



UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE THIRD FINANCIAL QUARTER ("Q3FY2018") AND NINE MONTH ENDED 30 JUNE 2018 ("9MFY2018") IN RESPECT OF THE FINANCIAL YEAR ENDING 30 SEPTEMBER 2018 ("FY2018")

PART1 INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q3 & Q3), FULL YEAR RESULTS

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

	Group			Group		
	Q3FY2018	Q3FY2017	% Change	9MFY2018	9MFY2017	% Change
	S\$'000	S\$'000		S\$'000	S\$'000	
Revenue	5,888	9,086	(35)	20,974	33,338	(37)
Cost of sales	(5,566)	(6,437) ¹	(14)	(17,038)	(24,644) ¹	(31)
Gross profit	322	2,649 ¹	(88)	3,936	8,694 ¹	(55)
Other operating income	5,597	(179)	NM	181,807	1,880	NM
Administrative expenses	(1,639)	(1,501)	9	(4,735)	(4,391)	8
Other operating expenses	(1,003)	(302,548) ¹	NM	(6,559)	(307,422) ¹	(98)
Profit/(loss) from operations	3,277	(301,579)	NM	174,449	(301,239)	NM
Finance costs	(7)	(2,044)	(100)	(2,791)	(5,989)	(53)
Share of losses in joint ventures	(627)	(723)	(13)	(2,673)	(1,140)	NM
Profit/(loss) before income tax	2,643	(304,346)	NM	168,985	(308,368)	NM
Income tax (expense)/credit	(4)	119	NM	541	(633)	NM
Profit/(loss) for the financial period	2,639	(304,227)	NM	169,526	(309,001)	NM
Profit/(loss) attributable to:-						
Equity holders of the Company	2,639	(304,227)	NM	169,526	(309,001)	NM
	2,639	(304,227)	NM	169,526	(309,001)	NM

"Q3FY2018" denotes the third financial quarter of the financial year ended 30 September 2018 ("FY2018").

"9MFY2018" denotes the 9 months financial year of FY2018.

"Q3FY2017" denotes the third financial quarter of the financial year ended 30 September 2017 ("FY2017").

"9MFY2017" denotes the 9 months financial year of FY2017.

"% Change" denotes increase/(decrease) in the relevant profit or loss item as compared with the comparative figure.

"NM" denotes not meaningful.

Notes:

1. These are reclassified figures (the "Reclassified Figures") to more appropriately reflect the depreciation expenses attributed to the unutilized vessels of the Group (in respect of the relevant periods under consideration) under "Other Operating Expenses" instead of under "Cost of Sales" (as previously stated in the results announcement for Q3FY2017 and 9MFY2017 made on 14 Aug 2017(the "Previous Figures")) (the "Reclassification"). The Reclassification does not have any impact on the bottom line of the Group for Q3FY2017 and 9MFY2017. A reconciliation between the Previous Figures and the Reclassified Figures in connection with the Reclassification is summarized below:

	Q3FY2017	9MFY2017
	S\$'000	S\$'000
Cost of sales		
The Previous Figure	(8,363)	(30,124)
Adjusted in connection with the Reclassification	1,926	5,480
The Reclassified Figure	(6,437)	(24,644)
Gross profit/(loss)		
The Previous Figure	723	3,214
Adjusted in connection with the Reclassification	1,926	5,480
The Reclassified Figure	2,649	8,694
Other operating expenses		
The Previous Figure	(300,622)	(301,942)
Adjusted in connection with the Reclassification	(1,926)	(5,480)
The Reclassified Figure	(302,548)	(307,422)
Loss for the period (remains unchanged)	(304,227)	(309,001)

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

	Group			Group		
	Q3FY2018	Q3FY2017	% Change	9MFY2018	9MFY2017	% Change
	S\$'000	S\$'000		S\$'000	S\$'000	
Profit/(loss) for the financial period	2,639	(304,227)	NM	169,526	(309,001)	NM
Other comprehensive income:						
Share of other comprehensive income of a joint venture	-	-	NM	(78)	-	NM
Exchange difference arising from translation foreign operations	(2,509)	(1,748)	NM	1,045	(763)	NM
Total other comprehensive income/(loss)	130	(305,975)	NM	170,493	(309,764)	NM
Total comprehensive income attributable to:-						
Equity holders of the Company	130	(305,975)	NM	170,493	(309,764)	NM
	130	(305,975)	NM	170,493	(309,764)	NM

1.(a)(iii) Net profit/(loss) for the period was stated after charging/(crediting):

	Group			Group		
	Q3FY2018	Q3FY2017	% Change	9MFY2018	9MFY2017	% Change
	S\$'000	S\$'000		S\$'000	S\$'000	
Profit/(loss) before income tax has been arrived at after charging/(crediting):						
Depreciation of property, plant and equipment	1,822	3,866	(53)	5,418	11,324	(52)
Net foreign currency exchange (gain)/loss	(4,722)	(37)	NM	(826)	(1,639)	(50)
Interest income	(66)	(3)	NM	(72)	(9)	NM
Interest expenses	7	2,044	(100)	2,791	5,989	(53)
Share-based payment expense	21	35	(40)	62	105	(41)
Fair value gain on derivative financial instruments	-	(5)	NM	-	(252)	NM
Allowance for doubtful trade receivables	(145)	8,748	NM	1,013	8,748	(88)
Allowance for doubtful other receivables	241	-	NM	187	-	NM
Allowance for impairment of inventories	-	43,257	NM	-	43,257	NM
Impairment on investment in joint venture	-	56,670	NM	1,214	56,670	(98)
Reversal of impairment on investment in joint venture	(622)	-	NM	(622)	-	NM
Impairment on recoverable amount	-	35,079	NM	3	35,079	(100)
Write off forfeited deposits	-	2,289	NM	3	2,289	(100)
Impairment of property, plant and equipment	-	153,272	NM	-	153,272	NM
Debts waiver income	-	-	NM	(179,878)	-	NM
Provision for compensation expenses	322	-	NM	497	-	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.

	Group		Company	
	As at 30 June 2018 S\$'000	As at 30 September 2017 S\$'000	As at 30 June 2018 S\$'000	As at 30 September 2017 S\$'000
Non-current assets				
Property, plant and equipment	90,068	80,765	-	-
Investment in subsidiaries	-	-	4,320	4,320
Investment in joint ventures	12,370	18,830	3,965	3,965
	102,438	99,595	8,285	8,285
Current assets				
Inventories	1,503	15,080	-	-
Trade receivables	5,776	4,530	-	-
Gross amounts due from customers for construction contracts	1,932	3,015	-	-
Other receivables, deposits and prepayment	2,743	3,196	1,394	52
Due from subsidiaries (non-trade)	-	-	122,477	96,836
Cash and cash equivalents	16,132	4,781	11,224	6
	28,086	30,602	135,095	96,894
Total assets	130,524	130,197	143,380	105,179
Current liabilities				
Bank overdraft	-	2,000	-	-
Trade payables	10,062	10,291	-	-
Other payables and accruals	4,505	22,066	1,765	10,412
Borrowings – interest bearing	54	245,837	-	50,000
Income tax payable	1,157	1,655	-	-
	15,778	281,849	1,765	60,412
Non-current liabilities				
Borrowings – interest bearing	-	35	-	-
Deferred tax liabilities	406	955	-	-
	406	990	-	-
Total liabilities	16,184	282,839	1,765	60,412
Net assets/(liabilities)	114,340	(152,642)	141,615	44,767
Share capital and reserves				
Share capital	155,666	59,239	155,666	59,239
Treasury shares	(1,203)	(1,203)	(1,203)	(1,203)
Capital reserve	634	634	-	-
Other reserve	116	194	-	-
Employee share option reserve	415	353	-	-
Foreign currency translation reserve	2,495	1,450	-	-
Accumulated losses	(43,783)	(213,309)	(12,848)	(13,269)
Total equity/(capital deficiency)	114,340	(152,642)	141,615	44,767

1.(b)(ii) Aggregate amount of borrowings and debts securities for the Group.

	Group	
	As at 30 June 2018 S\$'000	As at 30 September 2017 S\$'000
Amount repayable in one year or less or on demand Secured	54 ⁽¹⁾	245,837 ⁽²⁾
Amount repayable after one year Secured	- ⁽¹⁾	35 ⁽²⁾

Details of any collateral

1. These relate to finance leases secured against certain property, plant and equipment of the Group.
2. These were secured against:
 - (a) Mortgages over certain property, plant and equipment of certain subsidiaries of the Group;
 - (b) Assignment of certain charter income and insurance policies of vessels of a subsidiary of the Group;
 - (c) Corporate guarantees by the Company; and
 - (d) Certain property, plant and equipment of the Group under finance lease arrangements.

Upon the completion of the Debt Restructuring Exercise (as defined in Paragraph 5 below) on 25 January 2018, these collaterals (other than certain property, plant and equipment under finance lease agreements) were fully discharged.

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

	Group		Group	
	Q3FY2018	Q3FY2017	9MFY2018	9MFY2017
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flow from operating activities				
Profit/(loss) before income tax	2,643	(304,346)	168,985	(308,368)
Adjustments for:				
Depreciation of property, plant and equipment	1,822	3,866	5,418	11,324
Fixed assets written off	-	-	1	-
Bad debts written off	-	-	-	38
Allowance for doubtful trade receivables	(145)	8,748	1,013	8,748
Allowance for doubtful other receivables	241	-	187	-
Allowance for impairment of inventories	-	43,257	-	43,257
Interest expense	7	2,044	2,791	5,989
Interest income	(66)	(3)	(72)	(9)
Loss on disposal of property, plant and equipment	-	4	-	4
Impairment on investment in joint ventures	-	56,670	1,214	56,670
Reversal of impairment on investment in a joint venture	(622)	-	(622)	-
Impairment on property, plant and equipment	-	153,272	-	153,272
Impairment on recoverable amount	-	35,079	3	35,079
Write off forfeited deposits	3	2,289	3	2,289
Fair value gain on derivative financial instruments	-	(5)	-	(252)
Share based payment expense	21	35	62	105
Share of loss in joint ventures	627	723	2,673	1,140
Debts waiver income	-	-	(179,878)	-
Foreign exchange difference	(4,150)	(5,525)	(161)	(2,895)
Operating profit/(loss) before working capital changes	381	(3,892)	1,617	6,391
Movement in working capital				
Inventories	(46)	6,550	123	4,768
Trade and other receivables	10	1,079	(2,150)	(4,656)
Due from/(to) customers for construction contracts	(1,298)	(1,580)	1,083	464
Trade and other payables	328	(368)	(4,911)	(5,983)
Cash (used in)/generated from operations	(625)	1,789	(4,238)	984
Interest paid	-	(22)	(19)	(63)
Income tax	(291)	(271)	(288)	(520)
Net cash (used in)/generated from operating activities	(916)	1,496	(4,545)	401
Cash flows from investing activities				
Purchase of property, plant and equipment	(621)	(3)	(1,165)	(4)
Net cash used in investing activities	(621)	(3)	(1,165)	(4)
Cash flows from financing activities				
Interest received	66	3	72	9
Repayment of term loans	-	(452)	(45,875)	(2,829)
Repayment of finance lease payables, net	(16)	(16)	(49)	(54)
Interest paid on finance lease	(2)	(2)	(6)	(7)
Interest paid on term loans	-	(169)	(140)	(2,433)
Interest paid on medium term note	-	-	-	(1,691)
Withdrawal of fixed deposits and bank balances pledged with licensed bank	-	475	1,131	491
Repayment of amount due from a joint venture	622	-	3,112	-
Movement in bank overdraft	-	-	2,000	-
Proceeds from issuance of shares	-	-	60,000	-
Net cash generated from/(used in) financing activities	670	(161)	20,245	(6,514)
Net (decrease)/increase in cash and cash equivalents	(867)	1,332	14,535	(6,117)
Cash and cash equivalents at beginning of the period	16,929	970	1,650	8,210
Effect of exchange rate changes on cash and cash equivalents	70	(99)	(53)	110
Cash and cash equivalents at end of the financial period (Note 1)	16,132	2,203	16,132	2,203

Note 1

Cash and cash equivalent consist of:

Cash and bank balances

Fixed deposits

Bank overdraft

Total cash, bank balances and fixed deposit (as per statement of financial position)

Less: fixed deposits and cash pledged

Cash and cash equivalent at the end of financial period (as per cash flow statement)

Group	
9MFY2018	9MFY2017
S\$'000	S\$'000
6,973	5,343
9,159	-
-	(2,000)
16,132	3,343
-	(1,140)
16,132	2,203

1.(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediate preceding financial year.

Group	Share capital	Treasury shares	Capital reserve	Employee share option reserve	Foreign currency translation reserve	Retained earning	Other reserves	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 October 2017	59,239	(1,203)	634	353	1,450	(213,309)	194	(152,642)
Profit for the financial period	-	-	-	-	-	169,526	-	169,526
Other comprehensive income, net of tax	-	-	-	-	1,045	-	(78)	967
Total comprehensive income for the financial period	-	-	-	-	1,045	169,526	(78)	170,493
Issuance of ordinary shares	96,427	-	-	-	-	-	-	96,427
Employee share option	-	-	-	62	-	-	-	62
Balance as at 30 June 2018	155,666	(1,203)	634	415	2,495	(43,783)	116	114,340
Balance as at 1 October 2016	59,239	(1,203)	634	241	532	99,381	-	158,824
Loss for the financial period	-	-	-	-	-	(309,001)	-	(309,001)
Other comprehensive income, net of tax	-	-	-	-	(763)	-	-	(763)
Total comprehensive income for the financial period	-	-	-	-	(763)	(309,001)	-	(309,764)
Employee share option	-	-	-	105	-	-	-	105
Balance as at 30 June 2017	59,239	(1,203)	634	346	(231)	(209,620)	-	(150,835)

Company	Share capital	Treasury share	Retained earning	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 October 2017	59,239	(1,203)	(13,269)	44,767
Issuance of ordinary shares	96,427	-	-	96,427
Total comprehensive income for the financial period	-	-	421	421
Balance at 30 June 2018	155,666	(1,203)	(12,848)	141,615
Balance at 1 October 2016	59,239	(1,203)	(452)	57,584
Total comprehensive income for the financial period	-	-	598	598
Balance at 30 June 2017	59,239	(1,203)	146	58,182

1.(d)(ii) Details of any changes in 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 previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediate preceding financial year.

On 9 July 2012, the shareholders of the Company (the "Shareholders") approved the adoption of: (a) a restricted share scheme; (b) a performance share scheme; and (c) an employee share option scheme ("ESOS").

On 24 April 2013, pursuant to the ESOS, the Company granted 5,110,000 share options to the Directors of the Company and employees of the Group, each of which is capable of being exercised into a new ordinary share of the Company (the "Share") at an exercise price of S\$0.415 each (the "2013 ESOS Options").

On 28 April 2015, pursuant to the ESOS, the Company granted 5,720,000 share options to the Directors of the Company and employees of the Group, each of which is capable of being exercised into a new Share at an exercise price of S\$0.275 each (the "2015 ESOS Options").

On 25 January 2018, pursuant to the Debt Restructuring Exercise (as defined in Paragraph 5 below) and against the approval procured from the Shareholders at an Extraordinary General Meeting convened on 14 December 2018, the Company:

1. issued and allotted 2,142,857,141 new Shares at an issue price of S\$0.028 each to the Investors (as defined in Paragraph 5 below) (the "Investment Shares");
2. issued and allotted 983,619,763 new Shares at an issue price of S\$0.035 each to the Noteholders, MPML Scheme Creditors, MPSY Scheme Creditors and certain unsecured creditors of the Group (with all capitalized terms being defined in Paragraph 14 below) (the "Creditors Placement Shares"); and
3. issued and allotted 57,142,857 new Shares at an issue price of S\$0.035 each for the settlement of professional fees (in lieu of cash payment) incurred in connection with the Debt Restructuring Exercise (the "Professionals Consideration Shares").

On 30 January 2018, the Company issued and allotted 269,238,877 free warrants (the "Warrants") on the basis of eight Warrants for every 10 Shares held by the Shareholders as at the end of the books closure date on 24 January 2018. Each of the Warrants would entitle the holder a right to subscribe for one new Share at an exercise price of S\$0.035 each and each Warrant can only be exercised during the period commencing on and including the date six months from the date of listing of the Warrants on the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 2 February 2018 and expiring on the date immediately preceding 30 January 2023, being the fifth anniversary of the date of issue of the Warrants.

The changes in the share capital of the Company since 30 September 2017 are tabulated as follows:

	<u>No of Shares</u>
Total number of issued Shares (excluding treasury shares) as at 30 September 2017	336,548,600
Add: Investment Shares	2,142,857,141
Creditors Placement Shares	983,619,763
Professionals Consideration Shares	57,142,857
Total number of issued Shares (excluding treasury shares) as at 30 June 2018	<u>3,520,168,361</u>

As at 30 June 2018, the following securities, which are capable of being exercised into Shares, remain outstanding:

1. 3,430,000 2013 ESOS Options (30 June 2017: 3,430,000 2013 ESOS Options);
2. 4,160,000⁽¹⁾ 2015 ESOS Options (30 June 2017: 4,280,000⁽¹⁾ 2015 ESOS Options); and
3. 269,238,877⁽²⁾ Warrants (30 June 2017: Nil)

Notes:

1. The reduction in 2015 ESOS Options from 4,280,000 as at 30 June 2017 to 4,160,000 as at 30 June 2018 was attributed to the resignation of employees holding such options.
2. These Warrants can only be exercised from 2 July 2018 to 29 January 2023.

Save as disclosed, the Company has no outstanding securities, which are capable of being converted into Shares as at 30 June 2018 and 30 June 2017.

1.(d)(iii) 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.

	<u>As at 30 June 2018</u>	<u>As at 30 September 2017</u>
Total number of issued Shares (excluding treasury shares)	3,520,168,361	336,548,600

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

The Company owned 4,201,400 treasury shares as at 30 June 2018. There was no movement on the treasury shares held by the Company during the financial period reported on.

2. Whether the figures have been audited, or reviewed in accordance with which standard (eg. The Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard.

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 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.

Save as disclosed in Paragraph 5 below, the Group and the Company have applied the same accounting policies and methods of computation in the preparing the financial statements for the current financial year as with those used in preparing the audited financial statements as at 30 September 2017.

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.

Basis of preparation

Following the completion of the Group's debt refinancing and restructuring exercise (including the receipt of fresh funds aggregating S\$60.0 million from nine investors (the "Investors") (the "Investment") (the "Debt Restructuring Exercise") on 25 January 2018, the Group reversed its net liability position of S\$152.6 million as at 30 September 2017 to a net assets position of S\$114.3 million as at 30 June 2018. The reversal in net worth of the Group was largely attributed to the Derecognized Debts (as defined below).

Pursuant to the Debt Restructuring Exercise, the total debt due and payable by the Group (including accrued interests and contingent liabilities attributed to the corporate guarantees provided by the Company) was resolved through a combination of settlement in equity (through the issuance of new Shares) and in cash as well as the waiver of debts. Consequence to which, Investment Shares, Creditors Placement Shares and Professionals Consideration Shares were issued (see Paragraph 1(d)(ii) above for details) and debts aggregating S\$179.9 million were waived (the "Derecognized Debts").

With the Debt Restructuring Exercise fully completed on 25 January 2018, thereby enabling the Group to have fully discharged all its due and payable obligations and have its financial position strengthened, the unaudited financial statements of the Group for Q3FY2018 have been continued to be prepared based on the ability of the Group to continue as a going concern.

Adoption of Singapore Financial Reporting Standards (FRSs)

The Group and the Company adopted all the new and revised Singapore Financial Reporting Standards (FRSs) and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 October 2017, where applicable. The adoption of these standards does not have a material impact on the financial statements of the Group and of the Company as at 1 October 2017.

6. Earnings per ordinary shares 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	
	9MFY2018 S\$'000	9MFY2017 S\$'000
Profit/(loss) attributable to equity holders	169,526	(309,001)

	9MFY2018		9MFY2017	
	Number of shares	Singapore cents	Number of shares	Singapore cents
Earnings per share				
Basic	2,167,421,503	7.82	336,548,600	(91.81)
Diluted	2,167,421,503	7.82	336,548,600	(91.81)

* Basic earnings per share is calculated by dividing profit or loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial period.

** Diluted earnings per share is calculated by dividing profit or loss attributable to equity holders of the Company by the weighted average number of Shares outstanding during the financial period plus the weighted average number of Shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

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

	Group		Company	
	As at 30 June 2018 S\$'000	As at 30 September 2017 S\$'000	As at 30 June 2018 S\$'000	As at 30 September 2017 S\$'000
Net asset value	<u>114,340</u>	<u>(152,642)</u>	<u>141,615</u>	<u>44,767</u>
Net asset value per ordinary share based on issued share capital (Singapore cents)	<u>3.2 cents</u>	<u>(45.4) cents</u>	<u>4.0 cents</u>	<u>13.3 cents</u>

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss any significant factors that affected the turnover, costs and earning of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period report on.

Overview

The Group is a regional integrated marine logistic company, which principally engages in shipping and shipyard businesses.

The shipping business of the Group relates to the chartering of Offshore Supply Vessels ("OSVs"), which comprise mainly Anchor Handling Tug Supply ("AHTS") vessels for deployment in the regional waters, including the Gulf of Thailand, Malaysia, Indonesia and Australia, as well as the chartering of tugboats and barges to customers, especially those which engaged in the mining, commodities, construction, infrastructure and land reclamation industries.

The shipyard business of the Group relates to ship building as well as the provision of ship maintenance, repair, outfitting and conversion services, which are being carried out through its shipyard located in Batam, Indonesia. Occupying a total land area of approximately 34 hectares with a seafront of approximately 650 meters, the modern shipyard also houses three dry docks, which boosted the Group's technical capabilities and service offerings to undertake projects involving mid-sized and sophisticated vessels.

(a) Review of financial performance of the Group

Our Group's revenues for 9MFY2018 (vis-à-vis 9MFY2017) and Q3FY2018 (vis-a-vis Q3FY2017) were as follow:

	Q3FY2018		Q3FY2017		Change		9MFY2018		9MFY2017		Change	
	S\$ m	%	S\$ m	%	S\$ m	%	S\$ m	%	S\$ m	%	S\$ m	%
Ship Chartering Operations	2.2	37	3.9	43	(1.7)	(44)	8.3	40	12.4	37	(4.1)	(33)
Ship Building & Repair Operations	3.7	63	5.2	57	(1.5)	(29)	12.7	60	20.9	63	(8.2)	(39)
	5.9	100	9.1	100	(3.2)	(35)	21.0	100	33.3	100	(12.3)	(37)

The Group recorded a revenue of S\$5.9 million in Q3FY2018, representing a decrease of 35% from that of S\$9.1 million registered in Q3FY2017, and a revenue of S\$21.0 million in 9MFY2018, representing a decrease of 37% from that of S\$33.3 million registered in 9MFY2017.

The revenue derived from the Ship Chartering Operations of the Group decreased by 44% to S\$2.2 million in Q3FY2018 from S\$3.9 million in Q3FY2017 and by 33% to S\$8.3 million in 9MFY2018 from S\$12.4 million in 9MFY2017. The decreases were mainly due to lower utilization and charter rates of the Group's OSVs fleet as a result of slow recovery of the market conditions (consequence to the slowdown in the marine and offshore industry following the recent oil price crisis), albeit some improvements in the utilization of the Group's fleet of tugboats and barges.

The Ship Building & Repair Operations of the Group recorded a decrease in revenue of 29% to S\$3.7 million in Q3FY2018 from S\$5.2 million in Q3FY2017 and a decrease of 39% to S\$12.7 million in 9MFY2018 from S\$20.9 million in 9MFY2017 due mainly to reduced ship building projects and ship repairing jobs.

The Group recorded a gross profit of S\$0.3 million in Q3FY2018 compared to that of S\$2.6 million in Q3FY2017, mainly as a result of reduced turnover. On a nine-month basis, though the Group maintained its overall gross profit at about S\$3.9 million in 9MFY2018 and S\$8.7 million 9MFY2017, the gross profit attained in 9MFY2018 was largely attributed to the decreased depreciation brought about as a result of reduced carrying values of the Group's vessels due to impairments while the gross profit attained in 9MFY2017 was largely attributed to ship repair income attained in 9MFY2017.

The Group's other operating income increased significantly in Q3FY2018 to S\$5.6 million from a negative S\$0.2 million in Q3FY2017, due mainly to higher foreign exchange gain, and in 9MFY2018 to S\$181.8 million from S\$1.9 million in 9MY2017, chiefly as a result of the Derecognized Debts.

The Group's administrative expenses were S\$1.6 million in Q3FY2018 compared to S\$1.5 million in Q3FY2017 and S\$4.7 million in 9MFY2018 compared to S\$4.4 million in 9MFY2017.

The Group's other operating expenses decreased to S\$1.0 million in Q3FY2018 from S\$302.5 million in Q3FY2017 and to S\$6.6 million in 9MFY2018 from S\$307.4 million in 9MFY2017, due primarily to a decrease in depreciation consequence to a reduction in the carrying values of the Group's vessels as a result of substantial impairments made in FY2017.

The finance costs of the Group decreased by S\$2.0 million or 100% to S\$7,000 in Q3FY2018 from S\$2.0 million in Q3FY2017, primarily due to the Derecognized Debts following the completion of the Debt Restructuring Exercise.

The share of losses from jointly controlled companies increased from S\$1.1 million in 9MFY2017 to S\$2.7 million in 9MFY2018 due primarily to the lackluster performances of the jointly controlled entities. The share of losses from jointly controlled companies was mainly attributable to the share of losses of PT BBR.

Consequence to the above, the Group drastically reversed from a pre-tax loss of S\$304.3 million in Q3FY2017 to a pre-tax profit of S\$2.6 million in Q3FY2018 and from a pre-tax loss of S\$308.4 million in 9MFY2017 to a pre-tax profit of S\$169.0 million in 9MFY2018.

(b) Review of financial position of the Group as at 30 June 2018 compared to that as at 30 September 2017

The non-current assets of the Group increased by S\$2.8 million or 3% from S\$99.6 million as at 30 September 2017 to S\$102.4 million as at 30 June 2018. The increase was attributed mainly to the re-classification of two completed and non-delivered vessels from "Inventories" to "Properties, plant and equipment".

The increase in trade receivables was mainly due from a shipbuilding customer as at 30 June 2018.

The amounts due from customers for construction contracts decreased by S\$1.1 million or 37% to S\$1.9 million as at 30 June 2018 from S\$3.0 million as at 30 September 2017, due mainly to progress billing made to a contract customer.

The other receivable, deposits and prepayment decreased to S\$2.7 million as at 30 June 2018 from S\$3.2 million as at 30 September 2017, due mainly to reduced deposits.

The trade payables of the Group decreased marginally by S\$0.2 million to S\$10.1 million as at 30 June 2018 from S\$10.3 million as at 30 September 2017, primarily due to settlement of the first installment payment of S\$1.8 million in January 2018 to certain creditors of the Group pursuant to the terms of the Debt Restructuring Exercise and against a higher trade payables due to a shipbuilding project.

The decrease in other payables and accruals were mainly due to reduced accrued project costs and expenses following the completion of the Debt Restructuring Exercise.

The Group's total interest-bearing borrowings decreased to S\$54,000 as at 30 June 2018 from S\$245.9 million as at 30 September 2017 consequence to the Derecognized Debts following the completion of the Debt Restructuring Exercise on 25 January 2018.

The Group recorded a net cash used in operating activities of S\$4.5 million for the reporting period ended 30 June 2018, compared to a net cash flow generated from operating activities of S\$0.4 million for the corresponding reporting period ended 30 June 2017, principally as a result of reduced project cost and accrued expenses. The cash and cash equivalent of the Group stood at S\$16.1 million as at 30 June 2018 and at S\$4.8 million as at 30 September 2017.

Following from the above:

- (1) the working capital of the Group reversed from a negative \$251.2 million as at 30 September 2017 to a positive S\$12.3 million as at 30 June 2018, chiefly as a results of the Derecognized Debts following the successful completion of the Debt Restructuring Exercise;
- (2) the Group is relatively free of any interest bearing debt as at 30 June 2018, thereby having its net gearing (defined as the ratio of the aggregate of interest bearing loans net of cash and cash equivalents to total equity) essentially reduced to nil as at 30 June 2018 from a negative 159.3% as at 30 September 2017; and
- (3) the net asset value per share of the Group reversed to 3.2 Singapore cents as at 30 June 2018 from a negative 45.4 Singapore cents as at 30 September 2017.

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 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.

Despite the recent strengthening of oil price towards US\$70 per barrel, the outlook for offshore marine industry remains challenging and competitive for the next 12 months in view of the lingering vessel supply overhang and low charter rates.

Notwithstanding which, the Group continues to step up its marketing efforts to improve its performance as the oil market adjusts to the changing demand and supply conditions for the eventual recovery.

Some of the statements in this release constitute "forward-looking statements" that do not directly or exclusively relate to historical facts. These forward-looking statements reflect our current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside our control. Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks and factors such as general economic and business conditions, including the uncertainties of the pace of recovery of the United States of America economy, continued concerns of the scale of the possible adverse fallouts and their implications on the global scene triggered by the current Euro zone debt crisis, inflationary pressures and currency appreciation which will affect the continued strong growth in Asia, especially East Asia; timing or delay in signing, commencement, implementation and performance of programs, or the delivery of products or services under them; relationships with customers; competition; and ability to attract personnel. Because actual results could differ materially from our intentions, plans, expectations, assumptions and beliefs about the future and any negative impacts arising from these issues will affect the performance of the Group's businesses, undue

reliance must not be placed on these statements.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Nil.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Nil.

(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/recommendeded for 9MFY2018.

13. Interested Person Transactions

Pursuant to Rule 907 of the SGX-ST Listing Manual and the new IPT General Mandate procured from the shareholders of the Company on 27 February 2018, the following interested person transactions had been entered into during Q3FY2018:

Name of Interested Persons	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under Shareholders' Mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under the Shareholders' Mandate (excluding transactions less than S\$100,000) pursuant to Rule 920
None	S\$'000 -	S\$'000 -

14. Use of Proceeds from the Investment

A summary of the Debt Restructuring Exercise, which should be read in conjunction with the circular to the Shareholders dated 28 November 2017 (the "Circular"), is provided below. Unless otherwise defined, all capitalized terms stated herein shall have the same meaning as those ascribed in the Circular.

- (a) a consent solicitation exercise (the "CSE") to deal with and obtain consensual agreement for the settlement and full discharge of all outstanding debts and liabilities owing under the Series 001 S\$50,000,000 5.75% Fixed Rate Notes due 2016 issued by the Company (the "Notes") to the holders of the Notes (the "Noteholders"). The requisite approval was granted by the Noteholders on 15 November 2017;
- (b) a scheme of arrangement (the "MPML Scheme") pursuant to Section 210 of the Companies Act entered into between the Company and the creditors under the MPML Scheme (the "MPML Scheme Creditors"). The requisite Court sanction was granted by the MPML Scheme Creditors on 21 November 2017 and the court order for the MPML Scheme was lodged with the Accounting

and Corporate Regulatory Authority (“ACRA”) on 5 December 2017;

- (c) a scheme of arrangement (the “MPSY Scheme”) pursuant to Section 210 of the Companies Act entered into between MPSY and the creditors under the MPSY Scheme (the “MPSY Scheme Creditors”). The requisite Court sanction was granted by the MPSY Scheme Creditors on 21 November 2017 and the court order for the MPSY Scheme was lodged with ACRA on 5 December 2017;
- (d) the “Penundaan Kewajiban Pembayaran Utang” (“PKPU”) Indonesian court supervised debt restructuring proceedings commenced by PT Marcopolo Shipyard (“PTMS”) in accordance with Indonesian Law No. 37 of 2004 on Bankruptcy and Suspension of Debt Payment (the “PKPU Restructuring”). PTMS has obtained the requisite court declaration made in response to the PKPU Restructuring Proposal that has been submitted, namely, that a valid debt restructuring has been agreed to by PTMS and the relevant creditors. Accordingly, the Commercial Court of Medan has endorsed the agreed debt restructuring under the PKPU Restructuring Proposal and ordered PTMS and the relevant creditors to comply with the said proposal as declared on 18 December 2017;
- (e) the restructuring of the secured debts of PT BBR, by way of an inter-creditor deed to be entered into between PT BBR and certain of its secured creditors, on terms that ensure that PT BBR is able to continue as a going concern following the post-completion of the Debt Restructuring Exercise. The standstill inter-creditor deed was signed off by the respective secured lenders on 17 January 2018; and
- (e) the Investment that forms an integral part of the Debt Restructuring Exercise.

A summary as at 30 June 2018 on the use of proceeds from the Investment (to partially fund the Debt Restructuring Exercise) is provided below:

	S\$'000	S\$'000
Proceeds		60,000
<u>Less:</u>		
Settlement to MPML Scheme Creditors	(33,027)	
Settlement to Noteholders and Trustee	(7,469)	
Settlement to MPSY Scheme Creditors	(300)	
Settlement to PKPU Secured Creditors	(4,760)	
Settlement to PKPU Trade Creditors	(1,500)	
Professional fee and other expenses related to Debt Restructuring Exercises	(805)	
General working capital	(2,734)	
Total used proceeds		(50,595)
Remaining proceeds		9,405

15. Negative Assurance on Interim Financial Statement

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company, which may render the unaudited financial statements of the Group and of the Company for Q3FY2018 and 9MFY2018 to be false or misleading in any material aspect.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sean Lee Yun Feng
Chief Executive Officer

Liely Lee
Chief Financial Officer

14 August 2018