865</b>

**Note 1:**

Cash and cash equivalents comprise the followings:

Cash and bank balances	24,710	77,919
Less: Restricted cash		
- Cash at banks	(2,237)	(1,924)
- Fixed deposits with banks	(852)	-
	<u>21,621</u>	<u>75,995</u>
Bank overdrafts	-	(1,130)
<b>Cash and cash equivalents at end of period</b>	<b><u>21,621</u></b>	<b><u>74,865</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 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 30-Jun-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>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	-	-	-	-	1,985	1,985	1,985	(1,042)	943
<u>Other comprehensive income</u>									
Translation differences relating to financial statements of foreign subsidiaries, net of tax	-	-	73	-	-	73	73	10	83
Share of other comprehensive income of joint ventures and associates	-	-	171	-	-	171	171	17	188
Remeasurement of defined benefit pension plan	-	-	-	-	(380)	(380)	(380)	-	(380)
Net fair value changes to cash flow hedges	-	-	-	(60)	-	(60)	(60)	-	(60)
Other comprehensive income for the year, net of tax	-	-	244	(60)	(380)	(196)	(196)	27	(169)
Total comprehensive income for the period	-	-	244	(60)	1,605	1,789	1,789	(1,015)	774
<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 30-Jun-16	83,092	(923)	986	(482)	336,961	337,465	419,634	4,771	424,405



Statement of Changes in Equity for the period ended 30-Jun-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>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	-	-	-	-	7,931	7,931	7,931	(470)	7,461
<u>Other comprehensive income</u>									
Translation differences relating to financial statements of foreign subsidiaries, net of tax	-	-	4,659	-	-	4,659	4,659	255	4,914
Share of other comprehensive income of joint ventures and associates	-	-	974	-	-	974	974	95	1,069
Remeasurement of defined benefit pension plan	-	-	-	-	(28)	(28)	(28)	-	(28)
Net fair value changes to cash flow hedges	-	-	-	(420)	-	(420)	(420)	-	(420)
Other comprehensive income for the year, net of tax	-	-	5,633	(420)	(28)	5,185	5,185	350	5,535
Total comprehensive income for the period	-	-	5,633	(420)	7,903	13,116	13,116	(120)	12,996
<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 30-Jun-15	83,092	(923)	742	(422)	337,034	337,354	419,523	5,786	425,309

Statement of Changes in Equity for the period ended 30-Jun-16 and 30-Jun-15

<u>Company</u>	Share capital \$'000	Treasury shares \$'000	Hedging reserve \$'000	Accumulated profits \$'000	Total reserves \$'000	Total equity \$'000
<u>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	-	-	-	1,020	1,020	1,020
<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 30-Jun-16	83,092	(923)	-	18,141	18,141	100,310
<u>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	-	-	-	4,548	4,548	4,548
<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 30-Jun-15	83,092	(923)	-	18,799	18,799	100,968

- 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 30-Jun-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 30 June 2016 and 30 June 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 30-Jun-16</b>	<b>As at 30-Jun-15</b>
Total number of issued shares	422,022,894	422,022,894
Total number of treasury shares	(2,511,600)	(2,511,600)
Total number of issued shares (excluding treasury shares)	<u><b>419,511,294</b></u>	<u><b>419,511,294</b></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 year 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 auditor.

- 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 year, 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 30 June		12 months ended 30 June	
	4Q FY2016	4Q FY2015	FY2016	FY2015
<b>Earnings per ordinary share:</b>				
(i) On weighted average no. of ordinary shares in issue	(1.52) cents	0.35 cents	0.47 cents	1.89 cents
(ii) On a fully diluted basis	(1.52) cents	0.35 cents	0.47 cents	1.89 cents
<b>Net profit attributable to shareholders:</b>	(\$6,366,000)	\$1,462,000	\$1,985,000	\$7,931,000
<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	
	30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15
Net Asset Value (NAV) per ordinary share	100.03 cents	100.00 cents	23.91 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 \$98.7 million for the 3 months ended 30 June 2016 ("4Q FY2016") was \$25.4 million (34.7%) higher compared to the corresponding period in FY2015 ("4Q FY2015"). For the 12 months ended 30 June 2016 ("FY2016"), the Group's revenue of \$364.4 million was \$180.3 million higher compared to corresponding year ended 30 June 2015 ("FY2015").

Details for revenue generated from each segment are as follows:

	Group					
	4Q		Increase/ (Decrease) %	4Q		Increase/ (Decrease) %
	FY2016 \$'000	FY2015 \$'000		FY2016 \$'000	FY2015 \$'000	
Shipbuilding	49,870	23,396	113.2	189,174	(30,207)	Nm
Shiprepair and conversion	17,094	17,224	(0.8)	61,716	96,279	(35.9)
Shipchartering	26,933	19,042	41.4	85,956	71,826	19.7
Engineering	4,809	13,635	(64.7)	27,593	46,258	(40.3)
	<b>98,706</b>	<b>73,297</b>	<b>34.7</b>	<b>364,439</b>	<b>184,156</b>	<b>97.9</b>

### Shipbuilding

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

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

	Group									
	4Q		4Q		Increase/ (Decrease) %	FY2016		FY2015		Increase/ (Decrease) %
	Units	\$'000	Units	\$'000		Units	\$'000	Units	\$'000	
Offshore support vessels ("OSV")	3	1,816	7	1,178	54.2	5	27,883	16	(94,091)	Nm
Dredger	-	-	-	-	Nm	-	-	1	8,084	Nm
Tugs	13	40,236	9	16,225	148.0	13	123,596	11	44,626	177.0
Barges and others	6	7,818	2	5,993	30.5	14	37,695	3	11,174	237.3
	<b>22</b>	<b>49,870</b>	<b>18</b>	<b>23,396</b>	<b>113.2</b>	<b>32</b>	<b>189,174</b>	<b>31</b>	<b>(30,207)</b>	<b>Nm</b>

Shipbuilding revenue in 4Q FY2016 improved by more than doubled to \$49.9 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, 2 units were completed in 4Q FY2016, and delivery of 5 units is expected to take place in the second half of 2016 ("1H FY2017"). Of the 6 units of Barges and others, 1 unit was completed in 4Q FY2016, and delivery of 1 unit is expected to take place in 1H FY2017.

The negative revenue in FY2015 was due to the reversal of revenue pertaining to the cancellation of 2 OSV coupled with low POC achieved from the new shipbuilding projects secured for the construction of Tugs.

### 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					
	4Q	4Q	Increase/	FY2016	FY2015	Increase/
	FY2016	FY2015	(Decrease)			
\$'000	\$'000	%	\$'000	\$'000	%	
Shiprepair and conversion	16,949	16,883	0.4	60,946	95,536	(36.2)
Other marine related services	145	341	(57.5)	770	743	3.6
	<b>17,094</b>	<b>17,224</b>	<b>(0.8)</b>	<b>61,716</b>	<b>96,279</b>	<b>(35.9)</b>

Shiprepair and conversion revenue decreased marginally by \$0.1 million (0.8%) to \$17.1 million in 4Q FY2016 when compared to 4Q FY2015.

The 35.9% decline in shiprepair and conversion revenue recorded in FY2016 was mainly attributed to the absence of any large rig repair work, which contributed \$32.7 million in FY2015. Excluding this rig repair work, the shiprepair and conversion revenue for FY2016 would have only been \$1.8 million (2.9%) lower as compared to the previous corresponding period.

## Shipchartering

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

	Group					
	4Q	4Q	Increase/	FY2016	FY2015	Increase/
	FY2016	FY2015	(Decrease)			
\$'000	\$'000	%	\$'000	\$'000	%	
OSV	4,927	3,484	41.4	14,465	15,577	(7.1)
Landing crafts	1,311	2,263	(42.1)	5,406	6,330	(14.6)
Tug boats	6,519	4,923	32.4	22,702	20,989	8.2
Barges	10,562	7,860	34.4	36,950	26,975	37.0
<b>Total charter</b>	<b>23,319</b>	<b>18,530</b>	<b>25.8</b>	<b>79,523</b>	<b>69,871</b>	<b>13.8</b>
Trade sales	3,614	512	605.9	6,433	1,955	229.1
	<b>26,933</b>	<b>19,042</b>	<b>41.4</b>	<b>85,956</b>	<b>71,826</b>	<b>19.7</b>

Shipchartering revenue were higher in 4Q FY2016 and FY2016 mainly due to higher contributions from Tug boats, Barges and Trade Sales, partially offset by lower revenue from Landing crafts.

The increase in revenue from Tug boats and Barges in 4Q FY2016 and FY2016 were largely contributed by the chartering of tug boats, grab dredgers and hopper barges to support our customers in the domestic marine infrastructure projects.

The higher OSV revenue recorded in 4Q FY2016 was due to commencement of charter for 2 units of AHTS in marine offshore projects. Notwithstanding the new contracts recognised in 4Q FY2016, revenue in FY2016 was lower due to absence of income from disposal of a ROV support vessel in 2Q FY2015.

Trade sales increased significantly in 4Q FY2016 due to increase in bunker sales.

## 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					
	4Q	4Q	Increase/	FY2016	FY2015	Increase/
	FY2016	FY2015	(Decrease)			
\$'000	\$'000	%	\$'000	\$'000	%	
Engineered dredgers products & dredger ("New Buildings")	261	1,767	(85.2)	3,878	10,813	(64.1)
Components & services ("Components")	4,548	11,868	(61.7)	23,715	35,445	(33.1)
	<b>4,809</b>	<b>13,635</b>	<b>(64.7)</b>	<b>27,593</b>	<b>46,258</b>	<b>(40.3)</b>

Revenue from New Buildings decreased in 4Q FY2016 and FY2016, as there were no new orders received. Revenue from Components also decreased in 4Q FY2016 and FY2016 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:

### Gross profit and gross profit margin

	Group							
	4Q FY2016		4Q FY2015		FY2016		FY2015	
	\$'000	GPM	\$'000	GPM	\$'000	GPM	\$'000	GPM
Shipbuilding	2,693	5.4%	2,603	11.1%	23,440	12.4%	(5,002)	Nm
Shiprepair and conversion	6,783	39.7%	2,210	12.8%	15,810	25.6%	19,164	19.9%
Shipchartering	845	3.1%	929	4.9%	2,812	3.3%	10,370	14.4%
Engineering	747	15.5%	5,037	36.9%	8,400	30.4%	13,565	29.3%
	<b>11,068</b>	<b>11.2%</b>	<b>10,779</b>	<b>14.7%</b>	<b>50,462</b>	<b>13.8%</b>	<b>38,097</b>	<b>20.7%</b>

### Shipbuilding

The gross profit of \$2.7 million and \$23.4 million achieved in 4Q FY2016 and FY2016 respectively was mainly due to the progressive recognition of revenue.

The lower gross profit margin in 4Q FY2016 compared to corresponding period was due to costs overrun for projects which are expected to be delivered in 1H FY2017.

The gross loss in 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

Despite 4Q FY2016 having recorded 0.8% lesser revenue when compared to the corresponding period, gross profit more than doubled to \$6.8 million during 4Q FY2016. This increase in gross profit and gross profit margin was due to: (1) lay up charges recognised on vessels being laid up in our yard after repair; (2) the reversal of accrued costs that were being negotiated for past projects undertaken; (3) coupled with the low margin recorded in 4Q FY2015.

Consequently, the gross profit margin for FY2016 increased to 25.6% (FY2015: 19.9%) as a result of the above.



## Shipchartering

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

	Group							
	4Q		4Q		FY2016		FY2015	
	FY2016		FY2015		FY2016		FY2015	
	\$'000	GPM	\$'000	GPM	\$'000	GPM	\$'000	GPM
OSV	924	18.8%	1,084	31.1%	1,829	12.6%	7,266	46.6%
Landing crafts	(370)	Nm	459	20.3%	(1,182)	Nm	972	15.4%
Tug boats and barges	(246)	Nm	(916)	Nm	800	1.3%	1,095	2.3%
<b>Total charter</b>	<b>308</b>	<b>1.3%</b>	<b>627</b>	<b>3.4%</b>	<b>1,447</b>	<b>1.8%</b>	<b>9,333</b>	<b>13.4%</b>
Trade sales	537	14.9%	302	59.0%	1,365	21.2%	1,037	53.0%
	<b>845</b>	<b>3.1%</b>	<b>929</b>	<b>4.9%</b>	<b>2,812</b>	<b>3.3%</b>	<b>10,370</b>	<b>14.4%</b>

Despite the higher revenue in 4Q FY2016 and 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 slow down in demand of precast in Singapore and absence of revenue from one unit of landing craft sold to third party under finance lease in July 2015; 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							
	4Q		4Q		FY2016		FY2015	
	FY2016		FY2015		FY2016		FY2015	
	\$'000	GPM	\$'000	GPM	\$'000	GPM	\$'000	GPM
New Buildings	(581)	Nm	1,522	86.1%	2,614	67.4%	3,504	32.4%
Components	1,328	29.2%	3,515	29.6%	5,786	24.4%	10,061	28.4%
	<b>747</b>	<b>15.5%</b>	<b>5,037</b>	<b>36.9%</b>	<b>8,400</b>	<b>30.4%</b>	<b>13,565</b>	<b>29.3%</b>

The decrease in gross profit in 4Q FY2016 was mainly due to upward revision of budget costs accrued for a certain New Building project that is near completion.

## Other operating income

Details for other operating income are as follows:

	Group			
	4Q FY2016 \$'000	4Q FY2015 \$'000	FY2016 \$'000	FY2015 \$'000
Gain on disposal of plant and equipment	354	316	1,466	6,923
Gain on foreign exchange (net)				
- unrealised	338	1,182	-	-
- realised	(187)	366	-	-
Interest income from bank balances	7	21	43	134
Interest income from finance				
lease receivables	186	-	780	-
Insurance claims	6	1	139	937
Rental income	821	233	2,449	1,851
Bad debts recovered	-	-	-	236
Miscellaneous income	211	69	655	583
	<b>1,736</b>	<b>2,188</b>	<b>5,532</b>	<b>10,664</b>

Other operating income decreased by \$5.1 million to \$5.5 million in FY2016 mainly due to the absence of any gain on disposal of plant and equipment from the sale of one unit of ROV support vessel and two units of Anchor Handling Tugs.

## Administrative expenses

Administrative expenses increased by \$1.3 million (24.7%) to \$6.7 million in 4Q FY2016 mainly due to the execution of a reorganisation exercise in the engineering segment. The exercise saw a reduction of 13 headcounts and an expected overall future cost savings of approximately \$1.5 million per annum.

Administrative expenses decreased by \$2.2 million (8.8%) in FY2016 mainly due to: (1) absence of cancellation charges of approximately \$1.8 million in respect to the cancelled PSVs in FY2015; (2) lower depreciation charged; (3) decrease in a variety of administrative expenses including staff costs, rental, travelling and upkeep expenses resulting from cost cutting measures; partially offset by (4) reorganization costs of \$1.2 million recorded in 4QFY2016.

## Other operating expenses

Other operating expenses comprised the following:

	Group			
	4Q	4Q	FY2016	FY2015
	FY2016	FY2015		
\$'000	\$'000	\$'000	\$'000	
Allowance for impairment of doubtful receivables (net)	3,962	1,531	3,988	573
Bad debts (recovered)/written off (trade)	(18)	18	53	60
Loss on foreign exchange (net)				
- unrealised	-	-	1,880	2,709
- realised	-	-	(128)	(1,416)
Impairment loss on				
- inventories	2,700	-	2,700	-
- investment in joint venture	36	-	36	-
- property, plant and equipment	1,198	-	1,198	-
Property, plant and equipment written off	-	70	-	873
	<b>7,878</b>	<b>1,619</b>	<b>9,727</b>	<b>2,799</b>

The higher allowance for impairment of doubtful receivables (net) in 4Q FY2016 included 100% impairment on the amount owing by wholly owned subsidiaries of Swiber Holdings Limited which went into judicial management. In addition, the Group also took in impairment loss on its built-to-stocks vessels and certain vessels of its chartering fleet based on valuation guidance from independent valuers.

## Finance costs

Finance costs increased by \$0.5 million (12.6%) to \$4.8 million in 4Q FY2016 due to additional long-term loans obtained to finance the purchase of vessels and yard acquisition and rising interest rates.

## 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			
		4Q	4Q	FY2016	FY2015
		FY2016	FY2015		
		\$'000	\$'000	\$'000	\$'000
<u>Joint ventures</u>					
Sindo-Econ group	50%	(627)	1,263	1,967	2,426
<u>Associates</u>					
PT. Hafar Capitol					
Nusantara ("PT Hafar")	36.75%	(1,149)	(64)	(1,322)	3,721
PT Capitol Nusantara Indonesia ("PT CNI")	27%	(1,182)	(469)	(3,898)	(2,265)
		<b>(2,958)</b>	<b>730</b>	<b>(3,253)</b>	<b>3,882</b>

The loss of \$0.6 million recorded by Sindo-Econ group in 4Q FY2016 was due to the slowing down of its concrete precast operations in Indonesia.

The share of loss of PT Hafar was attributed to the absence of charter income from its pipe lay cum accommodation barge which remained off-hired during the quarter under review.

The share of loss from PT CNI was mainly attributable to the low utilisation of its vessels; several of its vessels have remained off-hired mainly due to the slowdown in Indonesia coal mining industry.

### **(Loss)/profit before tax**

Despite the overall increase in gross profit by \$12.4 million (32.5%) in FY2016, the Group is at a profit before tax position of \$0.5 million (FY2015: profit before tax of \$8.6 million). This was mainly due to:

- (i) Decrease in other income of \$5.1 million due to the absence of gain on disposal of vessels;
- (ii) Increase in other operating expenses by \$6.9 million mainly from the impairment loss on inventories, property, plant and equipment, and the allowance for impairment of doubtful receivables recognised ;
- (iii) Increase in finance costs by \$3.5 million; and
- (iv) Decrease in share of results of associates and joint ventures by \$7.1 million.

Bearing the reorganisation costs and impairment charges totaling \$9.1 million, the Group would have seen a profit rise from \$8.6 million in FY2015 to \$9.6 million in FY2016.

### **Tax credit/(expense)**

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

	<b>Group</b>			
	<b>4Q</b>	<b>4Q</b>	<b>FY2016</b>	<b>FY2015</b>
	<b>FY2016</b>	<b>FY2015</b>		
Income tax	(534)	(606)	(2,935)	(1,006)
Deferred tax	2,569	(25)	2,767	1,343
	<b>2,035</b>	<b>(631)</b>	<b>(168)</b>	<b>337</b>
Effective tax rate			<b>Nm</b>	<b>14.5%</b>

The Group's current income tax expense was \$1.9 million higher in FY2016 was mainly due to higher tax provision attributed to shipyard operations.

On the other hand, the Group recorded a higher deferred tax credit of \$2.8 million in FY2016 due to:

- (i) recognition of Group relief in 4Q FY2016 of \$1.6 million; and
- (ii) reversal of temporary difference on the Group's plant and equipment.

### **Non-controlling interests**

Non-controlling interests' share of loss of \$0.4 million for 4Q FY2016 mainly pertains to the portion of results of its non-wholly owned subsidiaries in Indonesia and China.

## Operation cash flow

### 4Q FY2016

The Group recorded a lower net cash inflow of \$64.7 million from operating activities in 4Q FY2016 (4Q FY2015: \$74.9 million) due mainly to higher construction costs incurred on shipbuilding and shiprepair projects and lower receipts from customers; partially offset by lower payments made to suppliers.

The lower net cash outflow of \$24.5 million from investing activities (4Q FY2015: \$42.1 million) was attributed to lower acquisition of property, plant and equipment during the current quarter.

The higher net cash outflow from financing activities of \$43.7 million (4Q FY2015: \$22.2 million) as the Group repaid more money than it borrowed.

### FY2016

In FY2016, the Group recorded a net cash inflow of \$6.4 million from operating activities as compared to \$124.9 million in FY2015. The lower cash inflow was mainly attributed to additional construction costs incurred on shipbuilding projects and lower receipts from customers partially offset by lower payments made to suppliers and lower costs incurred on vessels held for resale.

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

## REVIEW OF FINANCIAL POSITION AS AT 30 JUNE 2016

### Non-current assets

Property, plant and equipment ("PPE") increased by \$20.2 million (3.5%) from \$582.9 million as at 30 June 2015 to \$603.1 million as at 30 June 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	98,963
Inclusive of :	
- \$6.2 million for plant and machinery	
- \$57.2 million for vessels	
- \$16.9 million for yard infrastructure development	
- \$11.4 million for assets under construction	
Disposal/ write-off/ transfers of plant and equipment	(23,081)
Depreciation charge	(54,398)
Impairment of plant and equipment	(1,198)
Translation differences	(44)
Balance as at 30 June 2016	<u><u>603,114</u></u>

The vessels acquired in 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.

The finance lease receivable of \$8.8 million arose as the Group entered into a 10 years lease contract in July 2015 to charter one unit of landing craft acquired in February 2014 to a third party.

### Current assets

Current assets increased by \$42.8 million (7.3%) from \$582.8 million as at 30 June 2015 to \$625.6 million as at 30 June 2016. The increase was mainly from inventory, construction work-in-progress and trade and other receivables; offset by the decrease in cash and bank balances.

Inventories comprised the following:

	Group			
	30-Jun-16	30-Jun-15	Increase/ (Decrease)	
	\$'000	\$'000	\$'000	%
Raw materials and consumables	15,594	15,677	(83)	(0.5)
Work-in-progress	167,362	197,670	(30,308)	(15.3)
Finished goods	55,525	3,529	51,996	1,473.4
Total inventories at cost	<b>238,481</b>	<b>216,876</b>	<b>21,605</b>	<b>10.0</b>

The increase in finished goods relates to the transfer of a platform supply vessel from work-in-progress to finished goods upon completion.

Trade and other receivables comprised the following:

	Group			
	30-Jun-16	30-Jun-15	Increase/ (Decrease)	
	\$'000	\$'000	\$'000	%
Trade receivables	156,601	143,548	13,053	9.1
Other receivables and deposits	29,319	30,660	(1,341)	(4.4)
Amounts due from related parties	62,847	64,699	(1,852)	(2.9)
	<b>248,767</b>	<b>238,907</b>	<b>9,860</b>	<b>4.1</b>

The increase in trade receivables was mainly due to down-payment billings for new shipbuilding projects which was subsequently received in full after the financial year end. Of the total trade receivables, \$44.1 million was received subsequent to the period under review.

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 \$157.2 million (35.8%) from \$439.7 million as at 30 June 2015 to \$596.9 million as at 30 June 2016. The increase was mainly from trade and other payables and interest bearing loans and borrowings; offset by the decrease in progress billings in excess of construction work-in-progress.

Trade and other payables comprised the following:

	<b>Group</b>			
	<b>30-Jun-16</b>	<b>30-Jun-15</b>	Increase/ (Decrease)	
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
Trade and other payables	209,431	170,513	38,918	22.8
Amounts due to related parties	13,734	9,742	3,992	41.0
Loan from non-controlling interests of subsidiaries	206	206	-	-
	<b>223,371</b>	<b>180,461</b>	<b>42,910</b>	<b>23.8</b>

Net construction work-in-progress in excess of progress billings increased by \$88.2 million (633.6%) from \$13.9 million as at 30 June 2015 to \$102.1 million as at 30 June 2016, mainly attributed to higher work-in-progress incurred for certain shipbuilding projects as a result of projects being secured under contractual payment terms of ranging 70% - 90% upon vessel delivery.

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

	<b>Group</b>			
	<b>30-Jun-16</b>	<b>30-Jun-15</b>	Increase/ (Decrease)	
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
<b>Current</b>				
<b>Bonds</b>	100,000	-	100,000	100.0
<b>Short term loan</b>				
- shipbuilding related	46,730	29,800	16,930	56.8
- general	54,424	48,962	5,462	11.2
	101,154	78,762	22,392	28.4
<b>Trust receipts</b>				
- shipbuilding related	57,990	41,112	16,878	41.1
- general	14,206	27,735	(13,529)	(48.8)
	72,196	68,847	3,349	4.9
<b>Long term loan</b>				
- vessels loan	48,201	30,632	17,569	57.4
- assets financing	35,556	31,623	3,933	12.4
	83,757	62,255	21,502	34.5
<b>Finance lease liabilities</b>	5,813	9,414	(3,601)	(38.3)
<b>Bank overdraft</b>	-	1,130	(1,130)	(100.0)
	<b>362,920</b>	<b>220,408</b>	<b>142,512</b>	<b>64.7</b>
<b>Non-current</b>				
<b>Bonds</b>	50,000	150,000	(100,000)	(66.7)
<b>Long term loan</b>				
- vessels loan	111,311	85,493	25,818	30.2
- assets financing	62,636	74,642	(12,006)	(16.1)
	173,947	160,135	13,812	8.6
<b>Finance lease liabilities</b>	5,319	12,940	(7,621)	(58.9)
	<b>229,266</b>	<b>323,075</b>	<b>(93,809)</b>	<b>(29.0)</b>
<b>Total borrowings</b>	<b>592,186</b>	<b>543,483</b>	<b>48,703</b>	<b>9.0</b>
<b>Total shareholders' funds</b>	<b>419,634</b>	<b>419,523</b>		
<b>Gearing ratio (times)</b>	<b>1.41</b>	<b>1.30</b>		
<b>Net gearing ratio (times)</b>	<b>1.35</b>	<b>1.11</b>		

The current portion of Group's total borrowings increased by \$142.5 million (64.7%). 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 \$89.1 million (25.9%) to \$254.4 million as at 30 June 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.**

The Group's results was in line with the profit guidance announcement released to SGX-ST on 24 August 2016.

### **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**

With the continuing low oil prices, the global offshore and marine industry remains challenging. This has dampened demand for new vessels especially in the OSV markets. Despite this, there are still demand for new non-OSV vessels, albeit with stiff competition from other shipyards, thereby depressing prices. Besides making efforts to increase its order books, the Group continues to streamline its operations and cost structure to ensure it remains competitive.

In spite of the continuous weakness in market conditions, the Group aims to focus on the shiprepair and conversion segment by offering maintenance services to ship owners and/or undertake conversion jobs with the enhancements made to its Batam facilities.

#### **Shipchartering Operations**

Out of the Group's operating fleet of 229 vessels, we have 7 OSV. OSV chartering segment will remain weak in the next financial year. Our larger tug and barge fleet, which is our core chartering business, remains viable as it supports the marine infrastructure business in the region. With the commencement of large infrastructure projects in Singapore and South Asia in 4Q FY2016, the overall utilization of our tugs and barges is expected to improve. However, due to market competition, the Group expects continued pressure on charter rates.

The Group remains committed to maximising deployment and re-configuring its chartering fleet to better respond to market changes and customers' needs. The Group's shipchartering operations currently have an outstanding delivery order of 23 vessels worth approximately \$30 million, comprising tugs and barges. With the exception of 4 vessels with a total worth of \$3 million, these vessels are being built internally by the Group. 18 of these vessels are for charter contracts already secured.



## **Engineering Operations**

Our engineering division (Vosta LMG) engages primarily in the infrastructure and construction industry which is less affected by the weak oil price. Due to sluggish economic condition in Europe, we expect the revenue of our engineering division to stay flat for FY2017. However, the reorganization exercise conducted in May 2016 is expected to reduce our administrative cost and hence, improve our bottom line.

## **Precast Operations**

Our joint ventures precast operations at Batam has secured several new contracts for supplying precast products for new housing projects in Singapore. The transportation of precast concrete products from the precast yard in Batam to Singapore by our landing crafts will continue to provide a steady flow of income to the Group's shipchartering operations.

## **Order Book**

During the financial year, the Group secured \$156 million worth of contracts comprising \$41 million for shipbuilding and shiprepair and conversion, \$110 million for shipchartering and \$5 million for engineering division.

As at 30 June 2016, the Group had an outstanding shipbuilding order book from external customers of approximately \$223 million for the building of 22 vessels with progressive deliveries up to fourth quarter of FY2019. The order book comprises OSV, harbour tugs, barges and tankers. Barring any unforeseen circumstances, approximately 67% of the order book is expected to be recognised in the financial year ending 30 June 2017 ("FY2017").

The Group's shipchartering revenue consists of mainly short-term and ad-hoc contracts. Approximately 23% of shipchartering revenue in FY2016 was attributed to long-term chartering contracts (meaning contracts with a duration of more than one year). As at 30 June 2016, the Group had an outstanding chartering order book of approximately \$150 million with respect to long-term contracts.

Barring any unforeseen circumstances, the Board does not expects significant changes to the Group's revenue for the financial year ending 30 June 2017.

## **Funding Arrangements**

With respect to the Group's funding requirements, the Group is actively engaging its stakeholders. Capital providers are in advanced stage of providing new facility loans to the Group for its short term requirements. In addition, to strengthen the financial position and capital base of the Group, the Group has today, announced a renounceable non-underwritten rights issue ("Rights Issue") to raise up to \$25 million. The controlling shareholders have also undertook to subscribe in full for their entitlements. The net proceeds from the Rights Issue is for the Group's working capital and will provide the Group with greater financial and operational flexibility to adapt and respond to the challenging economic conditions.

**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 dividend has been declared for the financial year ended 30 June 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. 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).**

We 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.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT  
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

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

**(a) Business Segments**

	Shipbuilding \$'000	Shiprepair and conversion \$'000	Shipchartering and rental \$'000	Engineering \$'000	Investment holding \$'000	Eliminations \$'000	Consolidated \$'000
<b>FY2016</b>							
<b>Revenue</b>							
Revenue from external customers	189,174	61,716	85,956	27,593	-	-	364,439
Inter-segment revenue	141,497	36,496	35,702	3	2,200	(215,898)	-
<b>Total revenue</b>	<b>330,671</b>	<b>98,212</b>	<b>121,658</b>	<b>27,596</b>	<b>2,200</b>	<b>(215,898)</b>	<b>364,439</b>
<b>Results</b>							
Segment results	13,192	16,132	(1,430)	(809)	8,868	(13,054)	22,899
Finance costs							(19,126)
Share of results of jointly-controlled entities and associates							(3,253)
Tax expense							423
<b>Profit for the year</b>							<b>943</b>
<b>Assets</b>							
Segment assets	511,817	150,985	566,881	27,856	3,408	-	1,260,947
Unallocated assets							14,726
<b>Total assets</b>							<b>1,275,673</b>
<b>Liabilities</b>							
Segment liabilities	119,058	48,788	57,740	12,552	2,318	-	240,456
Unallocated liabilities							610,812
<b>Total liabilities</b>							<b>851,268</b>
<b>Capital expenditure</b>	<b>25,976</b>	<b>873</b>	<b>72,017</b>	<b>97</b>	<b>-</b>	<b>-</b>	<b>98,963</b>
<b>Depreciation and amortisation</b>	<b>17,466</b>	<b>5,390</b>	<b>33,783</b>	<b>1,106</b>	<b>-</b>	<b>-</b>	<b>57,745</b>
<b>Other non-cash expenses</b>	<b>5,044</b>	<b>(975)</b>	<b>3,978</b>	<b>1,983</b>	<b>-</b>	<b>-</b>	<b>10,030</b>

	Shipbuilding \$'000	Shiprepair and conversion \$'000	Shipchartering and rental \$'000	Engineering \$'000	Investment holding \$'000	Eliminations \$'000	Consolidated \$'000
<b>FY2015</b>							
<b>Revenue</b>							
Revenue from external customers	(30,207)	96,279	71,826	46,258	-	-	184,156
Inter-segment revenue	105,545	54,761	25,453	5,014	5,500	(196,273)	-
Total revenue	<u>75,338</u>	<u>151,040</u>	<u>97,279</u>	<u>51,272</u>	<u>5,500</u>	<u>(196,273)</u>	<u>184,156</u>
<b>Results</b>							
Segment results	(11,359)	8,374	21,127	6,319	11,667	(15,775)	20,353
Finance costs							(15,624)
Share of results of jointly-controlled entities and associates							3,882
Tax expense							(1,150)
Profit for the year							<u>7,461</u>
<b>Assets</b>							
Segment assets	205,620	462,738	482,119	32,725	7,162	-	1,190,364
Unallocated assets							18,108
Total assets							<u>1,208,472</u>
<b>Liabilities</b>							
Segment liabilities	68,820	102,268	33,925	12,920	2,282	-	220,215
Unallocated liabilities							562,948
Total liabilities							<u>783,163</u>
<b>Capital expenditure</b>	<u>7,792</u>	<u>12,865</u>	<u>101,117</u>	<u>135</u>	<u>-</u>	<u>-</u>	<u>121,909</u>
<b>Depreciation and amortisation</b>	<u>(5,625)</u>	<u>22,815</u>	<u>27,569</u>	<u>1,212</u>	<u>-</u>	<u>-</u>	<u>45,971</u>
<b>Other non-cash expenses</b>	<u>(27)</u>	<u>1,681</u>	<u>987</u>	<u>906</u>	<u>-</u>	<u>-</u>	<u>3,547</u>

**(b) Geographical segments**

	Singapore \$'000	Indonesia \$'000	Rest of Asia \$'000	Europe \$'000	United States and Other Countries \$'000	Consolidated \$'000
<b>FY2016</b>						
Revenue from external customers	<u>140,673</u>	<u>29,396</u>	<u>13,564</u>	<u>113,000</u>	<u>67,806</u>	<u>364,439</u>
Capital expenditure	<u>79,768</u>	<u>18,436</u>	<u>662</u>	<u>97</u>	<u>-</u>	<u>98,963</u>
<b>FY2015</b>						
Revenue from external customers	<u>91,003</u>	<u>21,092</u>	<u>23,898</u>	<u>(18,941)</u>	<u>67,104</u>	<u>184,156</u>
Capital expenditure	<u>113,356</u>	<u>5,836</u>	<u>2,582</u>	<u>135</u>	<u>-</u>	<u>121,909</u>

Management believes it would be inaccurate to analyse the segment assets by geographical segment because certain vessels cannot be meaningfully allocated to the different geographical areas. For charter services, charterers of the Group's vessels have the discretion to operate within a wide area and are not constrained by a specific sea route.

16. 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 item 8.

17. A breakdown of sales.

	<b>Group</b>			
	<b>FY2016</b>	<b>FY2015</b>	Increase/ (Decrease)	
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
Sales reported for first half year	175,632	47,443	128,189	270.2
Operating profit after tax before deducting non-controlling interests reported for first half year	6,884	4,142	2,742	66.2
Sales reported for second half year	188,807	136,713	52,094	38.1
Operating (loss)/ profit after tax before deducting non-controlling interests reported for second half year	(5,941)	3,319	(9,260)	(279.0)

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

<b>Total Annual Dividend</b>	<b>Latest full year</b>	<b>Previous full year</b>
	<b>\$'000</b>	<b>\$'000</b>
Ordinary	-	1,678
Preference	-	-
Total	-	1,678

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

<b>Name</b>	<b>Age</b>	<b>Family relationship with any director and/or substantial shareholder</b>	<b>Current position and duties, and the year the position was held</b>	<b>Details of changes in duties and position held, if any, during the year</b>
Ang Kok Tian	55	<p>Brother of Ang Ah Nui, Ang Kok Eng and Ang Kok Leong, all of whom are Directors and substantial shareholders of ASL Marine.</p> <p>Son of Ang Sin Liu and brother of Ang Swee Kuan, both of whom are substantial shareholders of ASL Marine.</p>	<p>Appointed in 2003 as Chairman and Managing Director of ASL Marine.</p> <p>Responsible for the Group business strategy and direction, corporate plans and policies and the general management of the Group.</p>	No change
Ang Ah Nui	53	<p>Brother of Ang Kok Tian, Ang Kok Eng and Ang Kok Leong, all of whom are Directors and substantial shareholders of ASL Marine.</p> <p>Son of Ang Sin Liu and brother of Ang Swee Kuan, both of whom are substantial shareholders of ASL Marine.</p>	<p>Appointed in 2003 as Deputy Managing Director of ASL Marine.</p> <p>Responsible for the Group business strategy and direction, corporate plans and policies and the general management of the Group's shipchartering and shiprepair business.</p>	No change
Ang Kok Eng	49	<p>Brother of Ang Kok Tian, Ang Ah Nui and Ang Kok Leong, all of whom are Directors and substantial shareholders of ASL Marine.</p> <p>Son of Ang Sin Liu and brother of Ang Swee Kuan, both of whom are substantial shareholders of ASL Marine.</p>	<p>Appointed in 2002 as Executive Director of ASL Marine.</p> <p>Responsible for the Group's marketing and business development function for Asia.</p>	No change
Ang Kok Leong	48	<p>Brother of Ang Kok Tian, Ang Ah Nui and Ang Kok Eng, all of whom are Directors and substantial shareholders of ASL Marine.</p> <p>Son of Ang Sin Liu and brother of Ang Swee Kuan, both of whom are substantial shareholders of ASL Marine.</p>	<p>Appointed in 2002 as Executive Director of ASL Marine.</p> <p>Responsible for the Group's marketing and business development function for Europe, Middle East and other regions.</p>	No change
Ang Sin Liu	81	<p>Father of Ang Kok Tian, Ang Ah Nui, Ang Kok Eng and Ang Kok Leong, all of whom are Directors and substantial shareholders of ASL Marine.</p> <p>Father of Ang Swee Kuan, who is a substantial shareholder of ASL Marine.</p>	<p>Appointed in 2003 as Advisor to ASL Marine.</p> <p>Advising on the setting of Group's business strategy and direction.</p>	No change

Ang Kok Tian, Ang Ah Nui, Ang Kok Eng, Ang Kok Leong, Ang Sin Liu and Ang Swee Kuan are the substantial shareholders of the Company. Ang Kok Tian, Ang Ah Nui, Ang Kok Eng and Ang Kok Leong are brothers, they are sons of Ang Sin Liu and brothers of Ang Swee Kuan. Each of them is deemed to have an interest in the shares held by the other.

**BY ORDER OF THE BOARD**

Ang Kok Tian  
Chairman and Managing Director  
29 August 2016