



UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 2014

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

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year

CONSOLIDATED INCOME STATEMENT

	Group			Group		
	3rd Qtr Ended 31/12/2014	31/12/2013	Incr/ (decr) %	9 months Ended 31/12/2014	31/12/2013	Incr/ (decr) %
	S\$'000	S\$'000		S\$'000	S\$'000	
Revenue	28,502	22,332	27.6	84,069	71,061	18.3
Cost of sales	(22,126)	(15,255)	45.0	(61,705)	(49,330)	25.1
Gross profit	6,376	7,077	(9.9)	22,364	21,731	2.9
Other income	568	(3)	NM	1,075	96	NM
Distribution costs	(1,253)	(1,119)	12.0	(3,428)	(2,900)	18.2
Administrative expenses	(3,895)	(2,611)	49.2	(10,692)	(7,117)	50.2
Other operating expenses	(1)	(128)	(99.2)	(69)	(658)	(89.5)
Interest expense	(488)	(462)	5.6	(1,456)	(1,265)	15.1
Profit before income tax	1,307	2,754	(52.5)	7,794	9,887	(21.2)
Income tax benefit (expense)	58	(316)	NM	(948)	(1,370)	(30.8)
Profit for the period	1,365	2,438	(44.0)	6,846	8,517	(19.6)
Attributable to:						
Shareholders of the Company	910	2,477	(63.3)	6,161	8,584	(28.2)
Non-controlling interests	455	(39)	NM	685	(67)	NM
	1,365	2,438	(44.0)	6,846	8,517	(19.6)
Gross profit margin	22.4%	31.7%		26.6%	30.6%	
Net profit margin	4.8%	10.9%		8.1%	12.0%	
EBITDA ⁽¹⁾ (S\$'000)	2,562	3,652	(29.8)	11,176	12,420	(10.0)
EBITDA margin	9.0%	16.4%		13.3%	17.5%	

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

NM: Not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group			Group		
	3rd Qtr Ended		Incr/ (decr) %	9 months Ended		Incr/ (decr) %
	31/12/2014	31/12/2013		31/12/2014	31/12/2013	
	S\$'000	S\$'000		S\$'000	S\$'000	
Profit for the period	1,365	2,438	(44.0)	6,846	8,517	(19.6)
Other comprehensive income						
Item that may be reclassified to profit or loss:						
Translation gain arising on consolidation	391	25	NM	381	38	NM
Other comprehensive income for the period	391	25	NM	381	38	NM
Total comprehensive income for the period	1,756	2,463	(28.7)	7,227	8,555	(15.5)
Total comprehensive income attributable to:						
Shareholders of the Company	1,117	2,502	(55.4)	6,353	8,622	(26.3)
Non-controlling interests	639	(39)	NM	874	(67)	NM
	1,756	2,463	(28.7)	7,227	8,555	(15.5)

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

	Group			Group		
	3rd Qtr Ended		Incr/ (decr)	9 months Ended		Incr/ (decr)
	31/12/2014	31/12/2013		31/12/2014	31/12/2013	
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
(Write back of) allowance for doubtful trade receivables	(18)	1	NM	48	25	92
Trade receivables written off	18	-	NM	18	-	NM
Other receivables written off	1	-	NM	2	-	NM
Doubtful trade receivables recovered	(5)	-	NM	(5)	(7)	(24)
Depreciation	752	421	79	1,881	1,223	54
Amortisation of intangible asset	15	15	-	45	45	-
Foreign exchange (gain) loss	(574)	128	NM	(794)	630	NM
Gain on disposal of property, plant and equipment	-	-	NM	(164)	(19)	763
Goodwill written off from acquisition of a subsidiary	-	-	NM	-	2	NM
Interest income	(6)	(11)	(45)	(18)	(30)	(40)
Interest expense	488	462	6	1,456	1,265	15
Inventories written down to net realisable value	-	97	(100)	-	97	(100)
Trade payables written back	-	36	(100)	-	-	NM

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

STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31/12/2014 S\$'000	31/3/2014 S\$'000	31/12/2014 S\$'000	31/3/2014 S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	10,356	18,824	1,984	14,796
Trade receivables	23,968	26,595	1,507	1,480
Other receivables and prepayments	6,688	3,167	47,014	29,784
Inventories	147,091	124,862	-	-
Total current assets	188,103	173,448	50,505	46,060
Non-current assets				
Property, plant and equipment	23,095	14,028	395	-
Club memberships	76	76	-	-
Intangible assets	4,194	165	-	-
Goodwill	7,786	444	-	-
Deferred tax assets	163	28	-	-
Subsidiaries	-	-	6,101	6,101
Total non-current assets	35,314	14,741	6,496	6,101
Total assets	223,417	188,189	57,001	52,161
LIABILITIES AND EQUITY				
Current liabilities				
Trade payables	18,955	16,628	-	-
Other payables	9,536	2,093	5,632	542
Current portion of bank borrowings	61,100	51,217	-	-
Current portion of finance leases	610	737	-	-
Income tax payable	1,150	1,773	67	266
Total current liabilities	91,351	72,448	5,699	808
Non-current liabilities				
Bank borrowings	19,167	15,613	-	-
Finance leases	1,523	1,741	-	-
Deferred tax liabilities	482	491	-	-
Total non-current liabilities	21,172	17,845	-	-
Capital, reserves and non-controlling interests				
Share capital	50,587	47,224	50,587	47,224
Retained earnings	52,942	50,723	715	4,129
Translation reserve	203	11	-	-
Equity attributable to shareholders of the Company	103,732	97,958	51,302	51,353
Non-controlling interests	7,162	(62)	-	-
Total equity	110,894	97,896	51,302	51,353
Total liabilities and equity	223,417	188,189	57,001	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

	31/12/2014		31/3/2014	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Term loans	6,288	-	4,358	-
Money market loan	7,500	-	3,000	-
Bank bills payables	9,508	25,353	9,554	24,898
Finance leases	610	-	737	-
Time loans	-	5,000	-	5,000
Revolving credit loans	-	7,451	-	4,407
	<u>23,906</u>	<u>37,804</u>	<u>17,649</u>	<u>34,305</u>

Amount repayable after one year

	31/12/2014		31/3/2014	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Term loans	19,167	-	15,613	-
Finance leases	1,523	-	1,741	-
	<u>20,690</u>	<u>-</u>	<u>17,354</u>	<u>-</u>

Details of any collaterals

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

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	Group		Group	
	3rd Qtr Ended	31/12/2013	9 months Ended	31/12/2013
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Profit before income tax	1,307	2,754	7,794	9,887
Adjustments for :				
Interest expense	488	462	1,456	1,265
Interest income	(6)	(11)	(18)	(30)
Depreciation	752	421	1,881	1,223
Amortisation of intangible asset	15	15	45	45
(Write back of) allowance for doubtful trade receivables	(18)	1	48	25
Doubtful trade receivables recovered	(5)	-	(5)	(7)
Trade receivables written off	18	-	18	-
Other receivables written off	1	-	2	-
Gain on disposal of property, plant and equipment	-	-	(164)	(19)
Goodwill written off from acquisition of a subsidiary	-	-	-	2
Net foreign exchange loss (gain) - unrealised	83	(50)	(102)	(101)
Inventories written down to net realisable value	-	97	-	97
Trade payables written back	-	36	-	-
Operating cash flows before movements in working capital	2,635	3,725	10,955	12,387
Trade receivables	5,842	7,354	8,767	3,960
Other receivables and prepayments	(2,690)	(471)	(2,493)	(381)
Inventories	(8,573)	(10,276)	(18,343)	(15,534)
Trade payables	4,913	(3,089)	(4,371)	(9,427)
Other payables	(831)	(256)	(932)	(1,360)
Bank bill payables	(9,304)	5,773	544	19,336
Cash (used in) generated from operations	(8,008)	2,760	(5,873)	8,981
Interest paid for bank bills	(244)	(243)	(732)	(627)
Interest received	6	11	18	30
Income tax paid	(775)	(337)	(1,646)	(1,623)
Net cash (used in) from operating activities	(9,021)	2,191	(8,233)	6,761
Investing activities				
Proceeds from disposal of property, plant and equipment	1	1	222	385
Purchases of property, plant and equipment	(2,955)	(269)	(4,077)	(2,951)
Acquisition of subsidiaries (Note A)	-	-	(4,087)	(1,200)
Net cash used in investing activities	(2,954)	(268)	(7,942)	(3,766)
Financing activities				
Interest paid for other borrowings	(244)	(219)	(724)	(638)
Dividend paid	-	-	(3,942)	(3,456)
Repayment of obligations under finance leases	(170)	(259)	(715)	(1,006)
New bank loans obtained	11,558	384	16,242	3,145
Repayment of bank loans	(1,018)	(250)	(3,214)	(748)
Contributions from non-controlling interests	-	-	20	14
Net cash from (used in) financing activities	10,126	(344)	7,667	(2,689)
Net (decrease) increase in cash and cash equivalents	(1,849)	1,579	(8,508)	306
Exchange difference on cash and cash equivalents	46	(41)	40	(39)
Cash and cash equivalents at beginning of the period	12,159	20,137	18,824	21,408
Cash and cash equivalents at end of the period	10,356	21,675	10,356	21,675

Note A

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

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

	Fair value
	S\$'000
Cash and cash equivalents	998
Trade receivables	5,891
Other receivables and prepayments	3,212
Inventories	3,836
Property, plant and equipment	6,552
Intangible asset	4,074
Trade payables	(6,854)
Other payables	(4,588)
Bank borrowing	(159)
Finance leases	(41)
Deferred tax liability	(1)
Net assets	<u>12,920</u>
Goodwill arising on acquisition	
Consideration transferred	14,375
Less: 51% of fair value of identifiable net assets acquired	<u>(6,589)</u>
Goodwill arising on acquisition	<u>7,786</u>
<u>Net cash inflow on acquisition of subsidiary</u>	
Total consideration	14,375
Total consideration unpaid as of 31 December 2014 and recorded as other payables	(5,927)
Total consideration settled by shares	(3,363)
Total consideration paid in 1Q FY2015	<u>(5,085)</u>
Total consideration, satisfied by cash in 2Q FY2015	-
Less: Cash and cash equivalents acquired in 2Q FY2015	998
Net cash inflow on acquisition of subsidiary in 2Q FY2015	<u>998</u>
Net cash outflow on acquisition of subsidiary in 9M FY2015	<u>(4,087)</u>

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

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	-	6,161	-	6,161	685	6,846
Other comprehensive income for the period	-	-	192	192	189	381
Total	-	6,161	192	6,353	874	7,227
Transactions with owners, recognised directly in equity						
Issuance of shares	3,363	-	-	3,363	-	3,363
Contribution from non-controlling interests	-	-	-	-	20	20
Acquisition of a subsidiary	-	-	-	-	6,330	6,330
Dividend paid	-	(3,942)	-	(3,942)	-	(3,942)
Total	3,363	(3,942)	-	(579)	6,350	5,771
At 31 December 2014	50,587	52,942	203	103,732	7,162	110,894
At 1 April 2013	47,224	42,542	(74)	89,692	0	89,692
Total comprehensive income for the period						
Profit for the period	-	8,584	-	8,584	(67)	8,517
Other comprehensive income for the period	-	-	38	38	-	38
Total	-	8,584	38	8,622	(67)	8,555
Transactions with owners, recognised directly in equity						
Acquisition of a subsidiary	-	-	-	-	14	14
Dividend paid	-	(3,456)	-	(3,456)	0	(3,456)
Total	-	(3,456)	-	(3,456)	14	(3,442)
At 31 December 2013	47,224	47,670	(36)	94,858	(53)	94,805

	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	-	528	-	528	-	528
Transactions with owners, recognised directly in equity						
Issuance of shares	3,363	-	-	3,363	-	3,363
Dividend paid		(3,942)	-	(3,942)	-	(3,942)
Total	3,363	(3,942)	-	(579)	-	(579)
At 31 December 2014	50,587	715	-	51,302	-	51,302
At 1 April 2013	47,224	5,146	-	52,370	-	52,370
Profit for the period, representing total comprehensive income for the period	-	1,287	-	1,287	-	1,287
Dividend paid, representing transactions with owners, recognised directly in equity	-	(3,456)	-	(3,456)	-	(3,456)
At 31 December 2013	47,224	2,977	-	50,201	-	50,201

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

Nil.

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

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

The total number of issued shares excluding treasury shares

31/12/2014	31/3/2014
438,000,000	432,000,000

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

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

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

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

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

Not applicable.

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

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

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

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

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

	Group 3rd Qtr Ended		Group 9 months Ended	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Net profit after tax attributable to shareholders of the Company (S\$'000)	910	2,477	6,161	8,584
Weighted average number of ordinary shares for calculation of ('000):				
- Basic earnings per share	436,407	432,000	436,407	432,000
- Diluted earnings per share	436,407	432,000	436,407	432,000
Earnings per share ("EPS") (cents/share)				
(a) Based on weighted average number of ordinary shares	0.21	0.57	1.41	1.99
(b) On a fully diluted basis	0.21	0.57	1.41	1.99

The Company has no dilutive equity instruments as at 31 December 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	
	31/12/2014	31/3/2014	31/12/2014	31/3/2014
Net asset value attributable to shareholders of the Company (S\$'000)	103,732	97,958	51,302	51,353
Number of ordinary shares ('000)	438,000	432,000	438,000	432,000
Net asset value per ordinary share (cents)	23.68	22.68	11.71	11.89

8. Review of the Group's performance

Revenue

For the nine months ended 31 December 2014 ("9M FY2015"), the Group's revenue was S\$84.1 million with an increase of S\$13.0 million or 18.3% compared to S\$71.1 million for the corresponding period ended 31 December 2013 ("9M FY2014"). The increase was mainly due to (i) increase in the rigging and lifting segment of S\$7.7 million, and (ii) an increase in ship chandling segment of S\$5.3 million.

For the third quarter ended 31 December 2014 ("3Q FY2015"), the Group's revenue was S\$28.5 million, 27.6% higher than the S\$22.3 million in the third quarter ended 31 December 2013 ("3Q FY2014"). The increase was mainly due to an increase in the rigging and lifting segment of S\$5.3 million and an increase in ship chandling segment of S\$0.9 million.

Gross profit

Gross profit increased by S\$0.6 million or 2.9% from S\$21.7 million in 9M FY2014 to S\$22.3 million in 9M FY2015. The corresponding gross profit margin decreased from 30.6% to 26.6%. For 3Q FY2015, the gross profit was S\$6.4 million, 9.9% lower than the S\$7.1 million achieved in 3Q FY2014. The corresponding gross profit margin decreased from 31.7% to 22.4% mainly due to an increase in sales of trading products with lower margin.

Other income

Other income increased by S\$1.0 million in 9M FY2015 compared to 9M FY2014 mainly due to: (i) net foreign exchange gain incurred of S\$0.8 million due to the appreciation of United States Dollar and the depreciation of Euro against Singapore dollar, and (ii) an increase in gain on disposal of motor vehicle of S\$0.2 million.

Distribution costs

Distribution costs increased by S\$0.5 million or 18.2% in 9M FY2015 compared to 9M FY2014 mainly due to increase in staff-related cost as our headcount has increased mainly due to newly acquired subsidiaries.

Administrative expenses

Administrative expenses increased by S\$3.6 million or 50.2% in 9M FY2015 compared to 9M FY2014 mainly due to newly acquired subsidiaries. The increases were : (i) staff-related cost of S\$1.3 million, (ii) general expenses of S\$0.7 million, (iii) rental related expenses of S\$0.5 million; (iv) professional fees of S\$0.6 million, (v) travelling expenses of S\$0.2 million, and (vi) insurance of S\$0.2 million.

Other operating expenses

Other operating expenses decreased by S\$0.6 million in 9M FY2015 compared to 9M FY2014 mainly due to turnaround of a foreign exchange loss of S\$0.6 million to a foreign exchange gain of S\$0.8 million resulting from the appreciation of United States Dollar and the depreciation of Euro against Singapore dollar.

Interest expense

Interest expense increased by S\$0.2 million or 15.1% from S\$1.3 million in 9M FY2014 to S\$1.5 million in 9M FY2015 mainly due to higher bank borrowings.

Profit before income tax

As a result of the above reasons, profit for 9M FY2015 decreased by S\$2.1 million or 21.2% from S\$9.9 million in 9M FY2014 to S\$7.8 million in 9M FY2015.

Review of statement of financial position and cash flows

Current Assets

The current assets increased by S\$14.7 million from S\$173.4 million as at 31 March 2014 to S\$188.1 million as at 31 December 2014. The increase was mainly due to (i) an increase in inventories of S\$22.2 million due to anticipated market demand and inventories from acquisition of Rigmarine, (ii) an increase in other receivables and prepayments of S\$3.5 million, which was partially offset by a decline in cash and bank balances of S\$8.4 million and a decrease of S\$2.6 million in trade receivables.

Non-Current Assets

The non-current assets increased by S\$20.6 million from S\$14.7 million as at 31 March 2014 to S\$35.3 million as at 31 December 2014. The increase was mainly from the increase in fixed assets of S\$9.1 million, goodwill of S\$7.8 million and intangible assets of S\$4.0 million contributed by the acquisition of Rigmarine.

Current liabilities

The current liabilities increased by S\$18.9 million from S\$72.4 million as at 31 March 2014 to S\$91.3 million as at 31 December 2014. The increase was mainly due to (i) an increase in bank borrowings of S\$9.9 million from bank loans of S\$9.5 million and bank bill payables of S\$0.4 million, (ii) an increase in other payables of S\$7.4 million mainly due to the acquisition of Rigmarine, (iii) an increase in trade payable of S\$2.3 million, which was partially offset by (i) lower income tax payable of S\$0.6 million, and (ii) a decline in finance leases of S\$0.1 million.

Non-current liabilities

Non-current liabilities increased by S\$3.3 million from S\$17.9 million as at 31 March 2014 to S\$21.2 million as at 31 December 2014 mainly due to an increase in bank borrowings of S\$3.5 million, which was partially offset by repayment of finance leases of S\$0.2 million.

Capital, reserves and non-controlling interests

The increase in shareholder's equity of S\$5.8 million was mainly attributable to (i) profit earned during the period of S\$6.2 million, and (ii) an increase of share capital of S\$3.4 million pursuant to the issuance of 6,000,000 shares for the acquisition of Rigmarine which was partially offset by the distribution of dividend of S\$3.9 million.

Cash Flows

9M FY2015 ended 31 December 2014

Net cash used in operating activities

In 9M FY2015, we generated net cash of S\$11.0 million from operating activities before changes in working capital.

Our net working capital outflow amounted to S\$19.2 million. This was mainly due to: (i) an increase in inventories of S\$18.3 million due to anticipated market demand, (ii) a decrease in trade payables of S\$4.4 million as we made payments in respect of a larger proportion of our trade payables; (iii) an increase in other receivables and prepayments of S\$2.5 million, and (iv) a decrease in other payables of S\$0.9 million.

The above increase was partially offset by (i) a decrease in trade receivables of S\$8.8 million, and (ii) an increase in bank bill payables of S\$0.5 million.

We paid income tax of S\$1.6 million and interest for bank bills of S\$0.7 million.

Overall our net cash used in operating activities amounted to S\$8.2 million.

Net cash used in investing activities

Net cash used in investing activities amounted to S\$7.9 million in 9M FY2015. This was mainly due to (i) the acquisition of Rigmarine of S\$4.1 million, and (ii) the purchase of plant and equipment of S\$4.1 million, which was partially offset by proceeds from disposal of plant and equipment of S\$0.2 million.

Net cash from financing activities

Net cash generated from financing activities amounted to S\$7.7 million in 9M FY2015. This was mainly due to an increase in bank borrowings of S\$16.2 million, which was partially offset by (i) dividend paid of S\$3.9 million, (ii) the repayment of bank borrowings and related interest of S\$3.9 million; and (iii) the repayment of obligations under finance leases of S\$0.7 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The demand for Gaylin's products and services is generally driven by the level of activities in the exploration, development and production of oil and gas (O&G) in the global offshore O&G industry.

The fall in oil prices and the expected reduction in global O&G upstream have created a challenging environment. Despite the current low oil price environment, the Group believes long term fundamentals driving the offshore O&G market remains stable.

The Group remains committed to unlock value from its strategic acquisitions by integrating its newly-acquired businesses and optimising operations.

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 9 months ended 31 December 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 31 December 2014	Balance of Net Proceeds as at 31 December 2014
	S\$'000	S\$'000	S\$'000
Expansion of our operations into Asian and/or other markets	20,000	17,902	2,098
Expansion of our operations into Malaysia	2,000	2,000	-
General working capital	21,042	21,042	-
	<u>43,042</u>	<u>40,944</u>	<u>2,098</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 9 months ended 31 December 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 HOE
Executive Director

BY ORDER OF THE BOARD

DESMOND TEO BEE CHIONG
Executive Director and Chief Executive Officer
12 February 2015