ASL MARINE HOLDINGS LTD.

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

UNAUDITED QUARTERLY FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FOURTH QUARTER ENDED 30 JUNE 2017

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

Income Statement

	Group					
	3 months ended 30 June			12 months ended 30 June		
	4Q FY2017 $'000	4Q FY2016 $'000	Inc/ (Dec) %	FY2017 $'000	FY2016 $'000	Inc/ (Dec) %
Revenue	77,758	98,706	(21.2)	342,261	364,439	(6.1)
Cost of sales	(75,081)	(87,638)	(14.3)	(308,637)	(313,977)	(1.7)
Gross profit	**2,677**	**11,068**	**(75.8)**	**33,624**	**50,462**	**(33.4)**
Other operating income	3,248	1,736	87.1	5,197	5,532	(6.1)
Administrative expenses	(7,768)	(6,678)	16.3	(27,900)	(23,368)	19.4
Other operating expenses	(54,293)	(7,878)	589.2	(57,066)	(9,727)	486.7
Finance costs	(5,261)	(4,801)	9.6	(19,333)	(19,126)	1.1
Share of results of joint ventures and associates	(1,932)	(2,958)	(34.7)	(5,795)	(3,253)	78.1
(Loss)/ profit before tax	**(63,329)**	**(9,511)**	565.9	**(71,273)**	**520**	**Nm**
Tax credit /(expense)						
- current period	2,605	1,607	62.1	(79)	(596)	(86.7)
- (under)/ over provision in prior years	(2,035)	1,143	Nm	(1,953)	1,019	Nm
(Loss)/ profit for the period/year	**(62,759)**	**(6,761)**	828.3	**(73,305)**	**943**	**Nm**
Attributable to:						
Owners of the Company	**(62,427)**	**(6,366)**	**880.6**	**(71,659)**	**1,985**	**Nm**
Non-controlling interests	(332)	(395)	(15.9)	(1,646)	(1,042)	58.0
	(62,759)	**(6,761)**	**828.3**	**(73,305)**	**943**	**Nm**

Nm: Not meaningful

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

Statement of Comprehensive Income

		Group					
		3 months ended 30 June			12 months ended 30 June		
	Note	4Q FY2017 $'000	4Q FY2016 $'000	Inc/ (Dec) %	FY2017 $'000	FY2016 $'000	Inc/ (Dec) %
(Loss)/ profit for the period/ year		**(62,759)**	**(6,761)**	**828.3**	**(73,305)**	**943**	**Nm**
Items that may be reclassified subsequently to profit or loss:							
Translation differences relating to financial statements of foreign subsidiaries, net of tax	(i)	(794)	109	Nm	1,726	83	1,979.5
Share of other comprehensive income of joint ventures and associates		(42)	35	Nm	306	188	62.8
Net fair value changes to cash flow hedges	(ii)	109	(43)	Nm	493	(60)	Nm
Items that will not be reclassified subsequently to profit or loss:							
Remeasurement of defined benefit pension plan		189	(380)	Nm	189	(380)	Nm
Other comprehensive income for the period/ year, net of tax		**(538)**	**(279)**	**92.8**	**2,714**	**(169)**	Nm
Total comprehensive income for the period/ year		**(63,297)**	**(7,040)**	**799.1**	**(70,591)**	**774**	**Nm**
Attributable to:							
Owners of the Company		**(62,928)**	**(6,637)**	**848.1**	**(69,067)**	**1,789**	**Nm**
Non-controlling interests		(369)	(403)	(8.4)	(1,524)	(1,015)	50.1
		(63,297)	**(7,040)**	**799.1**	**(70,591)**	**774**	**Nm**

Nm: Not meaningful

Notes:

(i) The movement in foreign currency translation reserves arose mainly from the consolidation of subsidiaries whose functional currencies are United States Dollar ("USD"), Euro ("EUR") and Indonesian Rupiah ("IDR").

(ii) The fair value gain/(loss) on cash flow hedges was primarily due to fair value adjustments on foreign currency forward contracts and interest rate swaps.

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

	Group			
	3 months ended 30 June		12 months ended 30 June	
	4Q FY2017 $'000	4Q FY2016 $'000	FY2017 $'000	FY2016 $'000
Allowance for impairment of doubtful receivables (net)	(18,440)	(3,962)	(18,437)	(3,988)
Amortisation of intangible assets	(205)	(207)	(816)	(829)
Amortisation of lease prepayments	(80)	(75)	(312)	(355)
Bad debts recovered/ (written off)	-	18	-	(53)
Depreciation of property, plant and equipment	(20,312)	(18,777)	(64,011)	(56,561)
(Loss)/ gain on disposal of property, plant and equipment	(47)	354	550	1,466
(Loss)/ gain on disposal of assets held for sale	(1)	-	55	-
Gain/ (loss) on foreign exchange (net)	1,993	151	(2,775)	(1,752)
Impairment loss on				
- inventories	(13,849)	(2,700)	(13,849)	(2,700)
- investment in joint venture	-	(36)	-	(36)
- property, plant and equipment	(22,004)	(1,198)	(22,004)	(1,198)
Interest income from bank balances	47	7	92	43
Interest income from finance lease receivables	179	186	732	780
Property, plant and equipment written off	-	-	(1)	-
(Provision)/ reversal for pension liabilities	(84)	43	(113)	(235)
Reversal/ (provision) for warranty	51	(174)	(323)	200
Under/ (over) provision of tax in respect of prior years				
- current tax expense	(1,868)	715	(1,786)	591
- deferred tax expense	(167)	428	(167)	428

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

	Group		Company	
	30-Jun-17	30-Jun-16	30-Jun-17	30-Jun-16
	$'000	$'000	$'000	$'000
Non-current assets				
Property, plant and equipment	611,887	603,114	-	-
Lease prepayments	5,731	5,647	-	-
Investment in subsidiaries	-	-	50,388	70,713
Investment in joint ventures and associates	9,008	14,726	-	-
Intangible assets	17,877	17,840	-	-
Finance lease receivable	8,865	8,759	-	-
	653,368	**650,086**	**50,388**	**70,713**
Current assets				
Inventories	182,015	238,481	-	-
Construction work-in-progress	85,345	108,958	-	-
Trade and other receivables	187,127	248,767	359,274	270,294
Finance lease receivable	1,001	650	-	-
Derivative financial instruments	15	313	-	-
Cash and bank balances	36,141	24,710	1,504	290
	491,644	**621,879**	**360,778**	**270,584**
Assets classified as held for sale	-	3,708	-	-
	491,644	**625,587**	**360,778**	**270,584**
Current liabilities				
Trade and other payables	184,700	223,371	108,249	90,987
Provision for warranty	169	54	-	-
Progress billings in excess of construction work-in-progress	1,437	6,862	-	-
Trust receipts	20,515	72,196	-	-
Interest-bearing loans and borrowings	161,834	290,724	11,896	100,000
Derivative financial instruments	-	897	-	-
Income tax payables	5,779	2,810	-	-
	374,434	**596,914**	**120,145**	**190,987**
Net current assets	**117,210**	**28,673**	**240,633**	**79,597**
Non-current liabilities				
Other liabilities	10,081	9,272	-	-
Interest-bearing loans and borrowings	367,150	229,266	195,899	50,000
Deferred tax liabilities	14,569	15,816	-	-
	391,800	**254,354**	**195,899**	**50,000**
Net assets	**378,778**	**424,405**	**95,122**	**100,310**
Equity attributable to owners of the Company				
Share capital	108,056	83,092	108,056	83,092
Treasury shares	(923)	(923)	(923)	(923)
Reserves	268,398	337,465	(12,011)	18,141
	375,531	**419,634**	**95,122**	**100,310**
Non-controlling interests	3,247	4,771	-	-
Total equity	**378,778**	**424,405**	**95,122**	**100,310**

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

	Group					
	As at 30-Jun-17			As at 30-Jun-16		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Amount repayable in one year or less, or on demand	163,344	19,005	182,349	223,798	139,122	362,920
Amount repayable after one year	214,642	152,508	367,150	179,266	50,000	229,266
	377,986	**171,513**	**549,499**	**403,064**	**189,122**	**592,186**

Details of any collateral

The Group's secured borrowings comprised of term loans and finance leases which are secured by way of:

- Legal mortgages of certain leasehold properties of subsidiaries
- Legal mortgages over certain vessels, plant and equipment of subsidiaries
- Assignment of charter income and insurance of certain vessels of subsidiaries
- Corporate guarantees from the Company and certain subsidiaries

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

	Group			
	3 months ended 30 June		12 months ended 30 June	
	4Q FY2017 $'000	4Q FY2016 $'000	FY2017 $'000	FY2016 $'000
Cash flows from operating activities				
(Loss)/ profit before tax	(63,329)	(9,511)	(71,273)	520
Adjustments for:				
Amortisation of intangible assets	205	207	816	829
Amortisation of lease prepayments	80	75	312	355
Allowance for impairment of doubtful receivables (net)	18,440	3,962	18,437	3,988
Bad debts (recovered)/ written off	-	(18)	-	53
Depreciation of property, plant and equipment	20,312	18,777	64,011	56,561
Loss/ (gain) on disposal of property, plant and equipment	47	(354)	(550)	(1,466)
Loss/ (gain) on disposal of assets held for sale	1	-	(55)	-
Impairment loss on property, plant and equipment	22,004	1,198	22,004	1,198
Impairment loss on investment in joint venture	-	36	-	36
Impairment loss on inventories	13,849	2,700	13,849	2,700
Interest expense	5,261	4,801	19,333	19,126
Interest income	(226)	(193)	(824)	(823)
(Reversal)/ provision for warranty (net)	(51)	174	323	(200)
Property, plant and equipment written off	-	-	1	-
Provision/ (reversal) for pension liabilities	84	(43)	113	235
Share of results of joint venture and associates	1,932	2,958	5,795	3,253
Operating cash flows before changes in working capital	**18,609**	**24,769**	**72,292**	**86,365**
Changes in working capital:				
Inventories	(15,914)	(5,235)	(17,224)	(23,806)
Construction work-in-progress and progress billings in excess of construction work-in-progress	18,740	(2,076)	17,987	(85,908)
Trade and other receivables	10,918	12,565	52,710	(15,426)
Trade and other payables	(26,759)	32,559	(40,893)	43,455
Finance lease receivable	285	265	777	568
Other liabilities	(55)	(54)	(318)	(803)
Balances with related parties (trade)	(1,536)	1,925	(8,210)	870
Cash flows generated from operations	**4,288**	**64,718**	**77,121**	**5,315**
Interest received	179	186	732	780
Tax refunded/ (paid)	456	(789)	(584)	(226)
Net cash flows generated from operating activities	**4,923**	**64,115**	**77,269**	**5,869**
Cash flows from investing activities				
Interest received	47	7	92	43
Purchase of property, plant and equipment	(2,265)	(26,071)	(29,485)	(97,160)
Proceeds from disposal of assets held for sale	(1)	-	635	-
Proceeds from disposal of property, plant and equipment	-	1,567	7,209	9,847
Lease prepayments	-	-	(388)	(53)
Balances with related parties (non-trade)	1,891	566	1,129	5,026
Net cash flows used in investing activities	**(328)**	**(23,931)**	**(20,808)**	**(82,297)**

	Group			
	3 months ended 30 June		12 months ended 30 June	
	4Q FY2017 $'000	4Q FY2016 $'000	FY2017 $'000	FY2016 $'000
Cash flows from financing activities				
Interest paid	(5,261)	(9,294)	(19,333)	(23,669)
Dividends paid	-	-	-	(1,678)
Repayment of interest-bearing loans and borrowings	(23,995)	(26,291)	(115,325)	(132,920)
Proceeds from interest-bearing loans and borrowings	28,894	12,957	116,990	178,337
Repayment of trust receipts	(27,117)	(37,533)	(103,580)	(110,765)
Proceeds from trust receipts	12,228	16,519	51,770	115,797
Proceeds from issue of shares by the Company	-	-	24,964	-
Cash and bank balances (restricted use)	(858)	(35)	(11,149)	(1,165)
Net cash flows (used in)/ generated from financing activities	**(16,109)**	**(43,677)**	**(55,663)**	**23,937**
Net (decrease)/ increase in cash and cash equivalents	(11,514)	(3,493)	798	(52,491)
Cash and cash equivalents at beginning of period/ year	33,449	25,139	21,621	74,865
Effects of exchange rate changes on cash and cash equivalents	(32)	(25)	(516)	(753)
Cash and cash equivalents at end of period/ year (Note 1)	**21,903**	**21,621**	**21,903**	**21,621**

Note 1:

Cash and cash equivalents comprise the followings:

Cash and bank balances	36,141	24,710
Less: Restricted cash		-
- Cash at banks	(3,812)	(2,237)
- Fixed deposits with banks	(10,426)	(852)
Cash and cash equivalents at end of year	**21,903**	**21,621**

The Group's restricted cash has been set aside for specific use with respect to certain banking facilities granted to the Group.

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

Statement of Changes in Equity for the period ended 30-Jun-17

Group	Attributable to owners of the Company								
	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
FY2017									
At 1-Jul-16	83,092	(923)	986	(482)	336,961	337,465	419,634	4,771	424,405
Loss for the year	-	-	-	-	(71,659)	(71,659)	(71,659)	(1,646)	(73,305)
Other comprehensive income									
Translation differences relating to financial statements of foreign subsidiaries, net of tax	-	-	1,640	-	-	1,640	1,640	86	1,726
Share of other comprehensive income of joint ventures and associates	-	-	270	-	-	270	270	36	306
Remeasurement of defined benefit pension plan	-	-	-	-	189	189	189	-	189
Net fair value changes to cash flow hedges	-	-	-	493	-	493	493	-	493
Other comprehensive income for the year, net of tax	-	-	1,910	493	189	2,592	2,592	122	2,714
Total comprehensive income for the period	-	-	1,910	493	(71,470)	(69,067)	(69,067)	(1,524)	(70,591)
Contributions by owners									
Right issue of shares	24,964	-	-	-	-	-	24,964	-	24,964
Total contributions by owners	24,964	-	-	-	-	-	24,964	-	24,964
At 30-Jun-17	108,056	(923)	2,896	11	265,491	268,398	375,531	3,247	378,778

Statement of Changes in Equity for the period ended 30-Jun-16									
	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
FY2016									
At 1-Jul-15	83,092	(923)	742	(422)	337,034	337,354	419,523	5,786	425,309
Profit for the year	-	-	-	-	1,985	1,985	1,985	(1,042)	943
Other comprehensive income									
Translation differences relating to financial statements of foreign subsidiaries, net of tax	-	-	73	-	-	73	73	10	83
Share of other comprehensive income of joint ventures and associates	-	-	171	-	-	171	171	17	188
Remeasurement of defined benefit pension plan	-	-	-	-	(380)	(380)	(380)	-	(380)
Net fair value changes to cash flow hedges			-	(60)	-	(60)	(60)	-	(60)
Other comprehensive income for the year, net of tax	-	-	244	(60)	(380)	(196)	(196)	27	(169)
Total comprehensive income for the year	-	-	244	(60)	1,605	1,789	1,789	(1,015)	774
Distributions to owners									
Dividends on ordinary shares	-	-	-	-	(1,678)	(1,678)	(1,678)	-	(1,678)
Total distributions to owners	-	-	-	-	(1,678)	(1,678)	(1,678)	-	(1,678)
At 30-Jun-16	83,092	(923)	986	(482)	336,961	337,465	419,634	4,771	424,405

Statement of Changes in Equity for the period ended 30-Jun-17 and 30-Jun-16						
Company	Share capital $'000	Treasury shares $'000	Hedging reserve $'000	Accumulated Profits/ (losses) $'000	Total reserves $'000	Total equity $'000
FY2017						
At 1-Jul-16	83,092	(923)	-	18,141	18,141	100,310
Loss for the year, representing total comprehensive income for the year	-	-	-	(30,152)	(30,152)	(30,152)
Contributions by owners						
Rights issue of shares	24,964	-	-	-	-	24,964
Total contributions by owners	24,964	-	-	-	-	24,964
At 30-Jun-17	108,056	(923)	-	(12,011)	(12,011)	95,122
FY2016						
At 1-Jul-15	83,092	(923)	-	18,799	18,799	100,968
Profit for the year, representing total comprehensive income for the year	-	-	-	1,020	1,020	1,020
Distributions to owners						
Dividends on ordinary shares	-	-	-	(1,678)	(1,678)	(1,678)
Total distributions to owners	-	-	-	(1,678)	(1,678)	(1,678)
At 30-Jun-16	83,092	(923)	-	18,141	18,141	100,310

1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of Ordinary Shares (excluding treasury shares)	
	As at 30-Jun-17	**As at 30-Jun-16**
Balance as at 1 July	419,511,294	419,511,294
Rights issue of shares	209,755,647	-
Balance as at 30 June	**629,266,941**	**419,511,294**

During the second quarter of 2017, the Company has undertaken a renounceable non-underwritten rights issue of 209,755,647 new ordinary shares in the share capital of the Company (the "Rights Shares") at an issue price of S$0.12 for each Rights Share on the basis of one (1) Rights Share for every two (2) existing ordinary shares in the share capital of the Company (the "Rights Issue"). The Rights Shares has been issued and allotted on 19 December 2016, and listed for quotation on the Main Board of the SGX-ST on 21 December 2016. The newly issued shares rank pari passu in all respects with the previously issued shares.

There are no outstanding share options granted under the ESOS as at 30 June 2017 and 30 June 2016.

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 30-Jun-17	**As at 30-Jun-16**
Total number of issued shares	631,778,541	422,022,894
Total number of treasury shares	(2,511,600)	(2,511,600)
Total number of issued shares (excluding treasury shares)	**629,266,941**	**419,511,294**

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

During the current financial year reported on, there were no purchases, sales, transfers, disposal, cancellation and/or use of treasury shares.

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

The figures have not been audited or reviewed by the Company's auditor.

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

Not applicable.

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

The accounting policies adopted and methods of computation in the preparation of the financial statements are consistent with those of the audited financial statements as at 30 June 2016 except in the current financial year, the Group has adopted all the new and revised standards and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning as of 1 July 2016. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group			
	3 months ended 30 June		12 months ended 30 June	
Earnings per ordinary share:	**4Q FY2017**	**4Q FY2016 (Restated)**	**FY2017**	**FY2016 (Restated)**
(i) On weighted average no. of ordinary shares in issue	(9.92) cents	(1.50) cents	(13.44) cents	0.47 cents
(ii) On a fully diluted basis	(9.92) cents	(1.50) cents	(13.44) cents	0.47 cents
Net (loss)/ profit attributable to shareholders:	($62,427,000)	($6,366,000)	($71,659,000)	$1,985,000
Number of shares in issue:				
(i) Weighted average no. of shares in issue	629,266,941	424,091,329	533,143,572	424,091,329
(ii) On a fully diluted basis	629,266,941	424,091,329	533,143,572	424,091,329

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

(a) current financial period reported on; and

(b) immediately preceding financial year.

	Group		Company	
	30-Jun-17	**30-Jun-16**	**30-Jun-17**	**30-Jun-16**
Net Asset Value (NAV) per ordinary share	59.68 cents	100.03 cents	15.12 cents	23.91 cents
NAV computed based on no. of ordinary shares issued	629,266,941	419,511,294	629,266,941	419,511,294

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

<u>REVIEW OF GROUP PERFORMANCE</u>

The Group and the industry fared poorly in FY2017. Exploration and Production, particularly in the offshore oil and gas industry, has collapsed in the face of sustained weak oil prices. The container and bulk cargo market is recording very low to historic low charter rates as a result of China and the Asia-Pacific's slowdown. Even LNG charter rates are under tremendous pressure despite a record amount of LNG being carried. As a capital goods provider to these industries shipbuilding, repair and conversion has inevitably suffered.

In FY2017 we held our own in terms of Revenue recording only a 6.1% decline. However, we had to sacrifice margins. In some cases, we only able to achieve single digit margins.

Regretfully, when an industry undergoes a recession, the capital values fall, credit risk rises and the number of negative one-off surprises increases. Our results for the year, very much reflects this. In FY2017 we had to reduce the value of our assets by $35.9 million due to the reduction in their market value. In FY2017 we provided $18.4 million against debtors. In FY2017 other one off losses including the cost of the debt restructuring and cancellations amounted to $16.4 million. In fact, if these one off items were excluded, the Group would have made a loss before tax of only $0.6 million.

Total Revenue

Group revenue of $77.8 million for the 3 months ended 30 June 2017 ("4Q FY2017") was $20.9 million (21.2%) lower compared to the corresponding period in FY2016 ("4Q FY2016"). For the 12 months ended 30 June 2017 ("FY2017"), the Group revenue was $22.2 million (6.1%) lower compared to the corresponding period ended 30 June 2016 ("FY2016").

Details for revenue generated from each segment are as follows:

	Group					
	4Q FY2017 $'000	4Q FY2016 $'000	Increase/ (Decrease) %	FY2017 $'000	FY2016 $'000	Increase/ (Decrease) %
Shipbuilding	20,740	49,870	(58.4)	143,450	189,174	(24.2)
Shiprepair and conversion	30,991	17,094	81.3	72,731	61,716	17.8
Shipchartering	24,189	26,933	(10.2)	104,270	85,956	21.3
Engineering	1,838	4,809	(61.8)	21,810	27,593	(21.0)
	77,758	**98,706**	**(21.2)**	**342,261**	**364,439**	**(6.1)**

Shipbuilding Revenue

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

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

	Group									
	4Q FY2017		4Q FY2016		Increase/ (Decrease)	FY2017		FY2016		Increase/ (Decrease)
	Units	$'000	Units	$'000	%	Units	$'000	Units	$'000	%
Offshore support vessels ("OSV")	5	(427)	3	1,816	(123.5)	5	8,080	5	27,883	(71.0)
Tugs	4	13,529	13	40,236	(66.4)	11	115,321	13	123,596	(6.7)
Barges and others	6	7,638	6	7,818	(2.3)	7	20,049	14	37,695	(46.8)
	15	**20,740**	**22**	**49,870**	**(58.4)**	**23**	**143,450**	**32**	**189,174**	(24.2)

Shipbuilding revenue in 4Q FY2017 decreased by $29.1 million (58.4%) compared to the corresponding quarter mainly due to:

(i) fewer Tugs being built and recognised based on existing orders at hand; and

(ii) reversal of revenue from cancellation of construction of an OSV of $0.7 million.

The Group has delivered a total of 8 Tugs and 2 Barges in FY2017 (of which one Tug and one Barge were completed in 4Q FY2017).

Shiprepair and conversion Revenue

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 are now likely to be lumpy.

The breakdown of revenue generated from the shiprepair and conversion segment are as follows:

	Group					
	4Q FY2017 $'000	4Q FY2016 $'000	Increase/ (Decrease) %	FY2017 $'000	FY2016 $'000	Increase/ (Decrease) %
Shiprepair and conversion	30,772	16,949	81.6	70,449	60,946	15.6
Other marine related services	219	145	51.0	2,282	770	196.4
	30,991	**17,094**	**81.3**	**72,731**	**61,716**	**17.8**

Shiprepair and conversion revenue increased by $13.9 million (81.3%) in 4Q FY2017 and $11.0 million (17.8%) in FY2017 when compared to corresponding periods mainly due to there being more high value (>$1.0 million) shiprepair jobs undertaken in 4Q FY2017.

Shipchartering Revenue

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

	Group					
	4Q FY2017 $'000	4Q FY2016 $'000	Increase/ (Decrease) %	FY2017 $'000	FY2016 $'000	Increase/ (Decrease) %
OSV	3,010	4,927	(38.9)	11,824	14,465	(18.3)
Landing Crafts	2,590	1,311	97.6	9,166	5,406	69.6
Tug Boats	6,311	6,519	(3.2)	25,895	22,702	14.1
Barges	9,280	10,562	(12.1)	40,035	36,950	8.3
Total charter	21,191	23,319	(9.1)	86,920	79,523	9.3
Trade sales	2,998	3,614	(17.0)	17,350	6,433	169.7
	24,189	**26,933**	**(10.2)**	**104,270**	**85,956**	**21.3**

The total charter revenue decreased by $2.1 million (9.1%) to $21.2 million in 4Q FY2017 mainly due to:

(i) Lower pricing and lower utilisation rate of OSV due to off-hire; and

(ii) Weaker contribution from operation of grab dredgers (Barges) due to completion of a local marine infrastructure project;

partially offset by

(iii) Higher freight income from Landing Crafts for precast shipments from Batam to Singapore.

Trade sales reduced by 17.0% in 4Q FY2017 mainly due to lower bunker fuel sales partially offset by higher agency income from Indonesia operation.

The total charter revenue increased by $7.4 million (9.3%) in FY2017 when compared to corresponding year mainly due to contribution from operation of Tug Boat and Barges with the commencement of large marine infrastructure projects in Singapore and South Asia in 4Q FY2016 (the "New Charter Contracts"); partially offset by decreased contribution from OSV.

The significant increase in trade sales in FY2017 was due to sale of bunker fuel ancillary to certain ongoing charters and ad hoc services rendered in conjunction with the New Charter Contracts.

Engineering Revenue

Similar to shipbuilding, revenue from New Buildings is calculated based on project value multiply by POC.

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

	Group					
	4Q FY2017 $'000	4Q FY2016 $'000	Increase/ (Decrease) %	FY2017 $'000	FY2016 $'000	Increase/ (Decrease) %
Engineered dredgers products & dredger ("New Buildings")	-	261	(100.0)	653	3,878	(83.2)
Components & services ("Components")	1,838	4,548	(59.6)	21,157	23,715	(10.8)
	1,838	**4,809**	**(61.8)**	**21,810**	**27,593**	**(21.0)**

Engineering revenue were lower in 4Q FY2017 mainly due to absence of revenue recognition from New Buildings and lower orders concluded for spare parts and cutting/ coupling systems.

Gross profit and gross profit margin

The Group gross profit decreased by $8.4 million (75.8%) to $2.7 million in 4Q FY2017 and by $16.8 million (33.4%) to $33.6 million in FY2017 compared to the respective corresponding periods.

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

	Group							
	4Q FY2017		4Q FY2016		FY2017		FY2016	
	$'000	GPM	$'000	GPM	$'000	GPM	$'000	GPM
Shipbuilding	(873)	(4.2%)	2,693	5.4%	14,094	9.8%	23,440	12.4%
Shiprepair and conversion	4,193	13.5%	6,783	39.7%	13,028	17.9%	15,810	25.6%
Shipchartering	(1,439)	(5.9%)	845	3.1%	504	0.5%	2,812	3.3%
Engineering	796	43.3%	747	15.5%	5,998	27.5%	8,400	30.4%
	2,677	**3.4%**	**11,068**	**11.2%**	**33,624**	**9.8%**	**50,462**	**13.8%**

Shipbuilding gross profit and gross profit margin

The gross loss incurred in 4Q FY2017 was mainly attributed to loss recognised on the rescission of 3 OSV vessels (the "Rescission) as follows:

1) Two units of Anchor Handling Tug/ Multi-Purpose Supply Vessels ("AHTSs"); and
2) One unit of Seismic Support Vessel ("SSV").

Excluding the Rescission, the Group's gross profit for shipbuilding would have been:

	Group							
	4Q FY2017		4Q FY2016		FY2017		FY2016	
	$'000	GPM	$'000	GPM	$'000	GPM	$'000	GPM
Total	(873)	(4.2%)	2,693	5.4%	14,094	9.8%	23,440	12.4%
Add back : OSV cancelled	3,248	Nm	-	-	3,354	Nm	-	-
Adjusted	2,375	11.1%	2,693	5.4%	17,448	12.2%	23,440	12.4%

The Rescission was mutually agreed by the customers. The loss recognised mainly pertained to:

1) Write-off of shipbuilding costs of $2.0 million incurred on the AHTSs since these projects are still at inception phase of building with no profit recognition in prior years; and
2) Reversal of prior year profit of $1.2 million recognised from the SSV. The SSV, being partially completed, will be treated as vessel work in progress under inventories.

Shiprepair and conversion gross profit and gross profit margin

Despite the increase in revenue, gross profit reduced by $2.6 million (38.2%) with a gross profit margin of 13.5% recorded in 4Q FY2017. The lower margin was due to competitive pricing in a weak market, this include single digit margin derived from several major projects (Revenue > $1 million) recognised in 4Q FY2017.

Shipchartering gross profit and gross profit margin

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

	Group							
	4Q FY2017		4Q FY2016		FY2017		FY2016	
	$'000	GPM	$'000	GPM	$'000	GPM	$'000	GPM
OSV	(1,348)	(44.8%)	924	18.8%	(3,090)	(26.1%)	1,829	12.6%
Landing Crafts	582	22.5%	(370)	(28.2%)	1,776	19.4%	(1,182)	(21.9%)
Tug boats and Barges	(906)	(5.8%)	(246)	(1.4%)	(1,334)	(2.0%)	800	1.3%
Total charter	(1,672)	(7.9%)	308	1.3%	(2,648)	(3.0%)	1,447	1.8%
Trade sales	233	7.8%	537	14.9%	3,152	18.2%	1,365	21.2%
	(1,439)	(5.9%)	**845**	3.1%	**504**	0.5%	**2,812**	3.3%

The gross profit and gross profit margin was lower in 4Q FY2017 as compared with corresponding quarter, this was mainly due to:

(i) Reduced charter rate from an AHTS and off-hire of two AHTS;

(ii) Lower utilisation rate of grab dredgers (Barges) from 99% in 4Q FY2016 to 23% in 4Q FY2017 due to completion of a local marine infrastructure project. The cost of maintaining the grab dredgers is higher as compared to normal tugboats;

partially offset by

(iii) Higher utilisation rate from Landing Crafts which increased from 79% in 4Q FY2016 to 100% in 4Q FY2017.

Despite increase in revenue in FY2017 when compared to corresponding year, gross profit decreased by $2.3 million (82.1%) and gross profit margin decreased from 3.3% to 0.5% mainly due to:

(i) Reduced charter rate from an AHTS and off-hire of two AHTS. With the exception of 4 OSV on bareboat charter, the remaining OSV are chartered on ad hoc basis.

(ii) Reduced contributions from certain tug boats and barges deployed under a local marine infrastructure project. The tonnage available for carry fell in 2H FY2017. Under contract of affreightment, the Group is required to keep these vessels on standby. The main standby costs are fuel and labour;

partially offset by

(iii) Higher utilisation rate from Landing crafts which increased from 64% in FY2016 to 92% in FY2017 coupled with a new addition in 2Q FY2016 which commenced operation in 3Q FY2016;

(iv) Higher trade sales profit mainly derived from ad hoc services rendered in conjunction with one of the New Charter Contracts.

Engineering gross profit and gross profit margin

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

	Group							
	4Q FY2017		4Q FY2016		FY2017		FY2016	
	$'000	GPM	$'000	GPM	$'000	GPM	$'000	GPM
New Buildings	(171)	Nm	(581)	-222.6%	440	67.4%	2,614	67.4%
Components	967	52.6%	1,328	29.2%	5,558	26.3%	5,786	24.4%
	796	43.3%	**747**	15.5%	**5,998**	27.5%	**8,400**	30.4%

The high margin recorded in 4Q FY2017 was one-off. The gross profit margin of 26.3% from Components in FY2017 is comparable to the 24.4% recorded in FY2016.

Other operating income

Details for other operating income are as follows:

	Group			
	4Q FY2017 $'000	4Q FY2016 $'000	FY2017 $'000	FY2016 $'000
(Loss)/ gain on disposal of plant and equipment	(47)	354	550	1,466
(Loss)/ gain on disposal of assets held for sale	(1)	-	55	-
Gain/ (loss) on foreign exchange (net)				
- unrealised	1,067	338	-	-
- realised	926	(187)	-	-
Interest income from bank balances	47	7	92	43
Interest income from finance lease receivables	179	186	732	780
Insurance claims	2	6	2	139
Rental income	1,009	821	3,264	2,449
Miscellaneous income	66	211	502	655
	3,248	**1,736**	**5,197**	**5,532**

The higher rental income in 4Q FY2017 derived mainly from the leasing of precast workshop, production and storage areas.

Administrative expenses

Administrative expenses increased by $1.1 million (16.3%) to $7.8 million in 4Q FY2017 when compared to corresponding quarter mainly due to higher legal and professional fees incurred for debt restructuring exercise.

The Group incurred an one-off transaction costs amounted to $4.3 million in FY2017, these costs comprised consent fees, solicitation agent and legal and professional fees incurred in relation to i) the Consent Solicitation Exercise undertaken on extension of tenor of the Company's existing Notes in Jan 2017; ii) the committed $99.9 million 5-year club term loan facility (the "CTL facility") obtained from the three local banks in February 2017 and iii) perfection of legal mortgages for drawdown of working capital loan under the CTL facility.

Other operating expenses

Other operating expenses comprised the following:

	Group			
	4Q FY2017 $'000	4Q FY2016 $'000	FY2017 $'000	FY2016 $'000
Allowance for impairment of doubtful receivables (net)	18,440	3,962	18,437	3,988
Bad debts (recovered)/ written off (trade)	-	(18)	-	53
Loss/ (gain) on foreign exchange (net)				
- unrealised	-	-	2,144	1,880
- realised	-	-	631	(128)
Impairment loss on				
- inventories	13,849	2,700	13,849	2,700
- investment in joint venture	-	36	-	36
- property, plant and equipment	22,004	1,198	22,004	1,198
Property, plant and equipment written off		-	1	-
	54,293	**7,878**	**57,066**	**9,727**

The allowance for impairment of doubtful receivables (net) made in 4Q FY2017 of $18.4 million largely pertained to specific provision on certain receivables, impaired after due assessment, who either was being wound up or where final settlement sum is being negotiated or the probability of recovering is remote. Nonetheless, the Group will continue its effort to recover the amount, especially for those receivables which the Group has possession of the vessels repaired in hand.

The impairment loss recorded in 4Q FY2017 pertained to:

a) Inventories (Finished Goods)

- impairment of three Platform Supply Vessels ("PSV") which the Group holds as inventories (finished goods) for sale. An impairment loss of $9.1 million was made based on valuation guidance from independent valuers;

b) Inventories (Work-in-progress)

- write-off of two vessels (one Anchor Handling Tug and Supply vessel "AHTS" and one Multi-purpose Maintenance Workboat) which were built under former Built-to-Stocks program. An impairment loss of $4.7 million for the full amount was made as the Group wish to discontinue building of these vessels in view of the protracted downturn of the global marine industry; and

c) Property, Plant and Equipment

- impairment of its chartering fleet of vessels based on valuation guidance from independent valuers.

The net foreign exchange gain recorded in 4Q FY2017 arose mainly due to the depreciation of USD against SGD on USD denominated liabilities; whereas the net foreign exchange losses in FY2017 were mainly attributed from appreciation of USD and IDR against SGD on USD and IDR denominated liabilities.

Exchange rates for the respective reporting periods were as follows:

	30 Jun 2017	30 Jun 2016	31 Mar 2017	31 Mar 2016	31 Dec 2016	31 Dec 2015
USD against SGD	1.3887	1.3489	1.3975	1.3505	1.4449	1.4218
EUR against SGD	1.5709	1.4967	1.4943	1.5306	1.5150	1.5454
IDR against SGD	9,591	9,804	9,532	9,804	9,259	9,751

Finance costs

Finance costs increased by $0.5 million (9.6%) to $5.3 million in 4Q FY2017 and by $0.2 million (1.1%) to $19.3 million in FY2017 when compared to corresponding periods mainly due to i) increased interest rate payable under the fixed rate bonds which commenced in 4Q FY2017 and ii) progressive drawdown of loans under the CTL facility.

Share of results of jointly-controlled entity and associates

The Group's share of results of jointly-controlled entity and associates comprised:

		Group			
	Group's effective interest	4Q FY2017 $'000	4Q FY2016 $'000	FY2017 $'000	FY2016 $'000
Joint ventures					
Sindo-Econ group	50%	(1,090)	(627)	(3,465)	1,967
Associates					
PT. Hafar Capitol Nusantara ("PT Hafar")	36.75%	(1,035)	(1,149)	(1,567)	(1,322)
PT Capitol Nusantara Indonesia ("PT CNI")	27%	193	(1,182)	(763)	(3,898)
		(1,932)	**(2,958)**	**(5,795)**	**(3,253)**

The share of loss from Sindo-Econ group of $1.1 million in 4Q FY2017, on the precast operations in Batam, was attributed by low margin due to competitive market condition.

The share of loss from PT Hafar of $1.0 million in 4Q FY2017 was due to absence of charter income from its fleet of vessels since 3Q FY2016.

The share of profit from PT CNI of $0.2 million in 4Q FY2017 mainly pertained to progressive recognition of the Group's proportionate interest of unrealised profits previously eliminated on sale of vessels to PT CNI. The Group has restricted its share of losses to its cost of investment.

Loss before tax

The Group recorded a loss before tax of $67.6 million in FY2017 as compared to a profit before tax of $0.5 million in FY2016. However, much of the loss arose from one-off events:

	4Q FY2017 $'m	FY2017 $'m
Loss before tax	(63.3)	(71.3)
One-off losses/(gain):		
i) Cost arising from debt restructuring	0.7	4.4
ii) Allowance for impairment of doubtful receivables (net)	18.4	18.4
iii) Impairment loss	35.9	35.9
iv) Net foreign exchange (gain)/ loss	(2.0)	2.8
v) Joint ventures and associates' loss	1.9	5.8
vi) Cancellation of projects	3.2	3.4
Adjusted loss before tax	(5.2)	(0.6)

Tax credit/ (expense)

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

	Group			
	4Q FY2017 $'000	**4Q FY2016 $'000**	**FY2017 $'000**	**FY2016 $'000**
Income tax	1,189	(534)	(1,728)	(2,935)
Deferred tax	1,416	2,141	1,649	2,339
	2,605	**1,607**	(79)	(596)
Effective tax rate			**Nm**	**Nm**

The Group's current income tax expense was $1.2 million lower in FY2017 as compared to corresponding year mainly due to loss incurred from shipyard operations.

Non-controlling interests

Non-controlling interests' share of loss of $0.3 million for 4Q FY2017 and $1.6 million for FY2017 mainly pertained to the portion of results of its non-wholly owned subsidiaries in Indonesia and China.

Operation cash flows

4Q FY2017

The Group recorded a lower net cash inflow of $4.9 million from operating activities in 4Q FY2017 (4Q FY2016: $64.1 million) mainly due to higher payments made to suppliers and purchase of inventories; partially offset by higher receipts from shipbuilding progressive billings.

The lower net cash outflow of $0.3 million from investing activities in 4Q FY2017 (4Q FY2016: $23.9 million) was mainly attributed to lower acquisition of property, plant and equipment.

The net cash outflow from financing activities of $16.1 million in 4Q FY2017 (4Q FY2016: $43.7 million) was lower as the Group made a second draw down of $20.7 million on the CTL facility and obtained a Bridging Loan of $5 million in 4Q FY2017 for working capital usage.

FY2017

In FY2017, the Group recorded a net cash inflow of $77.3 million from operating activities (FY2016: $5.9 million). The higher cash inflow was mainly due to higher receipts from shipbuilding progressive billings, partially offset by higher payments made to suppliers.

The lower net cash outflow of $20.8 million from investing activities in FY2017 (FY2016: $82.3 million) was mainly due to lower acquisition of property, plant and equipment.

The net cash outflow from financing activities of $55.7 million in FY2017 (FY2016: net cash inflow of $23.9 million) arose from lower borrowings on trust receipts and interest-bearing loans and borrowings, partially offset by proceeds of $25 million from the Rights Issue.

REVIEW OF FINANCIAL POSITION AS AT 30 JUNE 2017

Non-current assets

Property, plant and equipment ("PPE") increased by $8.8 million (1.5%) from $603.1 million as at 30 June 2016 to $611.9 million as at 30 June 2017.

Movement of PPE during the year under review:

	$'000
Balance as at 1 July 2016	603,114
Acquisition of property, plant and equipment Inclusive of : - $6.0 million for plant and machinery - $13.0 million for vessels - $4.3 million for yard infrastructure under development - $3.5 million for vessels under construction - $4.4 million for capitalization of dry docking expenditure	31,163
Transfer from inventories	58,687
Disposal/ write-off	(4,219)
Depreciation charge	(59,554)
Impairment of plant and equipment	(22,004)
Translation differences	4,700
Balance as at 30 June 2017	**611,887**

The vessels acquired in FY2017 were mainly tugs and barges that were deployed to support our customers in marine infrastructure project in South Asia.

Current assets

Current assets decreased by $134.0 million (21.4%) from $625.6 million as at 30 June 2016 to $491.6 million as at 30 June 2017 due to the decrease in inventories, construction work-in-progress, trade and other receivables, partially offset by increase in amounts due from related parties and cash and bank balances.

Inventories comprised the following:

	Group			
	30-Jun-17	**30-Jun-16**	Increase/ (Decrease)	
	$'000	**$'000**	**$'000**	**%**
Raw materials and consumables	20,773	15,594	5,179	33.2
Work-in-progress	7,997	167,362	(159,365)	(95.2)
Finished goods	153,245	55,525	97,720	176.0
Total inventories at cost	**182,015**	**238,481**	**(56,466)**	**(23.7)**

The decrease in work-in-progress was due to transfer of i) three AHTS to Property, Plant and Equipment as the Group managed to secure charter contracts for these vessels; ii) two PSV to finished goods upon completion and iii) write-off of two vessels (one AHTS and one Multi-purpose Maintenance Workboat) which were built under former Built-to-Stocks program.

Trade and other receivables comprised the following:

	Group			
	30-Jun-17	30-Jun-16	Increase/ (Decrease)	
	$'000	$'000	$'000	%
Trade receivables	88,184	156,601	(68,417)	(43.7)
Other receivables and prepayment	19,714	29,319	(9,605)	(32.8)
Amounts due from related parties	79,230	62,847	16,383	26.1
	187,128	**248,767**	**(61,639)**	**(24.8)**

The decrease in trade receivables was mainly due to receipt of milestone billings from shipbuilding projects; increased focus on trade debt collection; netting agreements entered and certain specific allowance for doubtful debts made during the year. Of the total trade receivables, $14.6 million was received subsequent to the year under review.

The increase in amounts due from related parties was mainly due to settlement on behalf of US$4.95 million owing under other receivables pursuant to a mutual agreement entered, payments on behalf and upward revaluation of balances denominated in USD as a result of appreciation of USD against SGD during the year under review.

Current liabilities

Current liabilities decreased by $222.5 million (37.3%) from $596.9 million as at 30 June 2016 to $374.4 million as at 30 June 2017. The decrease was mainly due to lower trade payables, progress billings in excess of work in progress, trust receipts and interest-bearing loans and borrowings, partially offset by increase in amounts due to related parties.

Trade and other payables comprised the following:

	Group			
	30-Jun-17	30-Jun-16	Increase/ (Decrease)	
	$'000	$'000	$'000	%
Trade payables	135,712	177,967	(42,255)	(23.7)
Other payables	32,639	31,464	1,175	3.7
Amounts due to related parties	16,136	13,734	2,402	17.5
Loan from non-controlling interests of subsidiaries	213	206	7	3.4
	184,700	**223,371**	**(38,671)**	**(17.3)**

The decrease in trade payables was mainly due to higher payment and netting agreements entered with trade creditors.

Net construction work-in-progress in excess of progress billings decreased by $18.2 million (17.8%) from $102.1 million as at 30 June 2016 to $83.9 million as at 30 June 2017, mainly attributable to completion of vessels during the year.

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

	Group			
	30-Jun-17	30-Jun-16	Increase/ (Decrease)	
	$'000	$'000	$'000	%
Current				
Bonds	7,500	100,000	(92,500)	(92.5)
Short term loan				
- shipbuilding related	34,954	46,730	(11,776)	(25.2)
- general	56,884	54,424	2,460	4.5
	91,838	101,154	(9,316)	(9.2)
Trust receipts				
- shipbuilding related	11,076	57,990	(46,914)	(80.9)
- general	9,439	14,206	(4,767)	(33.6)
	20,515	72,196	(51,681)	(71.6)
Long term loan				
- vessels loan	26,474	49,901	(23,427)	(46.9)
- assets financing	27,941	33,856	(5,915)	(17.5)
- working capital	4,396	-	4,396	Nm
	58,811	83,757	(24,946)	(29.8)
Finance lease liabilities	3,685	5,813	(2,128)	(36.6)
	182,349	**362,920**	**(180,571)**	**(49.8)**
Non-current				
Bonds	142,500	50,000	92,500	185.0
Long term loan				
- vessels loan	126,321	118,352	7,969	6.7
- assets financing	31,907	55,595	(23,688)	(42.6)
- working capital	63,399	-	63,399	Nm
	221,627	173,947	47,680	27.4
Finance lease liabilities	3,023	5,319	(2,296)	(43.2)
	367,150	**229,266**	**137,884**	**60.1**
Total borrowings	**549,499**	**592,186**	**(42,687)**	**(7.2)**
Total shareholders' funds	**375,531**	**419,634**		
Gearing ratio (times)	**1.46**	**1.41**		
Net gearing ratio (times)	**1.37**	**1.35**		

The Group's total borrowings decreased by $42.7 million (7.2%) mainly due to repayment of long term loans and trust receipts of those shipbuilding projects completed during the year under review, partially offset by addition of working capital loans which comprised:

(i) a partial draw down of $57.8 million on the CTL facility; and

(ii) two 6-year Bridging Loans totaling $10 million.

Non-current liabilities

Non-current liabilities increased by $137.4 million (54.0%) to $391.8 million as at 30 June 2017 mainly due to increase in non-current portion of the Group's total borrowings as a result of i) extension of maturity dates of existing $100 million and $50 million notes originally due in March 2017 and October 2018 respectively for another three years each; ii) re-profile of its existing term loans; and iii) the drawdown of new working capital loans mentioned above.

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

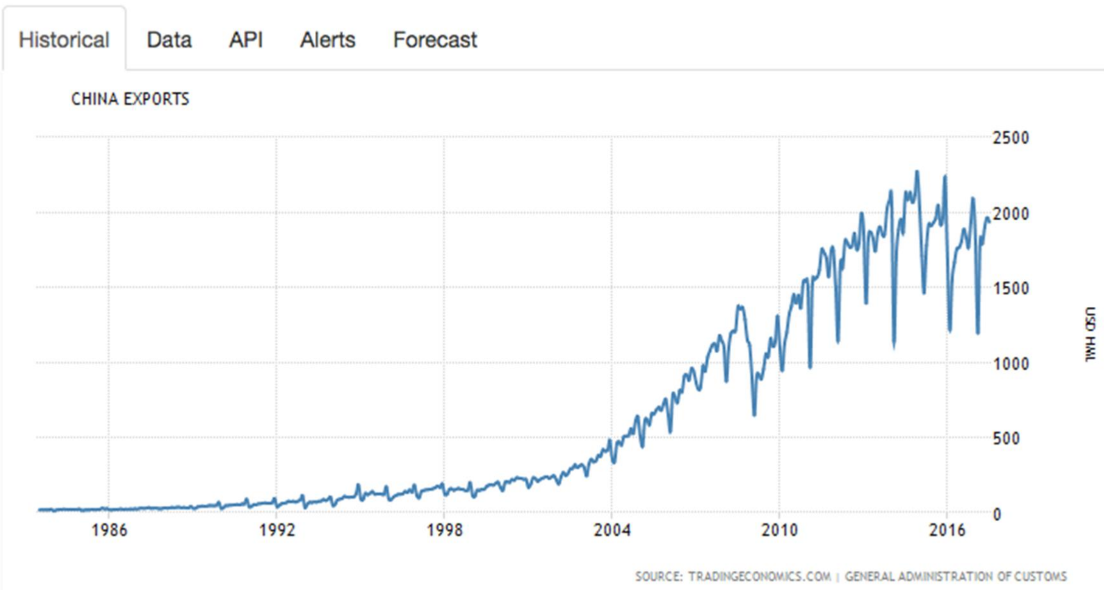
The current results announcement is in line with the Group's previous outlook statement made on 29 August 2016 and its profit guidance announcement released on 14 August 2017.

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 affected by 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 trade, particularly global volume of trade, is very sensitive to China export volumes. Whilst the latest China figures for July 2017, were slightly better than expected, the trend as can be seen in the chart remains negative.



In terms of oil prices and upstream activities, oil majors appear to have adapted to the low-carbon world and the new normal of USD50/barrel market by cutting expenditure (by 44% between 2014 - 2016). While it was reported that oil demand would still grow at a slow pace, oil majors are unlikely to spend on mega projects as they used to, but on one smaller ones with shorter payback period. As such, there is limited room for an outright recovery for downstream business, and we don't expect meaningful improvement in the operating environment for the offshore & marine sector in the near term.

Infrastructure spending in select Asia region has increased. Especially in the Indian Ocean due to China's Belt and Road Initiative, India's continued 6.5% to 7% GDP growth and Myanmar's revival. Whilst off shore demand for such work is strong, competition is also very keen.

Given the above, the macro environment has mixed implications for our various business segments. The outlook for shipbuilding, ship chartering and ship repair businesses seems more encouraging than that for oil & gas and offshore & marine related business. However, we do not foresee the operating environment for our businesses improving significantly in the next 12 months. Meaning the demand for shipbuilding and shipchartering is likely to remain weak and price-sensitive.

With careful cost control, committed management and increased financial flexibility brought by the financial restructuring in FY2017, the Company will continue to seek cash-flow-positive business opportunities for our various business segments and optimize our financial performance.

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

Singapore's mega infrastructure program in Tuas is making good progress. Given the master plan for the next few years and the amount of construction work required, our fleet, with a good proportion of barges and tugs, is expected to benefit from the potential increase in demand.

The diversified vessel types in our fleet, especially the non-OSV vessels are expected to lend support to our chartering business in the current low-oil-price environment However, due to market competition, the Group expects continued pressure on charter rates.

On the 5-year large local infrastructure project secured in 4Q FY2016 which was chartered under the contract of affreightment, revenue has decreased since November 2016 due to low volume of excavated materials being transported as a result of reduction in earth works, excavation and tunnelling related projects in Singapore. Upon consultation with main contractors and our customers, we have been led to believe that the volume of excavated materials should gradually pick up from September 2017 until early 2018 to the expected volume.

The transportation of precast concrete products from the precast yard in Batam to Singapore by our landing crafts will continue to provide a steady flow of income to our shipchartering operations.

As at 30 June 2017, the Group's shipchartering operations have an outstanding delivery order of 2 AHTS, 3 tugs and 6 barges worth approximately $50 million. With the exception of 2 barges with a total worth of $5.3 million, the rest of the vessels are being built internally by the Group. 8 of these vessels are for charter already secured.

Engineering

Our engineering division (VOSTA LMG) engages primarily in the infrastructure and construction industry which is less affected by the weak oil price. 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. Besides Europe and USA, the Group is looking at expanding its business in China, the largest dredging market in the world.

Share of results of jointly-controlled entity and associates

With respect to Sindo Econ group, we have been informed by our partners that there is a significant amount of work being tendered for, as a result, they expect Sindo Econ group to perform better in 2018.

With respect to our Indonesia associates, recent political developments in Jakarta and continued subdued economic activities in Indonesia, suggested that the accumulated losses are unlikely to be reversed in the immediate future.

Order Book

As at 30 June 2017, the Group had an outstanding shipbuilding order book from external customers of approximately $39 million for the building of 10 vessels with progressive deliveries up to 4Q FY2018. Barring any unforeseen circumstances, all of which is expected to be recognised in FY2018. The order book comprises OSV, harbour tugs, barges and tankers. Subsequent to 30 June 2017, the Group secured additional shipbuilding contracts for 2 tugs and 2 barges totaling $21 million of which 50% is expected to be recognised in FY2018.

The Group's shipchartering revenue consists of mainly short-term and ad-hoc contracts. Approximately 33% of shipchartering revenue in FY2017 was attributed to long-term chartering contracts (meaning contracts with a duration of more than one year). As at 30 June 2017, the Group had an outstanding chartering order book of approximately $138 million with respect to long-term contracts.

With the exception of new contracts secured subsequent to 30 June 2017, the Group would run down its existing shipbuilding order book by 30 June 2018. While the Management is actively seeking for new orders, the Board expects the Group’s revenue to be lower for the financial year ending 30 June 2018.

Funding Arrangements

The Company has on 19 December 2016 pursuant to its Rights Issue exercise, allotted and issued 209,755,647 Rights Shares and raised a total gross proceeds of $25.2 million.

On 20 January 2017, the Company received approval from noteholders to extend the maturity dates of its existing $100 million and $50 million notes originally due in March 2017 and October 2018 respectively for another three years each.

To date, the Company has partially drawn down $57.8 million from the CTL facility. The loan will be further drawn down in tranches according to the Group's working capital needs and availability of security.

In 4Q FY2017, the Group's principal lenders have effected the re-profiling of its existing term loans (stretching of loans tenure thereby reducing monthly instalment), this has further alleviated the Group's next 12 months debt maturity profile.

11. Dividend

(a) Current Financial Period

Any dividend recommended for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared for the financial year ended 30 June 2017.

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 obtained a general mandate from shareholders of the Company for interested person transactions in the Annual General Meeting held on 28 November 2016. During the financial year, 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) $'000	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
Sale of goods and services		
Bukit Intan Pte Ltd	925	-
Contech Precast Pte Ltd	282	4,868
Econ Precast Pte Ltd	407	8,912
Koon Construction & Transport Co Pte Ltd	1,380	1,780
Sindo-Econ Pte Ltd	322	3,200
PT. Sindomas Precas	814	1,384
Purchase of goods and services		
Koon Holdings Limited	-	279
Koon Construction & Transport Co Pte Ltd	2,399	2,797
Entire Engineering Pte Ltd	400	463
Econ Precast Pte Ltd	-	1,014
Sale of equipment		
PT. Sindomas Precas	2,279	-
Dredging and Dumping Services		
Koon Construction & Transport Co Pte Ltd	357	-
	9,565	**24,697**

14. Undertakings pursuant to Rule 720(1).

We confirm that the Company has procured undertakings from the Company's directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the SGX-ST Listing manual.

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

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

2017	Shipbuilding $'000	Shiprepair and conversion $'000	Shipchartering and rental $'000	Engineering $'000	Investment holding $'000	Eliminations $'000	Consolidated $'000
Revenue							
Revenue from external customers	143,450	72,731	104,270	21,810	-	-	342,261
Inter-segment revenue	207,641	54,813	38,039	46	6,000	(306,539)	-
Total revenue	351,091	127,544	142,309	21,856	6,000	(306,539)	342,261
Results							
Segment results	(23,904)	7,547	(20,455)	(1,504)	(21,566)	13,737	(46,145)
Finance costs							(19,333)
Share of results of jointly-controlled entities and associates							(5,795)
Tax expense							(2,032)
Loss for the year							(73,305)
Assets							
Segment assets	284,467	149,611	670,081	25,914	5,932	-	1,136,005
Unallocated assets							9,007
Total assets							1,145,012
Liabilities							
Segment liabilities	75,422	49,636	59,090	8,885	3,353	-	196,386
Unallocated liabilities							569,848
Total liabilities							766,234
Capital expenditure	6,940	783	81,889	237	-	-	89,849
Depreciation and amortisation	17,108	8,187	38,719	1,125	-	-	65,139
Other non-cash expenses	15,882	3,160	(78)	1,243	-	-	20,207
Impairment of property, plant and equipment	-	-	22,004	-	-	-	22,004
Impairment of inventories	13,849	-	-	-	-	-	13,849

2016	Shipbuilding $'000	Shiprepair and conversion $'000	Shipchartering and rental $'000	Engineering $'000	Investment holding $'000	Eliminations $'000	Consolidated $'000
Revenue							
Revenue from external customers	189,174	61,716	85,956	27,593	-	-	364,439
Inter-segment revenue	141,497	36,496	35,702	3	2,200	(215,898)	-
Total revenue	330,671	98,212	121,658	27,596	2,200	(215,898)	364,439
Results							
Segment results	13,192	16,132	(1,430)	(809)	8,868	(13,054)	22,899
Finance costs							(19,126)
Share of results of jointly-controlled entities and associates							(3,253)
Tax expense							423
Profit for the year							943
Assets							
Segment assets	511,817	150,985	566,881	27,856	3,408	-	1,260,947
Unallocated assets							14,726
Total assets							1,275,673
Liabilities							
Segment liabilities	119,058	48,788	57,740	12,552	2,318	-	240,456
Unallocated liabilities							610,812
Total liabilities							851,268
Capital expenditure	25,976	873	72,017	97	-	-	98,963
Depreciation and amortisation	17,466	5,390	33,783	1,106	-	-	57,745
Other non-cash expenses	2,774	(1,405)	2,780	1,983	-		6,132
Impairment of property, plant and equipment	-	-	1,198	-	-	-	1,198
Impairment of inventories	2,700	-	-	-	-	-	2,700

(b) Geographical segments

	Singapore $'000	Indonesia $'000	Rest of Asia $'000	Europe $'000	United States and Other Countries $'000	Consolidated $'000
2017						
Revenue from external customers	153,657	28,110	19,082	101,370	40,042	342,261
Capital expenditure	66,294	3,958	449	19,148	-	89,849
2016						
Revenue from external customers	140,673	29,396	13,564	81,561	99,245	364,439
Capital expenditure	79,768	18,436	662	97	-	98,963

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

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to item 8.

17. A breakdown of sales.

	Group			
			Increase/ (Decrease)	
	FY2017	**FY2016**		
	$'000	**$'000**	**$'000**	**%**
Sales reported for first half year	180,356	175,632	4,724	2.7
Operating profit after tax before deducting non-conrolling interests reported for first half year	809	6,884	(6,075)	(88.2)
Sales reported for second half year	161,905	188,807	(26,902)	(14.2)
Operating loss after tax before deducting non-conrolling interests reported for second half year	(74,114)	(5,941)	(68,173)	1,147.5

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

Total Annual Dividend	**Latest full year**	**Previous full year**
	$'000	**$'000**
Ordinary	-	-
Preference	-	-
Total	-	-

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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Ang Kok Tian	56	Brother of Ang Ah Nui, Ang Kok Eng and Ang Kok Leong, all of whom are Directors and substantial shareholders of ASL Marine. Son of Ang Sin Liu and brother of Ang Swee Kuan, both of whom are substantial shareholders of ASL Marine.	Appointed in 2003 as Chairman and Managing Director of ASL Marine. Responsible for the Group business strategy and direction, corporate plans and policies and the general management of the Group.	No change
Ang Ah Nui	54	Brother of Ang Kok Tian, Ang Kok Eng and Ang Kok Leong, all of whom are Directors and substantial shareholders of ASL Marine. Son of Ang Sin Liu and brother of Ang Swee Kuan, both of whom are substantial shareholders of ASL Marine.	Appointed in 2003 as Deputy Managing Director of ASL Marine. Responsible for the Group business strategy and direction, corporate plans and policies and the general management of the Group's shipchartering and shiprepair business.	No change
Ang Kok Eng	50	Brother of Ang Kok Tian, Ang Ah Nui and Ang Kok Leong, all of whom are Directors and substantial shareholders of ASL Marine. Son of Ang Sin Liu and brother of Ang Swee Kuan, both of whom are substantial shareholders of ASL Marine.	Appointed in 2002 as Executive Director of ASL Marine. Responsible for the Group's marketing and business development function for Asia.	No change
Ang Kok Leong	49	Brother of Ang Kok Tian, Ang Ah Nui and Ang Kok Eng, all of whom are Directors and substantial shareholders of ASL Marine. Son of Ang Sin Liu and brother of Ang Swee Kuan, both of whom are substantial shareholders of ASL Marine.	Appointed in 2002 as Executive Director of ASL Marine. Responsible for the Group's marketing and business development function for Europe, Middle East and other regions.	No change
Ang Sin Liu	82	Father of Ang Kok Tian, Ang Ah Nui, Ang Kok Eng and Ang Kok Leong, all of whom are Directors and substantial shareholders of ASL Marine. Father of Ang Swee Kuan, who is a substantial shareholder of ASL Marine.	Appointed in 2003 as Advisor to ASL Marine. Advising on the setting of Group's business strategy and direction.	No change

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

20. Use of Proceeds

The Group had fully utilised the net proceeds of $25.0 million raised from its Rights Issue in December 2016 for working capital usage including payment to its suppliers and subcontractors, and for its operating expenses. The utilisation is in accordance with the intended use of proceeds as stated by the Company Announcement dated 29 August 2016 and the Offer Information Statement dated 24 November 2016.

BY ORDER OF THE BOARD

Ang Kok Tian
Chairman and Managing Director
29 August 2017