



TECHNICS OIL & GAS LIMITED

(Company Registration Number: 200205249E)

UNAUDITED HALF YEAR FINANCIAL STATEMENT ANNOUNCEMENT FOR THE PERIOD ENDED 31 MARCH 2015

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group Q2 FY2015 S\$'000	Group Q2 FY2014 S\$'000	Increase/ (Decrease) %	Group 6 months ended 31/03/2015 S\$'000	Group 6 months ended 31/03/2014 S\$'000	Increase/ (Decrease) %
Revenue	19,920	14,138	41	38,485	29,838	29
Cost of Sales	(11,397)	(9,432)	21	(22,357)	(20,180)	11
Gross Profit	8,523	4,706	81	16,128	9,658	67
<u>Other Items of Income</u>						
Interest Income	14	19	(26)	23	19	21
Other Gains	2,066	510	nm	3,449	1,085	nm
<u>Other Items of Expense</u>						
Marketing and Distribution Costs	(179)	(147)	22	(436)	(335)	30
Administrative Expenses	(7,081)	(5,090)	39	(14,166)	(9,764)	45
Finance Costs	(1,588)	(277)	nm	(2,441)	(602)	nm
Other Losses	(296)	19	nm	(591)	(210)	nm
Share of (Loss)/Profit from Equity-Accounted Associates	(26)	75	nm	(166)	298	nm
Profit/(Loss) Before Income Tax from Continuing Operations	1,433	(185)	nm	1,800	149	nm
Income Tax Expense	(342)	(43)	nm	(599)	(56)	nm
Profit/(Loss) Net of Tax	1,091	(228)	nm	1,201	93	nm
<u>Other Comprehensive Income/ (Loss):</u>						
Items that May Be Reclassified Subsequently to Profit or Loss:						
Cash Flow Hedge Loss from Interest Rate Swap	(351)	-	nm	(663)	-	nm
Exchange Differences on Translating Foreign Operations, Net of Tax	(87)	61	nm	(112)	33	nm
Total comprehensive Income/(Loss)	653	(167)	nm	426	126	nm
Profit/(Loss) Attributable Owners of the Parent, Net of Tax	617	(252)	nm	24	91	(74)
Profit Attributable to Non-Controlling Interests	474	24	nm	1,177	2	nm
Profit/(Loss) Net of Tax	1,091	(228)	nm	1,201	93	nm

TECHNICS OIL & GAS LIMITED
(Company Registration Number: 200205249E)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

	Group Q2 FY2015 S\$'000	Group Q2 FY2014 S\$'000	Increase/ (Decrease) %	Group 6 months ended 31/03/2015 S\$'000	Group 6 months ended 31/03/2014 S\$'000	Increase/ (Decrease) %
Total Comprehensive Income/(Loss) Attributable to Owners of the Parent, Net of Tax	313	(200)	nm	(498)	121	nm
Total Comprehensive Income Attributable to Non-Controlling Interests	340	33	nm	924	5	nm
Total Comprehensive Income/(Loss)	653	(167)	nm	426	126	nm

nm: not meaningful

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(Company Registration Number: 200205249E)

1(a)(ii) Notes to Consolidated Statement of Comprehensive Income:

	Group Q2 FY2015 S\$'000	Group Q2 FY2014 S\$'000	Increase/ (Decrease) %	Group 6 months 31/03/2015 S\$'000	Group 6 months 31/03/2014 S\$'000	Increase/ (Decrease) %
(Allowance)/Reversal for impairment of trade receivables	(11)	-	nm	-	11	(100)
Bad debts written off	(6)	-	nm	(1)	-	nm
Depreciation of property, plant and equipment	(2,156)	(1,264)	71	(4,103)	(2,515)	63
(Loss)/gain on disposal of plant and equipment	(22)	16	nm	(11)	16	nm
Gain on disposal of subsidiary	-	3	(100)	-	3	(100)
Gain on disposal of associate	-	121	(100)	-	121	(100)
Interest income	14	19	(26)	23	19	21
Interest on borrowings	(1,588)	(277)	nm	(2,441)	(602)	nm
Inventories written off	-	-	nm	23	(28)	nm
Provision for diminution in value of inventory – Reversal	-	30	(100)	-	30	(100)
Realised foreign exchange loss	(75)	(104)	(28)	(5)	(149)	(97)
Unrealised foreign exchange gain/(loss)	1,649	134	nm	2,706	(10)	nm
Share of (loss)/profit of equity-accounted associates	(26)	75	nm	(166)	298	nm

nm: not meaningful

TECHNICS OIL & GAS LIMITED
(Company Registration Number: 200205249E)

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

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2015

	Group		Company	
	31/03/2015 S\$'000	30/09/2014 S\$'000	31/03/2015 S\$'000	30/09/2014 S\$'000
ASSETS				
Non-Current Assets				
Property, Plant and Equipment, Total	130,292	131,300	1	1
Intangible Assets	4,729	5,312	-	-
Investment in Subsidiaries	-	-	21,297	21,297
Investment in Associates	5,062	5,227	300	300
Finance Lease Receivables, Non-Current	1,897	2,335	-	-
Total Non-Current Assets	141,980	144,174	21,598	21,598
Current Assets				
Inventories	3,389	4,711	-	-
Trade and Other Receivables, Current	36,950	37,149	54,569	54,746
Finance Lease Receivables, Current	875	875	-	-
Other Assets, Current	18,505	16,431	34	34
Assets classified as Held for Sale	13,825	-	-	-
Cash and Cash Equivalents	6,446	8,677	7	12
Total Current Assets	79,990	67,843	54,610	54,792
Total Assets	221,970	212,017	76,208	76,390
EQUITY AND LIABILITIES				
Equity attributable to owners of the Parent				
Share Capital	73,010	74,137	73,010	74,137
Accumulated losses	(15,448)	(15,472)	(10,336)	(11,051)
Other Reserves, Total	9,347	9,869	10,911	10,911
Equity, Attributable to Owners of the Parent, Total	66,909	68,534	73,585	73,997
Non-controlling Interests	4,541	4,007	-	-
Total Equity	71,450	72,541	73,585	73,997
Non-Current Liabilities				
Deferred Tax Liabilities	2,866	3,046	582	582
Other Payables, Non-Current	6,124	8,240	-	-
Finance Lease, Non-Current	738	301	-	-
Other Finance Liabilities, Non-Current	35,129	33,117	-	-
Total Non-Current Liabilities	44,857	44,704	582	582
Current Liabilities				
Income Tax Payable	1,554	1,307	181	181
Trade and Other Payables, Current	29,277	24,599	1,860	1,630
Other Liabilities, Current	3,180	5,122	-	-
Finance Lease, Current	307	154	-	-
Other Financial Liabilities, Current	67,254	63,590	-	-
Liabilities classified as Held for Sale	4,091	-	-	-
Total Current Liabilities	105,663	94,772	2,041	1,811
Total Liabilities	150,520	139,476	2,623	2,393
Total Equity and Liabilities	221,970	212,017	76,208	76,390

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

Amount repayable in one year or less, or on demand

As at 31/03/2015		As at 30/09/2014	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
63,084	4,477	40,154	20,971

Amount repayable after one year

As at 31/03/2015		As at 30/09/2014	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
34,522	1,345	301	34,481

Details of any collateral

The above secured liabilities are secured by way of charge/legal mortgage on the leasehold properties of subsidiaries.

TECHNICS OIL & GAS LIMITED
(Company Registration Number: 200205249E)

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

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31 MARCH 2015

	Group Q2 FY2015 S\$'000	Group Q2 FY2014 S\$'000	Group 6 months 31/03/2015 S\$'000	Group 6 months 31/03/2014 S\$'000
Cash Flow From Operating Activities				
Profit/(Loss) Before Tax	1,433	(185)	1,800	149
Adjustments for:				
Amortisation of Intangible Assets	291	-	583	-
Depreciation of Property, Plant and Equipment	2,156	1,264	4,103	2,515
Interest Income	(14)	(19)	(23)	(19)
Interest Expense	1,588	277	2,441	602
Share Based Payments	25	48	97	48
Share of Profit from Equity-Accounted Associates	26	(75)	166	(298)
Gain on Disposal of Subsidiary	-	(3)	-	(3)
Loss/(Gain) on Disposal of Plant and Equipment	1	(16)	1	(16)
Foreign Exchange Adjustment (Gain)/Loss	(1,649)	(133)	(2,706)	11
Operating Cash Flows before Changes in Working Capital	3,857	1,158	6,462	2,989
Inventories	311	(83)	238	284
Trade and Other Receivables	2,275	(8,339)	3,227	(5,238)
Other Assets	(2,382)	1,126	(5,998)	(3,687)
Trade and Other Payables	566	5,743	825	9,589
Other Liabilities	(1,929)	(404)	(1,942)	(2,443)
Net Cash Flows From/(Used in) Operations	2,698	(799)	2,812	1,494
Income Tax (Paid)/Refund	(512)	70	(458)	(45)
Net Cash Flows From/(Used In) Operating Activities	2,186	(729)	2,354	1,449
Cash Flows From Investing Activities				
Purchase of Property, Plant and Equipment	(1,830)	(9,468)	(2,263)	(13,329)
Disposal of Property, Plant and Equipment	-	34	-	34
Investment in Subsidiary (Contribution from Non-Controlling Interests)	-	-	-	245
Acquisition of Subsidiary	-	(1,832)	-	(1,832)
Finance Lease Receivables	219	219	438	438
Interest Received	14	19	23	19
Net Cash Flows Used In Investing Activities	(1,597)	(11,028)	(1,802)	(14,425)
Cash Flows From Financing Activities				
Amount due from Related Parties	(4,222)	-	(2,569)	-
Purchase of Treasury Shares	(1,127)	-	(1,127)	(2,719)
Issues of Shares	-	-	-	-
Issues of Warrants	-	(20)	-	10,891
Decrease in Other Financial Liabilities	(12,965)	(1,671)	(13,157)	(6,619)
Increase from New Borrowings	13,415	7,389	16,253	7,788
Finance Lease Repayments	(47)	(10)	(101)	(20)
Cash Restricted in Use	2,378	2,209	2,369	3,793
Dividends paid to Equity Shareholders	-	-	(390)	-
Interest Paid	(1,475)	(277)	(2,316)	(602)
Net Cash Flows (Used In)/From Financing Activities	(4,043)	7,620	(1,038)	12,512

TECHNICS OIL & GAS LIMITED
(Company Registration Number: 200205249E)

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31 MARCH 2015
(CONT'D)

	Group Q2 FY2015 S\$'000	Group Q2 FY2014 S\$'000	Group 6 months 31/03/2015 S\$'000	Group 6 months 31/03/2014 S\$'000
Net Decrease in Cash and Cash Equivalents	(3,454)	(4,137)	(486)	(464)
Net Effect of Exchange Rate Changes	226	(38)	245	(3)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	5,935	5,567	2,948	1,859
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	<u>2,707</u>	<u>1,392</u>	<u>2,707</u>	<u>1,392</u>

TECHNICS OIL & GAS LIMITED
(Company Registration Number: 200205249E)

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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

STATEMENTS OF CHANGES IN EQUITY

	Total Equity	Equity attributable to Owners of the Parent, Total	Share Capital	(Accumulated losses)/ Retained Earnings	Hedging Reserve	Warrants Reserve	Foreign Currency Translation Reserve	Non- Controlling Interest
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group – Q2								
Balance at 1 January 2015	71,924	67,723	74,137	(16,065)	(1,145)	10,911	(115)	4,201
Movements in Equity:								
Total comprehensive (loss)/income for the period	653	313	-	617	(257)	-	(47)	340
Purchase of treasury shares	(1,127)	(1,127)	(1,127)	-	-	-	-	-
Balance at 31 March 2015	71,450	66,909	73,010	(15,448)	(1,402)	10,911	(162)	4,541
Balance at 1 January 2014	64,665	66,146	63,040	(7,659)	-	10,911	(146)	(1,481)
Movements in Equity:								
Total comprehensive income for the period	(167)	(200)	-	(252)	-	-	52	33
Acquisition of subsidiary	1,175	-	-	-	-	-	-	1,175
Issue of warrants	(20)	(20)	-	-	-	(20)	-	-
Transfer of treasury shares	289	289	289	-	-	-	-	-
Balance at 31 March 2014	65,942	66,215	63,329	(7,911)	-	10,891	(94)	(273)
Company – Q2								
Balance at 1 January 2015	74,376	-	74,137	(10,672)	-	10,911		
Movements in Equity:								
Total comprehensive income for the period	336	-	-	336	-	-		
Purchase of treasury shares	(1,127)	-	(1,127)	-	-	-		
Balance at 31 March 2015	73,585	-	73,010	(10,336)	-	10,911		
Balance at 1 January 2014	59,700	-	63,040	(14,251)	-	10,911		
Movements in Equity:								
Total comprehensive income for the period	413	-	-	413	-	-		
Issue of warrants	(20)	-	-	-	-	(20)		
Transfer of treasury shares	289	-	289	-	-	-		
Balance at 31 March 2014	60,382	-	63,329	(13,838)	-	10,891		

TECHNICS OIL & GAS LIMITED
(Company Registration Number: 200205249E)

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

	Total Equity	Equity attributable to Owners of the Parent, Total	Share Capital	(Accumulated losses)/ Retained Earnings	Hedging Reserve	Warrants Reserve	Foreign Currency Translation Reserve	Non- Controlling Interest
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group – 6 Months								
Balance at 1 October 2014	72,541	68,534	74,137	(15,472)	(917)	10,911	(125)	4,007
Movements in Equity:								
Total comprehensive income for the period	426	(498)	-	24	(485)	-	(37)	924
Dividend Paid	(390)	-	-	-	-	-	-	(390)
Purchase of treasury shares	(1,127)	(1,127)	(1,127)	-	-	-	-	-
Balance at 31 March 2015	71,450	66,909	73,010	(15,448)	(1,402)	10,911	(162)	4,541
Company – 6 Months								
Balance at 1 October 2013	55,938	57,633	65,759	(8,002)	-	-	(124)	(1,695)
Movements in Equity:								
Total comprehensive income for the period	126	121	-	91	-	-	30	5
Incorporation of new subsidiary	245	-	-	-	-	-	-	245
Acquisition of subsidiary	1,175	-	-	-	-	-	-	1,175
Strike-off of subsidiary	(3)	-	-	-	-	-	-	(3)
Issue of new shares	10,891	10,891	-	-	-	10,891	-	-
Purchase of treasury shares	(2,719)	(2,719)	(2,719)	-	-	-	-	-
Transfer of treasury shares	289	289	289	-	-	-	-	-
Balance at 31 March 2014	65,942	66,215	63,329	(7,911)	-	10,891	(94)	(273)
Company – 6 Months								
Balance at 1 October 2014	73,997	-	74,137	(11,051)	-	10,911	-	-
Movements in Equity:								
Total comprehensive income for the period	715	-	-	715	-	-	-	-
Purchase of treasury shares	(1,127)	-	(1,127)	-	-	-	-	-
Balance at 31 March 2015	73,585	-	73,010	(10,336)	-	10,911	-	-
Company – 6 Months								
Balance at 1 October 2013	51,119	-	65,759	(14,640)	-	-	-	-
Movements in Equity:								
Total comprehensive income for the period	802	-	-	802	-	-	-	-
Issue of new shares	10,891	-	-	-	-	10,891	-	-
Purchase of treasury shares	(2,719)	-	(2,719)	-	-	-	-	-
Transfer of treasury shares	289	-	289	-	-	-	-	-
Balance at 31 March 2014	60,382	-	63,329	(13,838)	-	10,891	-	-

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 or 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

Issue share capital

	Number of shares	Share capital (S\$'000)
As at 1 January 2015	234,932,975	74,137
Purchase of treasury shares	(1,600,000)	(1,127)
As at 31 March 2015	233,332,975	73,010

Treasury shares

	Group and Company	
	Q2 FY2015	Q2 FY2014
As at 1 January	57,000	3,997,000
Purchase of treasury shares	1,600,000	-
Transfer of treasury shares	-	(440,000)
As at 31 March	1,657,000	3,557,000

As announced on 12 December 2013, the Company has completed the renounceable non-underwritten rights issue of 89,805,082 warrants (“Warrants”) at an issue price of S\$0.125 per warrant, on the basis of 2 warrants for every 5 existing shares. Each warrant carries the right to subscribe for one new ordinary share in the capital of the Group at a price of S\$0.25 per share. On 12 December 2013, the Warrants were allotted and issued. The aforesaid Warrants were listed and quoted on the Main Board of the SGX-ST on 16 December 2013. The Warrants may be exercised on the market day immediately preceding the third anniversary of the date of issue of the Warrants (i.e. 9 December 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

The total number of issued shares excluding treasury shares as at 31 March 2015 was 233,332,975 shares. (31 March 2014: 220,968,706 shares).

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 reported on

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period ended 31 March 2015.

TECHNICS OIL & GAS LIMITED
 (Company Registration Number: 200205249E)

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.

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 unaudited financial statements have been prepared by applying policies and methods of computation consistent with those used in the preparation of the most recently audited financial statements.

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

There were no changes in accounting policies and methods of computation used in the preparation of the financial information in this announcement.

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

Earnings per ordinary share based on (loss)/profit net of tax attributable to owners of the Company:

	Group Q2 FY2015	Group Q2 FY2014	Group 6 months 31/03/2015	Group 6 months 31/03/2014
(a) Based on weighted average number of ordinary share in issue (in SGD cents)	0.26	(0.11)	0.01	0.04
Weighted average number of ordinary shares excluding treasury shares	234,316,308	220,748,706	234,624,642	221,966,706
(b) On a fully diluted basis (in SGD cents)	0.21	(0.09)	0.01	0.03
Weighted average number of ordinary shares excluding treasury shares	294,725,291	281,522,973	295,033,625	282,739,973

TECHNICS OIL & GAS LIMITED
 (Company Registration Number: 200205249E)

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 period reported on and (b) immediately preceding financial year

	31/03/2015		30/09/2014	
	Group	Company	Group	Company
Net asset value per ordinary share (in SGD cents)	28.68	31.54	29.17	31.50

The Group's net asset backing per share above has been calculated based on equity attributable to owners of the company of S\$66,909,000 and a share capital of 233,332,975 ordinary shares excluding treasury shares of 1,657,000 ordinary shares (FY2014: S\$68,534,000 and a share capital of 234,932,975 ordinary shares excluding treasury shares of 57,000 ordinary shares).

The Company's net asset backing per share above has been calculated based on equity attributable to owners of the company of S\$73,585,000 and a share capital of 233,332,975 ordinary shares excluding treasury shares of 1,657,000 ordinary shares (FY2014: S\$73,997,000 and a share capital of 234,932,975 ordinary shares excluding treasury shares of 57,000 ordinary shares).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Consolidated Statement of Comprehensive Income Review – Q2 FY2015 ended 31 March 2015

The Group's revenue increased by S\$5.78 million or 41% year-on-year ("yoy") to S\$19.92 million in the second quarter ended 31 March 2015 ("Q2 FY2015") compared to the corresponding period of the last financial year ("Q2 FY2014") due to an increase in the contributions from the subsidiaries with a higher gross profit margin of 43% as compared to 33% a year ago.

Cost of sales increased by S\$1.97 million or 21% to S\$11.40 million in Q2 FY2015 in line with the increase in revenue.

Gross profit increased by S\$3.81 million or 81% to S\$8.52 million in Q2FY2015 compared to S\$4.71 million a year ago.

The Group achieved profit after tax of S\$1.09 million before non-controlling interest for Q2 FY2015, as compared to loss after tax of S\$0.23 million in Q2 FY2014.

Operating Expenses

Finance costs increased by S\$1.31 million or 473% yoy in Q2 FY2015, mainly due to higher utilization of bank trade facilities.

The Group's administrative expenses increased by S\$1.99 million or 39% yoy in Q2 FY2015, mainly due to the newly acquired subsidiary during FY2014 and increase in property tax.

Other Gains

The Group recorded other gains of S\$2.07 million in Q2 FY2015, mainly from unrealised foreign exchange gain.

Share of (Loss)/Profit from Equity-Accounted Associates

Share of loss from associates decreased by S\$0.10 million or 135% to S\$0.03 million in Q2 FY2015 compared to share of profit from associates of S\$0.08 million a year ago.

Consolidated Statement of Comprehensive Income Review – Six Months ended 31 March 2015

The Group's revenue increased by S\$8.65 million or 29% year-on-year ("yoy") to S\$38.49 million in the six months ended 31 March 2015 ("1H FY2015") compared to the corresponding period of the last financial year ("1H FY2014") due to an increase in the contributions from the subsidiaries. Despite of the challenging conditions of the global economy, the gross profit margin in 1H FY2015 was higher at 42% as compared to 32% a year ago.

Cost of sales increased by S\$2.18 million or 11% to S\$22.36 million in 1H FY2015 in line with the increase in revenue.

Gross profit increased by S\$6.47 million or 67% to S\$16.13 million in 1H FY2015 compared to S\$9.66 million a year ago.

The Group achieved profit after tax of S\$1.20 million before non-controlling interest for 1H FY2015, as compared to S\$0.09 million in 1H FY2014.

Basic and diluted earnings per share for 1H FY2015 was 0.01 Singapore cents.

Operating Expenses

Finance costs increased by S\$1.84 million or 305% yoy in 1H FY2015, mainly due to higher utilization of bank trade facilities.

The Group's administrative expenses increased by S\$4.40 million or 45% yoy in 1H FY2015 mainly due to the newly acquired subsidiary during FY2014 and increased in property tax.

Other Gains

The Group recorded other gains of S\$3.45 million in 1H FY2015, mainly from unrealised foreign exchange gain.

Share of (Loss)/Profit from Equity-Accounted Associates

Share of loss from associates decreased by S\$0.46 million or 156% yoy in 1H FY2015, mainly due to better performance of the associates.

Statement of Financial Position Review (as at 31 March 2015 compared to 30 September 2014)

Cash and Cash Equivalent

Cash and cash equivalent decreased by S\$2.23 million or 26% to S\$6.45 million as at 31 March 2015 from S\$8.68 million as at 30 September 2014.

Other Assets

Other assets increased by S\$2.08 million or 13% to S\$18.51 million as at 31 March 2015 compared to S\$16.43 million as at 30 September 2014.

Trade and Other Receivables

Trade and other receivables decreased by S\$0.20 million or 0.5% to S\$36.95 million as at 31 March 2015 compared to S\$37.15 million as at 30 September 2014 due to decrease in progress billings milestone.

Property, Plant & Equipment

Property, plant & equipment decreased by S\$1.01 million or 0.8% to S\$130.29 million as at 31 March 2015 from S\$131.30 million as at 30 September 2014 mainly due to the capitalization of equipment for the leasing business.

Other Financial Liabilities

Other financial liabilities increased by S\$5.68 million or 6% to S\$102.38 million as at 31 March 2015 from S\$96.71 million as at 30 September 2014 was mainly due to higher utilization of bank trade facilities.

Trade and Other Payables

Trade and other payables increased by S\$4.68 million or 19% to S\$29.28 million as at 31 March 2015 from S\$24.60 million as at 30 September 2014.

Assets/(Liabilities) Classified as Held for Sales

Assets/(liabilities) classified as held for sale relates to the proposed disposal of Vina Offshore Engineering Co., Ltd as pursuant to the announcement made on 9 February 2015.

Gearing Ratio

The gearing ratio (total debts / net tangible assets) has increased from 1.45 as at 30 September 2014 to 1.55 as at 31 March 2015 due to the increase in equity.

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

No profit forecast or profit guarantee has been issued for the period under review.

10. A commentary at the date of the announcement of the 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

Project schedules are typically subject to changes that could be due to various factors, e.g. customers requesting variations to original project specifications, or adjustment to shipment schedules by overseas manufacturers of major equipment, notably premium-branded engines of non-standard specifications.

Our customers, who are mainly, oil and gas majors, leading FPSO operators and end-users, maintain longer term perspectives on their operation requirements that are not affected by the fluctuation of oil prices. Hence, they are continuing with the previously agreed schedules for the delivery of contracts awarded to us.

Pipeline projects within the regional market for which the Group has already submitted proposals, or is continuing to follow up with prospective customers, are proceeding and indicative timelines are remaining on-track.

Nevertheless, given the extent of the global credit crunch that has impacted the world's major economies; the Group remains alert on new challenges that may arise in its external environment.

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/recommendeded, a statement to that effect

Not applicable.

13. If the Group has obtained a general mandate from shareholders of 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 Person Transactions.

14. Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual

The Directors hereby confirm that, to the best of their knowledge, nothing has come to the attention of Board of directors which may render the interim financial statement for the second quarter ended 31 March 2015 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

**ROBIN TING YEW SUE
EXECUTIVE CHAIRMAN
8 MAY 2015**