

FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS

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

	THE GROUP		
	From 1 Apr 2013 to 31 Mar 2014 US\$'000	From 1 Jan 2012 to 31 Mar 2013 US\$'000 (restated)	Increase/ (Decrease) %
Revenue	350,788	116,195	201.9%
Cost of sales	(233,773)	(83,190)	181.0%
Gross profit	<u>117,015</u>	<u>33,005</u>	254.5%
Other operating income	11,135	2,080	435.3%
Administrative expenses	(21,865)	(21,929)	-0.3%
Finance costs	(5,213)	(6,437)	-19.0%
Share of net profit/(loss) of associates	7,182	(8,436) (A)	NM
Share of net (loss)/profit of joint venture	(13)	16	NM
Profit/(loss) before income tax	<u>108,241</u>	<u>(1,701)</u>	NM
Income tax expense	(6,120)	(694)	781.8%
Profit/(loss) for the year/period	<u><u>102,121</u></u>	<u><u>(2,395)</u></u>	NM
Profit/(loss) for the year/period attributable to:			
Owners of the Company	60,768	(2,984)	NM
Non-controlling interests	41,353	589	6920.9%
Profit/(loss) for the year/period	<u><u>102,121</u></u>	<u><u>(2,395)</u></u>	NM
(a) (ii) Statement of Comprehensive income			
Profit/(loss) for the year/period	102,121	(2,395)	NM
Other comprehensive income :			
Foreign currency translation of foreign entities	(37)	245	NM
Total comprehensive income for the year/period	<u><u>102,084</u></u>	<u><u>(2,150)</u></u>	NM
Total comprehensive income attributable to :			
Owners of the Company	60,744	(2,825)	NM
Non-controlling interests	41,340	675	6024.4%
Total comprehensive income for the year/period	<u><u>102,084</u></u>	<u><u>(2,150)</u></u>	NM

NM: Not meaningful

Note (A):

Adjustments have been made to prior year's share of profit/(loss) on associates pursuant to the Company associate, CH Offshore Ltd making the allowance of doubtful trade debts of US\$43.95 million in its full year results announcement on 5 Aug 2013.



1(a)(ii) Profit before income tax is arrived at after charging / (crediting):-

	THE GROUP	
	From 1 Apr 2013 to 31 Mar 2014 US\$'000	From 1 Jan 2012 to 31 Mar 2013 US\$'000 (restated)
Depreciation	13,885	15,417
Exchange loss/(gain) - net	(11)	890
Interest expense	5,251	6,508
Interest income	(34)	(32)
Allowance for doubtful trade debts	3,564	1,167
Trade debts written off	-	1
Gain on bargain purchase	(7)	-
Loss on disposal of joint venture	4	-
(Gain) on disposal of property, plant and equipment	(7,263)	(5)
Change in fair value of derivative financial instrument	(38)	(71)

FALCON ENERGY GROUP LIMITED

Registration No. 200403817G



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

	THE GROUP			THE COMPANY		
	31.03.2014 US\$'000	31.03.2013 US\$'000 (restated)	Note	1.1.2012 US\$'000	31.03.2014 US\$'000	31.03.2013 US\$'000
ASSETS						
Current assets						
Cash and bank balances	46,928	15,890		14,512	3,226	833
Trade receivables	112,463	24,571		33,198	-	-
Other receivables	56,161	51,368		28,176	189,989	172,925
Inventories	1,416	1,024		591	-	-
Total current assets	216,968	92,853		76,477	193,215	173,758
Non-current assets						
Other receivables	2,125	8,511		8,340	-	6,342
Property, plant and equipment	227,953	186,010		166,348	6,583	6,708
Intangible assets	2,257	2,022		1,853	-	-
Investment in subsidiaries	-	-		-	176,552	190,274
Associates	102,332	98,442	(B)	115,217	-	-
Joint ventures	22,191	16		-	22,183	-
Available-for-sale investment	1,049	-		-	1,049	-
Deferred tax assets	325	251		96	-	-
Total non-current assets	358,232	295,252		291,854	206,367	203,324
Total assets	575,200	388,105		368,331	399,582	377,082
LIABILITIES AND EQUITY						
Current liabilities						
Trade payables	91,177	7,890		7,668	-	-
Other payables	32,589	16,215		16,724	94,469	91,888
Finance leases	172	124		138	19	-
Borrowings	52,105	49,444		41,833	656	1,107
Derivative financial liability	8	46		117	-	-
Income tax payable	1,381	1,024		1,429	43	24
Total current liabilities	177,432	74,743		67,909	95,187	93,019
Non-current liabilities						
Finance leases	417	297		425	72	-
Borrowings	125,476	97,601		89,339	2,546	3,307
Other payables	7,520	20,115		13,205	-	-
Deferred tax liabilities	5,128	44		15	-	-
Total non-current liabilities	138,541	118,057		102,984	2,618	3,307
Capital and reserves						
Share capital	229,519	225,844		225,826	229,519	225,844
Treasury shares	(1,727)	-		-	(1,727)	-
Share option reserve	639	639		639	639	639
Merger reserve	(151,692)	(151,692)		(151,692)	-	-
Capital reserve	11,824	-		-	11,824	-
Warrants reserve	-	12,534		12,535	-	12,534
Foreign currency translation reserve	(327)	(303)		(462)	-	-
Accumulated profits	153,529	99,200		102,184	61,522	41,739
Equity attributable to owners of the Company	241,765	186,222		189,030	301,777	280,756
Non-controlling interests	17,462	9,083		8,408	-	-
Total equity	259,227	195,305		197,438	301,777	280,756
Total liabilities and equity	575,200	388,105		368,331	399,582	377,082



Note (B):

Adjustments have been made to prior year's balance with Associates pursuant to the Company associate, CH Offshore Ltd making the allowance of doubtful trade debts of US\$43.95 million in its full year results announcement on 5 Aug 2013. Comparative figures have been adjusted to conform with the current year's presentation.

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

	THE GROUP			
	As at 31/3/2014		As at 31/3/2013	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Amount repayable in one year or less, or on demand	52,112	165	48,054	1,514
Amount repayable after one year	125,893	-	97,730	168
Total	178,005	165	145,784	1,682

Details of any collateral:

- 1) The Group's borrowings are secured by:
 - i) corporate guarantee from Company and certain subsidiary;
 - ii) legal mortgages over the relevant property;
 - iii) legal mortgages over certain vessels of the Group;
 - iv) certain fixed deposits and bank balances;
 - v) assignment of certain vessels' charter- hire- income and insurance policies, and
 - vi) pledge of an associates' shares.

- 2) Obligations under finance lease are secured by the lessor's charge over the leased assets.

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

	THE GROUP	
	From 1 Apr 2013 to 31 Mar 2014 US\$'000	From 1 Jan 2012 to 31 Mar 2013 US\$'000 (restated)
Cash flows from operating activities		
Profit before income tax	108,241	(1,701)
Adjustments for:		
Depreciation	13,885	15,417
Interest expense	5,251	6,508
Interest income	(34)	(32)
Allowance for doubtful trade debts	3,564	1,167
Trade debts written off	-	1
Share of net profit of associates	(7,182)	8,436
Share of net loss/(profit) of joint ventures	13	(16)
Changes in fair value of derivative financial instrument	(38)	(71)
Gain on bargain purchase	(7)	-
Loss on disposal of a joint venture	4	-
(Gain) on disposal of property, plant and equipment	(7,263)	(5)
Exchange difference	14	(106)
Operating cash flows before movements in working capital	<u>116,448</u>	<u>29,598</u>
Inventories	(392)	(433)
Trade receivables	(91,457)	7,460
Other receivables	5,395	(23,363)
Trade payables	80,507	222
Other payables	16,935	3,791
Cash generated from operations	<u>127,436</u>	<u>17,275</u>
Income tax paid	(752)	(1,225)
Net cash generated from operating activities	<u>126,684</u>	<u>16,050</u>
Cash flows from investing activities		
Interest received	34	32
Payment for investment in joint venture	(8)	-
Payment for investment in available-for-sale	(1,049)	-
Purchases of property, plant and equipment	(C) (78,262)	(39,210)
Payments for intangible assets	(235)	(169)
Dividend from associates	3,291	8,339
Proceeds from disposal of property, plant and equipment	(D) 1,650	10
Net cash inflow from acquisition of a subsidiary	(E) 66	-
Net cash used in investing activities	<u>(74,513)</u>	<u>(30,998)</u>
Cash flows from financing activities		
Interest paid	(5,251)	(6,508)
Share buy-back	(1,727)	-
Dividends paid	(6,439)	-
Dividends paid to non-controlling shareholders by subsidiaries	(32,961)	-
Fixed deposit and bank balances pledged	(3,335)	(1,579)
Repayment of finance lease	(168)	(142)
Proceeds from exercise of share options	-	17
Exercise of warrants	2,965	1
(Repayment to)/advance from related parties	(D) (8,078)	6,860
Repayment of borrowings	(40,861)	(93,377)
Proceeds of borrowings	71,397	109,250
Net cash (used in)/generated from financing activities	<u>(24,458)</u>	<u>14,522</u>



THE GROUP	
From 1 Apr 2013 to 31 Mar 2014 US\$'000	From 1 Jan 2012 to 31 Mar 2013 US\$'000 (restated)
Net increase/(decrease) in cash and cash equivalents	27,713 (426)
Effect of exchange rate changes	(9) 225
Cash and cash equivalents at beginning of the year	12,896 13,097
Cash and cash equivalents at end of year/period	40,600 12,896

Cash and cash equivalents represent:

Bank and cash balance	45,993	14,794
Fixed deposits	935	1,096
	46,928	15,890
Less : fixed deposits and bank balances pledged	(6,328)	(2,994)
Cash and cash equivalents in statement of cash flows	40,600	12,896

Note (C): Purchase of property, plant and equipment

During the financial year, the Group purchased property, plant and equipment with an aggregate cost of US\$336,000 which was under finance lease arrangement.

Note (D) : Proceeds from disposal of property, plant and equipment

During the financial year, the sales proceeds from the disposal of property, plant and equipment amounting to US\$28,385,000 remained outstanding as at the end of the reporting period and was included in advances to related parties.

Note (E) : Acquisition of a subsidiary

The Group completed the acquisition of the interest in Aset Marine Pte Ltd in October 2013. The net assets acquired in the transaction based on unaudited management accounts for the financial period ended 30 September 2013 are as follows:

	US\$'000
Property, plant and equipment	43
Other receivables	3,804
Cash and cash equivalents	66
Trade payables	(2,780)
Other payables	(1,126)
	7
Gain on bargain purchase	(7)
Total consideration, satisfied by cash	*
Net cash inflow from acquisition	66

* amount less than US\$1,000

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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.

	Share capital	Treasury shares	Warrant reserve	Capital reserve	Share option reserve	Merger reserve	Foreign currency translation reserve	Accumulated profits	Total attributable to owners of the Company	Non-controlling interests	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
THE GROUP											
Balance as at 1 January 2012	225,826	-	12,535	-	639	(151,692)	(462)	102,184	189,030	8,408	197,438
Total comprehensive income as previously reported	-	-	-	-	-	-	159	9,792	9,951	675	10,626
Prior year adjustments								(12,776)	(12,776)	-	(12,776)
As restated	-	-	-	-	-	-	159	(2,984)	(2,825)	675	(2,150)
Exercise of share option	17	-	-	-	-	-	-	-	17	-	17
Transfer to share capital pursuant to exercise of warrants	1	-	(1)	-	-	-	-	-	-	-	-
Balance as at 31 March 2013 (restated)	225,844	-	12,534	-	639	(151,692)	(303)	99,200	186,222	9,083	195,305
Total comprehensive income for the year	-	-	-	-	-	-	(24)	60,768	60,744	41,340	102,084
Exercise of warrants	2,965	-	-	-	-	-	-	-	2,965	-	2,965
Transfer to share capital pursuant to exercise of warrants	710	-	(710)	-	-	-	-	-	-	-	-
Transfer to capital reserve pursuant to the expiry of warrants	-	-	(11,824)	11,824	-	-	-	-	-	-	-
Share buy-back	-	(1,727)	-	-	-	-	-	-	(1,727)	-	(1,727)
Dividends paid	-	-	-	-	-	-	-	(6,439)	(6,439)	(32,961)	(39,400)
Balance as at 31 March 2014	229,519	(1,727)	-	11,824	639	(151,692)	(327)	153,529	241,765	17,462	259,227



	Share capital US\$'000	Treasury shares US\$000	Capital reserve US\$000	Warrants Reserve US\$'000	Share option reserve US\$'000	Accumulated profits US\$'000	Total US\$'000
THE COMPANY							
Balance as at 1 January 2012	225,826	-	-	12,535	639	45,447	284,447
Total comprehensive income for the period	-	-	-	-	-	(3,708)	(3,708)
Issue of shares pursuant to exercise of share options	17	-	-	-	-	-	17
Exercise of warrants	1	-	-	(1)	-	-	-
Balance as at 31 March 2013	225,844	-	-	12,534	639	41,739	280,756
Total comprehensive income for the period	-	-	-	-	-	26,222	26,222
Exercise of warrants	2,965	-	-	-	-	-	2,965
Transfer to share capital pursuant to exercise of warrants	710	-	-	(710)	-	-	-
Transfer to capital reserve pursuant to the expiry of warrants	-	-	11,824	(11,824)	-	-	-
Share buy-back	-	(1,727)	-	-	-	-	(1,727)
Dividends paid	-	-	-	-	-	(6,439)	(6,439)
Balance as at 31 March 2014	229,519	(1,727)	11,824	-	639	61,522	301,777



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 issue, as at the end of the current financial periods reported on and as at the end of the corresponding period of the immediately preceding financial year.

	No of shares	
	31.3.2014	31.3.2013
Issued and fully paid ordinary shares		
Balance at the beginning of the financial year	814,193,170	814,140,170
Exercise of warrants	9,222,339	3,000
Issue of shares pursuant to exercise of share options	-	50,000
Balance at the end of the financial year	823,415,509	814,193,170

The Company has 81,998,638 numbers of outstanding bonus warrants as at 31 March 2014 which was issued during the financial period. Each bonus warrant carrying the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of S\$0.43 per share.

Share buy-backs

Pursuant to a share purchase mandate ("Share Purchase Mandate") approved by shareholders on 30 July 2013, the Company purchased a total of 5,820,000 shares by way of on-market purchase for the year ended 31 March 2014. The repurchased shares are held as "Treasury Shares".

The number of share options outstanding as at 31 March 2014 was 4,550,000 shares (31 March 2013: 4,550,000 shares).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares excluding treasury shares as at 31 March 2014 was 817,595,509 (31 March 2013: 814,193,170).

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

The movement of treasury shares is as follows:

	No of shares
Balance as at 1 April 2013	-
Purchase of treasury shares	5,820,000
Balance as at 31 March 2014	5,820,000

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

The figures have neither been audited nor reviewed by the Company's auditors.

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

Not applicable.

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

The Group has adopted all the new and revised Singapore Financial Reporting Standards ("FRSs"), Interpretations of FRS ("INT FRSs") that are relevant to its operations and effective for annual periods beginning on or after April 1, 2013. The adoption of the new/revised FRSs, INT FRSs and amendments to FRSs has no material effect on the financial statements.

5. If there were 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.

	THE GROUP	
	For the 12 months ended 31 Mar 2014 US cents	For the 15 months ended 31 Mar 2013 US cents (restated)
Earnings per ordinary share ("EPS") for the period/year		
(a) Basic EPS	7.45	-0.37
(b) On a fully diluted EPS	# 7.45	-0.30

Notes:

- (i) Basic EPS for the financial year ended 31 March 2014 was computed by dividing the Group's net profit attributable to owners of the Company by the weighted average number of 815,580,891 shares issued.
- (ii) Basic EPS for the financial period ended 31 March 2013 was computed by dividing the Group's net profit attributable to owners of the Company by the weighted average number of 814,146,385 shares issued.
- (iii) Diluted EPS for the financial year ended 31 March 2014 was computed by dividing the Group's net profit attributable to owners of the Company by the weighted average number 815,580,891 shares issued.
- (iv) Diluted EPS for the financial period ended 31 March 2013 was computed by dividing the Group's net profit attributable to owners of the Company by the weighted average number of 981,521,395 shares issued.

the options and the warrants are "out-of-money" as at 31 March 2014 and 31 March 2013

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.

	THE GROUP		THE COMPANY	
	As at 31/03/2014 US cents	As at 31/03/2013 US cents (restated)	As at 31/03/2014 US cents	As at 31/03/2013 US cents
Net asset value ("NAV") per ordinary share based on issued share capital excluding treasury shares as at end of the period reported on	29.57	22.87	36.91	34.48

Notes:

The Group's and the Company's NAV per ordinary share as at 31 March 2014 and 31 March 2013 have been computed based on the share capital of 817,595,509 and 814,193,170 shares respectively.



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.

The Group had announced the change of its financial year end from 31 December to 31 March on 19 October 2012. Hence, the results for the current financial period reported on covers twelve months from 1 April 2013 to 31 March 2014 as compared to the previous fifteen months from 1 January 2012 to 31 March 2013.

The Group recorded an increase in revenue by 201.9% or approximately US\$234.59 million from US\$116.20 million for the fifteen months ended 31 March 2013 ("**FP 2013**") to US\$350.79 million for the twelve months ended 31 March 2014 ("**FY 2014**"). Revenue from Marine, Oilfield Services, Oilfield Projects and Drilling Division were US\$70.54 million (20.1%), US\$143.04 million (40.8%), US\$8.77 million (2.5%) and US\$128.44 million (36.6%) respectively.

Revenue from Marine Division increased by US\$17.21 million from US\$53.33 million in FP 2013 to US\$70.54 million in FY 2014 and due mainly to more vessels being deployed as compared to FP 2013.

Revenue from Oilfield Services Division increased by approximately US\$96.93 million from US\$46.11 million to US\$143.04 million in FY 2014 and due mainly to the several procurement contracts secured in 2Q 2014 and the increase in provision of project sundry services.

Revenue from Oilfield Projects Division decreased from US\$16.75 million to US\$8.77 million in FY 2014.

Revenue from Drilling Division of US\$128.44 million was mainly the income derived from the disposal of two jack-up rigs.

As a result of the additional revenue contribution from Drilling and Oilfield Services Division, the Group's gross profit increased substantially by US\$84.01 million from US\$33.01 million in FP 2013 to approximately US\$117.02 million in FY 2014.

Gross profit margin for Marine Division improved marginally from 28.5% to 32.1% while the gross profit margin for Oilfield Services Division decreased marginally from 17.5% to 14.1%. Gross profit margin for Oilfield Projects Division decreased from 58.3% to 25.6% due to lower revenue and the gross profit margin for Drilling Division was 56.1%.

The above factors resulted in the increase in Group's average gross profit margin from 28.4% to 33.4% in FY 2014.

Other operating income increased by US\$9.06 million and was due primarily to the one-off gain on disposal of fixed assets and the increase in the provision of vessels' sundry supplies.

Administrative expenses decreased from US\$21.93 million in FP 2013 to US\$21.87 million in FY 2014. The administrative expenses in FY 2014 and FP 2013 included an amount of US\$3.56 million and US\$1.17 million respectively for the allowance of trade doubtful debts. In excluding this one-off allowance, the administrative expenses in FY 2014 would be US\$18.31 million.

Finance costs decreased by approximately US\$1.23 million from US\$6.44 million in FP 2013 to US\$5.21 million in FY 2014 and was due mainly the additional three months covered in FP 2013.

Share of net profit of associates increased by US\$15.62 million from a loss of US\$8.44 million in FP 2013 to a profit of US\$7.18 million in FY 2014 and was due mainly to the allowance of doubtful debts of US\$12.78 million taken up in FP 2013.

In view of the foregoing, the Group generated a profit before tax of approximately US\$108.24 million in FY 2014.

The income tax of approximately US\$6.12 million was the provision of tax expenses for Oilfield Services and Drilling Division. No provision for tax expense had been made in respect of the income in Marine, Oilfield Projects Division as such income derived from outside Singapore was tax exempt.

Statement of financial position and Statement of cash flow

Adjustments have been made to prior year's balance with Associates pursuant to the Company's Associates, CH Offshore Ltd making the allowance of doubtful trade debts of US\$43.95 million in its results announcements on 5 August 2013. Comparative figures have been adjusted to conform with the current year's presentation.

Non-current assets increased by approximately US\$62.98 million from US\$295.25 million as at 31 March 2013 to US\$358.23 million as at 31 March 2014. The increase was due mainly to the increase in property, plant and equipment, joint venture and associates and after partial set-off against a decrease in other receivables. The increase in property, plant and

equipment was due mainly to the purchase of new vessels and office premises as well as the capitalization of vessels' modification costs.

Current assets increased by US\$124.12 million from US\$92.85 million as at 31 March 2013 to US\$216.97 million as at 31 March 2014. The increase in current assets was attributable to higher trade and other receivables and cash and bank balances.

The increase in trade receivables was due mainly to the expansion of business activities in Oilfield Services Division.

Non-current liabilities increased from US\$118.06 million to US\$138.54 million in 31 March 2014 and were due mainly to the increase in borrowings after partial set-off against the decrease in other payables.

Current liabilities increased by approximately US\$102.69 million from US\$74.74 million as at 31 March 2013 to US\$177.43 million. The increase was due primarily to the increase in trade and other payables and borrowings.

During the period under review, the Group procured new term loans for the expansion of business activities. This accounted for an increase in total bank borrowings of approximately US\$30.54 million as at 31 March 2014.

The Group generated an approximate net cash flow of US\$126.68 million from operating activities. Net cash flow used in investing activities amounting to US\$74.51 million was mainly for the acquisition of property, plant and equipment and after partial set-off against dividends received from associates and proceeds from disposal of fixed assets. Net cash flow used in financing activities of approximately US\$24.46 million was mainly for the dividend payments and repayment of existing loans after setting off against the draw-down of new term loans.

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

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Marine Division is expected to benefit from firm charter rates, improved utilisation and longer term contracts for its diversified fleet of accommodation work barges and production support vessels. The Marine Division is expected to add to its fleet of vessels to enhance the range of services it offers to clients.

The demand for newer jack-up rigs equipped with the latest technology and safety features remains strong. The Drilling Division will be further developed to capitalise on this strong demand. Through a consortium in which the Group owns a 25% beneficiary interest, it has to date, placed an order for 5 jack-up rigs. These include one Super B Class jack-up rig from Keppel Corporation and four GustoMSC CJ50 jack-up rigs from China Shipbuilding Industry Corporation. The expected date of delivery of the 5 jack-up rigs is from mid-2015 to mid-2016.

The Oilfield Services Division and the Oilfield Projects Division are expected to continue to generate stable income. The Oilfield Services Division and the Oilfield Projects Division are expected to benefit from the construction of the Drilling Division's oil rigs as they provide engineering services and supply of materials and equipment to the rig construction projects.

The Resources Division will complement the Group's energy-related businesses. The growing Asian economies' consumption of electrical power is expected to continue its strong growth, and the demand for Thermal Coal as the input for power generation is expected to be maintained. The Resources Division has accumulated Coal reserves at good valuations and is expected to start production this year.

The Group continues to lay the foundation for long term sustainable growth by focusing on its core Marine businesses while expanding actively in other synergistic and Energy-related business segments.

Barring any unforeseen circumstances, the Group expects to be profitable for the financial year ending 31 March 2015.



11. Dividend

(a) Current financial period reported on

Any dividend declared for the current financial period reported on?

Yes

Name of Dividend	Proposed Final
Dividend Type	Cash
Dividend Amount	S\$0.01 per ordinary share
Tax Rate	One-tier tax exempt

(b) Corresponding period of the immediately preceding financial year

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

Yes

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount	S\$0.005 per ordinary share
Tax Rate	One-tier tax exempt

(c) Date payable

To be advised at a later date

(d) Book closure date

To be advised at a later date

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

Not applicable

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 did not obtain a general mandate from shareholders for Interested Person Transactions.

Interested Person Transactions

Name of Interested Person	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)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	US\$'000	US\$'000
CDS International Forwarding (TianJin) Co Ltd ⁽¹⁾		
- sales of services	113	-
Cai Wenxing ⁽²⁾		
- rental of premises	298	-

Note :

- (1) *Mr Cai Wenxing is a Director of the Company. He holds 70% of the equity interest in CDS International Forwarding (TianJin) Co Ltd.*
- (2) *Mr Cai Wenxing is a director of the Company.*

PART 2 – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14. 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.

Segment information about the Group's operations is presented below:

	Marine US\$'000	Oilfield services US\$'000	Projects services US\$'000	Resouces US\$'000	Drilling US\$'000	Corporate US\$'000	Elimination US\$'000	Total US\$'000
BUSINESS SEGMENT								
<u>1 Apr 2013 to 31 Mar 2014</u>								
Revenue								
External sales	70,542	143,035	8,774	-	128,437	-	-	350,788
Inter-segment sales	15,698	5,124	-	-	-	-	(20,822)	-
Total revenue	<u>86,240</u>	<u>148,159</u>	<u>8,774</u>	<u>-</u>	<u>128,437</u>	<u>-</u>	<u>(20,822)</u>	<u>350,788</u>
Results								
Segment result	<u>28,276</u>	<u>15,652</u>	<u>(436)</u>	<u>(1,205)</u>	<u>66,607</u>	<u>(2,643)</u>	<u>-</u>	<u>106,251</u>
Share of net profit of associates								7,182
Share of net loss of joint venture								(13)
Interest income	5	8	-	-	11	10	-	34
Finance costs	(4,777)	(243)	-	-	(98)	(95)	-	(5,213)
Profit before income tax								<u>108,241</u>
Income tax expense								<u>(6,120)</u>
Profit for the year								<u>102,121</u>
<u>1 Jan 2012 to 31 Mar 2013 (restated)</u>								
Revenue								
External sales	53,334	46,110	16,751	-	-	-	-	116,195
Inter-segment sales	-	4,148	-	-	-	-	(4,148)	-
Total revenue	<u>53,334</u>	<u>50,258</u>	<u>16,751</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,148)</u>	<u>116,195</u>
Results								
Segment result	<u>9,799</u>	<u>4,032</u>	<u>5,998</u>	<u>(1,603)</u>	<u>(804)</u>	<u>(4,298)</u>	<u>-</u>	<u>13,124</u>
Share of net loss of associates								(8,436)
Share of net profit of joint venture								16
Interest income	4	21	-	-	-	7	-	32
Finance costs	(4,431)	(141)	-	(1)	-	(1,864)	-	(6,437)
Profit before income tax								<u>(1,701)</u>
Income tax expense								<u>(694)</u>
Profit for the period								<u>(2,395)</u>
Assets and liabilities								
<u>31 March 2014</u>								
Segment assets	<u>378,978</u>	<u>128,299</u>	<u>13,603</u>	<u>5,848</u>	<u>15,195</u>	<u>33,277</u>	<u>-</u>	<u>575,200</u>
Segment liabilities	<u>195,523</u>	<u>90,125</u>	<u>11,091</u>	<u>214</u>	<u>10,143</u>	<u>8,877</u>	<u>-</u>	<u>315,973</u>
<u>31 March 2013 (restated)</u>								
Segment assets	<u>286,066</u>	<u>28,286</u>	<u>15,257</u>	<u>4,537</u>	<u>39,707</u>	<u>14,252</u>	<u>-</u>	<u>388,105</u>
Segment liabilities	<u>149,335</u>	<u>8,960</u>	<u>8,386</u>	<u>219</u>	<u>21,057</u>	<u>4,843</u>	<u>-</u>	<u>192,800</u>



	Marine US\$'000	Oilfield services US\$'000	Projects services US\$'000	Resouces US\$'000	Drilling US\$'000	Unallocated US\$'000	Total US\$'000
31 March 2014							
Capital additions	64,215	13,854	1	321	9	198	78,598
Depreciation of property, plant and equipment	12,422	1,105	1	31	2	324	13,885
Allowance for doubtful trade receivables	996	597	1,971	-	-	-	3,564
31 March 2013							
Capital additions	29,866	4,816	2	225	2	49	34,960
Depreciation of property, plant and equipment	13,854	1,104	4	37	1	416	15,416
Allowance for doubtful trade receivables	143	376	648	-	-	-	1,167

Geographical segments

The Group's operations are located in Asia, America, Middle East and others. The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods/services.

	Revenue US\$'000	Non-current assets * US\$'000
1 April 2013 to 31 March 2014 (12 months)		
Asia ⁽¹⁾	126,799	93,834
Indonesia	53,397	98,235
Mexico	11,690	835
Middle East ⁽³⁾	17,969	3
Singapore	140,933	39,428
Total	350,788	232,335
1 January 2012 to 31 March 2013 (15 months)		
Asia ⁽¹⁾	45,197	63,842
Indonesia	21,294	96,771
Mexico	7,108	982
Middle East ⁽³⁾	16,087	1
Singapore	26,509	34,947
Total	116,195	196,543

** exclude associates and joint ventures

(1) Asia includes India, Thailand, Malaysia, China, Australia and Korea, Hong Kong and Myanmar

(2) Middle East includes United Arab Emirates, Iran and Oman

Information about major customers

Revenue from the largest customer per segment is as follows:

	THE GROUP	
	31 March 2014 US\$'000	31 March 2013 US\$'000
Marine	18,055	10,990
Oilfield services	69,925	16,642
Projects services	8,030	10,032
Drilling services	64,218	-

15. 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 paragraph 8 for the review.

16. A breakdown of sales

	THE GROUP		
	Year ended 31 March 2014 (12 months) US\$'000	Period ended 31 March 2013 (15 months) US\$'000 (restated)	Increase/ Decrease %
(a) Sales reported for first half year	209,672	52,354	300%
(b) Operating profit after tax reported for first half year	72,478	3,357	2059%
(c) Sales reported for second half year/second nine months	141,116	63,841	121%
(d) Operating profit after tax reported for second half year/second nine months	29,643	(5,752)	-615%

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

	THE GROUP	
	Financial year ended 31 March 2014	Period ended 31 March 2013
	S\$'000	S\$'000
Ordinary	12,276	4,071
Preference	-	-
Total	12,276	4,071

The proposed one-tier final dividend for the financial year ended 31 March 2014 of S\$0.01 per share is subject to the approval of shareholders at the forthcoming Annual General Meeting.

18. Disclosure of person occupying a managerial position in the issuer of 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 or chief executive officer of substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Wong Tshun Wah, Kingsley	40	1) Spouse of Cai Wenting, the Alternate Director to Cai Wenxing 2) Brother-in-law of Cai Wenxing, director of the Company	Regional General Manager, (Middle East) of Longzhu Oilfield (S) Pte Ltd ("Longzhu"), a subsidiary of the Company. Mr Wong is responsible for overall management and business development of Longzhu. Position held since 2009	NA
Lim Tze Kern	35	Nephew of Neo Chin Lee, director of the Company	Regional General Manager of Asetanian Marine Pte Ltd ("Asetanian"), a subsidiary of the Company. Mr Lim is responsible for Commercial of Asetanian and overall operation of its subsidiary Aset Marine Pte Ltd . Position held since 2013	NA

BY ORDER OF THE BOARD

Tan Pong Tyea
Chairman and Chief Executive Officer

28 May 2014