



UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 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		Incr/ (decr) %
	1st Qtr Ended 30/6/2014 S\$'000	30/6/2013 S\$'000	
Revenue	25,782	19,775	30.4
Cost of sales	(18,368)	(13,771)	33.4
Gross profit	7,414	6,004	23.5
Other income	46	32	43.8
Distribution costs	(997)	(761)	31.0
Administrative expenses	(2,678)	(1,940)	38.0
Other operating expenses	(83)	(354)	(76.6)
Interest expense	(473)	(392)	20.7
Profit before income tax	3,229	2,589	24.7
Income tax expense	(484)	(248)	95.2
Profit for the period	2,745	2,341	17.3
Attributable to:			
Shareholders of the Company	2,711	2,340	15.9
Non-controlling interests	34	1	NM
	2,745	2,341	17.3
Gross profit margin	28.8%	30.4%	
Net profit margin	10.6%	11.8%	
EBITDA ⁽¹⁾ (S\$'000)	4,120	3,379	21.9
EBITDA margin	16.0%	17.1%	

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

NM: Not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group		Incr/ (decr) %
	1st Qtr Ended 30/6/2014 S\$'000	30/6/2013 S\$'000	
Profit for the period	2,745	2,341	17.3
Other comprehensive income			
Item that may be reclassified to profit or loss:			
Translation loss arising on consolidation	(4)	(6)	(33.3)
Other comprehensive expense for the period	<u>(4)</u>	<u>(6)</u>	(33.3)
Total comprehensive income for the period	<u>2,741</u>	<u>2,335</u>	17.4
Total comprehensive income attributable to:			
Shareholders of the Company	2,692	2,334	15.3
Non-controlling interests	49	1	NM
	<u>2,741</u>	<u>2,335</u>	17.4

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

	Group		Incr/ (decr) %
	1st Qtr Ended		
	30/6/2014	30/6/2013	
	S\$'000	S\$'000	
Allowance for doubtful trade receivables	18	-	NM
Doubtful trade receivables recovered	-	(7)	NM
Depreciation	403	383	5
Amortisation of intangible asset	15	15	-
Foreign exchange loss	65	352	(82)
Gain on disposal of property, plant and equipment	(25)	(12)	108
Interest income	(16)	(8)	100
Interest expense	473	392	21

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	
	30/6/2014	31/3/2014	30/6/2014	31/3/2014
	S\$'000	S\$'000	S\$'000	S\$'000
<u>ASSETS</u>				
Current assets				
Cash and cash equivalents	15,129	18,824	9,203	14,796
Trade receivables	26,180	26,595	1,067	1,480
Other receivables and prepayments	12,342	3,167	39,535	29,784
Inventories	131,823	124,862	-	-
Total current assets	185,474	173,448	49,805	46,060
Non-current assets				
Property, plant and equipment	13,919	14,028	-	-
Club memberships	76	76	-	-
Intangible asset	150	165	-	-
Goodwill	-	444	-	-
Deferred tax assets	28	28	-	-
Subsidiaries	-	-	6,101	6,101
Total non-current assets	14,173	14,741	6,101	6,101
Total assets	199,647	188,189	55,906	52,161
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade payables	12,997	16,628	-	-
Other payables	2,466	2,093	758	542
Current portion of bank borrowings	60,567	51,217	-	-
Current portion of finance leases	624	737	-	-
Income tax payable	2,212	1,773	300	266
Total current liabilities	78,866	72,448	1,058	808
Non-current liabilities				
Bank borrowings	14,694	15,613	-	-
Finance leases	1,598	1,741	-	-
Deferred tax liabilities	489	491	-	-
Total non-current liabilities	16,781	17,845	-	-
Capital, reserves and non-controlling interests				
Share capital	50,587	47,224	50,587	47,224
Retained earnings	53,434	50,723	4,261	4,129
Translation reserve	(8)	11	-	-
Equity attributable to shareholders of the Company	104,013	97,958	54,848	51,353
Non-controlling interests	(13)	(62)	-	-
Total equity	104,000	97,896	54,848	51,353
Total liabilities and equity	199,647	188,189	55,906	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

	30/6/2014		31/3/2014	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Term loans	4,389	-	4,358	-
Money market loan	3,000	-	3,000	-
Bank bills payables	6,600	34,104	9,554	24,898
Finance leases	624	-	737	-
Time loans	-	5,000	-	5,000
Revolving credit loans	-	7,474	-	4,407
	<u>14,613</u>	<u>46,578</u>	<u>17,649</u>	<u>34,305</u>

Amount repayable after one year

	30/6/2014		31/3/2014	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Term loans	14,694	-	15,613	-
Finance leases	1,598	-	1,741	-
	<u>16,292</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	
	1st Qtr Ended	
	30/6/2014	30/6/2013
	S\$'000	S\$'000
Operating activities		
Profit before income tax	3,229	2,589
Adjustments for :		
Interest expense	473	392
Interest income	(16)	(8)
Depreciation	403	383
Amortisation of intangible asset	15	15
Allowance for doubtful trade receivables	18	-
Doubtful trade receivables recovered	-	(7)
Gain on disposal of property, plant and equipment	(25)	(12)
Net foreign exchange loss - unrealised	67	106
Operating cash flows before movements in working capital	4,164	3,458
Trade receivables	388	1,630
Other receivables and prepayments	(281)	(681)
Inventories	(6,961)	(4,987)
Trade payables	(3,633)	(1,269)
Other payables	327	192
Bank bill payables	6,253	3,170
Cash generated from operations	257	1,513
Interest paid for bank bills	(233)	(175)
Interest received	16	8
Income tax paid	(48)	(511)
Net cash (used in) from operating activities	(8)	835
Investing activities		
Proceeds from disposal of property, plant and equipment	53	378
Purchases of property, plant and equipment	(326)	(461)
Prepayments for proposed acquisition	(5,086)	-
Net cash used in investing activities	(5,359)	(83)
Financing activities		
Interest paid for other borrowings	(240)	(217)
Repayment of obligations under finance leases	(255)	(476)
New bank loans obtained	3,197	2,500
Repayment of bank loans	(1,017)	(250)
Net cash from financing activities	1,685	1,557
Net (decrease) increase in cash and cash equivalents	(3,682)	2,309
Exchange difference on cash and cash equivalents	(13)	-
Cash and cash equivalents at beginning of the period	18,824	21,408
Cash and cash equivalents at end of the period	15,129	23,717

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	-	2,711	-	2,711	34	2,745
Other comprehensive income for the period	-	-	(19)	(19)	15	(4)
Total	-	2,711	(19)	2,692	49	2,741
Transactions with owners, recognised directly in equity						
Issuance of shares	3,363	-	-	3,363	-	3,363
Total	3,363	-	-	3,363	-	3,363
At 30 June 2014	50,587	53,434	(8)	104,013	(13)	104,000
At 1 April 2013	47,224	42,542	(74)	89,692	0	89,692
Total comprehensive income for the period						
Profit for the period	-	2,340	-	2,340	1	2,341
Other comprehensive income for the period	-	-	(6)	(6)	-	(6)
Total	-	2,340	(6)	2,334	1	2,335
Transactions with owners, recognised directly in equity						
Contribution from non-controlling interests	-	-	-	-	0	0
Total	-	-	-	-	0	0
At 30 June 2013	47,224	44,882	(80)	92,026	1	92,027

	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	-	132	-	132	-	132
Issuance of shares, representing transactions with owners, recognised directly in equity	3,363	-	-	3,363	-	3,363
At 30 June 2014	<u>50,587</u>	<u>4,261</u>	-	<u>54,848</u>	-	<u>54,848</u>
At 1 April 2013	47,224	5,146	-	52,370	-	52,370
Profit for the period, representing total comprehensive income for the period	-	411	-	411	-	411
At 30 June 2013	<u>47,224</u>	<u>5,557</u>	-	<u>52,781</u>	-	<u>52,781</u>

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

	Number of shares	Issued and paid-up share capital (S\$)
As at 1 April 2014	432,000,000	47,223,533
Issue of shares as consideration for acquisition of subsidiary	6,000,000	3,363,000
As at 30 June 2014	<u>438,000,000</u>	<u>50,586,533</u>

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

	30/6/2014	31/3/2014
The total number of issued shares excluding treasury shares	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	
	1st Qtr Ended	
	30/06/2014	30/06/2013
Net profit after tax attributable to shareholders of the Company (S\$'000)	2,711	2,340
Weighted average number of ordinary shares for calculation of ('000):		
- Basic earnings per share	433,187	432,000
- Diluted earnings per share	433,187	432,000
Earnings per share ("EPS") (cents/share)		
(a) Based on weighted average number of ordinary shares	0.63	0.54
(b) On a fully diluted basis	0.63	0.54

The Company has no dilutive equity instruments as at 30 June 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	
	30/06/2014	31/3/2014	30/06/2014	31/3/2014
Net asset value attributable to shareholders of the Company (S\$'000)	104,013	97,958	54,848	51,353
Number of ordinary shares ('000)	438,000	432,000	438,000	432,000
Net asset value per ordinary share (cents)	23.75	22.68	12.52	11.89

8. Review of the Group's performance

Revenue

For the first quarter ended 30 June 2014 ("1Q FY2015"), the Group's revenue was S\$25.8 million, 30.4% higher than the S\$19.8 million in the first quarter ended 30 June 2013 ("1Q FY2014"), contributed by the rigging and lifting segment of S\$4.3 million and ship chandling segment of S\$1.7 million.

Gross profit

For 1Q FY2015, the gross profit was S\$7.4 million, 23.5% higher than the S\$6.0 million achieved in 1Q FY2014. The corresponding gross profit margin decreased from 30.4% to 28.8% mainly due to an increase in sales of lower margin products which formed a higher proportion of the Group's revenue.

Other income

Other income in 1Q FY2015 did not vary significantly from that of 1Q FY2014.

Distribution costs

Distribution costs increased by S\$0.2 million or 31.0% in 1Q FY2015 as compared to 1Q 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\$0.7 million or 38.0% in 1Q FY2015 as compared to 1Q FY2014 mainly due to: (i) an increase in staff-related cost of S\$0.3 million as we increase our headcount to support business expansion; (ii) an increase in professional fees of S\$0.3 million; and (iii) an increase in travelling expenses of S\$0.1 million.

Other operating expenses

Other operating expenses decreased by S\$0.3 million in 1Q FY2015 as compared to 1Q FY2014 mainly due to lower foreign exchange loss incurred.

Interest expense

Interest expense increased by S\$0.1 million or 20.7% from S\$0.4 million in 1Q FY2014 to S\$0.5 million in 1Q FY2015 mainly due to higher average bank borrowings.

Profit before income tax

As a result of the above reasons, profit for 1Q FY2015 increased by S\$0.6 million or 24.7% from S\$2.6 million in 1Q FY2014 to S\$3.2 million in 1Q FY2015.

Review of statement of financial position and cash flows

Current Assets

The current assets increased by S\$12.0 million from S\$173.4 million as at 31 March 2014 to S\$185.5 million as at 30 June 2014. The increase was mainly due to (i) an increase in inventories of S\$7.0 million due to anticipated market demand; and (ii) higher other receivables and prepayments of S\$9.2 million mainly due to prepayments related to the acquisition of 51% of the equity interest in Rig Marine Holdings FZC, which was partially offset by a decline in trade receivables of S\$0.4 million and lower cash and bank balances of S\$3.7 million.

Non-Current Assets

The non-current assets decreased by S\$0.6 million from S\$14.7 million as at 31 March 2014 to S\$14.2 million as at 30 June 2014 mainly due to goodwill written off.

Current liabilities

The current liabilities increased by S\$6.4 million from S\$72.4 million as at 31 March 2014 to S\$78.9 million as at 30 June 2014. The increase was mainly due to (i) an increase in bank borrowings of S\$9.4 million from bank bill payables of S\$6.3 million and bank loans of S\$3.1 million, (ii) an increase in other payables of S\$0.4 million, (iii) higher income tax payables of S\$0.4 million, which was partially offset by (i) a decline in trade payables of S\$3.6 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\$1.1 million from S\$17.8 million as at 31 March 2014 to S\$16.8 million as at 30 June 2014 mainly due to repayment of bank borrowings and finance leases.

Capital, reserves and non-controlling interests

The increase in capital and reserves of S\$6.1 million was mainly attributable to profit earned during the period of S\$2.7 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 51% of the equity interest in Rig Marine Holdings FZC.

Cash Flows

1Q FY2015 ended 30 June 2014

Net cash used in operating activities

In 1Q FY2015, we generated net cash of S\$4.2 million from operating activities before changes in working capital.

Our net working capital outflow amounted to S\$4.2 million. This was mainly due to: (i) an increase in inventories of S\$7.0 million due to anticipated market demand; (ii) an increase in other receivables and prepayments of S\$0.3 million, and (iii) a decrease in trade payables of S\$3.6 million.

The above increase was partially offset by (i) an increase in bank bill payables of S\$6.3 million, (ii) a decrease in trade receivables of S\$0.4 million; and (iii) an increase in other payable of S\$0.3 million.

We paid interest for bank bills of S\$0.2 million.

Overall our net cash used in operating activities was approximately S\$8,000.

Net cash used in investing activities

Net cash used in investing activities amounted to S\$5.4 million in 1Q FY2015. This was mainly due to (i) prepayments related to the acquisition of 51% of the equity interest in Rig Marine Holdings FZC of S\$5.1 million, and (ii) the purchase of plant and equipment of S\$0.3 million.

Net cash from financing activities

Net cash from financing activities amounted to S\$1.7 million in 1Q FY2015. This was mainly due to new bank borrowings of S\$3.2 million for working capital purposes, which was partially offset by (i) the repayment of bank borrowings and related interest of S\$1.3 million; and (ii) the repayment of obligations under finance leases of S\$0.3 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.

As announced on 13 June 2014, the acquisition of 51% of the equity interest in Rig Marine Holdings FZC has been completed. The financial results of Rig Marine Holdings FZC and its subsidiaries will be consolidated into the financial statements of the Group with effect from 1 July 2014 which is the effective date of control assessed per the requirements of FRS 110 Consolidated Financial Statements.

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 3 months ended 30 June 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 June 2014	Balance of Net Proceeds as at 30 June 2014
	S\$'000	S\$'000	S\$'000
Expansion of our operations into Asian and/or other markets	20,000	11,137	8,863
Expansion of our operations into Malaysia	2,000	1,849	151
General working capital	21,042	21,042	-
	<u>43,042</u>	<u>34,028</u>	<u>9,014</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 3 months ended 30 June 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

13 August 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.