ASL MARINE HOLDINGS LTD.
(Incorporated in the Republic of Singapore)
Co. Reg. No. 200008542N

UNAUDITED QUARTERLY FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 31 MARCH 2019

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 31 March			9 months ended 31 March		
	3Q FY2019 $'000	3Q FY2018 (restated)^ $'000	Inc/ (Dec) %	9M FY2019 $'000	9M FY2018 (restated)^ $'000	Inc/ (Dec) %
Revenue	88,890	71,840	23.7	249,575	185,001	34.9
Cost of sales	(81,752)	(69,418)	17.8	(238,630)	(174,772)	36.5
Gross profit	**7,138**	**2,422**	**194.7**	**10,945**	**10,229**	**7.0**
Other operating income	1,137	2,617	(56.6)	2,928	7,096	(58.7)
Administrative expenses	(6,683)	(4,643)	43.9	(17,871)	(14,725)	21.4
Other operating expenses	(3,418)	(465)	635.1	(5,013)	(920)	444.9
Finance costs	(4,699)	(5,712)	(17.7)	(15,375)	(16,931)	(9.2)
Share of results of joint ventures and associates	(850)	(526)	61.6	(275)	(3,220)	(91.5)
Loss before tax	**(7,375)** +	**(6,307)**	16.9	**(24,661)**	**(18,471)**	33.5
Tax expense	(718)	(671)	7.0	(1,066)	(1,793)	(40.5)
Loss for the period	**(8,093)**	**(6,978)**	**16.0**	**(25,727)**	**(20,264)**	**27.0**
Attributable to:						
Owners of the Company	**(7,431)**	**(6,527)**	**13.9**	**(24,439)**	**(19,116)**	**27.8**
Non-controlling interests	(662)	(451)	46.8	(1,288)	(1,148)	12.2
	(8,093)	**(6,978)**	**16.0**	**(25,727)**	**(20,264)**	**27.0**
Adjusted EBITDA* for the period	**13,217**	**17,538**	**(24.6)**	**37,904**	**48,221**	**(21.4)**

Nm: Not meaningful

* Adjusted EBITDA is computed based on earnings of the Company and its subsidiaries before interests, tax, depreciation, amortisation, and after adjusted for the add back of allowance for impairment of doubtful debts, impairments, write-offs and any other non-cash flow items.

^ Restated pursuant to adoption of new accounting standards. For details, please refer to item 5 of this results announcement.

+ Significant losses came from certain one-off events. For details, please refer to Page 22 of this results announcement.

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 31 March			9 months ended 31 March		
	Note	3Q FY2019 $'000	3Q FY2018 (restated) $'000	Inc/ (Dec) %	9M FY2019 $'000	9M FY2018 (restated) $'000	Inc/ (Dec) %
Loss for the period		**(8,093)**	**(6,978)**	**16.0**	**(25,727)**	**(20,264)**	**27.0**
Items that may be reclassified subsequently to profit or loss:							
Translation differences relating to financial statements of foreign subsidiaries, net of tax	(i)	188	(954)	(119.7)	573	(3,043)	(118.8)
Share of other comprehensive income of joint ventures and associates		35	-	Nm	31	(225)	(113.8)
Net fair value changes to cash flow hedges	(ii)	-	-	-	-	(11)	(100.0)
Items that will not be reclassified subsequently to profit or loss:							
Remeasurement of defined benefit pension plan		-	-	-	(58)	-	Nm
Other comprehensive income for the period, net of tax		**223**	**(954)**	**(123.4)**	**546**	**(3,279)**	**(116.7)**
Total comprehensive income for the period		**(7,870)**	**(7,932)**	**(0.8)**	**(25,181)**	**(23,543)**	**7.0**
Attributable to:							
Owners of the Company		**(7,205)**	**(7,408)**	**(2.7)**	**(23,914)**	**(22,183)**	**7.8**
Non-controlling interests		(665)	(524)	26.9	(1,267)	(1,360)	(6.8)
		(7,870)	**(7,932)**	**(0.8)**	**(25,181)**	**(23,543)**	**7.0**

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 loss on cash flow hedges was primarily due to fair value adjustments on interest rate swaps.

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

	Group			
	3 months ended 31 March		9 months ended 31 March	
	3Q FY2019 $'000	3Q FY2018 (restated) $'000	9M FY2019 $'000	9M FY2018 (restated) $'000
Allowance for impairment of doubtful receivables (net)	-	-	-	(43)
Amortisation of intangible assets	(161)	(169)	(492)	(600)
Amortisation of lease prepayments	(94)	(83)	(272)	(274)
Depreciation of property, plant and equipment	(14,794)	(17,150)	(45,640)	(45,818)
(Loss)/ gain on disposal of property, plant and equipment	(1,319)	81	(577)	2,738
Gain on disposal of assets classified as held for sale	648	491	989	1,761
(Loss)/ gain on foreign exchange (net)	(1,929)	673	(3,250)	(412)
Loss on disposal of short-term investment	-	-	(134)	-
Interest income from bank balances	20	95	56	248
Interest income from finance lease receivables	156	165	485	411
Inventories written off	(170)	-	(1,050)	-
Property, plant and equipment written off	-	(465)	(2)	(465)
Reversal/ (provision) for pension liabilities	3	(8)	(115)	(54)
(Provision)/ reversal for warranty (net)	(1)	(2)	24	131
(Under)/ over provision of tax in respect of prior years	(270)	310	(1,346)	(355)

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	
	31-Mar-19	30-Jun-18 (restated)	01-Jul-17 (restated)	31-Mar-19	30-Jun-18
	$'000	$'000	$'000	$'000	$'000
Non-current assets					
Property, plant and equipment	523,685	577,087	611,887	-	-
Lease prepayments	5,591	5,913	5,731	-	-
Investment in subsidiaries	-	-	-	42,931	42,404
Investment in joint ventures and associates	4,428	4,845	9,008	-	-
Intangible assets	11,420	12,368	17,877	-	-
Finance lease receivables	7,272	7,841	8,865	-	-
	552,396	**608,054**	**653,368**	**42,931**	**42,404**
Current assets					
Inventories	172,466	171,457	182,015	-	-
Contract assets	16,127	45,322	84,930	-	-
Trade and other receivables	183,465	181,003	181,563	346,920	373,598
Prepayments	4,707	5,790	5,564	1,156	1,306
Finance lease receivables	658	905	1,001	-	-
Derivative financial instruments	-	-	15	-	-
Cash and bank balances	24,923	28,609	36,141	3,648	2,492
	402,346	**433,086**	**491,229**	**351,724**	**377,396**
Assets classified as held for sale	-	4,899	-	-	-
	402,346	**437,985**	**491,229**	**351,724**	**377,396**
Current liabilities					
Trade and other payables	202,936	206,915	184,700	101,332	115,720
Provision for warranty	10	35	169	-	-
Contract liabilities	4,053	5,579	1,437	-	-
Trust receipts	2,053	13,805	20,515	-	-
Interest-bearing loans and borrowings	45,121	99,589	215,233	11,553	14,893
Income tax payables	6,330	6,775	5,967	-	-
	260,503	**332,698**	**428,021**	**112,885**	**130,613**
Net current assets	**141,843**	**105,287**	**63,208**	**238,839**	**246,783**
Non-current liabilities					
Other liabilities	8,696	5,637	10,081	-	-
Interest-bearing loans and borrowings	391,659	388,714	313,751	215,611	219,262
Deferred tax liabilities	15,395	15,320	14,512	-	-
	415,750	**409,671**	**338,344**	**215,611**	**219,262**
Net assets	**278,489**	**303,670**	**378,232**	**66,159**	**69,925**
Equity attributable to owners of the Company					
Share capital	108,056	108,056	108,056	108,056	108,056
Treasury shares	(923)	(923)	(923)	(923)	(923)
Reserves	170,957	194,871	267,852	(40,974)	(37,208)
	278,090	**302,004**	**374,985**	**66,159**	**69,925**
Non-controlling interests	399	1,666	3,247	-	-
Total equity	**278,489**	**303,670**	**378,232**	**66,159**	**69,925**

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

	Group					
	As at 31-Mar-19			As at 30-Jun-18		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Amount repayable in one year or less, or on demand	45,924	1,250	47,174	112,873	521	113,394
Amount repayable after one year	388,117	3,542	391,659	384,235	4,479	388,714
	434,041	**4,792**	**438,833**	**497,108**	**5,000**	**502,108**

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
- Assignment of subordination and intercompany loans
- Corporate guarantees from the Company and certain subsidiaries

The Group's secured borrowings included the Series 006 and Series 007 notes issued pursuant to the S$500,000,000 Multicurrency Debt Issuance Programme established by the Company (the "**Notes**"). The Notes are secured by second priority mortgage of vessels pledged as securities for the $99.9 million 5-year club term loan facility (the "**CTL Facility**"). As at 31 March 2019, the aggregate fair market value of these 90 vessels amounted to $173.2 million.

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 31 March		9 months ended 31 March	
	3Q FY2019	3Q FY2018 (restated)	9M FY2019	9M FY2018 (restated)
	$'000	$'000	$'000	$'000
Cash flows from operating activities				
Loss before tax	(7,375)	(6,307)	(24,661)	(18,471)
Adjustments for:				
Amortisation of intangible assets	161	169	492	600
Amortisation of lease prepayments	94	83	272	274
Allowance for impairment of doubtful receivables (net)	-	-	-	43
Depreciation of property, plant and equipment	14,794	17,150	45,640	45,818
Loss/ (gain) on disposal of property, plant and equipment	1,319	(81)	577	(2,738)
Gain on disposal of assets classified as held for sale	(648)	(491)	(989)	(1,761)
Inventories written off	170	-	1,050	-
Loss on disposal of short-term investment	-	-	134	-
Interest expense	4,699	5,712	15,375	16,931
Interest income	(176)	(260)	(541)	(659)
Provision/ (reversal) for warranty (net)	1	2	(24)	(131)
Property, plant and equipment written off	-	465	2	465
(Reversal)/ provision for pension liabilities	(3)	8	115	54
Share of results of joint venture and associates	850	526	275	3,220
Operating cash flows before changes in working capital	**13,886**	**16,976**	**37,717**	**43,645**
Changes in working capital:				
Inventories	(293)	(659)	(3,545)	(922)
Contract assets and liabilities	(3,953)	(2,723)	24,663	33,072
Trade and other receivables	20,283	12,321	(3,415)	796
Prepayments	448	(1,467)	1,083	(897)
Trade and other payables	(9,928)	8,596	(7,310)	16,371
Finance lease receivables	156	286	742	798
Other liabilities	(1,863)	(1,854)	2,923	(3,560)
Balances with related parties (trade)	(1,350)	405	(1,139)	(3,119)
Cash flows generated from operations	**17,386**	**31,881**	**51,719**	**86,184**
Interest received from finance lease receivables	156	165	485	411
Income tax paid	(342)	(847)	(742)	(921)
Net cash flows generated from operating activities	**17,200**	**31,199**	**51,462**	**85,674**
Cash flows from investing activities				
Interest received from bank balances	20	94	56	247
Purchase of assets classified as held for sale	(2,509)	(541)	(2,509)	(6,390)
Purchase of property, plant and equipment	(2,071)	(7,486)	(6,397)	(27,698)
Proceeds from disposal of property, plant and equipment	19,248	324	24,935	5,028
Proceeds from disposal of assets classified as held for sale	3,883	1,183	9,125	5,898
Proceeds from disposal of of short-term investment	-	-	534	-
Lease prepayments	(89)	-	(505)	-
Balances with related parties (non-trade)	162	737	1,961	2,314
Net cash flows generated from/ (used in) investing activities	**18,644**	**(5,689)**	**27,200**	**(20,601)**

	Group			
	3 months ended 31 March		9 months ended 31 March	
	3Q FY2019	3Q FY2018 (restated)	9M FY2019	9M FY2018 (restated)
	$'000	$'000	$'000	$'000
Cash flows from financing activities				
Interest paid	(5,393)	(6,684)	(17,920)	(20,046)
Repayment of interest-bearing loans and borrowings	(19,680)	(17,865)	(56,499)	(72,674)
Proceeds from interest-bearing loans and borrowings	-	7,431	3,850	51,288
Repayment of trust receipts	(10,508)	(10,049)	(27,141)	(28,272)
Proceeds from trust receipts	1,186	4,556	15,392	19,975
Cash and bank balances (restricted use)	1,971	(6,193)	3,065	(21,092)
Net cash flows used in financing activities	**(32,424)**	**(28,804)**	**(79,253)**	**(70,821)**
Net increase (decrease) in cash and cash equivalents	3,420	(3,294)	(591)	(5,748)
Cash and cash equivalents at beginning of period	8,739	19,313	12,793	21,903
Effects of exchange rate changes on cash and cash equivalents	13	(49)	(30)	(185)
Cash and cash equivalents at end of period (Note 1)	**12,172**	**15,970**	**12,172**	**15,970**

Note 1:

Cash and cash equivalents comprise the followings:		
Cash and bank balances	24,923	51,300
Less: Restricted cash		
- Cash at banks	(9,431)	(20,483)
- Fixed deposits with banks	(3,320)	(14,847)
Cash and cash equivalents at end of period	**12,172**	**15,970**

The Group's restricted cash has been set aside for specific use with respect to certain shipbuilding financing and 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 31-Mar-19

Group	Attributable to owners of the Company							
	Share capital $'000	Treasury shares $'000	Foreign currency translation reserve $'000	Accumulated profits $'000	Total reserves $'000	Equity attributable to owners of the Company $'000	Non-controlling interests $'000	Total Equity $'000
9M FY2019								
At 1-Jul-18 (As previously reported)	108,056	(923)	1,110	195,776	196,886	304,019	1,666	305,685
Adoption of the SFRS(I) 15	-	-	-	(2,015)	(2,015)	(2,015)	-	(2,015)
At 1-Jul-18 (Restated)	108,056	(923)	1,110	193,761	194,871	302,004	1,666	303,670
Loss for the period	-	-	-	(24,439)	(24,439)	(24,439)	(1,288)	(25,727)
Other comprehensive income								
Translation differences relating to financial statements of foreign subsidiaries, net of tax	-	-	553	-	553	553	20	573
Share of other comprehensive income of joint ventures and associates	-	-	30	-	30	30	1	31
Re-measurement of defined benefit pension plans			-	(58)	(58)	(58)	-	(58)
Other comprehensive income for the period, net of tax	-	-	583	(58)	525	525	21	546
Total comprehensive income for the period	-	-	583	(24,497)	(23,914)	(23,914)	(1,267)	(25,181)
At 31-Mar-19	108,056	(923)	1,693	169,264	170,957	278,090	399	278,489

Statement of Changes in Equity for the period ended 31-Mar-18										
	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
9M FY2018									
At 1-Jul-17 (As previously reported)	108,056	(923)	2,896	11	265,491	268,398	375,531	3,247	378,778
Adoption of the SFRS(I) 15	-	-	-	-	(546)	(546)	(546)	-	(546)
At 1-Jul-17 (Restated)	108,056	(923)	2,896	11	264,945	267,852	374,985	3,247	378,232
Loss for the period	-	-	-	-	(19,116)	(19,116)	(19,116)	(1,148)	(20,264)
Other comprehensive income									
Translation differences relating to financial statements of foreign subsidiaries, net of tax	-	-	(2,863)	-	-	(2,863)	(2,863)	(180)	(3,043)
Share of other comprehensive income of joint ventures and associates	-	-	(193)	-	-	(193)	(193)	(32)	(225)
Net fair value changes to cash flow hedges			-	(11)	-	(11)	(11)	-	(11)
Other comprehensive income for the period, net of tax	-	-	(3,056)	(11)	-	(3,067)	(3,067)	(212)	(3,279)
Total comprehensive income for the period	-	-	(3,056)	(11)	(19,116)	(22,183)	(22,183)	(1,360)	(23,543)
At 31-Mar-18 (Restated)	108,056	(923)	(160)	-	245,829	245,669	352,802	1,887	354,689

Statement of Changes in Equity for the period ended 31-Mar-19 and 31-Mar-18

Company	Share capital $'000	Treasury shares $'000	Accumulated losses $'000	Total equity $'000
9M FY2019				
At 1-Jul-18	108,056	(923)	(37,208)	69,925
Loss for the period, representing total comprehensive income for the period	-	-	(3,766)	(3,766)
At 31-Mar-19	108,056	(923)	(40,974)	66,159
9M FY2018				
At 1-Jul-17	108,056	(923)	(12,011)	95,122
Loss for the period, representing total comprehensive income for the period	-	-	(1,741)	(1,741)
At 31-Mar-18	108,056	(923)	(13,752)	93,381

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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)
Balance as at 31-Mar-19 and 31-Dec-18	629,266,941

The percentage of the aggregate number of treasury shares held against the total number of shares outstanding that is listed as at 31 March 2019 and 31 March 2018 is 0.40%.

There were no convertibles or subsidiary holdings as at 31 March 2019 and 31 March 2018.

There were no outstanding share options granted under the ESOS as at 31 March 2019 and 31 March 2018.

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 31-Mar-19	As at 31-Mar-18
Total number of issued shares	631,778,541	631,778,541
Total number of treasury shares	(2,511,600)	(2,511,600)
Total number of issued shares (excluding treasury shares)	**629,266,941**	**629,266,941**

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.

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

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

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.

Except as disclosed in item 5 below, 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 2018.

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.

The Group has adopted Singapore Financial Reporting Standards (International) (SFRS(I)), on 1 July 2018. In adopting SFRS(I), the Group has applied the specific transition requirements in SFRS(I) 1 First-time Adoption of SFRS(I) in preparing the financial information included in this announcement. The Group's opening balance sheet has been prepared as at 1 July 2017 which is the Group's transition date to SFRS(I).

Adoption of SFRS(I)s:

The following SFRS(I)s, amendments and interpretations of SFRS(I)s are applicable to the Group:
- SFRS(I) 15 Revenue from Contracts with Customers
- SFRS(I) 9 Financial Instruments
- Amendments to SFRS(I) 1-28 Long-term Interests in Associates and Joint Ventures
- SFRS(I) INT 23 Uncertainty over Income Tax Treatments

The adoption of the new accounting standards does not have any significant impact on the financial statements of the Group and the Company except for SFRS(I) 15.

Adoption of SFRS(I) 15

The adoption of SFRS(I) 15 has the following key changes to the accounting of contracts of the Group:

i) Timing of revenue recognition: Revenue and related costs of sales of contracts with non-enforceability of right to payment for performance completed to-date are recognised only when the constructed assets are delivered to customers at a point in time, instead of using the percentage of completion method.

ii) Contract costs: For long term contracts where the stage of completion is measured by reference to the contracts costs incurred to date as a percentage of the total estimated costs for each contract, contract costs are recognised as an expense in profit or loss using the percentage of completion method prior to the adoption of SFRS(I) 15.

On adoption of SFRS(I) 15, the costs incurred to fulfil the satisfied performance obligation are recognised in profit or loss as control of goods or services to the customer is transferred over time. Where the control of goods and services to the customer is transferred at a future point in time, the costs incurred to fulfil the future performance obligation are capitalised as they are recoverable, and presented as "Contract Assets" within the balance sheet. The costs capitalised are recognised in profit or loss when the performance obligation is satisfied.

iii) In accordance with the presentation requirements of the SFRS(I) 15, the Group has presented "Construction work-in-progress in excess of progress billings" as "Contract assets" and "Progress billings in excess of construction work-in-progress" as "Contract liabilities".

Adoption of SFRS(I) 9

The Group has elected to apply the short-term exemption to adopt SFRS(I) 9 on 1 July 2018. Accordingly, the requirements of SFRS 39 are applied to financial instruments up to the financial year ended 30 June 2018. Financial assets measured at amortised costs or Fair Value Through Other Comprehensive Income (FVOCI) and financial guarantees are subject to expected credit loss impairment model under SFRS(I) 9. There were no adjustments made to the opening retained earnings in this regard as the Group preliminarily assessed that the impacts were immaterial. A more detailed analysis which considers all reasonable and supportable information, including forward-looking elements to determine the extent of impact is in process.

In general, with respect to SFRS(I) 15 and SFRS(I) 9, the Group will continue the assessment on transition requirements and therefore the restatement of prior periods' information may be subject to adjustments.

Impact on the comparatives for the third quarter ended 31 March 2019 financial statements

The financial impact of adopting SFRS(I) 15 is as follows:

Consolidated Income Statement

	3Q FY2018			9M FY2018		
	As previously reported	Effect of SFRS(I) 15	As restated	As previously reported	Effect of SFRS(I) 15	As restated
	$'000	$'000	$'000	$'000	$'000	$'000
Revenue	65,183	6,657	71,840	200,985	(15,984)	185,001
Cost of sales	(60,666)	(8,752)	(69,418)	(189,222)	14,450	(174,772)
Gross profit	**4,517**	**(2,095)**	**2,422**	**11,763**	**(1,534)**	**10,229**
Loss before tax	(4,212)	(2,095)	(6,307)	(16,937)	(1,534)	(18,471)
Tax expense	(343)	(328)	(671)	(1,481)	(312)	(1,793)
Loss for the period	**(4,555)**	**(2,423)**	**(6,978)**	**(18,418)**	**(1,846)**	**(20,264)**
Attributable to:						
Owners of the Company	(4,104)	(2,423)	(6,527)	(17,270)	(1,846)	(19,116)
Non-controlling interests	(451)	-	(451)	(1,148)	-	(1,148)
Loss for the period	**(4,555)**	**(2,423)**	**(6,978)**	**(18,418)**	**(1,846)**	**(20,264)**
Adjusted EBITDA for the period	**18,873**	**(1,335)**	**17,538**	**50,377**	**(2,156)**	**48,221**

Consolidated Statement of Comprehensive income

	3Q FY2018			9M FY2018		
	As previously reported	Effect of SFRS(I) 15	As restated	As previously reported	Effect of SFRS(I) 15	As restated
	$'000	$'000	$'000	$'000	$'000	$'000
Loss for the period	**(4,555)**	**(2,423)**	**(6,978)**	**(18,418)**	**(1,846)**	**(20,264)**
Other comprehensive income for the period, net of tax	(954)	-	(954)	(3,279)	-	(3,279)
Total comprehensive income for the period	**(5,509)**	**(2,423)**	**(7,932)**	**(21,697)**	**(1,846)**	**(23,543)**
Total comprehensive income attributed to:						
Owners of the Company	**(4,985)**	**(2,423)**	**(7,408)**	**(20,337)**	**(1,846)**	**(22,183)**
Non-controlling interests	(524)	-	(524)	(1,360)	-	(1,360)
Total comprehensive income for the period	**(5,509)**	**(2,423)**	**(7,932)**	**(21,697)**	**(1,846)**	**(23,543)**

	30-Jun-2018		30-Jun-2018	1-Jul-2017		1-Jul-2017
	As previously reported	Effect of SFRS(I) 15	As restated	As previously reported	Effect of SFRS(I) 15	As restated
	$'000	$'000	$'000	$'000	$'000	$'000
Non-current assets	**608,054**	**-**	**608,054**	**653,368**	**-**	**653,368**
Current assets						
Construction work-in-progress	46,748	(46,748)	-	85,345	(85,345)	-
Contract assets	-	45,322	45,322	-	84,930	84,930
Others	392,663	-	392,663	406,299	-	406,299
Total current assets	**439,411**	**(1,426)**	**437,985**	**491,644**	**(415)**	**491,229**
Current liabilities						
Progress billings in excess of construction work-in-progress	5,285	(5,285)	-	1,437	(1,437)	-
Contract liabilities	-	5,579	5,579	-	1,437	1,437
Income tax payables	6,772	3	6,775	5,779	188	5,967
Others	320,344	-	320,344	420,617	-	420,617
Total current liabilities	**332,401**	**297**	**332,698**	**427,833**	**188**	**428,021**
Net current assets	**107,010**	**(1,723)**	**105,287**	**63,811**	**(603)**	**63,208**
Non-current liabilities						
Deferred tax liabilities	15,028	292	15,320	14,569	(57)	14,512
Others	394,351	-	394,351	323,832	-	323,832
Total non-current liabilities	**409,379**	**292**	**409,671**	**338,401**	**(57)**	**338,344**
Net assets	**305,685**	**(2,015)**	**303,670**	**378,778**	**(546)**	**378,232**
Equity attributable to of the Company						
Share capital	108,056	-	108,056	108,056	-	108,056
Treasury shares	(923)	-	(923)	(923)	-	(923)
Reserves	196,886	(2,015)	194,871	268,398	(546)	267,852
	304,019	**(2,015)**	**302,004**	**375,531**	**(546)**	**374,985**
Non-controlling interests	1,666	-	1,666	3,247	-	3,247
Total equity	**305,685**	**(2,015)**	**303,670**	**378,778**	**(546)**	**378,232**

Consolidated Statement of Cash Flows

	3Q FY2018			9M FY2018		
	As previously reported	Effect of SFRS(I) 15	As restated	As previously reported	Effect of SFRS(I) 15	As restated
	$'000	$'000	$'000	$'000	$'000	$'000
Cash flows from operating activities						
Loss before tax	**(4,212)**	**(2,095)**	**(6,307)**	**(16,937)**	**(1,534)**	**(18,471)**
Adjustments for:						
Depreciation of property, plant and equipment	16,390	760	17,150	46,440	(622)	45,818
Others	6,133	-	6,133	16,298	-	16,298
Operating cash flows before changes in working capital	**18,311**	**(1,335)**	**16,976**	**45,801**	**(2,156)**	**43,645**
Changes in working capital:						
Contract assets and liabilities	(4,058)	1,335	(2,723)	30,916	2,156	33,072
Others	17,628	-	17,628	9,467	-	9,467
Cash flows generated from operations	**31,881**	**-**	**31,881**	**86,184**	**-**	**86,184**
Others	(682)	-	(682)	(510)	-	(510)
Net cash flows generated from operating activities	**31,199**	**-**	**31,199**	**85,674**	**-**	**85,674**
Net cash flows used in investing activities	**(5,689)**	**-**	**(5,689)**	**(20,601)**	**-**	**(20,601)**
Net cash flows used in financing activities	**(28,804)**	**-**	**(28,804)**	**(70,821)**	**-**	**(70,821)**
Net decrease in cash and cash equivalents	**(3,294)**	**-**	**(3,294)**	**(5,748)**	**-**	**(5,748)**
Cash and cash equivalents at beginning of period	19,313	-	19,313	21,903	-	21,903
Effects of exchange rate changes on cash and cash equivalents	(49)	-	(49)	(185)	-	(185)
Cash and cash equivalents at end of period	**15,970**	**-**	**15,970**	**15,970**	**-**	**15,970**

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 31 March		9 months ended 31 March	
Earnings per ordinary share:	**3Q FY2019**	**3Q FY2018 (restated)**	**9M FY2019**	**9M FY2018 (restated)**
(i) On weighted average no. of ordinary shares in issue	(1.18) cents	(1.04) cents	(3.88) cents	(3.04) cents
(ii) On a fully diluted basis	(1.18) cents	(1.04) cents	(3.88) cents	(3.04) cents
Net loss attributable to shareholders:	($7,431,000)	($6,527,000)	($24,439,000)	($19,116,000)
Number of shares in issue:				
(i) Weighted average no. of shares in issue	629,266,941	629,266,941	629,266,941	629,266,941
(ii) On a fully diluted basis	629,266,941	629,266,941	629,266,941	629,266,941

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	
	31-Mar-19	**30-Jun-18 (restated)**	**01-Jul-18 (restated)**	**31-Mar-19**	**30-Jun-18**
Net Asset Value (NAV) per ordinary share	44.19 cents	47.99 cents	59.59 cents	10.51 cents	11.11 cents
NAV computed based on no. of ordinary shares issued	629,266,941	629,266,941	629,266,941	629,266,941	629,266,941

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.

REVIEW OF GROUP PERFORMANCE

With the adoption of SFRS(I) 15 Revenue from Contracts with Customers, revenue and related costs of shipbuilding contracts with non-enforceability of right to payment for performance completed to-date are recognised only when the constructed vessels are delivered to customers at a point in time **("Completion Method")**, instead of using the percentage of completion method ("**POC**"). As such, there will also be a mixture of contracts with shipbuilding revenue recognised based on the Completion Method and POC depending on the terms of the contracts. Given this, revenues and results can be lumpy.

Revenue

Group revenue of $88.9 million for the 3 months ended 31 March 2019 ("**3Q FY2019**") was $17.1 million (23.7%) higher compared to the corresponding period in FY2018 ("**3Q FY2018**"). For the 9 months ended 31 March 2019 ("**9M FY2019**"), the Group revenue was $64.6 million (34.9%) higher compared to the corresponding period ended 31 March 2018 ("**9M FY2018**").

Details for revenue generated from each segment are as follows:

	Group					
	3Q FY2019 $'000	3Q FY2018 (restated) $'000	Increase/ (Decrease) %	9M FY2019 $'000	9M FY2018 (restated) $'000	Increase/ (Decrease) %
Shipbuilding	22,147	18,393	20.4	63,026	31,062	102.9
Shiprepair and conversion	20,145	18,185	10.8	67,023	58,783	14.0
Shipchartering	43,947	30,159	45.7	110,937	84,778	30.9
Engineering	2,651	5,103	(48.1)	8,589	10,378	(17.2)
	88,890	**71,840**	**23.7**	**249,575**	**185,001**	**34.9**

Shipbuilding

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

	Group									
	3Q FY2019		3Q FY2018 (restated)		Increase/ (Decrease)	9M FY2019		9M FY2018 (restated)		Increase/ (Decrease)
	Units	$'000	Units	$'000	%	Units	$'000	Units	$'000	%
Tugs	3	22,273	1	72	Nm	6	38,987	4	12,576	210.0
Barges and others	-	(126)	11	18,321	Nm	5	24,039	15	18,486	30.0
	3	**22,147**	**12**	**18,393**	**20.4**	**11**	**63,026**	**19**	**31,062**	102.9

Shipbuilding revenue increased by $3.8 million (20.4%) in 3Q FY2019 as compared to last corresponding period mainly due from delivery of two tugs recognised based on Completion Method and a tug under POC. In 3Q FY2018, the revenue derived was mainly from delivery of barges recognised based on Completion Method.

Shipbuilding revenue increased by $32.0 million in 9M FY2019 as compared to last corresponding period mainly due to delivery of five tugs and one high value tanker recognised based on Completion Method. In 9M FY2018, the revenue derived from the 4 tugs was recognised based on POC with 3 units at near completion while the barges were recognised based on Completion Method upon delivery.

Shiprepair and conversion

Shiprepair and conversion services are generally performed based on the customer's specifications and control is transferred progressively when the services are rendered. Recognition of shiprepair and conversion revenue is calculated based on project value multiplied by POC.

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

	Group					
	3Q FY2019 $'000	3Q FY2018 (restated) $'000	Increase/ (Decrease) %	9M FY2019 $'000	9M FY2018 (restated) $'000	Increase/ (Decrease) %
Shiprepair and conversion	19,975	17,283	15.6	65,985	56,035	17.8
Other marine related services	170	902	(81.2)	1,038	2,748	(62.2)
	20,145	**18,185**	**10.8**	**67,023**	**58,783**	**14.0**

Shiprepair and conversion revenue increased by $2.7 million (15.6%) in 3Q FY2019 as compared to corresponding quarter due to more low value shiprepair jobs (<$200,000) being undertaken.

Shiprepair and conversion revenue increased by $10.0 million (17.8%) to $66.0 million in 9M FY2019 as compared to corresponding period mainly due to more shiprepair jobs with high value (>$200,000) being recognised. As a result of the adoption of SFRS(I)15, the restated revenue in 9M FY2018 was $9.3 million lower as compared to $65.3 million previously reported on.

The other marine related services of $2.7 million recorded in 9M FY2018 included one-off sale of inventories amounted to $1.4 million.

Shipchartering

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

	Group					
	3Q FY2019 $'000	3Q FY2018 $'000	Increase/ (Decrease) %	9M FY2019 $'000	9M FY2018 $'000	Increase/ (Decrease) %
OSV	7,398	2,720	172.0	15,794	10,044	57.2
Tug Boats	15,553	10,677	45.7	37,673	29,855	26.2
Barges	14,193	12,698	11.8	41,506	33,594	23.6
Total charter	**37,144**	**26,095**	**42.3**	**94,973**	**73,493**	**29.2**
Trade sales	6,803	4,064	67.4	15,964	11,285	41.5
	43,947	**30,159**	**45.7**	**110,937**	**84,778**	**30.9**

Charter revenue increased by $11.0 million (42.3%) to $37.1 million in 3Q FY2019 and by $21.5 million (29.2%) to $95.0 million in 9M FY2019 mainly due to contribution from several new charter projects in Bangladesh, Indonesia and Singapore commenced in 2Q FY2019. One of such projects in Bangladesh will come to completion in 4Q FY2019, and is expected to restart again in November 2019 after the monsoon period.

Trade sales comprised bunker sales, agency fees and ad hoc services rendered. There were higher ad hoc services for modification and outfitting of barges to cater for charterers' projects in the current period under review.

Engineering

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

	Group					
	3Q FY2019 $'000	3Q FY2018 $'000	Increase/ (Decrease) %	9M FY2019 $'000	9M FY2018 $'000	Increase/ (Decrease) %
Components & services ("Components")	**2,651**	**5,103**	**(48.1)**	**8,589**	**10,378**	**(17.2)**

Engineering revenue decreased by $2.5 million (48.1%) and $1.8 million (17.2%) in 3Q FY2019 and 9M FY2019 respectively mainly due to fewer orders for cutting/coupling systems resulting from completion of several supply contracts, partially offset by more orders for spare parts used by customers for replacement in the periods under review.

Gross profit and gross profit margin

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

	Group							
	3Q FY2019		3Q FY2018 (restated)		9M FY2019		9M FY2018 (restated)	
	$'000	GPM	$'000	GPM	$'000	GPM	$'000	GPM
Shipbuilding	325	1.5%	(1,685)	(9.2%)	(4,069)	(6.5%)	(928)	(3.0%)
Shiprepair and conversion	1,817	9.0%	1,714	9.4%	7,485	11.2%	7,273	12.4%
Shipchartering	4,342	9.9%	1,792	5.9%	5,533	5.0%	1,709	2.0%
Engineering	654	24.7%	601	11.8%	1,996	23.2%	2,175	21.0%
	7,138	**8.0%**	**2,422**	**3.4%**	**10,945**	**4.4%**	**10,229**	**5.5%**

Shipbuilding

A gross profit of $0.3 million recognised in 3Q FY2019 was mainly attributed to the construction of three tugs, two of which were delivered and recognised upon completion with slight cost overruns.

The Group recorded a gross loss of $4.1 million in 9M FY2019 mainly due to: i) delay in the delivery of a tanker resulting in cost overruns and liquidated damages and ii) an IDR denominated contract which was negatively affected by the weakening of IDR against SGD as compared to the budgeted foreign exchange rate at inception of contract in 2016.

Shiprepair and conversion

The gross profit and gross profit margin in 3Q FY2019 and 9M FY2019 were comparable to the corresponding periods under review.

Shipchartering

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

	Group							
	3Q FY2019		3Q FY2018		9M FY2019		9M FY2018	
	$'000	GPM	$'000	GPM	$'000	GPM	$'000	GPM
OSV	339	4.6%	(1,213)	(44.6%)	(594)	(3.8%)	(3,858)	(38.4%)
Tug boats and Barges	2,677	9.0%	2,043	8.7%	2,582	3.3%	3,613	5.7%
Total charter	**3,016**	8.1%	**830**	3.2%	**1,988**	2.1%	**(245)**	(0.3%)
Trade sales	1,326	19.5%	962	23.7%	3,545	22.2%	1,954	17.3%
	4,342	9.9%	**1,792**	5.9%	**5,533**	5.0%	**1,709**	2.0%

In line with the increase in charter revenue and an overall improved utilisation of vessels (3Q FY2019: 63% vs 3Q FY2018: 59%; 9M FY2019: 61% vs 9M FY2018: 58%), gross profit and gross profit margin from shipchartering was higher as compared to the last corresponding periods under review.

Gross profit from OSV increased by $1.6 million and $3.3 million in 3Q FY2019 and 9M FY2019 respectively mainly due to increase in utilisation rates (3Q FY2019: 78% vs 3Q FY2018: 69%; 9M FY2019: 68% vs 9M FY2018: 59%). The OSV were mainly used for towing jobs in Bangladesh. In addition, the negative contribution from OSV in 9M FY2018 included an one-off compensation incurred for late delivery of two AHTS to charterer in India.

The lower gross profit and gross profit margin from Tug boats and Barges in 9M FY2019 was mainly due to:

(i) Negative contribution from landing crafts (classified as Tug boats) as a result of reduced utilisation and charter rates; and

(ii) In 1Q FY2019, there were many vessels under preparation for deployment in several infrastructure projects which commenced in 2Q FY2019.

Engineering

Higher profit margins of 24.7% and 23.2% were recorded in 3Q FY2019 and 9M FY2019 respectively mainly due to higher margin from sale of spare parts.

Other operating income

Details for other operating income are as follows:

	Group			
	3Q FY2019 $'000	3Q FY2018 $'000	9M FY2019 $'000	9M FY2018 $'000
Gain on disposal of property, plant and equipment	-	81	-	2,738
Gain on disposal of assets classified as held for sale	648	491	989	1,761
Gain on foreign exchange (net)	-	673	-	-
Interest income from bank balances	20	95	56	248
Interest income from finance lease receivables	156	165	485	411
Insurance claims	-	365	100	448
Rental income from plant & equipment and yard space	210	433	718	1,031
Miscellaneous income	103	314	580	459
	1,137	**2,617**	**2,928**	**7,096**

The gain on disposal of property, plant and equipment in 9M FY2018 mainly pertained to gain on disposal of cranes.

Administrative expenses

Administrative expenses increased by $2.0 million (43.9%) to $6.7 million in 3Q FY2019 and $3.1 million (21.4%) to $17.9 million in 9M FY2019 when compare to last corresponding periods. This was mainly due to one-off transaction costs of $2.7 million incurred to date which comprised consent fees, solicitation agent and legal and professional fees incurred in relation to the Consent Solicitation Exercise undertaken in respect to the Company's existing Notes.

Other operating expenses

	Group			
	3Q FY2019 $'000	3Q FY2018 $'000	9M FY2019 $'000	9M FY2018 $'000
Allowance for impairment of doubtful receivables (net)	-	-	-	43
Inventories written off	170	-	1,050	-
Loss on disposal of property, plant and equipment	1,319	-	577	-
Loss on foreign exchange (net)	1,929	-	3,250	412
Loss on disposal of short-term investment	-	-	134	-
Property, plant and equipment written off	-	465	2	465
	3,418	**465**	**5,013**	**920**

The inventories written off was due to cessation of operation of the China shipyard.

The loss on disposal of property, plant and equipment pertained in 3Q FY2019 mainly pertained to sale of 2 tugs and 5 barges.

The higher net foreign exchange loss recorded in 3Q FY2019 arose mainly due to the depreciation of USD against SGD on SGD denominated liabilities for certain subsidiaries whose accounts are maintained in USD and appreciation of IDR against SGD on IDR denominated liabilities.

The net foreign exchange gain in 3Q FY2018 (under other operating income) was mainly due to depreciation of IDR against SGD on IDR denominated liabilities.

	31 Mar 2019	31 Dec 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Jun 2017
USD against SGD	1.3556	1.3658	1.3679	1.3117	1.3369	1.3887
EUR against SGD	1.5330	1.5606	1.5931	1.6158	1.6046	1.5709
IDR against SGD	10,507	10,603	10,530	10,487	10,134	9,591

The short-term investment being disposed of pertained to quoted shares allotted by a customer for the purpose of settlement of outstanding debts owing by the customer to the Group.

Property, plant and equipment written off in 9M FY2018 pertained to damage of crane by a typhoon that hit China shipyard, such loss was partially compensated by the insurance claim recognised in other operating income.

Finance costs

Finance costs decreased by $1.0 million (17.7%) to $4.7 million in 3Q FY2019 and by $1.5 million (9.2%) to $15.4 million in 9M FY2019 mainly due to lower interest rate payable under the fixed rate bonds with effect from 1 October 2018 pursuant to the consent obtained from the Noteholders on 30 January 2019 and lower average bank loan balances during the periods under review, partially offset by increase in interest rate of floating-rate loans.

Share of results of joint ventures and associates

The Group's share of results of joint ventures and associates comprised:

		Group			
	Group's effective interest	**3Q FY2019 $'000**	**3Q FY2018 $'000**	**9M FY2019 $'000**	**9M FY2018 $'000**
Joint ventures					
Sindo-Econ group	50%	-	-	-	(1,311)
Associates					
PT. Hafar Capitol Nusantara ("PT Hafar")	36.75%	(905)	(581)	(441)	(2,075)
PT Capitol Nusantara Indonesia ("PT CNI")	27%	55	55	166	166
		(850)	**(526)**	**(275)**	**(3,220)**

The Group has restricted its share of losses from Sindo-Econ group to its cost of investment since 1Q FY2018.

The share of loss from PT Hafar of $0.9 million in 3Q FY2019 was due to low utilisation from its vessel fleet in this quarter. The share of loss of $0.4 million in 9M FY2019 was due to low utilisation from its vessel fleet in latest two quarters, partially offset by higher charter income recorded in 1Q FY2019.

The share of profit from PT CNI of $0.1 million in 3Q FY2019 and 9M FY2019 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 since 4Q FY2017.

Loss before tax

The Group recorded a loss before tax of $7.4 million in 3Q FY2019 and $24.7 million in 9M FY2019 mainly due to lower other operating income coupled with higher administrative and other operating expenses. However, much of the loss arose from one-off events in 3Q FY2019:

	3Q FY2019
	$'000
Loss before one-off costs	(2,410)
One-off costs:	
i) Consent Solicitation fees and related expenses	(1,717)
ii) Loss on disposal of property, plant and equipment	(1,319)
iii) Foreign exchange loss (net)	(1,929)
Loss before tax	(7,375)

Tax expense

The Group recorded a lower tax expense by $0.7 million in 9M FY2019 mainly due to loss incurred from shipyard operations.

Non-controlling interests

Non-controlling interests' share of profit of $0.7 million for 3Q FY2019 and $1.3 million for 9M FY2019 mainly pertains to the portion of results of its non-wholly owned subsidiaries in Indonesia and China.

OPERATION CASH FLOW

3Q FY2019

The Group recorded a lower net cash inflow from operating activities of $17.2 million in 3Q FY2019 (3Q FY2018: $31.2 million) mainly due to lower earnings and higher payment to suppliers, partially offset by higher receipts from customers.

The net cash inflow from investing activities of $18.6 million in 3Q FY2019 (3Q FY2018: net cash outflow of $5.7 million) was mainly attributed to higher net proceeds of $17.2 million from sale of property, plant and equipment in 3Q FY2019, as compared to a net cash outflow of $7.2 million from purchase of property, plant and equipment in 3Q FY2018.

The higher net cash outflow from financing activities of $32.4 million in 3Q FY2019 (3Q FY2018: $28.8 million) was mainly due to higher net repayments (being the difference between loans repayment and new loans) on interest-bearing loans and borrowings and trust receipts, partially offset by lower restricted cash which was released upon completion of shipbuilding projects.

9M FY2019

The Group recorded a lower net cash inflow from operating activities of $51.5 million in 9M FY2019 (9M FY2018: $85.7 million) mainly due to lower earnings and higher payment to suppliers, partially offset by increased billings to customers at period end.

The net cash inflow from investing activities of $27.2 million in 9M FY2019 (9M FY2018: net cash outflow of $20.6 million) was mainly due to higher net proceeds of $18.5 million from sale of property, plant and equipment in 9M FY2019, as compared to a net cash outflow of $22.7 million from purchase of property, plant and equipment in 9M FY2018.

The higher net cash outflow from financing activities of $79.3 million in 9M FY2019 (9M FY2018: $70.8 million) was mainly due to higher net repayments on interest-bearing loans and borrowings and trust receipts, partially offset by lower restricted cash which was released upon completion of shipbuilding projects.

REVIEW OF FINANCIAL POSITION AS AT 31 MARCH 2019

Non-current assets

Property, plant and equipment ("**PPE**") decreased by $53.4 million (9.3%) from $577.1 million as at 30 June 2018 to $523.7 million as at 31 March 2019.

Movement in PPE during the period under review is as follows:

	$'000
Balance as at 1 July 2018	577,087
Addition of property, plant and equipment Inclusive of : - $16.5 million for vessels***** - $0.3 million for plant and equipment - $1.5 million for yard infrastructure under development - $1.1 million for capitalization of dry docking expenditure	19,375
Disposal/ write-off	(25,514)
Depreciation charge	(44,566)
Transfer to assets held for sale	(724)
Translation differences	(1,973)
Balance as at 31 March 2019	**523,685**

***** The addition of vessels in 9M FY2019 were mainly barges acquired from a customer for settlement of debts owing to the Group amounting to approximately $10.8 million. These barges were acquired to support marine infrastructure projects in the region.

Current assets

Current assets decreased by $35.7 million (8.1%) from $438.0 million as at 30 June 2018 to $402.3 million as at 31 March 2019. The decrease was mainly from lower contract assets, cash and bank balances and assets classified as held for sale, partially offset by higher trade and other receivables.

Inventories increased marginally and comprised the following:

	Group			
	31-Mar-19	**30-Jun-18**	Increase/ (Decrease)	
	$'000	**$'000**	**$'000**	**%**
Raw materials and consumables	15,804	16,755	(951)	(5.7)
Work-in-progress	17,886	17,748	138	0.8
Finished goods	138,776	136,954	1,822	1.3
Total inventories	**172,466**	**171,457**	**1,009**	**0.6**

The assets classified as held for sale as at 30 June 2018 had been disposed in July 2018.

Trade and other receivables comprised the following:

	Group			
	31-Mar-19	30-Jun-18	Increase/ (Decrease)	
	$'000	$'000	$'000	%
Trade receivables	83,752	81,235	2,517	3.1
Other receivables	17,610	19,944	(2,334)	(11.7)
Amounts due from related parties	82,103	79,824	2,279	2.9
	183,465	**181,003**	**2,462**	**1.4**

The trade receivables increased by $2.5 million (3.1%) to $83.8 million. Of the total trade receivables, $13.4 million was received subsequent to the quarter under review.

Other receivables comprised mainly receivables from sale of vessels, advances to suppliers and subcontractors and recoverables from customers. The reduction was mainly due to lower advances to suppliers and subcontractors.

Higher amounts due from related parties mainly due to repair services rendered to companies related to directors during the period. The Group will continue to work on contra arrangement (netting amount due from and amount due to) to reduce such balances with related parties.

Current liabilities

Current liabilities decreased by $72.2 million (21.7%) from $332.7 million as at 30 June 2018 to $260.5 million as at 31 March 2019. The decrease was mainly due to lower current portion of interest-bearing loans and borrowings, trust receipts and contract liabilities.

Trade and other payables comprised the following:

	Group			
	31-Mar-19	30-Jun-18	Increase/ (Decrease)	
	$'000	$'000	$'000	%
Trade payables	143,017	142,056	961	0.7
Payables for yard development, purchase of vessels and cranes	10,265	9,005	1,260	14.0
Other payables	2,262	2,288	(26)	(1.1)
Deposits received from customers	11,364	20,926	(9,562)	(45.7)
Deferred income	9,865	9,576	289	3.0
Amounts due to related parties	19,335	16,234	3,101	19.1
Amounts due to shareholders	6,620	6,620	-	-
Loan from non-controlling interests of subsidiaries	208	210	(2)	(1.0)
	202,936	**206,915**	**(3,979)**	**(1.9)**

The deferred income mainly relates to advance payments received from customers for which charter services have not been rendered. The deferred income will be amortised and recognised as income when the services are performed.

Amounts due to related parties increased mainly due to charter of vessels from Indonesia associates.

Net contract assets decreased by $27.7 million (69.6%) from $39.7 million as at 30 June 2018 to $12.1 million as at 31 March 2019, mainly attributed to completion of shipbuilding and shiprepair jobs during the current period under review.

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

	Group			
	31-Mar-19	30-Jun-18	Increase/ (Decrease)	
	$'000	$'000	$'000	%
Current				
Bonds	1,500	7,500	(6,000)	(80.0)
Short term loan				
- shipbuilding related	-	24,466	(24,466)	(100.0)
- general	2,521	13,034	(10,513)	(80.7)
	2,521	37,500	(34,979)	(93.3)
Trust receipts				
- shipbuilding related	-	10,381	(10,381)	(100.0)
- general	2,053	3,424	(1,371)	(40.0)
	2,053	13,805	(11,752)	(85.1)
Long term loan				
- vessels loan	16,324	28,978	(12,654)	(43.7)
- assets financing	10,541	11,726	(1,185)	(10.1)
- working capital	12,345	7,913	4,432	56.0
	39,210	48,617	(9,407)	(19.3)
Finance lease liabilities	1,890	5,972	(4,082)	(68.4)
	47,174	**113,394**	**(66,220)**	**(58.4)**
Non-current				
Bonds	136,750	135,000	1,750	1.3
Long term loan				
- vessels loan	95,981	81,364	14,617	18.0
- assets financing	69,983	76,520	(6,537)	(8.5)
- working capital	86,361	93,741	(7,380)	(7.9)
	252,325	251,625	700	0.3
Finance lease liabilities	2,584	2,089	495	23.7
	391,659	**388,714**	**2,945**	**0.8**
Total borrowings	**438,833**	**502,108**	**(63,275)**	**(12.6)**
Total shareholders' funds	**278,090**	**302,004**		
Gearing ratio (times)	**1.58**	**1.66**		
Net gearing ratio (times)	**1.49**	**1.57**		

Current portion of interest-bearing loans and borrowings and trust receipts reduced by $66.2 million mainly due to

i) Reduced bonds principal repayment pursuant to the passing of Consent Solicitation Exercise in January 2019;

ii) re-profile (extending loans tenure thereby reducing monthly instalment) of majority of existing term loans;

iii) conversion of a shipbuilding related short term loan of $12.3 million to a 8-year long-term vessel loan; and

iv) conversion of a short term money market loan of $6.0 million to a 8-year working capital loan.

The Group's total borrowings decreased by $63.3 million (12.6%) to $438.8 million as at 31 March 2019 mainly due to net repayment of interest-bearing loans and borrowings and trust receipts.

Non-current liabilities

Non- current liabilities increased by $6.1 million (1.5%) to $415.8 million as at 31 March 2019 mainly due to higher deferred income and increase in non-current portion of the Group's total borrowings as a result of re-profiling of its bonds and existing loans obligations during the period under review.

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

Not applicable as no forecast or prospect statement has been made.

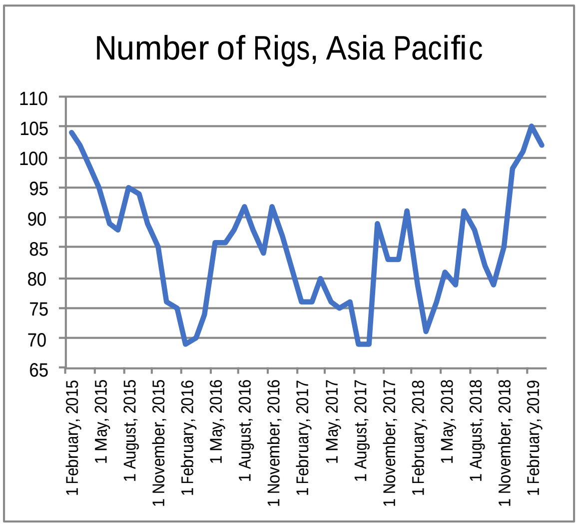
10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Market and industry outlook

As our businesses are primarily reliant on 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.

Macro trends remain mixed.

a. While oil prices are higher than they were compared to 2016[1], they have recently experienced a significant fall and fall to January 2018 levels. The good news is that offshore rig utilization[2] (a good proxy for all offshore demand), which at end 2018 stood at 231 for the Asia Pacific, continues to rise.



Source: Energy Economist

b. The IMF has warned that global growth could slow and slow sharply if the China-US trade disputes escalate and particularly given that it comes at a time when China output and growth is slowing.

c. The bright spot is that infrastructure spending in select Asian regions are expected to increase further, as China implements the Belt and Road Initiative in the countries along the route. The urbanization process in emerging markets such as Philippines and Indonesia should boost spending for vital infrastructure sectors such as water,

[1] Source: Barclays Bank market research report
[2] Source: Rig Count Data published by Baker Hughes

power and transportation. This represents mid-long term opportunities for the Group's non-offshore and marine business. In Singapore, as the Tuas Mega Port project gains momentum, the demand for hiring tugs and barges is expected to remain strong.

In general, the factors discussed above suggest an improving but volatile business environment for the Group. However, given that capital goods lag the industry cycle and is very sensitive to macro economy, the Group will benefit from these factors only gradually.

We will continue to focus on our core business and strengthen our foothold in supporting marine infrastructure work in Singapore and abroad. We will explore more revenue sources by going beyond our traditional markets (Southeast Asia, Australia and Europe) to North Asia, Indian subcontinent and the Middle East. We will continue to seek cash-flow-positive business opportunities across our business segments and optimize financial performance.

Business segments

Shipbuilding and Shiprepair

In shipbuilding, we will continue to seek orders for non-OSV vessels such as tankers, tugs and barges and exercise caution with selection of customers' portfolio based on creditworthiness and size of projects.

In shiprepair, with an additional floating dock to be put in place by 1Q FY2020 at the Singapore yard, this will provide additional capacity in terms of servicing the mid-size range of vessels.

We also adopt the strategy to train direct employed workers for specialized work, thus reducing our reliance on subcontractors, and strengthening our competency and efficiency. We will continue to improve operational efficiency, tighten cost control to ensure our competitiveness.

Shipchartering

The diversified vessel types in our fleet, especially the non-OSV vessels are expected to lend support to our chartering business in view of the marine infrastructure projects in Bangladesh, Indonesia and Singapore. Our in-house ability to provide integrated services to modify or retrofit vessels to suit our shipchartering customers' customized requirements. However, due to market competition, the Group expects continued pressure on charter rates. The management will focus on increasing utilisation of fleet, improving charter rates, limiting capital expenditure and exploring bareboat charter-in of vessels.

The OSV in the market has not recovered from depressed pricing. The Group, however has been actively seeking opportunities to improve the utilisation of the OSV such as deployment for towage jobs.

Dredge Engineering

Our engineering division (VOSTA LMG) engages primarily in the infrastructure and construction industry. Demand for our engineering business is supported by i) the amount of land and coastal reclamation projects due to population growth and global warming; and ii) port expansion projects due to increasing seaborne trade and growing size of container vessels. The Group is working closely with suppliers and seek to have production capability in different regional markets to drive down costs.

Order Book

As at 31 March 2019, the Group had an outstanding shipbuilding order book from external customers of approximately $36 million for the building of 5 tugboats with progressive deliveries up to 1H FY2021.

The Group's shipchartering revenue consists of mainly short-term and ad-hoc contracts. Approximately 28% of shipchartering revenue in 9M FY2019 was attributed to long-term chartering contracts (meaning contracts with a duration of more than one year. As at 31 March 2019, the Group had an outstanding chartering order book of approximately $105 million with respect to long-term contracts.

Investors may wish to note that the financial performance of the companies in the shipping and shipbuilding industries tend to lag industry trends.

Funding Arrangement

<u>The Notes</u>

The Company has received consent from its noteholders on 30 January 2019, for among other changes,

i) extended the tenor of its existing Notes by another five years from the last maturity dates to 28 March 2025 (Series 006 notes) and 1 October 2026 (Series 007 notes);

ii) revised coupon rate to a base rate of 3% p.a. and mandatory redemption rate to 1% p.a., payable semi-annually;

iii) included performance-triggered variable payments which comprise additional coupon of up to 2% p.a. and additional principal redemption of up to 4% p.a. depending on the Company's financial performance; and

iv) noteholders will also be given warrants that are exercisable into new shares of the Company (subject to passing of extraordinary general meeting) by 31 July 2019.

<u>Banking Facilities</u>

The principal lenders and certain secured lenders of the Group have given their in-principal approvals on the re-profiling (extending loans tenure thereby reducing monthly instalment) of its existing term loans which includes its CTL Facility, generally based on a 10-year profile with 8 years repayment term from its principal lenders.

To further enhance the Group's operating cash flow, the management is currently working with its principal lenders on an additional revolving project financing and trade lines of up to S$114 million.

Financial Covenant

Subsequent to the end of the financial period under review, the Company has received a waiver for the breach of one of the financial covenants (the "**Breach**") under the CTL Facility for the quarter ended 31 March 2019. The Company continues to repay in accordance with the monthly repayment schedule of the Facility Agreement. In view of the above, the Company has not reclassified the non-current portion of the CTL Facility of $78,861,000 as current liabilities as at 31 March 2019.

The Breach relates to the same covenant that has been clarified in the clarification announcement released via SGXNET on 19 October 2017.

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) Whether the dividend is before tax, net of tax or tax exempt.

If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No interim dividend has been declared for the period ended 31 March 2019 after taking into consideration the operating requirement, cash flow position of the Group and the current market weakness, and to conserve cash for working capital usage.

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 renewed the general mandate from shareholders of the Company for interested person transactions in the Annual General Meeting held on 31 October 2018. During the financial period, 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)	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	$'000
Sale of goods and services		
Econ Precast Pte Ltd	-	9,634
Entire Engineering Pte Ltd	-	1,117
Koon Construction & Transport Co Pte Ltd	-	1,640
Petra I Pte Ltd	-	259
Sindo-Econ Pte Ltd	-	1,055
PT. Sindomas Precas	-	1,143
Reem Island Pte Ltd	-	1,281
Purchase of goods and services		
Koon Holdings Limited	-	261
Koon Construction & Transport Co Pte Ltd	-	4,363
Entire Engineering Pte Ltd	-	210
Econ Precast Pte Ltd	-	1,442
Sintech Metal Industries Pte Ltd	2,501	-
	2,501	**22,405**

14. Negative confirmation pursuant to Rule 705(5).

We, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial statements of the Group and the Company for the third quarter ended 31 March 2019 to be false or misleading in any material aspect.

15. Undertakings pursuant to Rule 720(1).

We further 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.

On behalf of the Board

Ang Kok Tian
Chairman, Managing Director and CEO

Ang Ah Nui
Deputy Managing Director

BY ORDER OF THE BOARD

Ang Kok Tian
Chairman, Managing Director and CEO
15 May 2019