First Quarter Financial Statement And Dividend Announcement
For the three months ended 30 November 2014

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

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.

(Amounts expressed in United States dollars)

CONSOLIDATED INCOME STATEMENT

	Group		
	3 months ended		
	30 November 2014	30 November 2013	Incr/ (decr)
	US$'000	US$'000	%
Revenue	321,020	339,825	(6)
Cost of sales	(281,885)	(289,229)	(3)
Gross profit	39,135	50,596	(23)
Other income, net	67,549	1,009	n/m
Administrative expenses	(33,126)	(34,176)	(3)
Profit from operations	73,558	17,429	n/m
Financial income	1,230	769	60
Financial expenses	(11,316)	(10,165)	11
Share of profit of associated companies	3,803	3,389	12
Share of profit of joint venture companies	289	688	(58)
Profit before tax	67,564	12,110	n/m
Tax	(7,005)	(3,363)	108
Profit after tax	60,559	8,747	n/m
Attributable to:			
Owners of the parent	54,414	6,349	n/m
Non-controlling interests	6,145	2,398	156
	60,559	8,747	n/m

nm – not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group		
	3 months ended		
	30 November 2014	30 November 2013	Incr/ (decr)
	US$'000	US$'000	%
Profit after tax	60,559	8,747	n/m
Other comprehensive income:			
Exchange differences on translating foreign operations	(3,225)	981	n/m
Reclassification of fair value reserves on step-up of associated company included in profit or loss	(1,715)	-	n/m
Reclassification of hedging reserves on step-up of associated company included in profit or loss	199	-	n/m
Fair value changes on cash flow hedges	(4,318)	2,408	n/m
Share of other comprehensive income of associated companies and joint ventures companies	(4,248)	828	n/m
Other comprehensive income for the financial period, net of tax	(13,307)	4,217	n/m
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	47,252	12,964	n/m
Total comprehensive income attributable to:			
Owners of the parent	41,036	10,566	n/m
Non-controlling interests	6,216	2,398	159
	47,252	12,964	n/m

Profit before tax was stated after (charging)/crediting:-

	Group 3 months ended		
	30 November 2014	30 November 2013	Incr/ (decr)
	US$'000	US$'000	%
Amortisation of other intangible assets	(211)	(208)	1
Depreciation of fixed assets	(20,996)	(16,946)	24
Gain on disposal of fixed assets	1	-	n/m
Impairment loss on fixed assets	(10,000)	-	n/m
Fixed assets written off	(157)	(1)	n/m
Realised gain/(loss) on derivative instruments, net	29	(246)	n/m
Gross dividend income from FVTPL investments	-	29	(100)
Fair value changes in respect of fair value through profit and loss ("FVTPL") investments, net	-	322	(100)
Foreign exchange gain/(loss), net	9,364	(2,740)	n/m
Bad debts recovered, net	343	-	n/m
Write-back of/(allowance for) doubtful debts, net	228	(102)	n/m
Gain on dilution of interest in an associated company	-	2,387	(100)
Gain on bargain purchase on acquisition of subsidiaries (1)	106,333	-	n/m
Realised loss on share of hedging reserves on step up of associated companies to subsidiaries	(199)	-	n/m
Realised gain on share of fair value reserves on step up of associated companies to subsidiaries	1,715	-	n/m
Loss on step up of associated and joint venture companies to subsidiaries	(42,304)	-	n/m

(1) The gain on bargain purchase on acquisition of subsidiaries is provisional and subject to change after the purchase price allocation exercise is completed in accordance to FRS 103 *Business Combination.*

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

(Amounts expressed in United States dollars)

	Group		Company	
	30 November 2014 US$'000	31 August 2014 US$'000	30 November 2014 US$'000	31 August 2014 US$'000
Non-current assets				
Fixed assets	1,770,707	1,593,955	1,319	1,468
Goodwill	231,053	231,370	-	-
Other intangible assets	10,298	10,509	-	-
Investments in subsidiaries	-	-	445,841	306,965
Investments in associated companies	371,964	187,765	-	29,743
Investments in joint venture companies	12,541	25,738	6,987	18,987
Available-for-sale ("AFS") investments	3,113	3,075	3,075	3,075
Long term receivable from a subsidiary	-	-	176,617	13,817
Long term receivable from an associated company	-	48,080	-	37,800
Funding scheme pension	268	48	-	-
Other receivable	27,958	-	-	-
Trade receivable	49,779	49,621	-	-
Deferred tax assets	2,496	2,496	-	-
Current assets				
Assets held for sale	152,477	120,298	101,785	101,785
Inventories and work-in-progress	145,215	91,364	-	-
Trade receivables	473,758	546,406	-	-
Other receivables	43,051	36,517	10,760	1,969
Other current assets	113,227	69,042	517	536
Balances due from				
- subsidiaries	-	-	719,520	792,050
- associated companies	92,780	145,110	6,039	13,234
- joint venture companies	10,217	22,090	-	6
Derivative financial instruments	-	615	-	615
Cash and cash equivalents	206,465	174,365	92,675	94,827
Cash pledged	34,526	4,528	-	-
	1,271,716	1,210,335	931,296	1,005,022
Current liabilities				
Trade payables	124,955	154,001	-	-
Other payables	303,580	270,282	24,073	33,278
Bills payable to banks	384,108	228,585	56,350	56,601
Deferred income	759	1,540	-	-
Progress billings in excess of work-in-progress	85,961	61,766	-	-
Balances due to				
- subsidiaries	-	-	42,557	40,278
- associated companies	4,708	60,789	-	-
- joint venture companies	2,500	2,500	2,500	2,500
Derivative financial instruments	23,364	3,847	19,307	3,398
Lease obligations	1,274	1,054	14	30
Bank term loans	312,468	281,122	89,902	92,192
Provision for tax	18,668	17,734	2,125	2,125
	1,262,345	1,083,220	236,828	230,402
Net current assets	**9,371**	**127,115**	**694,468**	**774,620**

	Group		Company	
	30 November 2014 US$'000	31 August 2014 US$'000	30 November 2014 US$'000	31 August 2014 US$'000
Non-current liabilities				
Other payables	(27,935)	(26,076)	(6,109)	(6,076)
Pension liability	(1,360)	(1,297)	-	-
Deferred income	(10,954)	(24,442)	-	-
Lease obligations	(2,021)	(811)	-	-
Bank term loans	(729,180)	(665,940)	(11,000)	(11,000)
Notes payable	(357,857)	(374,405)	(357,857)	(374,405)
Deferred tax liabilities	(1,987)	(1,032)	-	-
NET ASSETS	1,358,254	1,185,769	953,341	794,994
EQUITY				
Share capital	490,085	490,085	490,085	490,085
Perpetual securities	120,329	123,047	120,329	123,047
Accumulated profits	575,553	523,716	356,415	190,976
Capital reserve	(56,175)	(3,242)	(2,353)	(2,353)
Fair value adjustment reserve	-	4,951	-	-
Hedging reserve	(3,717)	243	(3,759)	615
Translation reserve	(5,962)	(1,622)	-	-
Treasury shares	(7,376)	(7,376)	(7,376)	(7,376)
	1,112,737	1,129,802	953,341	794,994
Non-controlling interests	245,517	55,967	-	-
TOTAL EQUITY	1,358,254	1,185,769	953,341	794,994
	-	-	-	-

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

	30 November 2014		31 August 2014	
	Secured US$'000	Unsecured US$'000	Secured US$'000	Unsecured US$'000
Amount repayable in one year or less, or on demand	345,888	351,962	302,316	208,445
Amount repayable after one year	715,225	373,833	653,155	388,001

Details of any collaterals

The above term loans and bills payable are secured by way of legal mortgages on the vessels, leasehold property, equipments and cash deposits of the Group.

Certain motor vehicles are under finance lease arrangements.

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

(Amounts expressed in United States dollars)

	Group 3 months ended	
	30 November 2014 US$'000	**30 November 2013 US$'000**
Cash flows from operating activities		
Profit before tax	67,564	12,110
Adjustments:		
Depreciation of fixed assets	20,996	16,946
Impairment loss on fixed assets	10,000	-
Fixed assets written off	157	1
Amortisation of other intangible assets	211	208
Gain on disposal of fixed assets	(1)	-
Share of profit of associated companies	(3,803)	(3,389)
Share of profit of joint venture companies	(289)	(688)
Gain on dilution of interest in an associated company	-	(2,387)
Realised (gain)/loss on derivative financial instruments, net	(29)	246
Fair value changes in respect of FVTPL investments, net	-	(322)
Unrealised exchange (gain)/loss	(6,169)	441
Interest expense	11,316	10,165
Interest income	(1,230)	(769)
Realised loss on share of hedging reserves on step up of associated companies to subsidiaries	199	-
Reclassification of fair value reserves on step-up of associated company included in profit or loss	(1,715)	-
Gross dividend income from FVTPL investments	-	(29)
Bad debts recovered, net	(343)	-
Gain on bargain purchase on acquisition of subsidiaries	(106,333)	-
Loss on step up of associate and joint venture companies to subsidiaries	42,304	-
(Write-back of)/allowance for doubtful debts, net	(228)	102
Operating profit before working capital changes	32,607	32,635
(Increase)/decrease in:		
Inventories and work-in-progress	(43,425)	(5,456)
Trade receivables	107,999	(33,260)
Other receivables and other current assets	(38,761)	1,293
Due from associated companies, net	(3,328)	(32,799)
Due from joint venture companies, net	1,573	10,946
(Decrease)/increase in:		
Trade payables	(48,631)	(26,217)
Other payables	(41,058)	46,636
Progress billings in excess of work-in-progress	24,196	51,769
Cash (used in)/generated from operations	(8,828)	45,547
Interest paid	(14,375)	(12,154)
Interest income received	1,236	714
Tax paid	(8,922)	(2,768)
Net cash (used in)/generated from operating activities	(30,889)	31,339

	Group 3 months ended	
	30 November 2014 US$'000	30 November 2013 US$'000
Cash flows from investing activities		
Purchase of fixed assets	(47,261)	(87,684)
Proceeds from disposal of fixed assets	2	-
Proceeds from disposal of assets held for sale	7,000	-
Dividend received (net) from FVTPL investments	-	29
Dividend received (net) from an associated company	8,829	-
Increase in cash pledged	-	(855)
Acquisition of subsidiaries, net of cash paid	25,206	-
Interest paid and capitalised as fixed assets and assets held for sale	(2,376)	(1,175)
Net cash used in investing activities	(8,600)	(89,685)
Cash flows from financing activities		
Proceeds/(repayment) of bills payable, net	33,651	(2,595)
Repayment of lease obligations, net	(944)	(281)
Proceeds from bank term loans	83,172	71,050
Repayment of bank term loans	(97,077)	(20,179)
Receipts from derivative financial instruments, net	29	-
Acquisition of non-controlling interests	(718)	-
Proceeds from issuance of new ordinary shares by subsidiaries, net of transaction costs	59,899	-
Proceeds from issuance of fixed rate notes, net of transaction costs	-	19,609
Payment for perpetual securities distribution	(5,295)	(5,190)
Net cash generated from financing activities	72,717	62,414
Net increase in cash and cash equivalents	33,228	4,068
Effects of exchange on cash and cash equivalents	(1,128)	387
Cash and cash equivalents at beginning of financial period	174,365	173,078
Cash and cash equivalents at end of financial period	206,465	177,533

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

(Amounts expressed in United States dollars)

Group	Attributable to owners of the parent										
	Share capital US$'000	Perpetual securities US$'000	Accumulated profits US$'000	Capital reserve US$'000	Fair value adjustment reserve US$'000	Hedging reserve US$'000	Translation reserve US$'000	Treasury shares US$'000	Total equity attributable to owners of the parent US$'000	Non-controlling interests US$'000	Total equity US$'000
Balance at 1 September 2013	490,085	122,940	492,695	(3,210)	3,491	(2,790)	(4,674)	(7,376)	1,091,161	48,755	1,139,916
Total comprehensive income for the financial period	-	-	6,349	42	-	2,342	1,833	-	10,566	2,398	12,964
Accrued perpetual securities distribution	-	2,602	(2,602)	-	-	-	-	-	-	-	-
Payment of perpetual securities distribution	-	(5,190)	-	-	-	-	-	-	(5,190)	-	(5,190)
Total transactions with owners in their capacity as owners	-	(2,588)	(2,602)	-	-	-	-	-	(5,190)	-	(5,190)
Balance at 30 November 2013	490,085	120,352	496,442	(3,168)	3,491	(448)	(2,841)	(7,376)	1,096,537	51,153	1,147,690
Balance at 1 September 2014	490,085	123,047	523,716	(3,242)	4,951	243	(1,622)	(7,376)	1,129,802	55,967	1,185,769
Total comprehensive income for the financial period	-	-	54,414	(127)	(4,951)	(3,960)	(4,340)	-	41,036	6,216	47,252
Accrued perpetual securities distribution	-	2,577	(2,577)	-	-	-	-	-	-	-	-
Payment of perpetual securities distribution	-	(5,295)	-	-	-	-	-	-	(5,295)	-	(5,295)
Total transactions with owners in their capacity as owners	-	(2,718)	(2,577)	-	-	-	-	-	(5,295)	-	(5,295)
Dilution of equity interest in subsidiaries to non-controlling interest without change in control	-	-	-	(53,156)	-	-	-	-	(53,156)	184,402	131,246
Acquisition of non-controlling interest in subsidiaries	-	-	-	350	-	-	-	-	350	(1,068)	(718)
Total changes in ownership interests in subsidiaries	-	-	-	(52,806)	-	-	-	-	(52,806)	183,334	130,528
Balance at 30 November 2014	490,085	120,329	575,553	(56,175)	-	(3,717)	(5,962)	(7,376)	1,112,737	245,517	1,358,254

Company

	Attributable to equity owners of the parent								
	Share capital US$'000	**Perpetual securities US$'000**	**Accumulated profits US$'000**	**Capital reserve US$'000**	**Fair value adjustment reserve US$'000**	**Hedging reserve US$'000**	**Total reserves US$'000**	**Treasury shares US$'000**	**Total equity US$'000**
Balance at 1 September 2013	490,085	122,940	205,073	(2,353)	-	(2,554)	200,166	(7,376)	805,815
Total comprehensive income for the financial period	-	-	(7,529)	-	-	2,408	(5,121)	-	(5,121)
Accrued perpetual securities distribution	-	2,602	(2,602)	-	-	-	(2,602)	-	-
Payment of perpetual securities distribution	-	(5,190)	-	-	-	-	-	-	(5,190)
Total transactions with owners in their capacity as owners	-	(2,588)	(2,602)	-	-	-	(2,602)	-	(5,190)
Balance at 30 November 2013	490,085	120,352	194,942	(2,353)	-	(146)	192,443	(7,376)	795,504
Balance at 1 September 2014	490,085	123,047	190,976	(2,353)	-	615	189,238	(7,376)	794,994
Total comprehensive income for the financial period	-	-	168,016	-	-	(4,374)	163,642	-	163,642
Accrued perpetual securities distribution	-	2,577	(2,577)	-	-	-	(2,577)	-	-
Payment of perpetual securities distribution	-	(5,295)	-	-	-	-	-	-	(5,295)
Total transactions with owners in their capacity as owners	-	(2,718)	(2,577)	-	-	-	(2,577)	-	(5,295)
Balance at 30 November 2014	490,085	120,329	356,415	(2,353)	-	(3,759)	350,303	(7,376)	953,341

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 of the issuer, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

As at 30 November 2014, the Company's total issued shares is 977,896,088 (30 November 2013: 977,896,088) with 3,439,880 (30 November 2013: 3,439,880) shares being held as treasury shares.

Issuance of new ordinary shares subsequent to 30 November 2014

On 24 October 2014, the Company announced a proposed bonus issue of new ordinary shares in the capital of the Company (the "Shares") on the basis of one (1) new Share ("Bonus Share") for every twenty-five (25) existing Shares held by shareholders of the Company. The Company had on 23 December 2014, allotted and issued 38,978,653 Bonus Shares. As at 23 December 2014, the Company's total issued shares is 1,016,874,741 with 3,439,880 shares being held as treasury 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 Company's total issued shares excluding treasury shares is 974,456,208 as at 30 November 2014 (31 August 2014: 974,456,208).

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

As at 30 November 2014, the Company has 3,439,880 shares being held as treasury shares. There is no change in the treasury shares during the financial period.

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 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 applied the same accounting policies and methods of computation in the preparation of the financial statements for the three months ended 30 November 2014 as the most recently audited financial statements for the financial year ended 31 August 2014 ("FY14").

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 the new and revised FRSs and Interpretation of FRS (INT FRS) that are effective for annual periods beginning on or after 1 September 2014. The adoption of these new/revised FRS and INT FRSs do not have material effect on the financial performance or position of the Group.

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: -

	3 months ended 30 November 2014	3 months ended 30 November 2013
Net profit attributable to owners of the parent (US$'000)	54,414	6,349
Weighted average ordinary shares for calculation of ('000):		
- Basic earnings per share	974,456	974,456
- Diluted earnings per share	974,456	974,456
Earnings per ordinary share ("EPS") (US cents) of the Group:		
(a) Based on the weighted average number of ordinary shares on issue	5.58	0.65
(b) On a fully diluted basis (detailing any adjustments made to the earnings)	5.58	0.65

For "Diluted earnings per share", the weighted average number of ordinary shares for the 3 months ended 30 November 2013 includes the number of additional shares to be issued upon conversion of the convertible bonds. Adjustment is made to net profit attributable to the owners of the parent for the effect of the convertible bonds. The diluted EPS is the same as the basic EPS, as the effect of the convertible bonds is anti-dilutive.

The convertible bonds were redeemed on 28 February 2014. Hence, there is no dilutive effect on the 3 months ended 30 November 2014.

7. Net asset value (for the issuer and group) per ordinary share based on 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	
	As at 30 November 2014	As at 31 August 2014	As at 30 November 2014	As at 31 August 2014
Net asset value per ordinary share (US cents)	139.39	121.69	97.83	81.58

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's business segments are catagorised into the following:

- **Subsea Services Division**: Predominantly EMAS AMC Group which is a global EPCIC service provider of comprehensive subsea-to-surface solutions for the offshore oil and gas industry, especially in the SURF and Subsea Tie-Back sector. Core business services include subsea installation of umbilicals/power cables, pipelines as well as platforms, FPSO and floater installations.

- **Offshore Support and Production Services Division**: Predominantly Emas Offshore Limited which
  - Manages and operates a young, versatile fleet of advanced offshore support vessels, offering an extensive range of maritime services that cater to the client's needs throughout a field's life cycle; and
  - Owns and operates cutting-edge FPSO (floating production, storage and offloading) facilities, offering services that support the post-exploration needs of offshore fields, such as FPSO conversion management.

- **Marine Services Division**: Predominantly Triyards Holdings Limited which provides fabrication of SEUs (self-elevating, mobile offshore units). TRIYARDS provides its integrated engineering, ship construction and fabrication services out of yard facilities located in Singapore, the U.S. and Vietnam.

REVIEW OF PERFORMANCE:

Revenue

The Group's revenue decreased by US$18.8 million (6%) for the three months ended 30 November 2014 ("1Q15") when compared to the corresponding period for the three months ended 30 November 2013 ("1Q14"). The decrease was due to a decrease in revenue of US$22.1 million from Subsea Services Division and US$18.7 million from Offshore Support and Production Services Division. The decrease was partially offset by an increase of US$22.0 million from Marine Services Division.

The decrease in revenue for 1Q15 from Subsea Services Division was mainly due to:-

(i) Lower revenue contribution from the vessel, *Lewek Express*, which has been in planned 5-year mandatory dry dock for the entire 1Q15 as compared to 1Q14 when the vessel was in operation;

(ii) Lower than expected revenue contribution from the vessel, *Lewek Champion*, which has been out of operation since early October 2014 for urgent maintenance and repair work as a result of an unexpected gangway malfunction in the midst of project execution; and

(iii) Lesser variation orders billed in 1Q15 as compared to 1Q14 as a result of a lower number of project closeouts experienced in the current quarter.

The decrease in revenue for 1Q15 from Offshore Support and Production Services Division was mainly due to the absence of revenue contribution from one (1) leased-in vessel which was returned to the owner in the second half of FY14. The weakness in the shallow water Platform Support Vessels ("PSV") segment also contributed to the decrease in revenue.

The increase in revenue for 1Q15 from Marine Services Division was mainly due to:-

(i) New source of revenue contribution in 1Q15 from the newly acquired subsidiaries of Triyards Holdings Limited, namely, Strategic Marine (S) Pte. Ltd. and Strategic Marine (V) Company Limited (collectively "Strategic Marine Entities"); and

(ii) Higher level of fabrication activities from the existing operations with more units of self elevating units being work-in-progress in 1Q15 as compared to 1Q14.

REVIEW OF PERFORMANCE (CONT'D):

Gross profit

Gross profit decreased from US$50.6 million in 1Q14 to US$39.1 million in 1Q15 and gross profit margin has decreased from 15% in 1Q14 to 12% in 1Q15.

The decrease in gross profit and gross profit margin in 1Q15 as compared to 1Q14 was mainly due to the a lower gross profit margin contribution from the Offshore Support and Production Services Division as a result of weakness in the shallow water PSV segment.

The decline in gross profit margin in the Subsea Services Division was mainly due to:-

(i) Lower profit contribution from the *Lewek Express* as a result of her planned 5-year mandatory dry docking in 1Q15;

(ii) Lower profit contribution and negative utilization impact from the *Lewek Champion* as a result of her unexpected gangway malfunction;

(iii) Unexpected repair and maintenance cost as a result of the unplanned repair work required for the *Lewek Champion*; and

(iv) Lower amount of variation orders billed as a result of lower project close outs.

The Marine Services Division contributed similar levels of gross profitability in 1Q15 as compared to 1Q14.

Other income, net

The increase in other income, net was mainly due to recognition of one-off gain on bargain purchase from the acquisition of subsidiaries of US$106.3 million and turn-around of the foreign exchange loss in 1Q14 of US$2.7 million to foreign exchange gain in 1Q15 of US$9.4 million.

The increase was partially offset by the one-off loss on step up of associated and joint venture companies to subsidiaries of US$42.3 million and one-off impairment of fixed assets of US$10.0 million as compared to 1Q14.

Profit before tax

Profit before tax increased to US$67.6 million in 1Q15 when compared to 1Q14. The increase was mainly due to higher other income which was partially offset by lower gross profit.

Tax

Tax expense in 1Q15 and 1Q14 amounted to US$7.0 million and US$3.4 million respectively. The increase in tax expense was mainly due to withholding tax incurred on a subsea project in a foreign tax jurisdiction that amounted to approximately US$5.0 million. Charter income derived from Singapore and foreign flagged vessels which operate in international waters continue to remain tax exempt under Section 13 of the Singapore Income Tax Act and Maritime Sector Incentive - Approved International Shipping Enterprise Scheme.

REVIEW OF STATEMENT OF FINANCIAL POSITION AND CASH FLOWS:

Non-current assets

The increase in non-current assets was mainly due to:-

(i) Increase in fixed assets from the capitalisation of shipbuilding costs, equipment costs of vessels and construction of the new yard and office facilities.
(ii) The addition of fixed assets of newly acquired subsidiaries, EMAS Offshore Limited ("EOL") and its subsidiaries (collectively "EOL Group") and Strategic Marine Entities also contributed to the increase;
(iii) Increase in investment in associated companies from the addition of an associated company, PV Keez Pte Ltd, arising from the acquisition of EOL. The increase was partially offset by the reclassification of the investment in EOL as an associated company to investment in subsidiary upon the consolidation of EOL Group; and
(iv) Increase in other receivables is mainly due to the addition arising from the consolidation of EOL Group.

The increase in non-current assets is partially offset by:-

(i) Impairment loss on fixed assets of US$10.0 million;
(ii) Decrease in investments in joint venture companies as the investment in Lewek Antares Shipping Pte Ltd was reclassified as investment in subsidiary upon the consolidation of EOL Group; and
(iii) Decrease in long term receivable from an associated company as the receivable was reclassified as long term receivable due from subsidiary and hence eliminated on consolidation of EOL Group.

Current assets

The increase in current assets was mainly due to:-

(i) Increase in assets held for sale due to reclassification of a vessel from fixed assets;
(ii) Increase in inventories and work-in-progress resulting from the build up of fabrication and subsea activities and from the addition arising from the acquisition of Strategic Marine Entities;
(iii) Increase in other current asset from the capitalisation of mobilisation cost incurred for upcoming subsea activities; and
(iv) Increase in cash and bank balances is mainly due to the proceeds raised from the issuance of new shares of EOL and the addition arising from the consolidation of EOL Group.

The increase in current assets is partially offset by:-

(i) Decrease in trade receivables as a result of collections and lower billing from lower activities in 1Q15 compared to 4Q14; and
(ii) Decrease in balances due from associated companies as the balances due from EOL Group was reclassified as balances due from subsidiaries and eliminated upon the consolidation of EOL Group.

Current liabilities

The increase in current liabilities was mainly due to:-

(i) Increase in bills payable to bank is mainly due to the addition arising from the consolidation of EOL Group;
(ii) Increase in progress billing in excess of work-in-progress is mainly due to the addition arising from acquisition of Strategic Marine Entities and more milestone billings made to customers;
(iii) Increase in bank term loans is mainly due to the addition arising from the consolidation of EOL Group; and
(iv) Increase in derivative financial liabilities as a result of strengthening of US Dollar against Singapore Dollar which resulted in an increase in the unrealised losses from the currency swaps held by the Group.

The increase in current liabilities was partially offset by the decrease in balances due to associated companies as the balances due to EOL Group was reclassified as balances due to subsidiaries and eliminated upon consolidation of EOL Group.

REVIEW OF STATEMENT OF FINANCIAL POSITION AND CASH FLOWS (CONT'D):

Non-current liabilities

The increase in non-current liabilities was due to the increase in bank term loans as a result of the addition arising from the consolidation of EOL Group. The increase was partially offset by the decrease in deferred income which was realised upon the consolidation of EOL Group.

Equity

The increase in shareholders' equity was mainly due to profit for the financial period and an increase in non-controlling interests. The increase in non-controlling interests was mainly due to the dilution of the Group's equity interests in the Offshore Support Services companies, as part of the Business Combination Agreement, and from the acquisition of EOL Group.

The increase was partially offset by an increase in the deficit in the capital reserves due to the loss on dilution of the Group's equity interests in the Offshore Support Services companies without a loss of control.

Cash flows

Net cash used in operating activities was US$30.9 million in 1Q15 compared to an inflow of US$31.3 million in 1Q14 mainly due to:-

(i) Higher outflow to trade and other payables in 1Q15 as compared to net inflow in 1Q14;
(ii) Higher built-up of inventories and work-in-progress in 1Q15 as compared to 1Q14;
(iii) Higher built-up of other receivables and other current assets arising from mobilisation costs for upcoming subsea activities.

The net cash used in operating activities was partially offset by net inflow from trade receivables in 1Q15 as compared to 1Q14. The Group is closely monitoring its operating activities and appropriate measures will be taken to mitigate operational risk.

Net cash outflow from investing activities decreased from US$89.7 million in 1Q14 to US$8.6 million in 1Q15 as a result of the cash inflows from the acquisition of subsidiaries which did not occurred in 1Q14 as well as lower purchase of fixed assets in 1Q15 as compared to 1Q14.

Net cash inflow from financing activities increased from US$62.4 million in 1Q14 to US$72.7 million in 1Q15 as a result of net cash inflow from bills payable in 1Q15 as compared to net cash outflow in 1Q14. In addition, there were proceeds of US$59.9 million generated from the issuance of new ordinary shares by subsidiaries in 1Q15 which did not occurred in 1Q14.

REVIEW OF STATEMENT OF FINANCIAL POSITION AND CASH FLOWS (CONT'D):

Proceeds utilisation

Proceeds utilization of Share Placement exercise

On 16 March 2012, the Company issued and allotted 110,000,000 new ordinary shares in the capital of the Company ("the Placement Shares") pursuant to a private placement at an issue price of S$1.10 for each Placement Share to raise gross proceeds of S$121 million.

The net proceeds from the Share Placement exercise has been fully utilised by the Company for repayment of existing debt and general working capital purposes. Details of utilisation have been announced.

Proceeds utilisation of S$150 million Perpetual Securities

On 18 September 2012, the Company issued a S$150 million Fixed Rate Subordinated Perpetual Securities (the "Securities"). The Securities were issued under the US$500 million Multicurrency Debt Issuance Programme established by the Company on 28 August 2012. The net proceeds from the issuance of the Securities (after deducting issuance expenses) will be used by the Company to refinance existing borrowings of the Company and its subsidiaries, and for general working capital purposes.

To date, S$140.0 million has been utilised for repayment of existing debt, purchase of equipment on board vessels and general working capital purposes. Details of utilisation have been announced.

Financial ratios

The Group's net debt to equity ratio (defined as ratio of total external indebtedness (net of cash and cash equivalents and cash pledged) owing to bank and financial institutions to total equity) has decreased slightly to 1.14 times as at the end of 1Q15 as compared to 1.16 times at end of FY14.

Interest cover is 8.8 times in 1Q15 compared to 3.9 times in 1Q14.

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 recent weakness in the oil price environment has caused global concerns on the prospects of both Oil & Gas and Oilfield Services operators. Any prolonged and continued decline in the oil price could result in oil companies severely cutting back on exploration budgets and moderating development capital expenditures to maintain greater cash flow discipline. This could lead to a slow-down in new project awards. However, the Group maintains a strong backlog of US$2.5 billion* and our tendering activities remain robust.

Nevertheless, the Group will focus its priorities in the following areas to ensure stronger operational integrity and financial discipline across all its divisions amidst the uncertainty:

(i) Focused execution of its current backlog of US$2.5 billion* profitably;
(ii) Heightened cost discipline through an increased focus on cost-base rationalization and optimization; and
(iii) Increased focus on non-core asset rationalization, cash flow generation, capital management and ultimate de-leveraging of our balance sheet.

While the current environment may cause some volatility in our results, we remain confident that the long-term fundamentals of the oil and gas industry remain encouraging and will drive continued development and spending in the segments that our businesses operate in.

** The Group's backlog is inclusive of a backlog of US$511 million from the two FPSOs, Lewek EMAS and Perisai Kamelia that EMAS Offshore Limited has stakes in.*

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended for the current financial period reported on.

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 not obtained a general mandate from shareholders for Interested Party Transactions ("IPTs").

Confirmation by the Board
Pursuant to SGX Listing Rule 705(5)

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the three months ended 30 November 2014 to be false or misleading.

On behalf of the Board of Directors

Lee Chye Tek Lionel
Group CEO and Managing Director

Adarash Kumar A/L Chranji Lal Amarnath
Director

9 January 2015