

## News Release

*Details on how the business of the Sector is managed and its related performance are set out below. This information is given on a voluntary basis and from the perspective of the Sector management, as its disclosure is not required by law or regulation.*

### **Marine**

“Higher PBT”

<b>FINANCIAL HIGHLIGHTS For the third quarter ended 30 September 2016</b>			
	<b>2016 3Q</b>	<b>2015 3Q</b>	<b>Growth %</b>
Revenue (\$m)	211	205	3
Earnings before interest and tax (EBIT) (\$m)	36.2	10.7	239
Other income, net (\$m)	1.3	1.8	(27)
Finance income, net (\$m)	0.9	0.9	(3)
Profit before tax (PBT) (\$m)	38.7	15.9	143
Profit attributable to shareholders (\$m)	31.9	15.1	111

N.B.: All currencies are in Singapore dollars.

## Marine

### Marine sector unaudited results for the third quarter ended 30 September 2016

	3Q2016 \$'000	3Q2015 \$'000	+ / (-) %
<b>1. (a) Revenue</b>	<b>210,944</b>	<b>204,898</b>	<b>3.0</b>
(b) Cost of sales	(163,241)	(182,141)	(10.4)
<b>(c) Gross Profit</b>	<b>47,703</b>	<b>22,757</b>	<b>109.6</b>
(d) Distribution and selling expenses	(1,665)	(1,478)	12.7
(e) Administrative expenses	(7,468)	(8,414)	(11.2)
(f) Other operating expenses	(2,388)	(2,191)	9.0
<b>(g) Profit from operations</b>	<b>36,182</b>	<b>10,674</b>	<b>239.0</b>
(h) Other income, net	1,356	1,863	(27.2)
(i) Other expenses	(31)	(39)	(20.5)
(j) Other income/(expenses), net	1,325	1,824	(27.4)
(k) Finance income	1,004	971	3.4
(l) Finance costs	(85)	(19)	347.4
(m) Finance income/(costs), net	919	952	(3.5)
(n) Share of results of associates and joint ventures, net of tax	307	2,493	(87.7)
<b>(o) Profit before taxation</b>	<b>38,733</b>	<b>15,943</b>	<b>142.9</b>
(p) Taxation	(6,882)	(862)	NM
<b>(q) Profit for the period</b>	<b>31,851</b>	<b>15,081</b>	<b>111.2</b>
Attributable to:			
(r) <b>Shareholders of the Company</b>	<b>31,850</b>	<b>15,081</b>	<b>111.2</b>
(s) Non-controlling interests	1	-	-
	<b>31,851</b>	<b>15,081</b>	<b>111.2</b>
<b>2. (a) Profit from operations is arrived at after charging/(crediting) the following:</b>			
Depreciation and amortisation	7,079	7,451	(5.0)
Allowance/(write-back of allowance) for doubtful debts & bad debts written off, net	178	3	NM
Allowance/(write-back of allowance) for stock obsolescence, net	112	102	9.8
<b>(b) Finance income, net comprises:</b>			
Interest income	979	894	9.5
Foreign exchange gain, net	25	77	(67.5)
Interest expenses	(85)	(19)	347.4
	919	952	(3.5)

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	3Q2016 \$'000	3Q2015 \$'000	+ / (-) %
3. (a) Profit for the period [1(q) above] as a percentage of revenue	15.1%	7.4%	
(b) Profit attributable to shareholders [1(r) above] as a percentage of share capital and reserves at end of period	15.4%	7.1%	
	2016 \$'000	2015 \$'000	+ / (-) %
4. (a) Revenue reported for half year	461,755	533,527	(13.5)
(b) Profit for the period reported for first half year	22,506	44,702	(49.7)
(c) Revenue reported for third quarter	210,944	204,898	3.0
(d) Profit for the period reported for third quarter	31,851	15,081	111.2
(e) Revenue reported for first nine months	672,699	738,425	(8.9)
(f) Profit for the period reported for first nine months	54,357	59,783	(9.1)
5. (a) There was no over or under provision of current and deferred tax in respect of prior years (3Q2015: There was no over or under provision of current and deferred tax in respect of prior years).			
(b) There was no disposal of property during the third quarter.			

### 6. Business Group Information

#### By Business Group

	Revenue			Profit before Taxation		
	2016 \$'000	2015 \$'000	+ / (-) %	2016 \$'000	2015 \$'000	+ / (-) %
<b>Third Quarter</b>						
Shipbuilding	120,495	134,567	(10.5)	9,930	1,294	>500
Shiprepair	78,705	42,874	83.6	24,475	12,747	92.0
Engineering	11,744	27,457	(57.2)	4,328	1,902	127.5
Total	<u>210,944</u>	<u>204,898</u>	3.0	<u>38,733</u>	<u>15,943</u>	142.9

#### **Nine Months Ended 30 September**

Shipbuilding	399,020	487,556	(18.2)	3,692	12,856	(71.3)
Shiprepair	229,439	190,758	20.3	50,686	51,321	(1.2)
Engineering	44,240	60,111	(26.4)	8,180	4,754	72.1
Total	<u>672,699</u>	<u>738,425</u>	(8.9)	<u>62,558</u>	<u>68,931</u>	(9.2)

	Revenue		
	3Q2016 \$'000	3Q2015 \$'000	
<b><u>By Geographical Areas</u></b>			
Asia	117,690	97,344	20.9
USA	65,328	86,015	(24.1)
Europe	12,044	6,850	75.8
Others	15,882	14,689	8.1
Total	<u>210,944</u>	<u>204,898</u>	3.0

#### By Country of Incorporation

Asia	145,616	120,980	20.4
USA	65,328	83,918	(22.2)
Total	<u>210,944</u>	<u>204,898</u>	3.0

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### 7. Review of Performance

#### (a) Revenue

3Q2016 vs 3Q2015

3Q2016	3Q2015	Growth	
\$211m	\$205m	\$6m	3%

Revenue for 3Q2016 was comparable to 3Q2015.

#### (b) Profitability

3Q2016 vs 3Q2015

3Q2016	3Q2015	Growth	
\$38.7m	\$15.9m	\$22.8m	143%

3Q2016 profit before tax ("PBT") of \$38.7 million was higher than 3Q2015 by 143% or \$22.8 million. The higher PBT was due mainly to higher gross profits as a result of better performance from all three business groups.

### 8. Prospects

FY2016

Barring unforeseen circumstances, revenue and PBT for FY2016 are expected to be lower compared to FY2015.

### 9. Balance Sheet

	30-Sep-16 \$'000	31-Dec-15 \$'000
Property, plant and equipment	310,002	332,533
Associates and joint ventures	8,329	8,229
Investments	138	84
Long-term receivables, non-current	1,895	4,363
Deferred tax assets	15,696	17,225
Amounts due from related parties, non-current	4,806	4,806
Derivative financial instruments, non-current	2,406	2,341
Non-current assets	343,272	369,581
Current assets	623,658	633,271
<b>Total assets</b>	<b>966,930</b>	<b>1,002,852</b>
Current liabilities	692,323	709,493
Non-current liabilities	93,811	101,234
<b>Total liabilities</b>	<b>786,134</b>	<b>810,727</b>
Share capital and reserves	180,771	192,093
Non-controlling interests	25	32
<b>Total equity and liabilities</b>	<b>966,930</b>	<b>1,002,852</b>
<b>Net current liabilities</b>	<b>(68,665)</b>	<b>(76,222)</b>

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### 10. Statement of Cash Flows for the third quarter ended 30 September 2016

	3Q2016 \$'000	3Q2015 \$'000
Net cash from/(used in) operating activities	(20,309)	10,052
Net cash from/(used in) investing activities	(1,903)	2,969
Proceeds from sale of property, plant and equipment	-	722
Dividends from joint ventures	800	4,680
Purchase of property, plant and equipment	(2,338)	(2,433)
Investment in a joint venture	(365)	-
Net cash from financing activities	6,707	15,220
Proceeds from loans from a related party	24,555	-
Repayment of short-term bank loans	(12,206)	-
Proceeds from short-term bank loans	9,443	24,239
Repayment of loans by related corporations	-	1,000
Loans to related corporations	-	(10,000)
Dividend paid to shareholders	(15,000)	-
Interest paid	(85)	(19)
Net increase/(decrease) in cash and cash equivalents	(15,505)	28,241
Cash and cash equivalents at beginning of period	131,074	103,247
Exchange difference on cash and cash equivalents	169	1,468
Cash and cash equivalents at end of period	<b>115,738</b>	<b>132,956</b>

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