



UNAUDITED SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2014

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

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

CONSOLIDATED INCOME STATEMENT

	Group			Group		
	2nd Qtr Ended 30/9/2014 S\$'000	30/9/2013 S\$'000	Incr/ (decr) %	6 months Ended 30/9/2014 S\$'000	30/9/2013 S\$'000	Incr/ (decr) %
Revenue	29,785	28,954	2.9	55,567	48,729	14.0
Cost of sales	(21,212)	(20,304)	4.5	(39,580)	(34,075)	16.2
Gross profit	8,573	8,650	(0.9)	15,987	14,654	9.1
Other income	535	67	698.5	516	100	416.0
Distribution costs	(1,178)	(1,020)	15.5	(2,175)	(1,781)	22.1
Administrative expenses	(4,119)	(2,566)	60.5	(6,797)	(4,507)	50.8
Other operating expenses	(49)	(175)	(72.0)	(68)	(530)	(87.2)
Interest expense	(504)	(411)	22.6	(976)	(803)	21.5
Profit before income tax	3,258	4,545	(28.3)	6,487	7,133	(9.1)
Income tax expense	(523)	(807)	(35.2)	(1,007)	(1,054)	(4.5)
Profit for the period	2,735	3,738	(26.8)	5,480	6,079	(9.9)
Attributable to:						
Shareholders of the Company	2,540	3,766	(32.6)	5,251	6,106	(14.0)
Non-controlling interests	195	(28)	NM	229	(27)	NM
	2,735	3,738	(26.8)	5,480	6,079	(9.9)
Gross profit margin	28.8%	29.9%		28.8%	30.1%	
Net profit margin	9.2%	12.9%		9.9%	12.5%	
EBITDA ⁽¹⁾ (S\$'000)	4,502	5,389	(16.5)	8,622	8,768	(1.7)
EBITDA margin	15.1%	18.6%		15.5%	18.0%	

⁽¹⁾ : Denotes earnings before interest, taxes, depreciation and amortisation

NM: Not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group			Group		
	2nd Qtr Ended		Incr/ (decr) %	6 months Ended		Incr/ (decr) %
	30/9/2014	30/9/2013		30/9/2014	30/9/2013	
	S\$'000	S\$'000		S\$'000	S\$'000	
Profit for the period	2,735	3,738	(26.8)	5,480	6,079	(9.9)
Other comprehensive income						
Item that may be reclassified to profit or loss:						
Translation (loss) gain arising on consolidation	(6)	19	NM	(10)	13	NM
Other comprehensive (expense) income for the period	(6)	19	NM	(10)	13	NM
Total comprehensive income for the period	2,729	3,757	(27.4)	5,470	6,092	(10.2)
Total comprehensive income attributable to:						
Shareholders of the Company	2,544	3,785	(32.8)	5,236	6,119	(14.4)
Non-controlling interests	185	(28)	NM	234	(27)	NM
	2,729	3,757	(27.4)	5,470	6,092	(10.2)

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

	Group			Group		
	2nd Qtr Ended		Incr/ (decr) %	6 months Ended		Incr/ (decr) %
	30/9/2014	30/9/2013		30/9/2014	30/9/2013	
	S\$'000	S\$'000		S\$'000	S\$'000	
Allowance for doubtful trade receivables	48	22	118	66	24	175
Other receivables written off	1	-	NM	1	-	NM
Doubtful trade receivables recovered	-	-	NM	-	(7)	NM
Depreciation	725	418	73	1,129	802	41
Amortisation of intangible asset	15	15	-	30	30	-
Foreign exchange (gain) loss	(286)	150	NM	(221)	502	NM
Gain on disposal of property, plant and equipment	(139)	(6)	NM	(164)	(18)	811
Goodwill written off from acquisition of a subsidiary	-	3	NM	-	3	NM
Interest income	(4)	(12)	(67)	(21)	(20)	5
Interest expense	504	411	23	976	803	22
Trade payables written back	-	(36)	NM	-	(36)	NM

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

STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30/9/2014	31/3/2014	30/9/2014	31/3/2014
	S\$'000	S\$'000	S\$'000	S\$'000
<u>ASSETS</u>				
Current assets				
Cash and cash equivalents	12,159	18,824	3,909	14,796
Trade receivables	29,541	26,595	876	1,480
Other receivables and prepayments	6,684	3,167	42,518	29,784
Inventories	138,468	124,862	-	-
Total current assets	186,852	173,448	47,303	46,060
Non-current assets				
Property, plant and equipment	20,783	14,028	-	-
Club memberships	76	76	-	-
Intangible assets	4,209	165	-	-
Goodwill	7,786	444	-	-
Deferred tax assets	54	28	-	-
Subsidiaries	-	-	6,101	6,101
Total non-current assets	32,908	14,741	6,101	6,101
Total assets	219,760	188,189	53,404	52,161
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade payables	14,229	16,628	-	-
Other payables	12,507	2,093	1,967	542
Current portion of bank borrowings	64,489	51,217	-	-
Current portion of finance leases	630	737	-	-
Income tax payable	1,940	1,773	234	266
Total current liabilities	93,795	72,448	2,201	808
Non-current liabilities				
Bank borrowings	14,766	15,613	-	-
Finance leases	1,575	1,741	-	-
Deferred tax liabilities	486	491	-	-
Total non-current liabilities	16,827	17,845	-	-
Capital, reserves and non-controlling interests				
Share capital	50,587	47,224	50,587	47,224
Retained earnings	52,032	50,723	616	4,129
Translation reserve	(4)	11	-	-
Equity attributable to shareholders of the Company	102,615	97,958	51,203	51,353
Non-controlling interests	6,523	(62)	-	-
Total equity	109,138	97,896	51,203	51,353
Total liabilities and equity	219,760	188,189	53,404	52,161

1(b)(ii) In relation to the aggregate amount of group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year

Amount repayable in one year or less, or on demand

	30/9/2014		31/3/2014	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Term loans	4,719	-	4,358	-
Money market loan	3,000	-	3,000	-
Bank bills payables	9,401	34,830	9,554	24,898
Finance leases	630	-	737	-
Time loans	-	5,000	-	5,000
Revolving credit loans	-	7,539	-	4,407
	<u>17,750</u>	<u>47,369</u>	<u>17,649</u>	<u>34,305</u>

Amount repayable after one year

	30/9/2014		31/3/2014	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Term loans	14,766	-	15,613	-
Finance leases	1,575	-	1,741	-
	<u>16,341</u>	<u>-</u>	<u>17,354</u>	<u>-</u>

Details of any collaterals

Certain bank borrowings are secured by a legal mortgage over the Group's leasehold land and buildings, certain plant and machinery, a floating charge over certain inventories of the Group and corporate guarantees of the Company and a certain subsidiary.

Finance leases are secured by charges over the leased assets. Certain leases are guaranteed by a joint and several personal guarantees of one or more directors of the Company; guarantees by a director of the Company and a shareholder of the immediate holding company; or a corporate guarantee by the Company.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	Group		Group	
	2nd Qtr Ended	30/9/2013	6 months Ended	30/9/2013
	30/9/2014	30/9/2013	30/9/2014	30/9/2013
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Profit before income tax	3,258	4,545	6,487	7,133
Adjustments for :				
Interest expense	504	411	976	803
Interest income	(4)	(12)	(21)	(20)
Depreciation	725	418	1,129	802
Amortisation of intangible asset	15	15	30	30
Allowance for doubtful trade receivables	48	22	66	24
Doubtful trade receivables recovered	-	-	-	(7)
Other receivables written off	1	-	1	-
Gain on disposal of property, plant and equipment	(139)	(6)	(164)	(18)
Goodwill written off from acquisition of a subsidiary (Note A)	-	3	-	3
Net foreign exchange loss - unrealised	(252)	(158)	(185)	(51)
Trade payables written back	-	(36)	-	(36)
Operating cash flows before movements in working capital	4,156	5,202	8,319	8,663
Trade receivables	2,537	(5,022)	2,925	(3,394)
Other receivables and prepayments	478	771	197	90
Inventories	(2,808)	(271)	(9,770)	(5,258)
Trade payables	(5,651)	(5,069)	(9,284)	(6,338)
Other payables	(428)	(1,296)	(101)	(1,104)
Bank bill payables	3,595	10,393	9,848	13,563
Cash generated from operations	1,879	4,708	2,134	6,222
Interest paid for bank bills	(264)	(209)	(497)	(384)
Interest received	4	12	21	20
Income tax paid	(823)	(775)	(871)	(1,287)
Net cash from operating activities	796	3,736	787	4,571
Investing activities				
Proceeds from disposal of property, plant and equipment	168	6	221	384
Purchases of property, plant and equipment	(796)	(2,222)	(1,122)	(2,683)
Acquisition of subsidiaries (Note A)	998	(1,200)	(4,087)	(1,200)
Net cash from (used in) investing activities	370	(3,416)	(4,988)	(3,499)
Financing activities				
Interest paid for other borrowings	(240)	(202)	(479)	(419)
Dividend paid	(3,942)	(3,456)	(3,942)	(3,456)
Repayment of obligations under finance leases	(289)	(271)	(545)	(747)
New bank loans obtained	1,487	261	4,684	2,761
Repayment of bank loans	(1,178)	(248)	(2,196)	(498)
Contributions from non-controlling interests	20	14	20	14
Net cash used in financing activities	(4,142)	(3,902)	(2,458)	(2,345)
Net decrease in cash and cash equivalents	(2,976)	(3,582)	(6,659)	(1,273)
Exchange difference on cash and cash equivalents	6	2	(6)	2
Cash and cash equivalents at beginning of the period	15,129	23,717	18,824	21,408
Cash and cash equivalents at end of the period	12,159	20,137	12,159	20,137

Note A

On 1 July 2014, the Group acquired 51% of the issued capital of Rig Marine Holdings FZC

Identifiable assets and liabilities at the date of acquisition ⁽¹⁾

	Fair value
	S\$'000
Cash and cash equivalents	998
Trade receivables	5,891
Other receivables and prepayments	3,212
Inventories	3,836
Property, plant and equipment	6,552
Intangible asset	4,074
Trade payables	(6,854)
Other payables	(4,588)
Bank borrowing	(159)
Finance leases	(41)
Deferred tax liability	(1)
Net assets	<u>12,920</u>
Goodwill arising on acquisition	
Consideration transferred	14,375
Less: 51% of fair value of identifiable net assets acquired	<u>(6,589)</u>
Goodwill arising on acquisition	<u>7,786</u>
<u>Net cash inflow on acquisition of subsidiary</u>	
Total consideration	14,375
Total consideration unpaid as of 30 September 2014 and recorded as other payables	(5,927)
Total consideration settled by shares	(3,363)
Total consideration paid in 1Q FY2015	<u>(5,085)</u>
Total consideration, satisfied by cash in 2Q FY2015	-
Less: Cash and cash equivalents acquired in 2Q FY2015	<u>998</u>
Net cash inflow on acquisition of subsidiary in 2Q FY2015	<u>998</u>
Net cash inflow on acquisition of subsidiary in HY FY2015	<u>(4,087)</u>

⁽¹⁾ The above has been arrived on a provisional basis as management is finalising the accounting for this business combination.

On 26 August 2013, the Group acquired 90% of the issued capital of Phoenix Offshore Pte Ltd

Identifiable assets and liabilities at the date of acquisition	Fair value S\$'000
Cash and bank balances	31
Trade receivables	888
Other receivables	209
Property, plant and equipment	94
Trade payables	(700)
Other payables	(387)
Net assets	<u>135</u>
Goodwill written off from acquisition of a subsidiary	
Consideration transferred	125
Less: 90% of fair value of identifiable net assets acquired	(122)
Goodwill written off from acquisition of a subsidiary	<u>3</u>
Net cash flow on acquisition	
Total consideration, satisfied by cash	125
Less: Cash and cash equivalents acquired	(28)
Net cash outflow on acquisition of a subsidiary	<u>97</u>

On 1 July 2013, the Group acquired 100% of the issued capital of Lv Yang (Tianjin) Offshore Equipment Co. Ltd

Identifiable assets and liabilities at the date of acquisition	Fair value S\$'000
Cash and bank balances	2,410
Trade receivables	1,364
Other receivables	225
Inventories	1,011
Property, plant and equipment	1,171
Trade payables	(1,671)
Other payables	(2,739)
Income tax refundable	98
Net assets	<u>1,869</u>
Goodwill arising on acquisition	
Consideration transferred	3,513
Less: fair value of identifiable net assets acquired	(1,869)
Goodwill arising on acquisition	<u>1,644</u>
Net cash flow on acquisition	
Total consideration, satisfied by cash	3,513
Less: Cash and cash equivalents acquired	(2,410)
Net cash outflow on acquisition of a subsidiary	<u>1,103</u>
Total net cash outflow on acquisition of subsidiaries for 2Q FY2014	<u>1,200</u>

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

STATEMENT OF CHANGES IN EQUITY

	Share capital	Retained earnings	Translation reserves	Attributable to shareholders of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group						
At 1 April 2014	47,224	50,723	11	97,958	(62)	97,896
Total comprehensive income for the period						
Profit for the period	-	5,251	-	5,251	229	5,480
Other comprehensive income for the period	-	-	(15)	(15)	5	(10)
Total	-	5,251	(15)	5,236	234	5,470
Transactions with owners, recognised directly in equity						
Issuance of shares	3,363	-	-	3,363	-	3,363
Contribution from non-controlling interests	-	-	-	-	20	20
Acquisition of a subsidiary	-	-	-	-	6,331	6,331
Dividend paid	-	(3,942)	-	(3,942)	-	(3,942)
Total	3,363	(3,942)	-	(579)	6,351	5,772
At 30 September 2014	50,587	52,032	(4)	102,615	6,523	109,138
At 1 April 2013	47,224	42,542	(74)	89,692	0	89,692
Total comprehensive income for the period						
Profit for the period	-	6,106	-	6,106	(27)	6,079
Other comprehensive income for the period	-	-	13	13	-	13
Total	-	6,106	13	6,119	(27)	6,092
Transactions with owners, recognised directly in equity						
Acquisition of a subsidiary	-	-	-	-	14	14
Dividend paid	-	(3,456)	-	(3,456)	0	(3,456)
Total	-	(3,456)	-	(3,456)	14	(3,442)
At 30 September 2013	47,224	45,192	(61)	92,355	(13)	92,342

	Share capital	Retained earnings	Translation reserves	Attributable to shareholders of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>Company</u>						
At 1 April 2014	47,224	4,129	-	51,353	-	51,353
Profit for the period, representing total comprehensive income for the period	-	429	-	429	-	429
Transactions with owners, recognised directly in equity						
Issuance of shares	3,363	-	-	3,363	-	3,363
Dividend paid		(3,942)	-	(3,942)	-	(3,942)
Total	3,363	(3,942)	-	(579)	-	(579)
At 30 September 2014	50,587	616	-	51,203	-	51,203
At 1 April 2013	47,224	5,146	-	52,370	-	52,370
Profit for the period, representing total comprehensive income for the period	-	1,016	-	1,016	-	1,016
Dividend paid, representing transactions with owners, recognised directly in equity	-	(3,456)	-	(3,456)	-	(3,456)
At 30 September 2013	47,224	2,706	-	49,930	-	49,930

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

Nil.

There were no outstanding convertibles which may be converted to shares. There were no treasury shares held.

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

The total number of issued shares excluding treasury shares

30/9/2014	31/3/2014
438,000,000	432,000,000

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

Not applicable. There were no treasury shares during and as at the end of the current financial period reported on.

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

The figures have not been audited and/or reviewed by the auditors.

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

Not applicable.

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

The group has adopted the same accounting policies and methods of computation in the announcement for the current financial period as those applied in the Group's most recently audited financial statements for the year ended 31 March 2014 as well as all the applicable Singapore Financial Reporting Standards ("FRSs") which became effective for the financial year beginning on or after 1 April 2014.

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 effect, of the change

Please refer to section 4 and the audited financial statements for the year ended 31 March 2014 for more information.

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

	Group		Group	
	2nd Qtr Ended	30/09/2013	6 months Ended	30/09/2013
	30/09/2014	30/09/2013	30/09/2014	30/09/2013
Net profit after tax attributable to shareholders of the Company (S\$'000)	2,540	3,766	5,251	6,106
Weighted average number of ordinary shares for calculation of ('000):				
- Basic earnings per share	435,607	432,000	435,607	432,000
- Diluted earnings per share	435,607	432,000	435,607	432,000
Earnings per share ("EPS") (cents/share)				
(a) Based on weighted average number of ordinary shares	0.58	0.87	1.21	1.41
(b) On a fully diluted basis	0.58	0.87	1.21	1.41

The Company has no dilutive equity instruments as at 30 September 2014.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on; and (b) immediately preceding financial year

	Group		Company	
	30/09/2014	31/3/2014	30/09/2014	31/3/2014
Net asset value attributable to shareholders of the Company (S\$'000)	102,615	97,958	51,203	51,353
Number of ordinary shares ('000)	438,000	432,000	438,000	432,000
Net asset value per ordinary share (cents)	23.43	22.68	11.69	11.89

8. Review of the Group's performance

Revenue

For the six months ended 30 September 2014 ("HY FY2015"), the Group's revenue was S\$55.6 million with an increase of S\$6.8 million or 14.0% compared to S\$48.7 million for the corresponding period ended 30 September 2013 ("HY FY2014"). The increase was mainly due to (i) an increase in ship chandling segment of S\$4.5 million; and (ii) increase in the rigging and lifting segment of S\$2.3 million partly contributed by the acquisition of Rig Marine Holdings FZC and its subsidiaries ("Rigmarine").

For the second quarter ended 30 September 2014 ("2Q FY2015"), the Group's revenue was S\$29.8 million, 2.9% higher than the S\$29.0 million in the second quarter ended 30 September 2013 ("2Q FY2014"). The increase was mainly due to an increase in ship chandling segment of S\$2.7 million, which was partially offset by a decline in the rigging and lifting segment of S\$1.9 million due to project based nature of our business.

Gross profit

Gross profit increased by S\$1.3 million or 9.1% from S\$14.7 million in HY FY2014 to S\$16.0 million in HY FY2015. The corresponding gross profit margin decreased from 30.1% to 28.8%. For 2Q FY2015, the gross profit was S\$8.6 million which did not vary significantly from that of 2Q FY2014. The corresponding gross profit margin decreased from 29.9% to 28.8% mainly due to an increase in sales of trading products.

Other income

Other income increased by S\$0.4 million in HY FY2015 compared to HY FY2014 mainly due to gain on disposal of motor vehicle of S\$0.2 million and net foreign exchange gain incurred of S\$0.2 million.

Distribution costs

Distribution costs increased by S\$0.4 million or 22.1% in HY FY2015 compared to HY FY2014 mainly due to increase in staff-related cost as we increase our headcount to support business expansion.

Administrative expenses

Administrative expenses increased by S\$2.3 million or 50.8% in HY FY2015 compared to HY FY2014 mainly due to: (i) an increase in staff-related cost of S\$1.0 million as we increase our headcount to support business expansion; (ii) an increase in professional fees of S\$0.4 million; (iii) an increase in travelling expenses of S\$0.2 million, (iv) an increase in rental related expenses of S\$0.3 million; and (v) an increase in insurance of S\$0.1 million.

Other operating expenses

Other operating expenses decreased by S\$0.5 million in HY FY2015 compared to HY FY2014 mainly due to turnaround of a foreign exchange loss of S\$0.5 million to a foreign exchange gain of S\$0.2 million resulting from the appreciation of United States Dollar and the depreciation of Euro against Singapore dollar.

Interest expense

Interest expense increased by S\$0.2 million or 21.5% from S\$0.8 million in HY FY2014 to S\$1.0 million in HY FY2015 mainly due to higher bank borrowings.

Profit before income tax

As a result of the above reasons, profit for HY FY2015 decreased by S\$0.6 million or 9.1% from S\$7.1 million in HY FY2014 to S\$6.5 million in HY FY2015.

Review of statement of financial position and cash flows

Current Assets

The current assets increased by S\$13.4 million from S\$173.4 million as at 31 March 2014 to S\$186.8 million as at 30 September 2014. The increase was mainly due to (i) an increase in inventories of S\$13.6 million due to anticipated market demand and the acquisition of Rigmarine, (ii) an increase in trade receivables of S\$2.9 million mainly due to the acquisition of Rigmarine, and (iii) an increase in other receivables and prepayments of S\$3.5 million, which was partially offset by a decline in cash and bank balances of S\$6.7 million.

Non-Current Assets

The non-current assets increased by S\$18.2 million from S\$14.7 million as at 31 March 2014 to S\$32.9 million as at 30 September 2014. The increase was mainly from the increase in fixed assets of S\$6.8 million, goodwill of S\$7.3 million and intangible assets of S\$4.0 million contributed by the acquisition of Rigmarine.

Current liabilities

The current liabilities increased by S\$21.3 million from S\$72.4 million as at 31 March 2014 to S\$93.8 million as at 30 September 2014. The increase was mainly due to (i) an increase in bank borrowings of S\$13.3 million from bank bill payables of S\$9.8 million and bank loans of S\$3.5 million, (ii) an increase in other payables of S\$10.4 million mainly due to the acquisition of Rigmarine, and (iii) higher income tax payable of S\$0.2 million, which was partially offset by (i) a decline in trade payables of S\$2.4 million as we made payments in respect of a larger proportion of our trade payables; and (ii) a decline in finance leases of S\$0.1 million.

Non-current liabilities

Non-current liabilities decreased by S\$1.0 million from S\$17.8 million as at 31 March 2014 to S\$16.8 million as at 30 September 2014 mainly due to repayment of bank borrowings and finance leases.

Capital, reserves and non-controlling interests

The increase in shareholder's equity of S\$4.7 million was mainly attributable to profit earned during the period of S\$5.3 million and (ii) an increase of share capital of S\$3.4 million pursuant to the issuance of 6,000,000 shares for the acquisition of Rigmarine which was partially offset by the distribution of dividend of S\$3.9 million.

Cash Flows

HY FY2015 ended 30 September 2014

Net cash from operating activities

In HY FY2015, we generated net cash of S\$8.3 million from operating activities before changes in working capital.

Our net working capital outflow amounted to S\$7.5 million. This was mainly due to: (i) an increase in inventories of S\$9.8 million due to anticipated market demand; (ii) a decrease in trade payables of S\$9.3 million as we made payments in respect of a larger proportion of our trade payables; and (iii) a decrease in other payables of S\$0.1 million.

The above increase was partially offset by (i) an increase in bank bill payables of S\$9.9 million, (ii) a decrease in trade receivables of S\$2.9 million; and (iii) a decrease in other receivables of S\$0.2 million.

We paid income tax of S\$0.9 million and interest for bank bills of S\$0.5 million.

Overall our net cash from operating activities amounted to S\$0.8 million.

Net cash used in investing activities

Net cash used in investing activities amounted to S\$5.0 million in HY FY2015. This was mainly due to (i) the acquisition of Rigmarine of S\$4.1 million, and (ii) the purchase of plant and equipment of S\$1.1 million, which was partially offset by proceeds from disposal of plant and equipment of S\$0.2 million.

Net cash used in financing activities

Net cash used in financing activities amounted to S\$2.5 million in HY FY2015. This was mainly due to: (i) dividend paid of S\$3.9 million, (ii) the repayment of bank borrowings and related interest of S\$2.8 million; and (iii) the repayment of obligations under finance leases of S\$0.5 million, which was partially offset by an increase in bank borrowings of S\$4.7 million.

- 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**

Notwithstanding that the world economy remains uncertain, the Group is cautiously optimistic that the outlook on the oil and gas industries will be positive in the next 12 months. The demand for our products and services is generally driven by the level of activities in the exploration, development and production of oil and gas in the global offshore O&G industry.

The Group remains committed to expand our operations through acquisitions and strategic collaborations. These future plans, however, are subject to economic and market conditions.

- 11. Dividend**

- 11(a) Any dividend declared for the current financial period reported on?**

Nil

- 11(b) Any dividend declared for the corresponding period of the immediately preceding financial year?**

No

- 11(c) Date payable**

Not applicable

- 11(d) Books closure date**

Not applicable

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

No dividend for the 6 months ended 30 September 2014 is declared or recommended.

- 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.**

Not applicable as no IPT mandate has been obtained.

- 14 Please disclose the status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use. Where the proceeds have been used for working capital purposes, a breakdown with specific details on how the proceeds have been applied must be disclosed.

In accordance with the "Use of Proceeds and Listing Expenses" section of our IPO prospectus dated 17 October 2012, the net proceeds ("Net Proceeds") have been utilised as follows:

Use of Net Proceeds	Allocation of Net Proceeds	Net Proceeds utilised as at 30 September 2014	Balance of Net Proceeds as at 30 September 2014
	S\$'000	S\$'000	S\$'000
Expansion of our operations into Asian and/or other markets	20,000	15,510	4,490
Expansion of our operations into Malaysia	2,000	2,000	-
General working capital	21,042	21,042	-
	<u>43,042</u>	<u>38,552</u>	<u>4,490</u>

Breakdown of general working capital

	S\$'000
Inventories	7,778
Trade and other payables	11,497
Income tax	1,767
	<u>21,042</u>

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

The Board of Directors of the Company hereby confirm, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the 6 months ended 30 September 2014 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD OF DIRECTORS

DESMOND TEO BEE CHIONG

Executive Director and Chief Executive Officer

TEO BEE KHENG

Executive Director

BY ORDER OF THE BOARD

DESMOND TEO BEE CHIONG

Executive Director and Chief Executive Officer

11 November 2014

CIMB Bank Berhad, Singapore Branch was the Issue Manager for the initial public offering and the listing of the Company's shares on the Main Board of the SGX-ST. The Issue Manager assumes no responsibility for the contents of this announcement.