

EZRA HOLDINGS LIMITED

**Financial Statement And Dividend Announcement
For the third quarter ended 31 May 2014**

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

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

(Amounts expressed in United States dollars)

CONSOLIDATED INCOME STATEMENT

	Group 3 months ended			Group 9 months ended		
	31 May 2014	31 May 2013	Incr/ (decr)	31 May 2014	31 May 2013	Incr/ (decr)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	402,123	317,080	27	1,042,379	842,895	24
Cost of sales	(336,736)	(314,873)	7	(878,763)	(748,496)	17
Gross profit	65,387	2,207	nm	163,616	94,399	73
Other income, net	383	63,504	(99)	3,784	104,232	(96)
Administrative expenses	(45,655)	(44,117)	3	(115,048)	(115,055)	-
Profit from operations	20,115	21,594	(7)	52,352	83,576	(37)
Financial income	1,008	1,199	(16)	2,658	3,803	(30)
Financial expenses	(10,941)	(12,211)	(10)	(31,491)	(33,221)	(5)
Share of profit of associated companies	5,170	4,249	22	31,659	13,434	136
Share of profit of joint venture companies	1,285	1,547	(17)	2,560	2,959	(13)
Profit before tax	16,637	16,378	2	57,738	70,551	(18)
Tax	(6,407)	(6,746)	(5)	(16,626)	(20,009)	(17)
Profit after tax	10,230	9,632	6	41,112	50,542	(19)
Attributable to:						
Owners of the parent	8,295	7,168	16	34,231	43,606	(21)
Non-controlling interests	1,935	2,464	(21)	6,881	6,936	(1)
	10,230	9,632	6	41,112	50,542	(19)

nm – not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group 3 months ended			Group 9 months ended		
	31 May 2014	31 May 2013	Incr/ (decr)	31 May 2014	31 May 2013	Incr/ (decr)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Profit after tax	10,230	9,632	6	41,112	50,542	(19)
Other comprehensive income:						
Exchange differences on translating foreign operations	249	(200)	nm	1,771	(298)	nm
Net gain on available-for-sale ("AFS") investments	-	-	nm	-	28,886	(100)
Reclassification on disposal of AFS investments included in profit or loss	-	(57,961)	(100)	-	(57,961)	(100)
Fair value changes on cash flow hedges	1,554	(1,458)	nm	2,552	(399)	nm
Reclassification of gain on cash flow hedges to profit or loss	-	(4,211)	(100)	-	(4,211)	(100)
Share of other comprehensive income of associated companies and joint ventures companies	5,480	145	nm	14,327	173	nm
Other comprehensive income for the financial period, net of tax	7,283	(63,685)	nm	18,650	(33,810)	nm
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	17,513	(54,053)	nm	59,762	16,732	257
Total comprehensive income attributable to:						
Owners of the parent	15,578	(56,517)	nm	52,881	9,796	440
Non-controlling interests	1,935	2,464	(21)	6,881	6,936	(1)
	17,513	(54,053)	nm	59,762	16,732	257

Profit before tax was stated after (charging)/crediting:-

	Group 3 months ended			Group 9 months ended		
	31 May 2014	31 May 2013	Incr/ (decr)	31 May 2014	31 May 2013	Incr/ (decr)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Amortisation of other intangible assets	(211)	359	nm	(631)	(1,234)	(49)
Depreciation of fixed assets	(18,167)	(13,376)	36	(51,671)	(40,306)	28
Loss on disposal of assets held for sale	-	(7,169)	(100)	-	(3,386)	(100)
Gain on disposal of fixed assets	22	-	100	43	30,014	(100)
Impairment loss on fixed assets	(519)	-	100	(519)	-	100
Realised (loss)/gain on derivative instruments, net	(9)	4,541	nm	(243)	4,301	nm
Gross dividend income from AFS investments	-	32	(100)	-	32	(100)
Gross dividend income from FVTPL investments	32	31	3	180	86	109
Fair value changes in respect of derivative instruments, net	-	-	nm	-	613	(100)
Fair value changes in respect of fair value through profit and loss ("FVTPL") investments, net	(161)	131	nm	345	61	466
Foreign exchange loss, net	(2,867)	(5,880)	(51)	(5,829)	(5,142)	13
Gain on disposal of an AFS investment	-	67,369	(100)	-	67,369	(100)
Bad debts recovered/(written off), net	-	-	nm	491	(1,393)	nm
Allowance for doubtful debts, net	-	-	nm	-	(1,370)	(100)
Fixed assets written off	(7)	(44)	(84)	(504)	(44)	nm
Gain/(loss) on dilution of interest in an associated company	2,711	(76)	nm	5,098	1,968	159
Gain on disposal of a subsidiary	-	-	nm	-	151	(100)

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

(Amounts expressed in United States dollars)

	Group		Company	
	31 May 2014 US\$'000	31 August 2013 US\$'000	31 May 2014 US\$'000	31 August 2013 US\$'000
Non-current assets				
Fixed assets	1,563,677	1,346,231	1,493	2,074
Goodwill	231,424	231,017	-	-
Other intangible assets	10,288	10,919	-	-
Investments in subsidiaries	-	-	306,965	306,965
Investments in associated companies	197,291	148,009	29,743	29,743
Investments in joint venture companies	25,880	24,311	18,987	18,987
FVTPL investments	-	2,282	-	2,282
Long term receivable from a subsidiary	-	-	13,765	13,458
Long term receivable from an associated company	37,800	37,800	37,800	37,800
Funding scheme pension	309	178	-	-
Trade receivable	69,457	33,074	-	-
Deferred tax assets	2,658	2,767	-	-
Current assets				
Assets held for sale	119,399	102,548	101,785	101,785
Inventories and work-in-progress	96,486	75,311	-	-
Trade receivables	492,434	459,465	-	-
Other receivables	49,002	48,371	4,680	1,109
Other current assets	95,998	71,494	3,640	637
Balances due from				
- subsidiaries	-	-	771,358	792,215
- associated companies	159,368	135,455	14,705	16,007
- joint venture companies	14,800	21,750	4	2
Cash and cash equivalents	193,421	173,078	91,856	96,619
Cash pledged	5,307	2,660	-	-
	1,226,215	1,090,132	988,028	1,008,374
Current liabilities				
Trade payables	88,194	152,167	-	-
Other payables	295,714	197,039	16,323	20,590
Bills payable to banks	209,212	192,758	56,581	66,491
Deferred income	1,540	1,644	-	-
Progress billings in excess of work-in-progress	116,960	41,026	-	-
Balances due to				
- subsidiaries	-	-	58,292	46,062
- associated companies	58,868	39,476	-	-
- joint venture companies	2,500	2,500	2,500	2,500
Derivative financial instruments	4,667	11,122	4,667	11,122
Lease obligations	784	1,048	63	180
Bank term loans	278,087	258,919	91,615	130,134
Convertible bonds	-	49,204	-	49,204
Provision for tax	13,600	14,115	288	288
	1,070,126	961,018	230,329	326,571
Net current assets	156,089	129,114	757,699	681,803

	Group		Company	
	31 May 2014 US\$'000	31 August 2013 US\$'000	31 May 2014 US\$'000	31 August 2013 US\$'000
	Non-current liabilities			
Other payables	(26,044)	(12,152)	(6,044)	(12,152)
Pension liability	(2,239)	(2,047)	-	-
Deferred income	(24,828)	(27,006)	-	-
Lease obligations	(544)	(751)	-	(13)
Bank term loans	(683,772)	(510,386)	(14,500)	(2,363)
Notes payable	(372,731)	(272,769)	(372,731)	(272,769)
Deferred tax liabilities	(719)	(675)	-	-
NET ASSETS	1,183,996	1,139,916	773,177	805,815
EQUITY				
Share capital	490,085	490,085	490,085	490,085
Perpetual securities	120,400	122,940	120,400	122,940
Accumulated profits	515,325	492,695	172,422	205,073
Capital reserve	(3,159)	(3,210)	(2,353)	(2,353)
Fair value adjustment reserve	16,127	3,491	-	-
Hedging reserve	(274)	(2,790)	(1)	(2,554)
Translation reserve	(1,227)	(4,674)	-	-
Treasury shares	(7,376)	(7,376)	(7,376)	(7,376)
	1,129,901	1,091,161	773,177	805,815
Non-controlling interests	54,095	48,755	-	-
TOTAL EQUITY	1,183,996	1,139,916	773,177	805,815
	-	-	-	-

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

	31 May 2014		31 August 2013	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Amount repayable in one year or less, or on demand	300,307	187,776	233,740	268,189
Amount repayable after one year	669,816	387,231	508,773	275,133

Details of any collaterals

The above term loans and bills payable are secured by way of legal mortgages on the vessels, leasehold property, equipments and cash deposits of the Group.

Certain motor vehicles are under finance lease arrangements.

1(c) A statement of cashflows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

(Amounts expressed in United States dollars)

	Group		Group	
	3 months ended		9 months ended	
	31 May	31 May	31 May	31 May
	2014	2013	2014	2013
	US\$'000	US\$'000	US\$'000	US\$'000
Cash flows from operating activities				
Profit before tax	16,637	16,378	57,738	70,551
Adjustments:				
Depreciation of fixed assets	18,167	13,376	51,671	40,306
Loss on disposal of assets held for sale	-	7,169	-	3,386
Fixed assets written off	7	44	504	44
Amortisation of other intangible assets	211	(359)	631	1,234
Gain on disposal of fixed assets	(22)	-	(43)	(30,014)
Impairment loss on fixed assets	519	-	519	-
Share of profit of associated companies	(5,170)	(4,249)	(31,659)	(13,434)
Share of profit of joint venture companies	(1,285)	(1,547)	(2,560)	(2,959)
(Gain)/loss on dilution of interest in an associated company	(2,711)	76	(5,098)	(1,968)
Gain on disposal of an AFS investment	-	(67,369)	-	(67,369)
Gain on disposal of a subsidiary	-	-	-	(151)
Realised loss/(gain) on derivative financial instruments, net	9	(4,541)	243	(4,301)
Fair value changes in respect of derivative financial instruments, net	-	-	-	(613)
Fair value changes in respect of FVTPL investments, net	161	(131)	(345)	(61)
Unrealised exchange loss/(gain)	980	1,506	(1,049)	(4,649)
Interest expense	10,941	12,211	31,491	33,221
Interest income	(1,008)	(1,199)	(2,658)	(3,803)
Gross dividend income from AFS investments	-	(32)	-	(32)
Gross dividend income from FVTPL investments	(32)	(31)	(180)	(86)
Bad debts (recovered)/written off, net	-	-	(491)	1,393
Allowance for doubtful debts, net	-	-	-	1,370
Operating profit /(loss) before working capital changes	37,404	(28,698)	98,714	22,065
Decrease/(increase) in:				
Inventories and work-in-progress	1,775	4,008	(15,428)	(27,586)
Trade receivables	(50,736)	(31,714)	(68,478)	64,361
Other receivables and other current assets	15,312	14,071	(25,135)	(74,492)
Due from associated companies, net	(2,488)	(8,244)	(4,521)	(7,304)
Due from joint venture companies, net	20,029	16	6,950	(84)
(Decrease)/increase in:				
Trade payables	(23,026)	(5,586)	(63,973)	(2,693)
Other payables	46,909	80,787	107,879	93,163
Progress billings in excess of work-in-progress	(9,046)	(9,502)	75,933	(2,218)
Cash generated from operations	36,133	15,138	111,941	65,212
Interest paid	(13,499)	(10,635)	(38,396)	(22,792)
Interest income received	843	801	2,273	2,609
Tax paid	(6,877)	(12,154)	(16,988)	(26,665)
Net cash generated from/(used in) operating activities	16,600	(6,850)	58,830	18,364

	Group		Group	
	3 months ended		9 months ended	
	31 May	31 May	31 May	31 May
	2014	2013	2014	2013
	US\$'000	US\$'000	US\$'000	US\$'000
Cash flows from investing activities				
Purchase of fixed assets	(104,244)	(85,195)	(273,398)	(180,845)
Proceeds from disposal of assets held for sale	-	1,821	-	24,434
Proceeds from disposal of a subsidiary, net of cash disposed	-	-	-	2,593
Proceeds from disposal of fixed assets	33	-	51	15
Proceeds from disposal of FVTPL investments	2,627	-	2,627	-
Dividend received (net) from FVTPL investments	32	31	180	86
Dividend received (net) from AFS investment	-	32	-	32
Dividend received (net) from joint venture companies	-	-	605	668
Advance given to an associated company	-	-	-	(2,585)
(Increase)/decrease in cash pledged	(21)	50	(2,647)	50
Interest paid and capitalised as fixed assets	(2,264)	(2,200)	(6,257)	(4,462)
Net cash used in from investing activities	<u>(103,837)</u>	<u>(85,461)</u>	<u>(278,839)</u>	<u>(160,014)</u>
Cash flows from financing activities				
(Repayment of)/proceeds from bills payable, net	(32,033)	76	16,454	(78,304)
(Repayment)/proceeds of lease obligations, net	(257)	173	(794)	(185)
Proceeds from issuance of perpetual securities, net of transaction costs	-	-	-	118,149
Proceeds from bank term loans	149,550	10,567	370,844	284,860
Repayment of bank term loans	(121,062)	(50,418)	(175,216)	(295,628)
Repayment of guaranteed notes	-	(40,582)	-	(40,582)
(Payment for)/receipt of derivative financial instruments, net	(243)	4,334	(243)	4,334
Redemption of convertible bonds	-	-	(50,000)	(100,000)
Proceeds from issuance of fixed rate notes, net of transaction costs	74,978	122,193	94,587	281,115
Payment for perpetual securities distribution	(5,137)	(5,260)	(10,327)	(5,260)
Payment of dividend on ordinary shares	-	-	(3,814)	-
Payment of dividend by subsidiary company to non-controlling interest	-	-	(1,541)	-
Net cash generated from financing activities	<u>65,796</u>	<u>41,083</u>	<u>239,950</u>	<u>168,499</u>
Net (decrease)/increase in cash and cash equivalents	(21,441)	(51,228)	19,941	26,849
Effects of exchange on cash and cash equivalents	250	(5,828)	402	4,851
Cash and cash equivalents at beginning of financial period	<u>214,612</u>	<u>222,112</u>	<u>173,078</u>	<u>133,356</u>
Cash and cash equivalents at end of financial period	<u>193,421</u>	<u>165,056</u>	<u>193,421</u>	<u>165,056</u>

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

(Amounts expressed in United States dollars)

Group	Attributable to owners of the parent										
	Share capital US\$'000	Perpetual securities US\$'000	Accumulated profits US\$'000	Capital reserve US\$'000	Fair value adjustment reserve US\$'000	Hedging reserve US\$'000	Translation reserve US\$'000	Treasury shares US\$'000	Total equity attributable to owners of the parent US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
Balance at 1 September 2012	490,085	-	487,865	13,089	29,075	2,703	(2,062)	(9,364)	1,011,391	(213)	1,011,178
Effects on purchase price allocation	-	-	1,100	-	-	-	-	-	1,100	-	1,100
As restated	490,085	-	488,965	13,089	29,075	2,703	(2,062)	(9,364)	1,012,491	(213)	1,012,278
Total comprehensive income for the financial period	-	-	43,606	294	(29,075)	(4,610)	(419)	-	9,796	6,936	16,732
Issuance of perpetual securities	-	120,231	-	-	-	-	-	-	120,231	-	120,231
Perpetual securities issuance expense	-	(2,082)	-	-	-	-	-	-	(2,082)	-	(2,082)
Accrued perpetual securities distribution	-	7,443	(7,443)	-	-	-	-	-	-	-	-
Payment of perpetual securities distribution	-	(5,260)	-	-	-	-	-	-	(5,260)	-	(5,260)
Dividend in specie	-	-	(12,531)	-	-	-	-	-	(12,531)	12,531	-
Dividend in specie issuance expense	-	-	(1,315)	-	-	-	-	-	(1,315)	-	(1,315)
Performance shares awarded using treasury shares	-	-	-	(1,119)	-	-	-	1,988	869	-	869
Derivative component of convertible bond on redemption	-	-	-	(15,564)	-	-	-	-	(15,564)	-	(15,564)
Total transactions with owners in their capacity as owners	-	120,332	(21,289)	(16,683)	-	-	-	1,988	84,348	12,531	96,879
Dilution of equity interest of subsidiary group to non-controlling interest without change in control	-	-	(26,022)	-	-	-	-	-	(26,022)	26,022	-
Balance at 31 May 2013	490,085	120,332	485,260	(3,300)	-	(1,907)	(2,481)	(7,376)	1,080,613	45,276	1,125,889

Group	Attributable to owners of the parent										
	Share capital	Perpetual securities	Accumulated profits	Capital reserve	Fair value adjustment reserve	Hedging reserve	Translation reserve	Treasury shares	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 September 2013	490,085	122,940	492,695	(3,210)	3,491	(2,790)	(4,674)	(7,376)	1,091,161	48,755	1,139,916
Total comprehensive income for the financial period	-	-	34,231	51	12,636	2,516	3,447	-	52,881	6,881	59,762
Accrued perpetual securities distribution	-	7,787	(7,787)	-	-	-	-	-	-	-	-
Payment of perpetual securities distribution	-	(10,327)	-	-	-	-	-	-	(10,327)	-	(10,327)
Payment of dividend on ordinary shares	-	-	(3,814)	-	-	-	-	-	(3,814)	-	(3,814)
Payment of dividend by subsidiary company to non-controlling interest	-	-	-	-	-	-	-	-	-	(1,541)	(1,541)
Total transactions with owners in their capacity as owners	-	(2,540)	(11,601)	-	-	-	-	-	(14,141)	(1,541)	(15,682)
Balance at 31 May 2014	490,085	120,400	515,325	(3,159)	16,127	(274)	(1,227)	(7,376)	1,129,901	54,095	1,183,996

Company

	Attributable to equity owners of the parent								
	Share capital US\$'000	Perpetual securities US\$'000	Accumulated profits US\$'000	Capital reserve US\$'000	Fair value adjustment reserve US\$'000	Hedging reserve US\$'000	Total reserves US\$'000	Treasury shares US\$'000	Total equity US\$'000
Balance at 1 September 2012	490,085	-	175,671	14,330	29,075	2,854	221,930	(9,364)	702,651
Total comprehensive income for the financial period	-	-	54,543	-	(29,075)	(4,748)	20,720	-	20,720
Issuance of perpetual securities	-	120,231	-	-	-	-	-	-	120,231
Perpetual securities issuance expense	-	(2,082)	-	-	-	-	-	-	(2,082)
Accrued perpetual securities distribution	-	7,443	(7,443)	-	-	-	(7,443)	-	-
Payment of perpetual securities distribution	-	(5,260)	-	-	-	-	-	-	(5,260)
Dividend in specie	-	-	(12,531)	-	-	-	(12,531)	-	(12,531)
Performance shares awarded using treasury shares	-	-	-	(1,119)	-	-	(1,119)	1,988	869
Derivative component of convertible bond on redemption	-	-	-	(15,564)	-	-	(15,564)	-	(15,564)
Total transactions with owners in their capacity as owners	-	120,332	(19,974)	(16,683)	-	-	(36,657)	1,988	85,663
Balance at 31 May 2013	490,085	120,332	210,240	(2,353)	-	(1,894)	205,993	(7,376)	809,034
Balance at 1 September 2013	490,085	122,940	205,073	(2,353)	-	(2,554)	200,166	(7,376)	805,815
Total comprehensive income for the financial period	-	-	(21,050)	-	-	2,553	(18,497)	-	(18,497)
Accrued perpetual securities distribution	-	7,787	(7,787)	-	-	-	(7,787)	-	-
Payment of perpetual securities distribution	-	(10,327)	-	-	-	-	-	-	(10,327)
Payment of dividend on ordinary shares	-	-	(3,814)	-	-	-	(3,814)	-	(3,814)
Total transactions with owners in their capacity as owners	-	(2,540)	(11,601)	-	-	-	(11,601)	-	(14,141)
Balance at 31 May 2014	490,085	120,400	172,422	(2,353)	-	(1)	170,068	(7,376)	773,177

- 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 of the issuer, 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**

Convertible Bonds

On 1 March 2011, the Company issued a US\$50 million Convertible Bond (the "US\$50 million Bond") as part of the purchase consideration for the acquisition of AMC Group. The US\$50 million Bond is convertible up to 36,238,607 new ordinary shares.

On 28 February 2014, the Company redeemed the US\$50 million in principal amount (or approximately US\$57.88 million including interest) of the Convertible Bond which matured on 1 March 2014.

As at 31 May 2014, the Company's total issued shares is 977,896,088 (31 May 2013: 977,896,088) with 3,439,880 (31 May 2013: 3,439,880) shares being held as treasury shares.

- 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**

The Company's total issued shares excluding treasury shares is 974,456,208 as at 31 May 2014 (31 August 2013: 974,456,208).

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

As at 31 May 2014, the Company has 3,439,880 shares being held as treasury shares. There is no change in the treasury shares during the financial period.

- 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 auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the third quarter ended 31 May 2014 as the most recently audited financial statements for the financial year ended 31 August 2013 ("FY13").

- 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**

The Group has adopted the new and revised FRSs and Interpretation of FRS (INT FRS) that are effective for annual periods beginning on or after 1 September 2013. The adoption of these new/revised FRS and INT FRSs did not have material effect on the financial performance or position of the Group.

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: -

	9 months ended 31 May 2014	9 months ended 31 May 2013
Net profit attributable to owners of the parent (US\$'000)	34,231	43,606
Weighted average ordinary shares for calculation of ('000):		
- Basic earnings per share	974,456	973,889
- Diluted earnings per share	974,456	973,889
Earnings per ordinary share ("EPS") (US cents) of the Group:		
(a) Based on the weighted average number of ordinary shares on issue	3.51	4.48
(b) On a fully diluted basis (detailing any adjustments made to the earnings)	3.51	4.48

For "Diluted earnings per share", the weighted average number of ordinary shares includes the number of additional shares to be issued upon conversion of the convertible bonds. Adjustment is made to net profit attributable to the owners of the parent for the effect of the convertible bonds. The diluted EPS is the same as the basic EPS, as the effect of the convertible bonds is anti-dilutive.

7. Net asset value (for the issuer and group) per ordinary share based on 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	
	As at 31 May 2014	As at 31 August 2013	As at 31 May 2014	As at 31 August 2013
Net asset value per ordinary share (US cents)	121.50	116.98	79.34	82.69

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 PERFORMANCE:

Revenue

9 months ended 31 May 2014 ("9M14")
3 months ended 31 May 2014 ("3Q14")

The Group's revenue increased by US\$199.5 million (24%) for the nine months ended 31 May 2014 ("9M14") when compared to the corresponding period for the nine months ended 31 May 2013 ("9M13"). The increase was due to an increase in revenue of US\$200.6 million from Subsea Services Division and US\$4.2 million from Marine Services Division. The increase was partially offset by a decrease of US\$5.3 million from Offshore Support Services Division.

The Group's revenue increased by US\$85.0 million (27%) for the three months ended 31 May 2014 ("3Q14") when compared to the corresponding period for the three months ended 31 May 2013 ("3Q13"). The increase was due to an increase in revenue of US\$81.9 million from Subsea Services Division, an increase of US\$1.4 million from Marine Services Division and an increase of US\$1.7 million from Offshore Support Services Division.

The increase in revenue for 9M14 and 3Q14 from Subsea Services Division was mainly due to:-

- (i) Increase in the value and number of projects undertaken compared to 9M13 and 3Q13;
- (ii) Additional variation orders arising mainly from projects closed out in 9M14; and
- (iii) Revenue contribution from two (2) subsea construction vessels, *Lewek Express* and *Lewek Centurion*, which were delivered in fourth quarter of financial year ended 31 August 2013 and from one (1) inspection, maintenance and repair vessel, *Lewek Inspector*, which was delivered in first quarter of financial year ending 31 August 2014.

The increase in revenue from Marine Services Division for 9M14 was mainly due to the increase in engineering and fabrication activities in 9M14. This can be seen from the revenue contribution from the construction of self elevating units ("SEUs") and more engineering design work performed. The increase was partially offset by revenue generated in 9M13 from the construction of three (3) offshore support vessels. Revenue from Marine Services Division for 3Q14 remains comparable to 3Q13.

The decrease in revenue from Offshore Support Services Division for 9M14 was mainly due to a decrease in revenue contribution from two (2) leased-in vessels which were returned to the owner in 2Q14. In addition, vessels undergoing repair and maintenance and in transit to the next area of operations also contributed to the decrease. The decrease was partially offset by maiden revenue contribution from two (2) platform support vessels ("PSV"), *Lewek Arior* and *Lewek Alkaid* and one (1) anchor handling tug and supply vessel ("AHTS"), *Lewek Teal*, which were delivered subsequent to 1H13. Revenue from Offshore Support Services Division for 3Q14 remains comparable to 3Q13.

Gross profit

9 months ended 31 May 2014 ("9M14")
3 months ended 31 May 2014 ("3Q14")

Gross profit increased from US\$94.4 million in 9M13 to US\$163.6 million in 9M14 and gross profit margin has increased from 11% in 9M13 to 16% in 9M14.

Gross profit increased from US\$2.2 million in 3Q13 to US\$65.4 million in 3Q14 and gross profit margin has increased from 1% in 3Q13 to 16% in 3Q14.

REVIEW OF PERFORMANCE (CONT'D):

The improvement in gross profit and gross profit margin in 9M14 and 3Q14 as compared to 9M13 and 3Q13 is mainly due to the Subsea Services Division's 3Q13 performance being affected by a one-off higher than expected cost at the project level resulting from delays in the execution of certain projects and the recognition of additional costs that were previously unexpected for certain projects. The unexpected cost situation that impacted the corresponding period is not present in the current financial period.

The gross profit for 9M14 as compared to 9M13 is partially offset by a lower gross profit margin contribution from the Offshore Support Division as a result of increased repair and maintenance and weakness in the anchor handling tugs ("AHT") segment.

Other operating income, net

9 months ended 31 May 2014 ("9M14")

The decrease in other operating income for 9M14 when compared to 9M13 was mainly due to the absence of one-off gains from the disposal of fixed assets and assets held for sale and disposal of an AFS investment amounting to US\$26.6 million US\$67.4 million respectively.

The decrease is also attributable to the turnaround of the realised gain on derivative instruments of US\$4.3 million in 9M13 to realised loss of \$0.2 million in 9M14.

3 months ended 31 May 2014 ("3Q14")

The decrease in other operating income for 3Q14 when compared to 3Q13 was mainly due to the absence of one-off gain on disposal of an AFS investment amounting to US\$67.4 million and the turnaround of the realised gain on derivative instruments of US\$4.5 million in 3Q13.

Share of profit of associated companies

9 months ended 31 May 2014 ("9M14")

3 months ended 31 May 2014 ("3Q14")

The increase in share of profit of associated companies for 9M14 when compared to 9M13 was mainly due to higher share of profit from an associated company, EOC Limited, resulting from the sale and leaseback of a vessel, *Lewek Champion*. The Group's share of the gain from disposal of the vessel is US\$16.6 million. Revenue from share of profit of associated companies for 3Q14 remains comparable to 3Q13.

Profit before tax

9 months ended 31 May 2014 ("9M14")

3 months ended 31 May 2014 ("3Q14")

Profit before tax decreased by 18% to US\$57.7 million in 9M14 when compared to 9M13. The decrease was mainly due to lower other operating income offset by higher gross profit and share of profit of associated companies. Profit before tax for 3Q14 remains comparable to 3Q13.

Tax

Tax expense in 9M14 and 3Q14 amounting to US\$16.6 million and US\$6.4 million respectively relates mainly to the corporate tax expense of the Company and its subsidiaries and withholding tax expense incurred by vessels operating in overseas waters and projects undertaken in foreign tax jurisdiction. Charter income derived from Singapore and foreign flagged vessels which operate in international waters continue to remain tax exempt under Section 13 of the Singapore Income Tax Act and Maritime Sector Incentive - Approved International Shipping Enterprise Scheme.

The decrease in tax expense in 9M14 when compared to 9M13 is mainly due to the decrease in withholding tax expense due to change in area of operations of certain vessels.

REVIEW OF STATEMENT OF FINANCIAL POSITION AND CASH FLOWS:

Non-current assets

The increase in non-current assets was mainly due to:-

- (i) Increase in fixed assets. This refers to the capitalisation of shipbuilding costs and equipment costs of vessels under construction during the financial period, purchase of vessels and a spoolbase facility located in the United States of America.
- (ii) Increase in trade receivables due to the restructuring of repayment terms of certain trade receivable; and
- (iii) Increase in investment in associated and joint venture companies mainly due to the share of the associated companies' results and reserves.

Current assets

The increase in current assets was mainly due to:-

- (i) Increase in assets held for sale as a result of impending sale of two (2) vessels;
- (ii) Increase in inventories and work-in-progress resulting from the build up of fabrication and subsea activities;
- (iii) Increase in trade receivables is mainly due to higher level of billings from Subsea Services Division and Marine Services Division during this quarter.
- (iv) Increase in other current assets resulting from the capitalisation of mobilisation cost incurred for upcoming subsea activities and advances paid to suppliers;
- (v) Increase in balances due from associated companies mainly due to services rendered to associated companies; and
- (vi) Increase in cash and cash equivalents mainly due to positive cash inflow from operating activities, drawdown of bills payables, bank term loans and fixed rate notes during the financial period.

Current liabilities

The increase in current liabilities was mainly due to:-

- (i) Net increase in trade and other payables mainly due to the increase in accruals for operating expenses as a result of higher business activities;
- (ii) Increased in bank term loans mainly due to purchase of vessels and project financing. In addition, debt refinancing exercise was undertaken to improve the debt maturity profile; and
- (iii) Increase in progress billing in excess of work-in-progress due to milestone billings made to customers.

Non-current liabilities

The increase in non-current liabilities was due to the issuance of two tranches of Fixed Rate Notes amounting to S\$120 million as well as drawdown of vessel construction loan.

Equity

The increase in shareholders' equity was mainly due to profit for the financial period and share of associated companies' reserves.

Cash flows

The increase in cash and cash equivalents during 9M14 is mainly due to positive cash inflow from operating activities and proceeds from bills payable, bank term loans and issuance of two tranches of Fixed Rate Notes amounting to S\$120 million. The proceeds were mainly utilised for capital expenditure, repayment of bank borrowings and redemption of convertible bonds.

Cash flows from operating activities in 9M14 remained positive when compared to 9M13 and have turnaround to positive in 3Q14 when compared to 3Q13.

REVIEW OF STATEMENT OF FINANCIAL POSITION AND CASH FLOWS:

Proceeds utilisation

Proceeds utilisation of Share Placement exercise

On 16 March 2012, the Company issued and allotted 110,000,000 new ordinary shares in the capital of the Company (“the Placement Shares”) pursuant to a private placement at an issue price of S\$1.10 for each Placement Share to raise gross proceeds of S\$121 million.

To date, S\$88.1 million has been utilised for repayment of existing debt and general working capital purposes. Details of utilisation have been announced.

Proceeds utilisation of S\$150 million Perpetual Securities

On 18 September 2012, the Company issued a S\$150 million Fixed Rate Subordinated Perpetual Securities (the “Securities”). The Securities were issued under the US\$500 million Multicurrency Debt Issuance Programme established by the Company on 28 August 2012. The net proceeds from the issuance of the Securities (after deducting issuance expenses) will be used by the Company to refinance existing borrowings of the Company and its subsidiaries, and for general working capital purposes.

To date, S\$124.3 million has been utilised for repayment of existing debt, purchase of equipment on board vessels and general working capital purposes. Details of utilisation have been announced.

Proceeds utilisation of S\$25 million Fixed Rate Notes

On 16 September 2013, the Company issued a S\$25 million Fixed Rate Notes due 2015. The S\$25 million Notes were issued under the US\$500 million Multicurrency Debt Issuance Programme established by the Company on 28 August 2012 and are consolidated and form a single series with the existing S\$200 million 5.00 per cent Fixed Rates Notes due 2015 issued on 7 September 2012. The net proceeds from the issuance of the S\$25 million Notes (after deducting issuance expenses) has been fully utilised by the Company to refinance existing borrowings of the Company and its subsidiaries and for general working capital purposes.

Proceeds utilisation of S\$95 million Fixed Rate Notes

On 21 March 2014, the Company issued a S\$95 million Fixed Rate Notes due 2016. The S\$95 million Notes were issued under the US\$500,000,000 Multicurrency Debt Issuance Programme established by the Company on 28 August 2012. The net proceeds from the issue of the S\$95 million Notes (after deducting expenses) has been fully utilised by the Company for repayment of existing borrowings. Details of utilisation have been announced.

Financial ratios

The Group's net debt to equity ratio (defined as ratio of total external indebtedness (net of cash and cash equivalents) owing to bank and financial institutions to total equity) has increased slightly to 1.14 times as at the end of 9M14 as compared to 0.97 times at end of FY13.

Interest cover is 4.5 times in 9M14 compared to 4.4 times in 9M13.

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

Not applicable.

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

The Group believes that the long term fundamentals of the oil and gas industry will continue to drive longer term industry capital expenditure trends, which will benefit the Groups' Subsea Services, Marine Services and Offshore Support Services Divisions.

The Group will continue to focus on growing and executing its existing order book to drive its overall growth strategy forward profitably.

The Group's orderbook as at date of this announcement is approximately US\$2.0 billion. Barring any unforeseen circumstances, the Group is cautiously optimistic that its core operating performance (excluding non-operating gains from asset sales) in FY 2014 is expected to be stronger than FY 2013.

On 10 July 2014, the Group has announced the consolidation of Offshore Support Services companies into EOC Limited, creating Asia's largest offshore support services by asset value, with a fleet worth of more than US\$1 billion. This will enable Ezra to focus on its Subsea Services business while continuing to participate in the growth of the Offshore Support Services business. The transaction is subject to shareholders' approval at the Extraordinary General Meeting, the timing of which will be announced in due course.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended for the current financial period reported on.

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 not obtained a general mandate from shareholders for Interested Party Transactions ("IPTs").

**Confirmation by the Board
Pursuant to SGX Listing Rule 705(5)**

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the third quarter ended 31 May 2014 to be false or misleading.

On behalf of the Board of Directors



**Lee Chye Tek Lionel
Group CEO and Managing Director**

11 July 2014



**Adarash Kumar A/L Chranji Lal Amarnath
Executive Director**