OTTO MARINE LIMITED
(UEN : 197902647M)
(Incorporated with limited liability in the Republic of Singapore on 5 September 1979)

DIFFERENCES BETWEEN UNAUDITED FINANCIAL RESULTS AND AUDITED FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED 31 DECEMBER 2015

Pursuant to Rule 704(6) of the Listing Manual of Singapore Exchange Securities Trading Limited, the Board of Directors of Otto Marine Limited (the "**Company**") wishes to announce the following differences between the FY2015 unaudited financial results of the Company announced on 26 February 2016 and the FY2015 audited financial statements of the Company.

1. Group's consolidated income statement

	Per audited accounts US$'000	Per Announce-ment US$'000	Difference US$'000
Revenue	244,436	244,436	-
Cost of sales	(218,457)	(231,163)	12,706
Gross profit	**25,979**	**13,273**	**12,706**
Other income	9,321	9,321	-
Selling and administration expenses	(38,176)	(36,352)	(1,824)
Other expenses	(19,889)	(7,702)	(12,187)
Share of gain of associates and joint	185	185	-
Finance costs	(39,028)	(39,028)	-
Loss before income tax	**(61,608)**	**(60,303)**	**(1,305)**
Income tax expense	928	(272)	1,200
Loss for the year	**(60,680)**	**(60,575)**	**(105)**
Attributable to:			
Equity holders of the Company	(62,857)	(62,752)	(105)
Non-controlling interests	2,177	2,177	-
	(60,680)	(60,575)	(105)

2. Balance sheets

	Per audited accounts US$'000	Per Announcement US$'000	Difference US$'000
GROUP			
Current assets	**603,580**	**664,972**	**(61,392)**
comprising mainly:			
Trade receivables	230,063	285,136	(55,073)
Deposits, prepayments and other	80,543	86,862	(6,319)
Non-current assets	**777,012**	**729,631**	**47,381**
comprising mainly:			
Trade receivables	47,417	-	47,417
Prepayments and other receivables	39,819	33,500	6,319
Property, plant and equipment	642,123	648,478	(6,355)
Total assets	**1,380,592**	**1,394,603**	**(14,011)**
Current liabilities	**654,133**	**598,113**	**56,020**
comprising mainly:			
Borrowings from financial institutions	165,012	95,945	69,067
Loan and other payable from related party	23,880	1,770	22,110
Current portion of loan payables	72,230	93,481	(21,251)
Trade payables	167,850	180,556	(12,706)
Income tax payable	955	2,155	(1,200)
Non-current liabilities	**519,288**	**589,214**	**(69,926)**
comprising mainly:			
Borrowings from financial institutions	38,617	107,684	(69,067)
Loan and other payable from related party	40,541	62,651	(22,110)
Loan payables	21,251	-	21,251
Total equity	**207,171**	**207,276**	**(105)**
comprising mainly:			
Accumulated losses	(152,079)	(151,974)	(105)
Total liabilities and equity	**1,380,592**	**1,394,603**	**(14,011)**
COMPANY			
Current assets	**876,411**	**906,699**	**(30,288)**
comprising mainly:			
Deposits, prepayments and other	528,683	555,731	(27,048)
Current portion of loan receivables	75,600	78,840	(3,240)
Total assets	**1,057,406**	**1,087,694**	**(30,288)**
Current liabilities	**643,955**	**651,136**	**(7,181)**
comprising mainly:			
Borrowings from financial institutions	27,976	-	27,976
Current portion of loan payables	-	21,251	(21,251)
Trade payables	74,042	86,748	(12,706)
Income tax payable	-	1,200	(1,200)
Non-current liabilities	**206,930**	**213,655**	**(6,725)**
comprising mainly:			
Borrowings from financial institutions	-	27,976	(27,976)
Loan payables	21,251	-	21,251

	Per audited accounts US$'000	Per Announcement US$'000	Difference US$'000
COMPANY (cont'd)			
Total equity	**206,521**	**222,903**	**(16,382)**
comprising mainly:			
Accumulated losses	(183,323)	(166,941)	(16,382)
Total liabilities and equity	**1,057,406**	**1,087,694**	**(30,288)**

3. Group's consolidation cashflow statement

	Per audited accounts US$'000	Per Announcement US$'000	Difference US$'000
Operating activities *comprising:-*			
Loss before income tax	**(61,608)**	**(60,303)**	**(1,305)**
Loss arising from the change in fair value of receivables	5,832	-	5,832
Foreign exchange loss/(gain)	1,409	(2,817)	4,226
Allowance for doubtful debt for trade	6,476	4,846	1,630
Property, plant and equipment written off	6,163	2,632	3,531
Impairment loss on vessels	7,314	4,490	2,824
Operating cash flows before movements in working capital	**46,293**	**29,555**	**16,738**
Trade receivables	25,121	54,513	(29,392)
Construction work-in-progress	8,450	10,957	(2,507)
Other receivables, prepayments and	24,424	11,393	13,031
Inventories	(28,331)	(42,433)	14,102
Trade payables	(23,625)	(1,213)	(22,412)
Other payables	10,951	(1,744)	12,695
Cash generated from operations	**59,877**	**57,622**	**2,255**
Income tax paid	(1,375)	(1,376)	1
Interest received	1,822	1,832	(10)
Net cash generated from operating	**60,324**	**58,078**	**2,246**
Investing activities *comprising:-*			
Purchase of property, plant and	(57,760)	(46,128)	(11,632)
Acquisition of assets and liabilities	(2,463)	-	(2,463)
Net cash used in investing activities	**(55,623)**	**(41,528)**	**(14,095)**
Financing activities *comprising:-*			
Repayment of borrowings from financial	(183,136)	(183,137)	1
Repayment of finance lease obligations	(3,669)	(11,321)	7,652
Proceeds from loan payable	22,983	23,012	(29)
Repayment of loan payable	(1,339)	(3,830)	2,491
Interest paid	(36,741)	(38,475)	1,734
Net cash from (used in) investing	**957**	**(10,892)**	**11,849**

4. Reclassifications and Adjustments

The above variances are primarily due to the following, resulting from audit:-

Adjustments

	GROUP	COMPANY
	US$'000	US$'000
Additional allowance for doubtful debts	(1,824)	-
Impairment loss on vessels	(2,823)	-
Property, plant and equipment written off	(3,532)	-
Loss from change in fair value of receivables	(5,832)	-
Reversal of over-accrual for expenses	12,706	12,706
Reversal of over-accrual of income tax	1,200	1,200
Allowance for doubtful debts – subsidiaries	-	(30,287)

Reclassifications

Certain receivables are reclassified to non-current assets after taking into consideration the collection horizon while borrowings due more than 12 months from the balance sheet date are reclassified to current in connection with the requirements under Paragraph 74 of FRS 1. Subject to continuing support from its primary bankers, the Board is of the view that the Company is able to pay its debts as they fall due. The Board has adopted this view based on Management's discussions with its primary bankers where no matters have been brought up to indicate that the bankers will not continue to support the Company.

Cashflow variances

Cash flow variances are primarily due to the above adjustments and correction of classification from the audit.

By Order of the Board

Chong Sieh Jiuan
Chief Financial Officer and Joint Company Secretary

13 May 2016