ASL MARINE HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
Co. Reg. No. 200008542N

UNAUDITED QUARTERLY FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 31 MARCH 2018

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 FY2018 $'000	3Q FY2017 $'000	Inc/ (Dec) %	9M FY2018 $'000	9M FY2017 $'000	Inc/ (Dec) %
Revenue	65,183	84,147	(22.5)	200,985	264,503	(24.0)
Cost of sales	(60,666)	(76,347)	(20.5)	(189,222)	(233,556)	(19.0)
Gross profit	**4,517**	**7,800**	**(42.1)**	**11,763**	**30,947**	**(62.0)**
Other operating income	2,617	1,310	99.8	7,096	3,945	79.9
Administrative expenses	(4,643)	(9,127)	(49.1)	(14,725)	(20,132)	(26.9)
Other operating expenses	(465)	(3,129)	(85.1)	(920)	(4,769)	(80.7)
Finance costs	(5,712)	(4,897)	16.6	(16,931)	(14,072)	20.3
Share of results of joint ventures and associates	(526)	(2,407)	(78.1)	(3,220)	(3,863)	(16.6)
Loss before tax	**(4,212)**	**(10,450)**	(59.7)	**(16,937)**	**(7,944)**	113.2
Tax expense	(343)	(905)	(62.1)	(1,481)	(2,602)	(43.1)
Loss for the period	**(4,555)**	**(11,355)**	**(59.9)**	**(18,418)**	**(10,546)**	**74.6**
Attributable to:						
Owners of the Company	**(4,104)**	**(11,718)**	**(65.0)**	**(17,270)**	**(9,232)**	**87.1**
Non-controlling interests	(451)	363	Nm	(1,148)	(1,314)	(12.6)
	(4,555)	**(11,355)**	**(59.9)**	**(18,418)**	**(10,546)**	**74.6**
Adjusted EBITDA* for the period	**18,873**	**10,315**	**83.0**	**50,377**	**53,933**	**(6.6)**

Nm: Not meaningful

* Adjusted EBITDA is computed based on earnings before interests, tax, depreciation, amortisation, and after adjusted for/ add back of allowance for impairment of doubtful debts, impairments, write-offs and any other non-cashflow items.

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

Statement of Comprehensive Income

		Group					
		3 months ended 31 March			9 months ended 31 March		
	Note	3Q FY2018 $'000	3Q FY2017 $'000	Inc/ (Dec) %	9M FY2018 $'000	9M FY2017 $'000	Inc/ (Dec) %
Loss for the period		**(4,555)**	**(11,355)**	**(59.9)**	**(18,418)**	**(10,546)**	**74.6**
Items that may be reclassified subsequently to profit or loss:							
Translation differences relating to financial statements of foreign subsidiaries, net of tax	(i)	(954)	(2,331)	(59.1)	(3,043)	2,520	Nm
Share of other comprehensive income of joint ventures and associates		-	(330)	Nm	(225)	348	Nm
Net fair value changes to cash flow hedges	(ii)	-	193	Nm	(11)	384	Nm
Other comprehensive income for the period, net of tax		**(954)**	**(2,468)**	**(61.3)**	**(3,279)**	**3,252**	**Nm**
Total comprehensive income for the period		**(5,509)**	**(13,823)**	**(60.1)**	**(21,697)**	**(7,294)**	**197.5**
Attributable to:							
Owners of the Company		**(4,985)**	**(14,070)**	**(64.6)**	**(20,337)**	**(6,139)**	**231.3**
Non-controlling interests		(524)	247	**Nm**	(1,360)	(1,155)	17.7
		(5,509)	**(13,823)**	**(60.1)**	**(21,697)**	**(7,294)**	**197.5**

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 on cash flow hedges was primarily due to fair value adjustments on interest rate swaps.

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

	Group			
	3 months ended 31 March		9 months ended 31 March	
	3Q FY2018 $'000	3Q FY2017 $'000	9M FY2018 $'000	9M FY2017 $'000
Allowance for/ (write back of allowance for) impairment of doubtful receivables (net)	-	-	(43)	3
Amortisation of intangible assets	(169)	(203)	(600)	(611)
Amortisation of lease prepayments	(83)	(82)	(274)	(232)
Depreciation of property, plant and equipment	(16,390)	(13,381)	(46,440)	(43,699)
Gain/ (loss) on disposal of property, plant and equipment	81	(76)	2,738	597
Gain on disposal of assets classified as held for sale	491	62	1,761	56
Gain/ (loss) on foreign exchange (net)	673	(3,129)	(412)	(4,768)
Interest income from bank balances	95	20	248	45
Interest income from finance lease receivables	165	185	411	553
Property, plant and equipment written off	(465)	-	(465)	(1)
Provision for pension liabilities	(8)	-	(54)	(29)
(Provision)/ reversal for warranty (net)	(2)	-	131	(374)
Over/ (under) provision of tax in respect of prior years	310	(30)	(355)	82

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

	Group		Company	
	31-Mar-18	30-Jun-17	31-Mar-18	30-Jun-17
	$'000	$'000	$'000	$'000
Non-current assets				
Property, plant and equipment	583,678	611,887	-	-
Lease prepayments	5,474	5,731	-	-
Investment in subsidiaries	-	-	51,577	50,388
Investment in joint ventures and associates	5,391	9,008	-	-
Intangible assets	17,784	17,877	-	-
Finance lease receivables	7,673	8,865	-	-
	620,000	**653,368**	**51,577**	**50,388**
Current assets				
Inventories	181,452	182,015	-	-
Construction work-in-progress	65,988	85,345	-	-
Trade and other receivables	179,420	181,563	393,616	357,528
Prepayments	6,461	5,564	1,485	1,746
Finance lease receivables	1,013	1,001	-	-
Derivative financial instruments	-	15	-	-
Cash and bank balances	51,300	36,141	5,539	1,504
	485,634	**491,644**	**400,640**	**360,778**
Assets classified as held for sale	4,643	-	-	-
	490,277	**491,644**	**400,640**	**360,778**
Current liabilities				
Trade and other payables	196,513	184,700	121,933	108,249
Provision for warranty	32	169	-	-
Progress billings in excess of construction work-in-progress	9,508	1,437	-	-
Trust receipts	12,191	20,515	-	-
Interest-bearing loans and borrowings	192,900	215,233	100,653	65,295
Income tax payables	3,780	5,779	-	-
	414,924	**427,833**	**222,586**	**173,544**
Net current assets	**75,353**	**63,811**	**178,054**	**187,234**
Non-current liabilities				
Other payables and liabilities	6,831	10,081	-	-
Interest-bearing loans and borrowings	314,696	313,751	136,250	142,500
Deferred tax liabilities	16,745	14,569	-	-
	338,272	**338,401**	**136,250**	**142,500**
Net assets	**357,081**	**378,778**	**93,381**	**95,122**
Equity attributable to owners of the Company				
Share capital	108,056	108,056	108,056	108,056
Treasury shares	(923)	(923)	(923)	(923)
Reserves	248,061	268,398	(13,752)	(12,011)
	355,194	**375,531**	**93,381**	**95,122**
Non-controlling interests	1,887	3,247	-	-
Total equity	**357,081**	**378,778**	**93,381**	**95,122**

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

	Group					
	As at 31-Mar-18			As at 30-Jun-17 (restated)		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Amount repayable in one year or less, or on demand	204,562	529	205,091	224,244	11,504	235,748
Amount repayable after one year	309,696	5,000	314,696	308,751	5,000	313,751
	514,258	**5,529**	**519,787**	**532,995**	**16,504**	**549,499**

Details of any collateral

The Group's secured borrowings which include bonds, term loans and finance leases 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
- Assignment of subordination and intercompany loans
- 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 FY2018 $'000	3Q FY2017 $'000	9M FY2018 $'000	9M FY2017 $'000
Cash flows from operating activities				
Loss before tax	(4,212)	(10,450)	(16,937)	(7,944)
Adjustments for:				
Amortisation of intangible assets	169	203	600	611
Amortisation of lease prepayments	83	82	274	232
Allowance for/ (write back of allowance for) impairment of doubtful receivables (net)	-	-	43	(3)
Depreciation of property, plant and equipment	16,390	13,381	46,440	43,699
(Gain)/ loss on disposal of property, plant and equipment	(81)	76	(2,738)	(597)
Gain on disposal of assets classified as held for sale	(491)	(62)	(1,761)	(56)
Interest expense	5,712	4,897	16,931	14,072
Interest income	(260)	(205)	(659)	(598)
Provision/ (reversal) for warranty (net)	2	-	(131)	374
Property, plant and equipment written off	465	-	465	1
Provision for pension liabilities	8	-	54	29
Share of results of joint venture and associates	526	2,407	3,220	3,863
Operating cash flows before changes in working capital	**18,311**	**10,329**	**45,801**	**53,683**
Changes in working capital:				
Inventories	(659)	3,886	(922)	(1,310)
Construction work-in-progress and progress billings in excess of construction work-in-progress	(4,058)	(509)	30,916	(753)
Trade and other receivables	12,321	2,025	796	41,461
Prepayments	(1,467)	(701)	(897)	331
Trade and other payables	8,596	(24,474)	16,371	(14,134)
Finance lease receivables	286	167	798	492
Other liabilities	(1,854)	-	(3,560)	(263)
Balances with related parties (trade)	405	(3,298)	(3,119)	(6,674)
Cash flows generated from/ (used in) operations	**31,881**	**(12,575)**	**86,184**	**72,833**
Interest received from finance lease receivables	165	185	411	553
Tax paid	(847)	(1,067)	(921)	(1,040)
Net cash flows generated from/ (used in) operating activities	**31,199**	**(13,457)**	**85,674**	**72,346**
Cash flows from investing activities				
Interest received from bank balances	94	20	247	45
Purchase of assets classified as held for sale	(541)	-	(6,390)	-
Purchase of property, plant and equipment	(7,486)	(2,597)	(27,698)	(27,220)
Proceeds from disposal of property, plant and equipment	324	(63)	5,028	7,209
Proceeds from disposal of assets classified as held for sale	1,183	62	5,898	636
Lease prepayments	-	-	-	(388)
Balances with related parties (non-trade)	737	4,466	2,314	(762)
Net cash flows (used in)/ generated from investing activities	**(5,689)**	**1,888**	**(20,601)**	**(20,480)**

	Group			
	3 months ended 31 March		9 months ended 31 March	
	3Q FY2018 $'000	3Q FY2017 $'000	9M FY2018 $'000	9M FY2017 $'000
Cash flows from financing activities				
Interest paid	(6,684)	(4,897)	(20,046)	(14,072)
Repayment of interest-bearing loans and borrowings	(17,898)	(27,854)	(72,707)	(91,330)
Proceeds from interest-bearing loans and borrowings	7,464	53,241	51,321	88,096
Repayment of trust receipts	(10,049)	(11,748)	(28,272)	(76,463)
Proceeds from trust receipts	4,556	8,795	19,975	39,542
Proceeds from issue of shares by the Company	-	-	-	24,964
Cash and bank balances (restricted use)	(6,193)	(4,155)	(21,092)	(10,291)
Net cash flows (used in)/ generated from financing activities	**(28,804)**	**13,382**	**(70,821)**	**(39,554)**
Net (decrease)/ increase in cash and cash equivalents	(3,294)	1,813	(5,748)	12,312
Cash and cash equivalents at beginning of period	19,313	31,705	21,903	21,621
Effects of exchange rate changes on cash and cash equivalents	(49)	(69)	(185)	(484)
Cash and cash equivalents at end of period	**15,970**	**33,449**	**15,970**	**33,449**

Note 1:

Cash and cash equivalents comprise the followings:

Cash and bank balances	51,300	46,830
Less: Restricted cash		
- Cash at banks	(20,483)	(2,938)
- Fixed deposits with banks	(14,847)	(10,443)
Cash and cash equivalents at end of period	**15,970**	**33,449**

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 31-Mar-18

Group	Share capital $'000	Treasury shares $'000	Foreign currency translation reserve $'000	Hedging reserve $'000	Accumulated profits $'000	Total reserves $'000	Equity attributable to owners of the Company $'000	Non-controlling interests $'000	Total Equity $'000
	Attributable to owners of the Company								
9M FY2018									
At 1-Jul-17	**108,056**	**(923)**	**2,896**	**11**	**265,491**	**268,398**	**375,531**	**3,247**	**378,778**
Loss for the period	-	-	-	-	(17,270)	**(17,270)**	**(17,270)**	(1,148)	**(18,418)**
Other comprehensive income									
Translation differences relating to financial statements of foreign subsidiaries, net of tax	-	-	(2,863)	-	-	**(2,863)**	**(2,863)**	(180)	**(3,043)**
Share of other comprehensive income of joint ventures and associates	-	-	(193)	-	-	**(193)**	**(193)**	(32)	**(225)**
Net fair value changes to cash flow hedges			-	(11)	-	**(11)**	**(11)**	-	**(11)**
Other comprehensive income for the year, net of tax	**-**	**-**	(3,056)	(11)	-	**(3,067)**	**(3,067)**	(212)	**(3,279)**
Total comprehensive income for the period	**-**	**-**	(3,056)	(11)	(17,270)	**(20,337)**	**(20,337)**	(1,360)	**(21,697)**
At 31-Mar-18	**108,056**	**(923)**	**(160)**	**-**	**248,221**	**248,061**	**355,194**	**1,887**	**357,081**

Statement of Changes in Equity for the period ended 31-Mar-17									
	Attributable to owners of the Company								
Group	Share capital $'000	Treasury shares $'000	Foreign currency translation reserve $'000	Hedging reserve $'000	Accumulated profits $'000	Total reserves $'000	Equity attributable to owners of the Company $'000	Non-controlling interests $'000	Total Equity $'000
9M FY2017									
At 1-Jul-16	**83,092**	**(923)**	**986**	**(482)**	**336,961**	**337,465**	**419,634**	**4,771**	**424,405**
Loss for the period	-	-	-	-	(9,232)	**(9,232)**	**(9,232)**	(1,314)	**(10,546)**
Other comprehensive income									
Translation differences relating to financial statements of foreign subsidiaries, net of tax	-	-	2,392	-	-	**2,392**	**2,392**	128	**2,520**
Share of other comprehensive income of joint ventures and associates	-	-	317	-	-	**317**	**317**	31	**348**
Net fair value changes to cash flow hedges			-	384	-	**384**	**384**	-	**384**
Other comprehensive income for the year, net of tax	**-**	**-**	2,709	384	-	**3,093**	**3,093**	159	**3,252**
Total comprehensive income for the period	**-**	**-**	2,709	384	(9,232)	**(6,139)**	**(6,139)**	(1,155)	**(7,294)**
Contributions by owners									
Right issue of shares	24,964	-	-	-	-	**-**	**24,964**	-	**24,964**
Total contributions by owners	24,964	-	-	-	-	**-**	**24,964**	-	**24,964**
At 31-Mar-17	**108,056**	**(923)**	**3,695**	**(98)**	**327,729**	**331,326**	**438,459**	**3,616**	**442,075**

Statement of Changes in Equity for the period ended 31-Mar-18 and 31-Mar-17						
<u>Company</u>	Share capital $'000	Treasury shares $'000	Hedging reserve $'000	Accumulated profits $'000	Total reserves $'000	Total equity $'000
<u>9M FY2018</u>						
At 1-Jul-17	108,056	(923)	-	(12,011)	(12,011)	95,122
Loss for the period, representing total comprehensive income for the period	-	-	-	(1,741)	(1,741)	(1,741)
At 31-Mar-18	108,056	(923)	-	(13,752)	(13,752)	93,381
<u>9M FY2017</u>						
At 1-Jul-16	83,092	(923)	-	18,141	18,141	100,310
Loss for the period, representing total comprehensive income for the period	-	-	-	(4,215)	(4,215)	(4,215)
<u>Contributions by owners</u>						
Rights issue of shares	24,964	-	-	-	-	24,964
Total contributions by owners	24,964	-	-	-	-	24,964
At 31-Mar-17	108,056	(923)	-	13,926	13,926	121,059

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of Ordinary Shares (excluding treasury shares)	
	As at 31-Mar-18	**As at 31-Mar-17**
Balance as at 1 July	629,266,941	419,511,294
Rights issue of shares	-	209,755,647
Balance as at 31 March	**629,266,941**	**629,266,941**

The percentage of the aggregate number of treasury shares held against the total number of shares outstanding that is listed as at 31 March 2018 and 31 March 2017 is 0.40%.

There were no convertibles or subsidiary holdings as at 31 March 2018 and 31 March 2017.

There were no outstanding share options granted under the ESOS as at 31 March 2018 and 31 March 2017.

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

	As at 31-Mar-18	**As at 30-Jun-17**	**As at 31-Mar-17**
Total number of issued shares	631,778,541	631,778,541	631,778,541
Total number of treasury shares	(2,511,600)	(2,511,600)	(2,511,600)
Total number of issued shares (excluding treasury shares)	**629,266,941**	**629,266,941**	**629,266,941**

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.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

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

The figures have not been audited or reviewed 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 2017.

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 FY2018**	**3Q FY2017**	**9M FY2018**	**9M FY2017**
(i) On weighted average no. of ordinary shares in issue	(0.65) cents	(1.86) cents	(2.74) cents	(1.84) cents
(ii) On a fully diluted basis	(0.65) cents	(1.86) cents	(2.74) cents	(1.84) cents
Net loss attributable to shareholders:	($4,104,000)	($11,718,000)	($17,270,000)	($9,232,000)
Number of shares in issue:				
(i) Weighted average no. of shares in issue	629,266,941	629,266,941	629,266,941	501,219,388
(ii) On a fully diluted basis	629,266,941	629,266,941	629,266,941	501,219,388

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-18	**30-Jun-17**	**31-Mar-18**	**30-Jun-17**
Net Asset Value (NAV) per ordinary share	56.45 cents	59.68 cents	14.84 cents	15.12 cents
NAV computed based on no. of ordinary shares issued	629,266,941	629,266,941	629,266,941	629,266,941

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 $65.2 million for the 3 months ended 31 March 2018 ("3Q FY2018") was $19.0 million (22.5%) lower compared to the corresponding period in FY2017 ("3Q FY2017"). For the 9 months ended 31 March 2018 ("9M FY2018"), the Group revenue was $63.5 million lower compared to the corresponding period ended 31 March 2017 ("9M FY2017").

Details for revenue generated from each segment are as follows:

	Group					
	3Q FY2018 $'000	3Q FY2017 $'000	Increase/ (Decrease) %	9M FY2018 $'000	9M FY2017 $'000	Increase/ (Decrease) %
Shipbuilding	13,764	41,775	(67.1)	37,753	122,710	(69.2)
Shiprepair and conversion	16,157	12,700	27.2	68,076	41,740	63.1
Shipchartering	30,159	25,700	17.4	84,778	80,081	5.9
Engineering	5,103	3,972	28.5	10,378	19,972	(48.0)
	65,183	**84,147**	**(22.5)**	**200,985**	**264,503**	**(24.0)**

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									
	3Q FY2018		3Q FY2017		Increase/ (Decrease)	9M FY2018		9M FY2017		Increase/ (Decrease)
	Units	$'000	Units	$'000	%	Units	$'000	Units	$'000	%
Tugs	8	3,824	6	32,690	(88.3)	11	16,892	11	101,792	(83.4)
Barges and others	13	9,940	9	9,085	9.4	17	20,861	10	20,918	(0.3)
	21	**13,764**	**15**	**41,775**	**(67.1)**	**28**	**37,753**	**21**	**122,710**	(69.2)

Shipbuilding revenue decreased by $28.0 million (67.1%) in 3Q FY2018 and $85.0 million (69.2%) in 9M FY2018 as compared to last corresponding periods mainly due to continued weak market conditions. This is reflected by the progressive recognition of existing shipbuilding projects which are of lower contractual value due to smaller and less sophisticated vessels secured.

Of the 13 units of Barges and others recognised in 3Q FY2018, 9 units were completed in the current quarter.

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 FY2018 $'000	3Q FY2017 $'000	Increase/ (Decrease) %	9M FY2018 $'000	9M FY2017 $'000	Increase/ (Decrease) %
Shiprepair and conversion	15,255	12,543	21.6	65,328	39,677	64.6
Other marine related services	902	157	474.5	2,748	2,063	33.2
	16,157	**12,700**	**27.2**	**68,076**	**41,740**	**63.1**

Shiprepair and conversion revenue increased by $2.7 million (21.6%) to $15.3 million in 3Q FY2018 and $25.7 million (64.6%) to $65.3 million in 9M FY2018. When fewer new ships are being built, the industry often sees more older ships being repaired. There were more smaller shiprepair jobs (<$1.0 million) completed in 3Q FY2018. For the 9M FY2018, the increase was mainly attributed to there being more number of high value (>$1.0 million) shiprepair jobs completed during the period.

Shipchartering

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

	Group					
	3Q FY2018 $'000	3Q FY2017 $'000	Increase/ (Decrease) %	9M FY2018 $'000	9M FY2017 $'000	Increase/ (Decrease) %
OSV	2,720	2,652	2.6	10,044	8,814	14.0
Tug Boats	10,677	9,345	14.3	29,855	26,160	14.1
Barges	12,698	9,078	39.9	33,594	30,755	9.2
Total charter	26,095	21,075	23.8	73,493	65,729	11.8
Trade sales	4,064	4,625	(12.1)	11,285	14,352	(21.4)
	30,159	**25,700**	**17.4**	**84,778**	**80,081**	**5.9**

Shipchartering revenue increased by $5.0 million (23.8%) in 3Q FY2018 mainly due to higher revenue from Tug Boats and Barges with the mobilization of our charter fleet to support our customers in several infrastructure projects in Bangladesh, Malaysia and Singapore. The grab dredgers (classified as “Barges”) achieved higher utilisation rate in the current quarter under review (3Q FY2018: 90%; 3Q FY2017: 41%).

Shipchartering revenue increased by $7.8 million (11.8%) in 9M FY2018 mainly due to higher charter income derived from past 2 quarters. Trade sales decreased in 3Q FY2018 and 9M FY2018 mainly due to lower bunker sales.

Engineering

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

	Group					
	3Q FY2018 $'000	3Q FY2017 $'000	Increase/ (Decrease) %	9M FY2018 $'000	9M FY2017 $'000	Increase/ (Decrease) %
Engineered dredgers products & dredger ("New Buildings")	-	-	Nm	-	653	(100.0)
Components & services ("Components")	5,103	3,972	28.5	10,378	19,319	(46.3)
	5,103	**3,972**	**28.5**	**10,378**	**19,972**	**(48.0)**

Engineering revenue was higher in 3Q FY2018 mainly due to higher orders of cutting components received in the financial quarter under review.

Gross profit and gross profit margin

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

	Group							
	3Q FY2018		3Q FY2017		9M FY2018		9M FY2017	
	$'000	GPM	$'000	GPM	$'000	GPM	$'000	GPM
Shipbuilding	39	0.3%	5,427	13.0%	(158)	(0.4%)	14,967	12.2%
Shiprepair and conversion	2,085	12.9%	2,455	19.3%	8,037	11.8%	8,835	21.2%
Shipchartering	1,792	5.9%	(414)	(1.6%)	1,709	2.0%	1,943	2.4%
Engineering	601	11.8%	332	8.4%	2,175	21.0%	5,202	26.0%
	4,517	**6.9%**	**7,800**	**9.3%**	**11,763**	**5.9%**	**30,947**	**11.7%**

Shipbuilding

Lower gross profit and gross profit margin were recorded in 3Q FY2018 mainly due to

(i) Sub-contractor cost overruns incurred for projects which were completed in 3Q FY2018; coupled with

(ii) Lower margins derived from the 6 existing Tugs secured in 1H FY2018 attributed to competitive pricing.

Shiprepair and conversion

Despite increase in revenue, gross profit decreased by $0.4 million (GPM: 12.9%) in 3Q FY2018 and $0.8 million (GPM: 11.8%) in 9M FY2018 mainly due to competitive market conditions and the need for higher manpower overheads being allocated to the shiprepair segment.

Shipchartering

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

	Group							
	3Q FY2018		3Q FY2017		9M FY2018		9M FY2017	
	$'000	GPM	$'000	GPM	$'000	GPM	$'000	GPM
OSV	(1,213)	(44.6%)	(1,301)	(49.1%)	(3,858)	(38.4%)	(1,742)	(19.8%)
Tug boats and Barges	2,043	8.7%	(65)	(0.4%)	3,613	5.7%	766	1.3%
Total charter	830	3.2%	(1,366)	(6.5%)	(245)	(0.3%)	(976)	(1.5%)
Trade sales	962	23.7%	952	20.6%	1,954	17.3%	2,919	20.3%
	1,792	5.9%	**(414)**	(1.6%)	**1,709**	2.0%	**1,943**	2.4%

In line with the increase in revenue of Tug Boats and Barges, a higher gross profit and gross profit margin were recorded in 3Q FY2018 mainly due to higher earnings from increased utilization of grab dredgers and urgent deployment and mobilization of vessels to support infrastructure projects in the region.

Despite a higher contribution from Tug Boats and Barges, the Group recorded a gross loss of $0.2m in 9M FY2018 mainly due to negative contribution from the OSV. The negative contribution from OSV was attributable to reduced charter rate, temporary off hire of an OSV in the current quarter and one-off compensation incurred for late delivery of two AHTS to charterer in India.

The lower trade sales profit in 9M FY2018 was mainly due to absence of ad hoc services which were rendered in last corresponding period for one of the large marine infrastructure projects in South Asia which commenced in 4Q FY2016.

Engineering

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

	Group							
	3Q FY2018		3Q FY2017		9M FY2018		9M FY2017	
	$'000	GPM	$'000	GPM	$'000	GPM	$'000	GPM
New Buildings	-	-	-	-	-	-	611	93.6%
Components	601	11.8%	332	8.4%	2,175	21.0%	4,591	23.8%
	601	11.8%	**332**	8.4%	**2,175**	21.0%	**5,202**	26.0%

In line with the higher revenue in 3Q FY2018, gross profit increased to $0.6 million. Gross profit margin reduced to 21.0% in 9M FY2018 mainly due to higher passed on costs from suppliers.

Other operating income

Details for other operating income are as follows:

	Group			
	3Q FY2018 $'000	3Q FY2017 $'000	9M FY2018 $'000	9M FY2017 $'000
Gain/ (loss) on disposal of plant and equipment	81	(76)	2,738	597
Gain on disposal of assets classified as held for sale	491	62	1,761	56
Gain on foreign exchange (net)				
- unrealised	615	-	-	-
- realised	58	-	-	-
Interest income from bank balances	95	20	248	45
Interest income from finance lease receivables	165	185	411	553
Insurance claims	365	-	448	-
Rental income from plant & equipment and yard space	433	826	1,031	2,255
Write-back of impairment of doubtful receivables (net)	-	-	-	3
Miscellaneous income	314	293	459	436
	2,617	**1,310**	**7,096**	**3,945**

Unrealised foreign exchange gain of $0.6 million in 3Q FY2018 was mainly due to depreciation of IDR against SGD on IDR denominated liabilities.

The insurance claim recorded in 3Q FY2018 pertained mainly to damage of cranes by a typhoon that hit our China yard.

Rental income decreased by $0.4 million in 3Q FY2018 and $1.2 million in 9M FY2018 as compared to corresponding periods mainly due to reduced rental rate on leasing of precast workshop, production and storage areas.

Administrative expenses

Administrative expenses decreased by $4.5 million (49.1%) to $4.6 million in 3Q FY2018 and by $5.4 million (26.9%) to $14.7 million in 9M FY2018 as compared to corresponding periods mainly due to absence of one-off transaction costs of $3.7 million arising from debt restructuring exercises and lower staff costs.

Other operating expenses

	Group			
	3Q FY2018 $'000	3Q FY2017 $'000	9M FY2018 $'000	9M FY2017 $'000
Allowance for impairment of doubtful receivables (net)	-	-	43	-
Loss/ (gain) on foreign exchange (net)				
- unrealised	-	3,132	1,121	3,211
- realised	-	(3)	(709)	1,557
Property, plant and equipment written off	465	-	465	1
	465	**3,129**	**920**	**4,769**

There was a write-off of plant and equipment in 3Q FY2018 which pertained mainly to damage of cranes by a typhoon that hit our China yard. The loss was partially compensated by the insurance claim recognised in other operating income.

Finance costs

Finance costs increased by $0.8 million (16.6%) to $5.7 million in 3Q FY2018 and by $2.9 million (20.3%) to $16.9 million in 9M FY2018 mainly due to i) interest incurred from progressive drawdown of loans under the committed $99.9 million 5-year club term loan facility (the “CTL Facility”) and ii) stepped up interest rate payable under the fixed rate bonds which became effective from 1 April 2017.

Share of results of joint ventures and associates

The Group’s share of results of joint ventures and associates comprised:

		Group			
	Group's effective interest	**3Q FY2018 $'000**	**3Q FY2017 $'000**	**9M FY2018 $'000**	**9M FY2017 $'000**
Joint ventures					
Sindo-Econ group	50%	-	(1,599)	(1,311)	(2,375)
Associates					
PT. Hafar Capitol Nusantara ("PT Hafar")	36.75%	(581)	(870)	(2,075)	(532)
PT Capitol Nusantara Indonesia ("PT CNI")	27%	55	62	166	(956)
		(526)	**(2,407)**	**(3,220)**	**(3,863)**

The loss of $1.3 million recorded by Sindo-Econ group in 9M FY2018 was due to lower margin of precast products attributed to competitive market condition. The Group has restricted its share of losses to its cost of investment since 1Q FY2018.

The share of loss from PT Hafar of $0.6 million in 3Q FY2018 and $2.1 million in 9M FY2018 was due to low utilisation from its vessel fleet due to weak market conditions. A lower loss was recorded in current quarter under review as one of its AHTS was on hire from late January 2018.

The share of profit from PT CNI of $0.2 million in 9M FY2018 mainly pertained to progressive recognition of the Group’s proportionate interest of unrealised profits previously eliminated on sale of vessels to PT CNI. The required accounting policy restricts the Group share of losses to its cost of investment.

Loss before tax

Despite an overall decrease in gross profit, the Group recorded a lower loss before tax of $4.2 million in 3Q FY2018 as compared to $10.5 million in 3Q FY2017 mainly due to higher other operating income, absence of the one-off cost relating to the previous debt restructuring exercise, no foreign exchange loss and a lower share of losses from joint ventures and associates.

The Group recorded a loss before tax of $16.9 million in 9M FY2018 as compared to $7.9 million in 9M FY2017 mainly due to an overall decrease in gross profit coupled with higher finance costs, partially offset by lower administrative expenses and higher operating income.

Tax expense

The Group recorded lower tax expenses of $0.3 million and $1.5 million in 3Q FY2018 and 9M FY2018 respectively as compared to the corresponding periods, this was mainly due to losses incurred from shipyard operations.

Non-controlling interests

Non-controlling interests' share of loss of $0.4 million in 3Q FY2018 and $1.1 million in 9M FY2018 mainly pertains to the portion of results of its non-wholly owned subsidiaries in Indonesia and China.

Operation cash flows

3Q FY2018

The Group recorded a net cash inflow from operating activities of $31.2 million in 3Q FY2018 (3Q FY2017: net cash outflow of $13.5 million) mainly due to higher operating earnings, lower payments to suppliers and higher advances received from customers, partially offset by higher construction costs incurred on projects.

The net cash outflow from investing activities of $5.7 million in 3Q FY2018 (3Q FY2017: net cash inflow of $1.9 million) was mainly attributed to higher acquisition of property, plant and equipment, partially offset by higher proceeds from disposal of assets classified as held for sale.

The net cash outflow from financing activities of $28.8 million (3Q FY2017: net cash inflow of $13.4 million) was mainly due to lower net proceeds from interest-bearing loans and borrowings.

9M FY2018

The Group recorded a higher net cash inflow from operating activities of $85.7 million in 9M FY2018 (9M FY2017: $72.3 million) mainly due to lower construction costs incurred on projects and payment to suppliers, partially offset by lower earnings and receipts from customers.

Net cash outflow from investing activities of $20.6 million in 9M FY2018 increased marginally by $0.1 million as compared to corresponding period.

The higher net cash outflow from financing activities of $70.8 million in 9M FY2018 (9M FY2017: $39.6 million) was mainly due to higher net repayment of interest-bearing loans and borrowings, absence of proceeds from shares issuance raised in 9M FY2017 and higher cash balances being restricted in project accounts partially offset by lower net repayment of trust receipts.

REVIEW OF FINANCIAL POSITION AS AT 31 MARCH 2018

Non-current assets

Property, plant and equipment ("PPE") decreased by $28.2 million (4.6%) from $611.9 million as at 30 June 2017 to $583.7 million as at 31 March 2018.

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

	$'000
Balance as at 1 July 2017	611,887
Acquisition of property, plant and equipment Inclusive of : - $0.5 million for plant and machinery - $30.8 million for vessels - $2.6 million for yard infrastructure under development - $1.8 million for capitalization of dry docking expenditure	35,698
Disposal	(2,755)
Depreciation charge	(45,328)
Transfer to assets classified as held for sale	(2,390)
Translation differences	(13,434)
Balance as at 31 March 2018	**583,678**

The vessels acquired in 9M FY2018 were mainly tugs and barges deployed to support our customers in marine infrastructure projects in Singapore, Indonesia and South Asia.

Current assets

Current assets decreased marginally by $1.3 million (0.3%) from $491.6 million as at 30 June 2017 to $490.3 million as at 31 March 2018. The decrease was mainly from construction work-in-progress; offset by higher cash and bank balances and assets classified as held for sale.

Inventories comprised the following:

	Group			
	31-Mar-18	**30-Jun-17**	Increase/ (Decrease)	
	$'000	**$'000**	**$'000**	**%**
Raw materials and consumables	19,792	20,773	(981)	(4.7)
Work-in-progress	7,613	7,997	(384)	(4.8)
Finished goods	154,047	153,245	802	0.5
Total inventories	**181,452**	**182,015**	**(563)**	**(0.3)**

Bulk of the raw materials and consumables are inventories meant for ongoing shipbuilding and shiprepair projects.

Trade and other receivables comprised the following:

	Group			
	31-Mar-18	30-Jun-17	Increase/ (Decrease)	
	$'000	$'000	$'000	%
Trade receivables	88,029	88,184	(155)	(0.2)
Other receivables	18,088	14,150	3,938	27.8
Amounts due from related parties	73,303	79,229	(5,926)	(7.5)
	179,420	**181,563**	**(2,143)**	**(1.2)**

Of the total trade receivables, $16.9 million was received subsequent to the quarter under review.

The increase in other receivables was due to reclassification of $4.6 million from amount due from related party pursuant to a tripartite agreement entered between a subsidiary of the Group, the related party and our business associate for settlement of the balance due from the related party.

Assets classified as held for sale ("AHFS") comprised 4 vessels contracted for disposal within a year.

Cash and bank balances increased by $15.2 million to $51.3 million which included advance payments made by customers and funds deposited in shipbuilding project accounts.

Current liabilities

Current liabilities decreased by $12.9 million (3.0%) from $427.8 million as at 30 June 2017 to $414.9 million as at 31 March 2018. The decrease was mainly due to lower current portion of interest-bearing loans and borrowings, partially offset by higher advance receipts from customers for supply of vessels.

Trade and other payables comprised the following:

	Group			
	31-Mar-18	30-Jun-17	Increase/ (Decrease)	
	$'000	$'000	$'000	%
Trade payables	128,175	135,712	(7,537)	(5.6)
Other payables	44,255	19,649	24,606	125.2
Deferred income	9,855	12,990	(3,135)	(24.1)
Amounts due to related parties	14,027	16,136	(2,109)	(13.1)
Loan from non-controlling interests of subsidiaries	201	213	(12)	(5.6)
	196,513	**184,700**	**11,813**	**6.4**

Other payables comprised mainly payables for purchase of vessels and cranes, deposits received from customers for shiprepairs and shipchartering services. The increase was mainly due to advance receipts from customers for the mobilization and supply of vessels to support an overseas infrastructure project.

Deferred income decreased mainly due to recognition of deferred income.

Net construction work-in-progress in excess of progress billings decreased by $27.4 million (32.7%) from $83.9 million as at 30 June 2017 to $56.5 million as at 31 March 2018, mainly attributed to completion of jobs during the period.

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

	Group			
	31-Mar-18	30-Jun-17	Increase/ (Decrease)	
	$'000	$'000	$'000	%
Current				
Bonds	7,500	7,500	-	-
Short term loan				
- shipbuilding related	32,159	34,954	(2,795)	(8.0)
- general	18,280	56,884	(38,604)	(67.9)
	50,439	91,838	(41,399)	(45.1)
Trust receipts				
- shipbuilding related	9,626	11,076	(1,450)	(13.1)
- general	2,565	9,439	(6,874)	(72.8)
	12,191	20,515	(8,324)	(40.6)
Long term loan				
- vessels loan	25,129	26,474	(1,345)	(5.1)
- assets financing	10,500	27,941	(17,441)	(62.4)
- working capital	93,153	57,795	35,358	61.2
	128,782	112,210	16,572	14.8
Finance lease liabilities	6,179	3,685	2,494	67.7
	205,091	**235,748**	**(30,657)**	**(13.0)**
Non-current				
Bonds	136,250	142,500	(6,250)	(4.4)
Long term loan				
- vessels loan	89,746	126,321	(36,575)	(29.0)
- assets financing	76,254	31,907	44,347	139.0
- working capital	10,000	10,000	-	-
	176,000	168,228	7,772	4.6
Finance lease liabilities	2,446	3,023	(577)	(19.1)
	314,696	**313,751**	**945**	**0.3**
Total borrowings	**519,787**	**549,499**	**(29,712)**	**(5.4)**
Total shareholders' funds	**355,194**	**375,531**		
Gearing ratio (times)	**1.46**	**1.46**		
Net gearing ratio (times)	**1.32**	**1.37**		

The Group's total borrowings decreased by $29.7 million (5.4%) to $519.8 million as at 31 March 2018 mainly arose from repayment of long term loans, partially offset by partial draw down of $38.3 million on the CTL Facility and addition of finance lease liabilities for acquisition of vessels.

Non-current liabilities

Non-current liabilities decreased marginally by $0.1 million to $338.3 million as at 31 March 2018. The decrease in other payables and liabilities as a result of recognition of deferred income was offset by higher deferred tax liabilities.

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

The current results announcement is in line with the Group's previous outlook statement made on 14 February 2018 and its profit guidance announcement released on 4 May 2018.

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.**

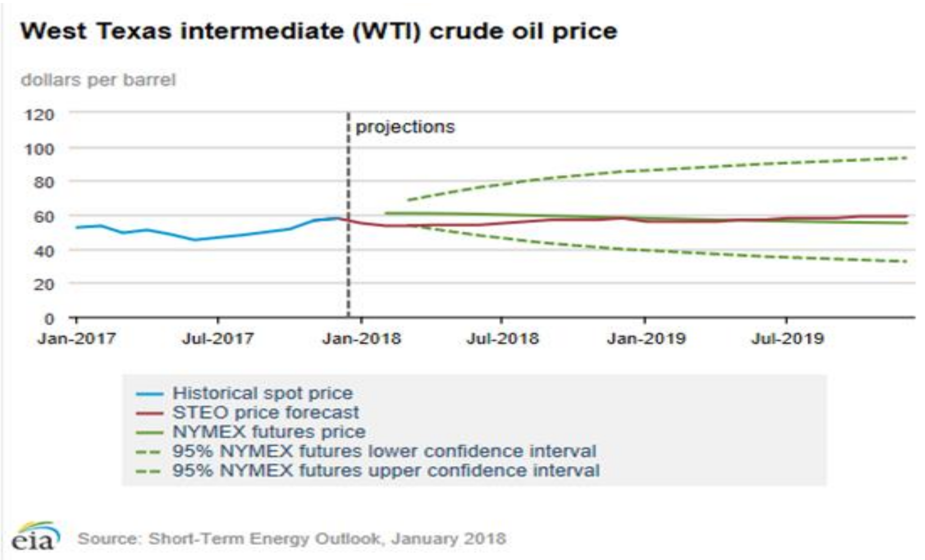
Market and industry outlook

As our businesses are primarily reliant on the market conditions in the shipbuilding, shipping, oil & gas and offshore & marine industries, the main macroeconomic variables we are sensitive to include (but not exclusively) global trade, oil prices and infrastructure spending in Asia.

Global economic growth, according to International Monetary Fund[1], is looking to accelerate in 2018. In Emerging Asia, (Southeast Asia, China and India), the economy is expected to grow by an average 6.3% per year on the assumption that trade momentum holds and domestic reforms continue[2]. Stronger economic growth and increase in international trade volume are expected to lead to an incremental demand for shipping and related industries.

On a more cautious note, a potential trade war between the US and China has caused uncertainties in global trade and the shipping and shipbuilding market. While it's unlikely for the tariffs to hit trade flows in key sectors, the dynamic effects, especially on the global trade volume, could impact the shipping and shipbuilding industries.

In terms of oil prices, given that OPEC has extended its oil supply reduction agreement to the end of 2018, oil prices are expected to remain stable to firm (chart below), and survey[3] suggested higher capital expenditures in the oil industry in 2018, which could in turn benefit the recovery of the oil service sectors. However, geopolitical events and potential increase in US shale oil supply could have dynamic effects on oil prices, which could affect the sustainability of the oil price recovery.



[1] https://www.imf.org/en/Publications/WEO/Issues/2018/03/20/world-economic-outlook-april-2018
[2] https://www.oecd.org/dev/SAEO2018_Preliminary_version.pdf ;
[3] https://oilprice.com/Energy/Energy-General/Oil-And-Gas-Industry-Plans-Capex-Hike.html

Infrastructure spending in select Asia region is also expected to increase further, as stimulated by China's Belt and Road Initiative. Research[4] shows that driven by China's growth, "Asia is slated to represent nearly 60% of global infrastructure spending by 2025. Growing urbanization in emerging markets such as Philippines and Indonesia should boost spending for vital infrastructure sectors such as water, power, and transportation". This represents mid-long term opportunities for the Group's non-offshore and marine business. In Singapore, as the Tuas Mega Port project gains momentum, the demand for hiring tugs and barges is expected to remain strong.

In general, the factors discussed above suggest a more favorable business environment for the Group. However, given the complexity of the industry structure and the uncertainties in macro economy, the Group could only benefit from these factors gradually.

Business segments

Shipbuilding and Shiprepair

In shipbuilding, we will continue to seek orders for non-OSV vessels such as tanker, tugs and barges, improve our operational efficiency and tighten cost control to ensure our competitiveness, and stimulate shiprepair and conversion business by offering maintenance services at the enhanced facilities in Batam.

Shipchartering

The diversified vessel types in our fleet, especially the non-OSV vessels are expected to lend support to our chartering business in view of the marine infrastructure projects in Bangladesh, Indonesia, Malaysia and Singapore. However, due to market competition, the Group expects continued pressure on charter rates. The management has been actively working on increasing utilisation of fleet.

Engineering

Our engineering division (VOSTA LMG) engages primarily in the infrastructure and construction industry. The main growth drivers of the global dredging market include: i) more land and coastal areas has to be reclaimed and protected due to population growth and global warming; ii) expansion of ports due to increasing seaborne trade and growing size of container vessels. The Group is working closely with suppliers and seek to expand production capability in different regional markets to drive down costs.

Order Book

As at 31 March 2018, the Group had an outstanding shipbuilding order book from external customers of approximately $49 million for the building of 14 vessels with progressive deliveries up to financial year ending 30 June 2019 ("2H FY2019"). The order book comprises OSV, harbour tugs, barges and tanker.

The Group's shipchartering revenue consists of mainly short-term and ad-hoc contracts. Approximately 28% of shipchartering revenue in 9M FY2018 was attributed to long-term chartering contracts (meaning contracts with a duration of more than one year). As at 31 March 2018, the Group had an outstanding chartering order book of approximately $118 million with respect to long-term contracts.

Investors may wish to note that the financial performance of the companies in the shipping and shipbuilding industries tend to lag industry trends.

[4] https://www.pwc.com/sg/en/capital-projects-infrastructure/assets/cpi-sea-infrastructure-spend-summary-201405.pdf

Funding Arrangements

With respect to the CTL Facility, the Group continues to classify the non-current portion of $86.8 million as current liabilities as waiver for the breach of one of the financial covenants (the "Breach") in 9M FY2018 has not been obtained as at the quarter end, 31 March 2018. The Breach relates to the same covenant that we had made in the clarification announcement released via SGXNET on 19 October 2017. Waivers have since been obtained for all past Breaches, including the current quarter. The Company continues to service the CTL facility in accordance with the monthly repayment schedule of the Facility Agreement, over the 5-year tenor of the CTL Facility.

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 2018.

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 has renewed the general mandate from shareholders of the Company for interested person transactions in the Annual General Meeting held on 28 October 2017.

During the financial period, the following interested person transactions were entered into by the Group:

	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual (excluding transactions less than $100,000)
	$'000	$'000
Sale of goods and services		
Contech Precast Pte Ltd	-	323
Econ Precast Pte Ltd	-	14,418
Koon Construction & Transport Co Pte Ltd	-	14,442
Sindo-Econ Pte Ltd	-	3,440
PT. Sindomas Precas	-	1,226
Purchase of goods and services		
Koon Holdings Limited	-	261
Koon Construction & Transport Co Pte Ltd	-	3,590
Entire Engineering Pte Ltd	-	567
Econ Precast Pte Ltd	-	1,927
	-	**40,194**

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 2018 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

Ang Kok Tian Chairman, Managing Director and CEO	Ang Ah Nui Deputy Managing Director

BY ORDER OF THE BOARD

Ang Kok Tian
Chairman, Managing Director and CEO
15 May 2018