



UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SECOND FINANCIAL QUARTER (“Q2FY2019”) AND HALF YEAR ENDED 31 MARCH 2019 (“H1FY2019”) IN RESPECT OF THE FINANCIAL YEAR ENDING 30 SEPTEMBER 2019 (“FY2019”)

PART1 INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2 & 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		
	Q2FY2019	Q2FY2018	% Change	H1FY2019	H1FY2018	% Change
	S\$'000	S\$'000		S\$'000	S\$'000	
Revenue	6,943	7,625	(9)	12,420	15,086	(18)
Cost of sales	(5,513)	(6,656)	(17)	(9,722)	(11,472)	(15)
Gross profit	1,430	969	48	2,698	3,614	(25)
Other operating income	497	180,062	NM	699	180,106	NM
Administrative expenses	(1,673)	(1,518)	10	(2,994)	(3,096)	(3)
Other operating expenses	(2,042)	(3,649)	(44)	(3,362)	(9,452)	(64)
(Loss)/Profit from operations	(1,788)	175,864	NM	(2,959)	171,172	NM
Finance costs	(3)	(1,111)	NM	(6)	(2,784)	NM
Share of losses in joint ventures	(817)	(1,253)	(35)	(1,774)	(2,046)	(13)
(Loss)/Profit before income tax	(2,608)	173,500	NM	(4,739)	166,342	NM
Income tax credit	(5)	28	NM	(83)	545	NM
(Loss)/Profit for the financial period	(2,613)	173,528	NM	(4,822)	166,887	NM
(Loss)/Profit attributable to:-						
Equity holders of the Company	(2,613)	173,528	NM	(4,822)	166,887	NM
	(2,613)	173,528	NM	(4,822)	166,887	NM

“Q2FY2019” denotes the second financial quarter of the financial year ended 30 September 2019 (“FY2019”).

“H1FY2019” denotes the first half financial year of FY2019.

“Q2FY2018” denotes the second financial quarter of the financial year ended 30 September 2018 (“FY2018”).

“H1FY2018” denotes the first half financial year of FY2018.

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

“NM” denotes not meaningful.

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		
	Q2FY2019	Q2FY2018	% Change	H1FY2019	H1FY2018	% Change
	S\$'000	S\$'000		S\$'000	S\$'000	
(Loss)/Profit for the financial period	(2,613)	173,528	NM	(4,822)	166,887	NM
Other comprehensive income:						
Share of other comprehensive income of a joint venture	42	(78)	NM	42	(78)	NM
Exchange difference arising from translation foreign operations	286	1,937	(85)	491	3,554	(86)
Total comprehensive income	(2,285)	175,387	NM	(4,289)	170,363	NM
Total comprehensive income attributable to:-						
Equity holders of the Company	(2,285)	175,387	NM	(4,289)	170,363	NM
	(2,285)	175,387	NM	(4,289)	170,363	NM

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

	Group			Group		
	Q2FY2019	Q2FY2018	% Change	H1FY2019	H1FY2018	% Change
	S\$'000	S\$'000		S\$'000	S\$'000	
(Loss)/Profit before income tax has been arrived at after charging/(crediting):						
Depreciation of property, plant and equipment	1,885	1,789	5	3,777	3,596	5
Net foreign currency exchange loss/(gain)	931	2,911	(68)	1,124	3,896	(71)
Interest income	(56)	(5)	NM	(119)	(6)	NM
Interest expenses	3	1,111	NM	6	2,784	NM
Share-based payment expense	20	21	(5)	41	41	-
Allowance for doubtful trade receivables	-	(776)	NM	-	1,158	NM
Allowance for doubtful other receivables	-	(54)	NM	-	(54)	NM
Impairment loss on investment in joint venture	-	-	NM	-	1,214	NM
Debts waiver income	-	(179,878)	NM	-	(179,878)	NM
Provision for compensation expenses	-	175	NM	-	175	NM

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

	Group		Company	
	As at 31 March 2019 S\$'000	As at 30 September 2018 S\$'000	As at 31 March 2019 S\$'000	As at 30 September 2018 S\$'000
Non-current assets				
Property, plant and equipment	84,085	87,611	-	-
Investment in subsidiaries	-	-	4,320	4,320
Investment in joint ventures	10,084	11,490	4,380	3,965
	94,169	99,101	8,700	8,285
Current assets				
Inventories	1,357	1,426	-	-
Trade receivables	5,059	3,996	-	-
Gross amounts due from customers for construction contracts	90	-	-	-
Other receivables, deposits and prepayment	5,014	2,288	1,079	129
Amount due from subsidiaries (non-trade)	-	-	123,012	121,716
Cash and cash equivalents	14,173	17,947	9,636	13,145
	25,693	25,657	133,727	134,990
Total assets	119,862	124,758	142,427	143,275
Current liabilities				
Trade payables	5,370	4,510	-	-
Gross amounts due to customers for construction contracts	-	5	-	-
Other payables and accruals	4,203	4,130	769	1,378
Borrowings – interest bearing	20	52	-	-
Income tax payable	1,210	1,122	-	-
	10,803	9,819	769	1,378
Non-current liabilities				
Trade payables	-	1,624	-	-
Borrowings – interest bearing	94	102	-	-
	94	1,726	-	-
Total liabilities	10,897	11,545	769	1,378
Net assets/(liabilities)	108,965	113,213	141,658	141,897
Share capital and reserves				
Share capital	155,671	155,671	155,671	155,671
Treasury shares	(1,203)	(1,203)	(1,203)	(1,203)
Capital reserve	634	634	-	-
Other reserve	157	436	-	-
Employee share option reserve	477	115	-	-
Foreign currency translation reserve	2,382	1,891	-	-
Accumulated losses	(49,153)	(44,331)	(12,810)	(12,571)
Total equity	108,965	113,213	141,658	141,897

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

	Group	
	As at	As at
	31 March	30 September
	2019	2018
	S\$'000	S\$'000
Amount repayable in one year or less or on demand Secured*	20	52
Amount repayable after one year Secured*	94	102

Details of any collateral

* These relate to finance leases secured against certain property, plant and equipment of the Group.

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

	Group		Group	
	Q2FY2019	Q2FY2018	H1FY2019	H1FY2018
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flow from operating activities				
(Loss)/profit before income tax	(2,608)	173,500	(4,739)	166,342
Adjustments for:				
Depreciation of property, plant and equipment	1,885	1,789	3,777	3,596
Fixed assets written off	-	1	-	1
Allowance for doubtful trade receivables	-	(776)	-	1,158
Allowance for doubtful other receivables	-	(54)	-	(54)
Interest expense	3	1,111	6	2,784
Interest income	(56)	(5)	(119)	(6)
Impairment loss on investment in joint ventures	-	-	-	1,214
Recoverable cost expensed off	-	3	-	3
Share-based payment expense	20	21	41	41
Share of losses in joint ventures	817	1,253	1,774	2,046
Debts waiver income	-	(179,878)	-	(179,878)
Foreign exchange difference	869	2,635	1,025	3,989
Operating profit/(loss) before working capital changes	930	(400)	1,765	1,236
Movement in working capital				
Inventories	37	249	69	169
Trade and other receivables	(3,338)	(932)	(3,707)	(2,160)
Due from/(to) customers for construction contracts	(97)	(110)	(95)	2,381
Trade and other payables	51	(2,123)	(691)	(5,239)
Cash used in operations	(2,417)	(3,316)	(2,659)	(3,613)
Interest paid	-	30	-	(19)
Income tax	(84)	-	(106)	3
Net cash used in operating activities	(2,501)	(3,286)	(2,765)	(3,629)
Cash flows from investing activities				
Purchase of property, plant and equipment	(537)	(382)	(571)	(544)
Advances to joint venture	(300)	-	(415)	-
Net cash generated used in investing activities	(837)	(382)	(986)	(544)
Cash flows from financing activities				
Interest received	63	5	107	6
Repayment of term loans	-	(44,810)	-	(45,875)
Repayment of finance lease payables, net	(21)	(16)	(40)	(33)
Interest paid on finance lease payables	(3)	(2)	(6)	(4)
Interest paid on term loans	-	(17)	-	(140)
Withdrawal of fixed deposits and bank balances pledged with licensed bank	-	-	-	1,131
Repayment of amount due from a joint venture	-	2,490	-	2,490
Movement in bank overdraft	-	2,000	-	2,000
Proceeds from issuance of shares	-	60,000	-	60,000
Net cash generated from financing activities	39	19,650	61	19,575
Net (decrease)/increase in cash and cash equivalents	(3,299)	15,982	(3,690)	15,402
Cash and cash equivalents at beginning of the period	17,528	924	17,947	1,650
Effect of exchange rate changes on cash and cash equivalents	(56)	23	(84)	(123)
Cash and cash equivalents at end of the financial period (Note 1)	14,173	16,929	14,173	16,929

Note 1

Cash and cash equivalent consist of:

Cash and bank balances

Fixed deposits

Cash and cash equivalent

Group	
H1FY2019	H1FY2018
S\$'000	S\$'000
4,780	3,438
9,393	13,491
14,173	16,929

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 2018	155,671	(1,203)	634	436	1,891	(44,331)	115	113,213
Loss for the financial period	-	-	-	-	-	(4,822)	-	(4,822)
Other comprehensive income, net of tax	-	-	-	-	491	-	42	533
Total comprehensive income for the financial period	-	-	-	-	491	(4,822)	42	(4,289)
Employee share option	-	-	-	41	-	-	-	41
Balance as at 31 March 2019	155,671	(1,203)	634	477	2,382	(49,153)	157	108,965
Balance as at 1 October 2017	59,239	(1,203)	634	353	1,450	(213,309)	194	(152,642)
Profit for the financial period	-	-	-	-	-	166,887	-	166,887
Other comprehensive income, net of tax	-	-	-	-	3,554	-	(78)	3,476
Total comprehensive income for the financial period	-	-	-	-	3,554	166,887	(78)	170,363
Issuance of ordinary shares	96,427	-	-	-	-	-	-	96,427
Employee share option	-	-	-	41	-	-	-	41
Balance as at 31 March 2018	155,666	(1,203)	634	394	5,004	(46,422)	116	114,189

Company	Share capital	Treasury share	Accumulated losses	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 October 2018	155,671	(1,203)	(12,571)	141,897
Total comprehensive income for the financial period	-	-	(239)	(239)
Balance at 31 March 2019	155,671	(1,203)	(12,810)	141,658
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	-	-	(1,665)	(1,665)
Balance at 31 March 2018	155,666	(1,203)	(14,934)	139,529

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 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 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.

As at 31 March 2019, the following securities, which are capable of being exercised into Shares, remain outstanding:

1. 3,380,000 2013 ESOS Options (31 March 2018: 3,430,000 2013 ESOS Options);
2. 4,050,000 2015 ESOS Options (31 March 2018: 4,160,000 2015 ESOS Options); and
3. 269,078,877 Warrants (31 March 2018: 269,078,877 Warrants)

Save as disclosed, the Company has no outstanding convertibles as at 31 March 2019 and 31 March 2018.

There were no changes to the Company's share capital and total number of issued ordinary shares during the current financial period and as well as the corresponding period of the immediate preceding financial year.

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 31 March 2019</u>	<u>As at 30 September 2018</u>
Total number of issued Shares (excluding treasury shares)	3,520,328,361	3,520,328,361

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 31 March 2019. 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 2018.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group 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 2018, 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 2018.

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	
	H1FY2019 S\$'000	H1FY2018 S\$'000
(Loss)/profit attributable to equity holders	(4,822)	166,887

	H1FY2019		H1FY2018	
	Number of shares	Singapore cents	Number of shares	Singapore cents
Basic	3,520,328,361	(0.14)	1,491,048,074	11.19
Diluted	3,520,328,361	(0.14)	1,491,048,074	11.19

* 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 31 March 2019 S\$'000	As at 30 September 2018 S\$'000	As at 31 March 2019 S\$'000	As at 30 September 2018 S\$'000
Net asset value	108,965	113,213	141,658	141,897
Net asset value per ordinary share based on issued share capital (Singapore cents)	3.1 cents	3.2 cents	4.0 cents	4.0 cents

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 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 H1FY2019 (vis-à-vis H1FY2018) and Q2FY2019 (vis-a-vis Q2FY2018) were as follow:

	Q2FY2019		Q2FY2018		Change		H1FY2019		H1FY2018		Change	
	S\$ m	%	S\$ m	%	S\$ m	%	S\$ m	%	S\$ m	%	S\$ m	%
Ship Chartering Operations	3.2	46	2.1	28	1.1	52	6.2	50	6.1	40	0.1	2
Ship Building & Repair Operations	3.7	54	5.5	72	(1.8)	(33)	6.2	50	9.0	60	(2.8)	(31)
	6.9	100	7.6	100	(0.7)	(9)	12.4	100	15.1	100	(2.7)	(18)

The Group recorded a revenue of S\$6.9 million in Q2FY2019, a decrease of 9% from that of S\$7.6 million registered in Q2FY2018, and a revenue of S\$12.4 million in H1FY2019, a decrease of 18% from that of S\$15.1 million registered in H1FY2018.

The revenue derived from the Ship Chartering Operations of the Group increased by 52% to S\$3.2 million in Q2FY2019 from S\$2.1 million in Q2FY2018 and by 2% to S\$6.2 million in H1FY2019 from S\$6.1 million in H1FY2018. The increases were mainly due to higher utilization of the Group's fleet of offshore vessels as well as tugboats and barges.

The Ship Building & Repair Operations of the Group recorded a decrease in revenue of 33% to S\$3.7 million in Q2FY2019 from S\$5.5 million in Q2FY2018 and a decrease of 31% to S\$6.2 million in H1FY2019 from S\$9.0 million in H1FY2018 mainly due to reduced ship building projects albeit an increase in ship repair jobs.

The Group recorded a gross profit of S\$1.4 million in Q2FY2019 compared to that of S\$1.0 million in Q2FY2018 mainly as a result of the increased contribution from higher yielding ship repair jobs as compared to ship building projects. On a half-yearly basis, the Group's overall gross profit decreased to S\$2.4 million in H1FY2019 from S\$3.6 million in H1FY2018 mainly as result of reduced turnover.

The Group's other operating income decreased significantly to S\$0.5 million in Q2FY2019 from S\$180.1 million in Q2FY2018 and to S\$0.7 million in H1FY2019 from S\$180.1 million in H1FY2018. The decreases were attributed chiefly to the significant debts waiver income (resulting from the derecognized debts) recognized in Q2FY2018.

The Group's administrative expenses increased by S\$0.2 million from S\$1.5 million in Q2FY2018 to S\$1.7 million in Q2FY2019, mainly attributed to increased staff costs.

The Group's other operating expenses decreased to S\$2.0 million in Q2FY2019 from S\$3.6 million in Q2FY2018, due primarily to lower foreign exchange losses in Q2FY2019. The Group's other operating expenses decreased to S\$3.4 million in H1FY2019 from S\$9.5 million in H1FY2018, attributed largely to decreased foreign exchange loss as well as legal & professional expenses in H1FY2019 (compared to H1FY2018) coupled with significant impairment losses on assets recognised in H1FY2018.

The finance costs of the Group decreased to S\$3,000 in Q2FY2019 from S\$1.1 million in Q2FY2018 and to S\$6,000 in H1FY2019 from S\$2.8 million in H1FY2018, following the completion of the debt restructuring exercise carried out in FY2018 (the "Debt Restoring Exercise").

The share of losses from jointly controlled companies decreased from S\$1.3 million in Q2FY2018 to S\$0.8 million in Q2FY2019 and decreased from S\$2.0 million in H1FY2018 to S\$1.8 million in H1FY2019. The decrease was mainly attributable to the share of impairment losses on the assets of these jointly controlled companies in Q2FY2018 and H1FY2018. The share of losses from jointly-controlled companies in Q2FY2019 and H1FY2019 was mainly attributable to the share of losses of PT BBR.

As a result of the above, we registered a loss before tax and a net loss attributed to owners of the Company of S\$2.6 million in Q2FY2019 compared to a profit before tax and a net profit attributed to owners of the Company of S\$173.5 million in Q2FY2018 and a loss before tax and a net loss attributed to owners of the Company of S\$4.8 million in H1FY2019 compared to a profit before tax and net profit attributed to owners of the Company of S\$166.9 million in H1FY2018.

Excluding foreign exchange losses and extraordinary gains, the Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) of the Group reversed from a negative S\$3.1 million in H1FY2018 to a positive S\$49,000 in H1FY2019, and from a negative S\$0.4 million in Q2FY2018 to a positive S\$0.2 million in Q2FY2019.

(b) Review of financial position of the Group as at 31 March 2019 compared to that as at 30 September 2018

The non-current assets of the Group decreased by S\$4.9 million or 5% from S\$99.1 million as at 30 September 2018 to S\$94.2 million as at 31 March 2019. The decrease was mainly due to depreciation of vessels and share of losses in joint ventures, albeit a partial offset by advances to a joint venture entity.

Trade receivables increased from S\$4.0 million at 30 September 2018 to S\$5.1 million at 31 March 2019 mainly due mainly to increased revenue from ship chartering and ship repair jobs in Q2FY2019.

The other receivables, deposits and prepayment increased by S\$2.7 million from S\$2.3 million as at 30 September 2018 to S\$5.0 million as at 31 March 2019, attributed mainly to an increase in accrued revenue for ship repair jobs procured towards the end of Q2FY2019.

In line with increased shipping chartering activities as well as volume of ship repair jobs, current trade payables of the Group increased by S\$0.9 million or 19% to S\$5.4 million as at 31 March 2019 from S\$4.5 million as at 30 September 2018.

Non-current trade payables of the Group decreased by S\$1.6 million to a nil balance as at 31 March 2019 as a result of the reclassification of payables from non-current liabilities to current liabilities. These payables relate to amount owing to certain creditors of the Group pursuant to the terms of the Debt restructuring Exercise.

The Group reported a net cash used in operating activities of S\$2.8 million for H1FY2019, principally as a result of an increase in trade and other receivables brought about by the increase in business activities in Q2FY2019. The cash and cash equivalent of the Group stood at S\$14.1 million as at 31 March 2019 compared to S\$17.9 million as at 30 September 2018.

Following from the above:

- (i) the working capital of the Group decreased from S\$15.8 million as at 30 September 2018 to S\$14.9 million as at 31 March 2019;
- (ii) the net gearing of the Group (defined as the ratio of the aggregate of interest bearing loans net of cash and cash equivalents to total equity) remained at nil as at 31 March 2019 and 30 September 2018; and
- (iii) the net asset value per share of the Group decreased from 3.2 cents as at 30 September 2018 to 3.1 cents as at 31 March 2019.

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.

The outlook for the offshore marine industry remains challenging and competitive in view of the lingering vessel supply overhang and persistent anemic charter rates. Notwithstanding which, there are positive signs in recent times that such a downcast scenario appears to be gradually bottoming-up. The Group will continue 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.

With regard to our shipyard operations, in anticipation of the increasing ship building/repair interests and demands from ship owners with larger vessels, we have initiated a dock extension program to extend the length of one of our graving docks from 190 meters to 220 meters. The construction is expected to be completed by September 2019 with minimum disruption to the existing operations of the shipyard during this period.

Barring any unforeseen circumstance, the Group, continuing with its cost containment measures, is cautiously optimistic of its performance for the next 12 months.

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 H1FY2019.

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 28 January 2019, the Company did not have any interested person transactions during the financial period under review (excluding transactions less than S\$100,000).

14. Use of Proceeds from equity injection

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
- (f) an equity injection of S\$60 million in January 2018 from 9 investors (the "Equity Injection"), which forms an integral part of the Debt Restructuring Exercise.

The use of proceeds (as at 31 March 2019) from the Equity Injection to partially fund the Debt Restructuring Exercise is summarized as follows:

	S\$'000	S\$'000
Proceeds raised from Equity Injection		60,000
<u>Less:</u>		
Settlement to MPML Scheme Creditors	(33,027)	
Settlement to Noteholders and Trustee	(7,469)	
Settlement to MPSY Scheme Creditors	(1,050)	
Settlement to PKPU Secured Creditors	(4,760)	
Settlement to PKPU Trade Creditors	(4,100)	
General working capital	(4,380)	
Total used proceeds as at 31 March 2019		(54,786)
Remaining proceeds		5,214

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 Q2FY2019 and H1FY2019 to be false or misleading in any material aspect.

16. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has procured the said undertakings from all its Directors and Executive Officers.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sean Lee Yun Feng
Chief Executive Officer

Liely Lee
Chief Financial Officer

9 May 2019