



SWIBER HOLDINGS LIMITED

**Financial Statements And Dividends
Announcement**

**For The First Quarter And Three Months Ended
31 March 2016**

UNAUDITED FIRST QUARTER ("1Q2016") FINANCIAL STATEMENT AND DIVIDENDS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2016 ("3M2016").

1(a)(i) Consolidated Income Statement

	Group		Change
	1Q2016 US'000	1Q2015 US'000	
Revenue	191,344	164,905	16.0%
Cost of sales	(161,764)	(145,483)	11.2%
Gross profit	29,580	19,422	52.3%
Other operating income	1,395	2,947	-52.7%
Administrative expenses	(7,120)	(8,131)	-12.4%
Other operating expenses	(4,259)	(2,904)	46.7%
Finance expenses	(13,912)	(13,913)	0.0%
Share of profit of associates and joint ventures	2,835	4,844	-41.5%
Profit before tax	8,519	2,265	276.1%
Income tax expense	(8,731)	(2,195)	297.8%
(Loss)/ Profit for the period	(212)	70	N/M
Attributable to :			
Owners of the Company	(2,559)	(2,499)	2.4%
Perpetual capital securities holders	-	1,360	N/M
Non-controlling interests	2,347	1,209	N/M
	(212)	70	
Gross profit margin	15.5%	11.8%	
EBITDA* (US\$'000)	35,192	30,795	
EBITDA* margin	18.4%	18.7%	

* : Denotes earnings before interest, taxes, depreciation and amortization.
N/M: Not Meaningful

1(a)(i) Consolidated Statement of Comprehensive Income

	Group		Change
	1Q2016 US\$'000	1Q2015 US\$'000	
(Loss)/ Profit for the period	(212)	70	
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges			
- Fair value gain/ (loss)	1,203	(10,215)	N/M
Currency translation differences arising from consolidation			
- Gain/ (loss)	689	(4,326)	N/M
Share of other comprehensive income of			
- Associates	10	(17)	N/M
- Joint ventures	1,212	(655)	N/M
Other comprehensive profit/ (loss) for the period, net of tax	3,114	(15,213)	
Total comprehensive profit/ (loss) for the period	2,902	(15,143)	
Total comprehensive profit/ (loss) attributable to:			
Owners of the Company	555	(16,468)	-103.4%
Perpetual capital securities holders	-	1,360	N/M
Non-controlling interests	2,347	(35)	N/M
Total	2,902	(15,143)	

N/M: Not Meaningful

1(a)(ii) Profit for the period is determined after charging/ (crediting) the followings:

	Group		
	1Q2016 US\$'000	1Q2015 US\$'000	Change
<u>Charging:</u>			
Amortisation of capitalised vessels costs	668	2,418	-72.4%
Amortisation of transaction costs	992	1,197	-17.1%
Bad debts written off	-	4	N/M
Depreciation of property, plant and equipment	11,101	11,002	0.9%
Employees' share options and awards expense	226	236	-4.2%
Foreign exchange losses	4,851	1,158	318.9%
Interest on borrowings	13,912	13,913	N/M
Property, plant and equipment written off	-	9	N/M
<u>Crediting:</u>			
Fair value gain on financial liabilities designated as at fair value through profit or loss	-	(720)	N/M
Gain on disposal of property, plant and equipment	-	(542)	N/M
Interest income	(822)	(1,162)	-29.3%

N/M: Not Meaningful

1(b)(i) Statements of Financial Position

	Group		Company	
	3M2016	FY2015	3M2016	FY2015
	US\$'000	US\$'000	US\$'000	US\$'000
ASSETS				
Current assets				
Cash and cash equivalents	130,042	100,514	945	6,916
Trade receivables	525,629	442,215	-	-
Other receivables	216,879	210,957	785,269	853,619
Inventories	20,699	39,903	-	-
Construction contract work-in-progress	176,448	169,367	-	-
	1,069,697	962,956	786,214	860,535
Non-current assets				
Investments in associates	140,999	158,451	87,022	107,022
Investments in joint ventures	28,475	27,788	-	-
Investments in subsidiaries	-	-	241,805	121,805
Other receivables	77,020	67,843	45,544	66,292
Property, plant and equipment	677,658	787,227	542	619
Goodwill	309	309	-	-
	924,461	1,041,618	374,913	295,738
Total assets	1,994,158	2,004,574	1,161,127	1,156,273

1(b)(i) Statements of Financial Position (cont'd)

	Group		Company	
	3M2016 US\$'000	FY2015 US\$'000	3M2016 US\$'000	FY2015 US\$'000
LIABILITIES AND EQUITY				
Current liabilities				
Trade payables	279,702	247,362	-	-
Other payables	52,366	66,493	263,603	258,648
Income tax liabilities	16,022	16,111	-	-
Bank borrowings	230,092	231,687	-	-
Derivative financial instruments	19,747	31,923	19,747	31,923
Notes payables	223,384	213,973	223,384	213,973
Finance leases	36,269	34,848	225	292
	857,582	842,397	506,959	504,836
Non-current liabilities				
Derivative financial instruments	34,462	45,837	16,078	24,536
Bank borrowings	92,767	100,481	-	-
Notes payables	332,316	320,540	185,888	180,921
Finance leases	105,456	115,273	248	244
Deferred income tax liabilities	4,602	4,601	-	-
	569,603	586,732	202,214	205,701
Capital, reserves and non-controlling interests				
Share capital	241,333	241,333	241,333	241,333
Hedging reserve	(15,780)	(16,983)	(4,973)	(9,900)
Translation reserve	(2,169)	(4,080)	-	-
Equity reserve	178	178	-	-
Employees' share options and awards reserve	1,417	7,568	1,417	7,568
Retained earnings	261,183	257,365	214,177	206,735
Equity attributable to owners of the Company and perpetual capital securities holders	486,162	485,381	451,954	445,736
Non-controlling interests	80,811	90,064	-	-
Total equity	566,973	575,445	451,954	445,736
Total liabilities and equity	1,994,158	2,004,574	1,161,127	1,156,273

1(b)(ii) Group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

Group		Group	
3M2016		FY2015	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
264,649	225,096	265,035	215,473

Amount repayable after one year

Group		Group	
3M2016		FY2015	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
198,223	332,316	215,754	320,540

The bank loans and finance leases are secured by:

- (i) First legal mortgage over certain vessels and equipment.
- (ii) Assignment of all marine insurances in respect of the vessels mentioned above.
- (iii) Assignment of earnings/charter proceeds in respect of the vessels mentioned above.
- (iv) Lessors' title to the lease assets.
- (v) Charge on certain trade receivables.

1(c) Consolidated Statement of Cash Flows

	Group	
	1Q2016	1Q2015
	US\$'000	US\$'000
Operating activities		
(Loss)/ Profit after income tax	(212)	70
Adjustments for :		
Income tax expense	8,731	2,195
Bad debts written off	-	4
Property, plant and equipment written off	-	9
Depreciation of property, plant and equipment	11,101	11,002
Amortisation of capitalised vessels costs	668	2,418
Amortisation of transaction costs	992	1,197
Employees' share options and awards expense	226	236
Interest income	(822)	(1,162)
Finance costs	13,912	13,913
Fair value gain on financial liabilities designated as at fair value through profit and loss	-	(720)
Unrealised currency translation loss/ (gain)	697	(4,221)
Gain on disposal of property, plant and equipment	-	(542)
Share of profit of associates and joint ventures	(2,835)	(4,844)
Changes in working capital:	32,458	19,555
Trade receivables	(29,213)	10,659
Construction contract work-in-progress	(7,081)	13,760
Inventories	19,204	1,384
Other receivables	60,685	(2,014)
Trade payables	32,340	10,455
Other payables	(40,730)	(80,540)
Cash used in operations	67,663	(26,741)
Income taxes paid	(8,819)	(2,106)
Interest expense paid	(1,889)	(152)
Net cash generated from/ (used in) operating activities	56,955	(28,999)
Investing activities		
Interest income received	238	131
Dividend received from an associate	870	861
Proceeds on disposal of property, plant and equipment	-	6,052
Purchases of property, plant and equipment	(1,578)	(284)
Net cash (used in)/ generated from investing activities	(470)	6,760

1(c) Consolidated Statement of Cash Flows (cont'd)

	Group	
	1Q2016	1Q2015
	US\$'000	US\$'000
Financing activities		
Pledged deposits	24	1,441
Issuance of shares	-	33,090
Redemption of preference shares issued by a subsidiary	(9,250)	(4,500)
Repayment of obligations under finance leases	(8,395)	(5,948)
Proceeds from bank borrowings raised	128,259	186,407
Repayment of bank borrowings	(137,567)	(233,700)
Net cash used in financing activities	<u>(26,929)</u>	<u>(23,210)</u>
Net increase/ (decrease) in cash and cash equivalents	29,556	(45,449)
Cash and cash equivalents at beginning of the period	93,034	166,313
Effect of exchange rate changes on the balance of cash held in foreign currencies	(4)	4
Cash and cash equivalents at end of the period	<u><u>122,586</u></u>	<u><u>120,868</u></u>
Cash and cash equivalents consist of:		
Cash at bank	115,136	120,810
Fixed deposits	14,873	8,351
Cash on hand	33	51
	<u>130,042</u>	129,212
Less: Pledged cash placed with banks	(7,456)	(8,344)
Total	<u><u>122,586</u></u>	<u><u>120,868</u></u>

1(d)(i) Statements of Changes in Equity

	←----- Equity attributable to owners of the Company -----→									
	Share capital US\$'000	Hedging reserve US\$'000	Translation reserve US\$'000	Equity reserve US\$'000	Employees' share option reserve US\$'000	Retained earnings US\$'000	Perpetual capital securities US\$'000	Subtotal US\$'000	Non-controlling interests US\$'000	Total US\$'000
GROUP										
Balance at 1 January 2016	241,333	(16,983)	(4,080)	178	7,568	257,365	-	485,381	90,064	575,445
Loss for the period	-	-	-	-	-	(2,559)	-	(2,559)	2,347	(212)
Other comprehensive income for the period	-	1,203	1,911	-	-	-	-	3,114	-	3,114
Total comprehensive income for the period	-	1,203	1,911	-	-	(2,559)	-	555	2,347	2,902
Cancelled share options and awards	-	-	-	-	(6,377)	6,377	-	-	-	-
Value of employee services received for issue of share options	-	-	-	-	226	-	-	226	-	226
Redemption of preference shares issued by a subsidiary	-	-	-	-	-	-	-	-	(9,250)	(9,250)
Dividends payable on preference shares issued by a subsidiary	-	-	-	-	-	-	-	-	(2,350)	(2,350)
Balance at 31 March 2016	241,333	(15,780)	(2,169)	178	1,417	261,183	-	486,162	80,811	566,973
Balance at 1 January 2015	208,246	(13,428)	4,514	(590)	6,643	284,740	63,512	553,637	99,688	653,325
Profit for the period	-	-	-	-	-	(2,499)	1,360	(1,139)	1,209	70
Other comprehensive loss for the period	-	(10,174)	(5,039)	-	-	-	-	(15,213)	-	(15,213)
Total comprehensive loss for the period	-	(10,174)	(5,039)	-	-	(2,499)	1,360	(16,352)	1,209	(15,143)
Proceeds from shares issued	33,089	-	-	-	-	-	-	33,089	-	33,089
Value of employee services received for issue of share options	-	-	-	131	236	-	-	367	-	367
Redemption of preference shares issued by a subsidiary	-	-	-	-	-	-	-	-	(4,500)	(4,500)
Dividends paid on preference shares issued by a subsidiary	-	-	-	-	-	-	-	-	(1,244)	(1,244)
Perpetual capital securities distribution payable and paid	-	-	-	-	-	-	(2,846)	(2,846)	-	(2,846)
Balance at 31 March 2015	241,335	(23,602)	(525)	(459)	6,879	282,241	62,026	567,895	95,153	663,048

1(d)(i) Statements of Changes in Equity (cont'd)

	Share capital US\$'000	Hedging reserve US\$'000	Employees' share option reserve US\$'000	Retained earnings US\$'000	Perpetual capital securities US\$'000	Total US\$'000
COMPANY						
Balance at 1 January 2016	241,333	(9,900)	7,568	206,735	-	445,736
Profit for the period	-	-	-	1,065	-	1,065
Other comprehensive income for the period	-	4,927	-	-	-	4,927
Total comprehensive income for the period	-	4,927	-	1,065	-	5,992
Cancelled share options and awards	-	-	(6,377)	6,377	-	-
Value of employee services received for issue of share options	-	-	226	-	-	226
Balance at 31 March 2016	241,333	(4,973)	1,417	214,177	-	451,954
Balance at 1 January 2015	208,246	(8,023)	6,643	208,735	63,512	479,113
Loss for the period	-	-	-	(2,274)	1,360	(914)
Other comprehensive loss for the period	-	(7,104)	-	-	-	(7,104)
Total comprehensive loss for the period	-	(7,104)	-	(2,274)	1,360	(8,018)
Proceeds from shares issued	33,089	-	-	-	-	33,089
Value of employee services received for issue of share options	-	-	236	-	-	236
Perpetual capital securities distribution payable and paid	-	-	-	-	(2,846)	(2,846)
Balance at 31 March 2015	241,335	(15,127)	6,879	206,461	62,026	501,574

1(d)(ii) Changes in the company's share capital

A) SHARE OPTION SCHEME

	Date of grant	Date of Expiration	1 January 2016	Lapsed	31 March 2016	Exercise price per share
Series 1	26-Jan-2011	20/1/2016	7,500,000	(7,500,000)	-	S\$1.94
Series 2	19-Mar-2013	19/3/2018	7,500,000	-	7,500,000	S\$1.28

The above-mentioned share options were all granted to the directors of the Company.

The options are exercisable after the first anniversary of the Date of Grant of the options.

Series 1 options was lapsed on 20 January 2016.

B) PERFORMANCE SHARE PLAN

Date of grant	1 January 2016	Vested	Cancelled	31 March 2016
19-Mar-2013	1,000,000	(907,500)	(92,500)	-

The above-mentioned share awards were all granted to the senior management of the Company.

Validity period of the awards:

(a) Vesting period : over 3 years

(b) Release schedule: one third of the awards shall be vested in each year on the anniversary of the awards.

The Company has no outstanding share awards as at 31 March 2016.

1(d)(iii) Issued shares (excluding treasury shares)

Issued and fully paid ordinary shares, with no par value	No. of shares	US\$'000
At 1 January 2016	459,469,486	241,333,000
Issue of new ordinary shares pursuant to share awards	907,500	-
Balance at 31 March 2016	460,376,986	241,333,000

2. Audit

Except for the comparative balance sheets of the Company and its subsidiaries (the "**Group**") and of the Company as at 31 December 2015, the financial statements have not been audited or reviewed by the Company's auditors.

3. Auditors' report

Not applicable.

4. Accounting policies.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period as those applied in the audited financial statement for the year ended 31 December 2015.

5. Changes in the accounting policies.

The Group has adopted the new or revised Financial Reporting Standard ("**FRS**") and the interpretation of FRS that become effective for the entities with financial period commencing 1 January 2016. The adoption of these new and revised FRSs have no material impact to the result of the Group and of the Company for 1Q2016.

6. Earnings per ordinary share

	Group	
	1Q2016	1Q2015
Net loss after tax attributable to owners of the Company	(2,559)	(1,255)
Losses per share		
a) Based on weighted average number of ordinary shares on issue (US\$ cents)	(0.6)	(0.4)
b) Based on fully diluted basis (US\$ cents)	(0.6)	(0.4)
Weighted average number of shares applicable to basic earnings per share ('000)	460,287	316,893 ¹
Weighted average number of shares based on fully diluted basis ('000)	460,380	316,893 ¹

¹ For comparative purpose, the comparative loss per share for the period ended 31 March 2015 were adjusted to reflect the effect of the share consolidation in FY2015.

² Share options granted to directors and employees are considered to be potential ordinary shares and have been excluded in the determination of diluted earnings per share because they are anti-dilutive.

7. Net asset value

	Group		Company	
	1Q2016	FY2015	1Q2016	FY2015
Net asset value (US\$'000)	486,162	485,381	451,954	445,736
Total number of shares issued ('000)	460,377	459,469	460,377	459,469
Net asset value per share (US\$ cents per share)	105.6	105.6	98.2	97.0

8. Review of the group performance

Consolidated Income Statement and Statement of Comprehensive Income

(a) Revenue

Group's revenue increased by US\$26.4 million or 16.0%, from US\$164.9 million in first quarter ended 31 March 2015 ("**1Q2015**") to US\$191.3 million in 1Q2016. The increase was due mainly to revenue recognized from ongoing projects in South Asia.

Revenue contributed by geographical area

	1Q2016	1Q2015
	US\$'000	US\$'000
Latin America	14,984	113,836
Southeast Asia	-	22,049
South Asia	176,360	20,632
Others	-	8,388
	191,344	164,905

(b) Cost of sales and gross profit

In consistent with higher revenue, cost of sales increased by US\$16.3 million or 11.2% from US\$145.5 million in 1Q2015 to US\$161.8 million in 1Q2016.

Gross profit margin improved from 11.8% in 1Q2015 to 15.5% in 1Q2016. This was due to stringent control on operating costs and also reduction in procurement and subcontract costs.

(c) Other operating income

Other operating income decreased by US\$1.5 million or 52.7% from US\$2.9 million in 1Q2015 to US\$1.4 million in 1Q2016. The decrease was due mainly to absence of fair value gain on financial derivative of a bank borrowings of US\$0.7 million and gain on disposal of property, plant and equipment of US\$0.5 million in 3M2016.

(d) Administrative expenses

Administrative expenses decreased by US\$1.0 million or 12.4% from US\$8.1 million in 1Q2015 to US\$7.1 million in 1Q2016. The decrease was the result of the Group's cost optimization program.

(e) Other operating expense

Other operating expense increased by US\$1.4 million or 46.7% from US\$2.9 million in 1Q2015 to US\$4.3 million in 1Q2016. The increase was due mainly to increase net foreign exchange loss of US\$2.8 million.

8. Review of the group performance (cont'd)

(f) Finance costs

Finance costs maintained at US\$13.9 million. Finance costs include interest on bank borrowings and finance charges/ debt issuance cost on debt securities.

Total borrowings as at 31 March 2016 were US\$1,020.3 million as compared to 31 March 2015 of US\$1,092.0 million.

(g) Share of profit from associates and joint ventures

Share of profit of associates and joint ventures decreased by US\$2.0 million or 41.5%, from US\$4.8 million in 1Q2015 to US\$2.8 million in 1Q2016. The decrease was due mainly lower contribution from certain joint ventures and associates.

Statements of Financial Position

(h) Trade receivables and construction work in progress ("CWIP")

The Group's trade receivables and CWIP increased by US\$90.5 million from US\$611.6 million as at 31 December 2015 to US\$702.1 million as at 31 March 2016. The increase were due to

- (i) Higher revenue contribution; and
- (ii) Timing difference between achievement of milestone and revenue recognized for projects in progress.

(i) Other receivables (current and non-current)

Other receivables increased by US\$15.1 million from US\$278.8 million as at 31 December 2015 to US\$293.9 million as at 31 March 2016. The increase was due mainly to increase in capitalized vessel cost and down payment of purchases.

(j) Inventories

Inventories decreased by US\$19.2 million, from US\$39.9 million as at 31 December 2015 to US\$20.7 million as at 31 March 2016. These are materials and consumables purchased for ongoing projects.

(k) Investment in associates

Investment in associates decreased by US\$17.5 million, from US\$158.5 million as at 31 December 2015 to US\$ 141.0 million as at 31 March 2016. The decrease was due mainly to repayment of shareholder advances.

8. Review of the group performance (cont'd)

(l) Investment in joint ventures

Investment in joint ventures increased marginally by US\$0.7 million, from US\$27.8 million as at 31 December 2015 to US\$28.5 million as at 31 March 2016.

(m) Property, plant and equipment

Property, plant and equipment decreased by US\$109.5 million from US\$787.2 million as at 31 December 2015 to US\$677.7 million as at 31 March 2016. The decrease was due mainly to transfer of vessel equipment to an associate.

Depreciation increased marginally by US\$0.1 million, from US\$11.0 million in 1Q2015 to US\$11.1 million in 1Q2016.

Assets under construction are not depreciated.

(n) Total current and non-current borrowings

Total current and non-current borrowings include bank loans, notes payables and finance leases.

	Group					
	3M2016			FY2015		
	Current US\$'000	Non- Current US\$'000	Total US\$'000	Current US\$'000	Non- Current US\$'000	Total US\$'000
Bank loans	28,518	92,767	121,285	28,517	100,481	128,998
Project financing	201,574	-	201,574	203,170	-	203,170
Notes payables	223,384	332,316	555,700	213,973	320,540	534,513
Finance leases	36,269	105,456	141,725	34,848	115,273	150,121
	489,745	530,539	1,020,284	480,508	536,294	1,016,802

Total current and non-current borrowings increased by US\$3.5 million from US\$1,016.8 million as at 31 December 2015 to US\$1,020.3 million as at 31 March 2016. The increase was due to appreciation of USD against SGD currency notes payables. The increase was partially offset by repayment of borrowings during the period.

Net debt-to-equity ratio is as follows:

Financial period ended	31 March 2016	31 December 2015	30 September 2015	30 June 2015	31 March 2015
Net debt-to-equity ratio	1.57	1.59	1.53	1.45	1.45

8. Review of the group performance (cont'd)

(n) Total current and non-current borrowings (continued)

As at 31 March 2016, the Group has the following outstanding notes payables:

Notes Payables

	Tenure (year)	Interest rate	Due Date	S\$'000	CNY'000	Group	
						3M2016 US\$'000	FY2015 US\$'000
<u>Current</u>							
Multicurrency medium term notes							
- series 16	2.5	5.13%	6-Jun-16	130,000	-	95,392	91,215
- series 12	4	7.00%	6-Jul-16	75,000	-	54,940	52,781
- series 15	2.5	5.55%	7-Oct-16	100,000	-	73,052	69,977
						223,384	213,973
<u>Non-current</u>							
Multicurrency medium term notes							-
- series 14	4	7.13%	18-Apr-17	160,000	-	116,997	111,932
- series 17	3	7.75%	18-Sep-17	-	450,000	68,890	68,989
						185,887	180,921
Islamic trust certificate							
- Series 2	3	6.25%	30-Oct-17	50,000	-	36,600	34,884
- Series 1	5	6.50%	2-Aug-18	150,000	-	109,829	104,735
						146,429	139,619
						332,316	320,540

Cross currency interest rate swap contracts relating to the above-mentioned issued notes have been established and creating an effective cash flow hedge against the foreign currency and interest rate movement.

Consolidated Statement of Cash Flows

(o) Cash flow generated from operating activities

In 1Q2016, the Group's net cash generated from operating activities amounted to US\$57.0 million, this comprised operating cash flow before working capital changes of US\$32.5 million, and adjusted for net working capital inflows of US\$35.2 million and income tax and interest payment of US\$10.7 million. The net working capital inflows were mainly the result of the followings:

- (i) decrease in inventories of US\$19.2 million; and
- (ii) decrease in other receivables of US\$60.7 million;

which were partially offset by:

- (iii) increase in trade receivables and CWIP of US\$36.3 million; and
- (iv) decrease in trade and other payables of US\$8.4 million.

8. Review of the group performance (cont'd)

Consolidated Statement of Cash Flows (continued)

(p) Cash flow used in investing activities

In 1Q2016, the Group's net cash used in investing activities amounting to US\$0.5 million, which due mainly to proceed from purchases of property, plant and equipment of US\$1.6 million, partially offset against dividend received from an associate of US\$0.9 million.

(q) Cash flow used in financing activities

In 1Q2016, the Group recorded net cash outflow from financing activities of US\$26.9 million, which was due mainly to repayment of bank borrowings amounting to US\$146.0 million, partially offset against new bank borrowings amounted to total US\$128.3 million.

9. Forecast or a prospect statement

Not applicable.

10. Commentary of the significant trends and competitive conditions of the industry

Since the end of FY2015, business sentiment in the oil and gas industry remain volatile. In response to the weaker oil price environment, major oil companies continue to reduce their planned expenditure or delaying some of their projects. This situation is inevitably leading to price pressures within the oilfield services supply chain. However, the Group believes that the impact on shallow water field development and production activities would be lower.

The Group is an established provider of EPIC services for shallow water oil and gas field developments. The Group's EPIC activities focus on the field development stage (post exploration and appraisal stages, and after the customer's decision to commence development activity) and do not heavily involve work for the exploration stage of the oil and gas value chain. In addition, shallow water projects have lower break-even costs. In view of these factors, the Group believes its business would be less affected by the industry's expenditure cuts and that it is in a better position to capitalise on future bidding opportunities. Nonetheless, the Group expects to continue making headway in its turnaround effort, by strengthening its capabilities in higher-value EPIC services and improving its operational performance while maximizing cost efficiencies. In addition, The Group has also instituted a more stringent control on costs to mitigate the current global environment.

The Group order book was US\$1.2 billion as at 13 May 2016. The Group continues to see opportunities in its field of expertise and is working actively on new project tenders in its target markets in South Asia, Southeast Asia, West Africa and Latin America. Nonetheless, the Group will continue to adopt a prudent and cautious approach due to the fluctuation of oil prices and take the necessary steps to mitigate such risks.

11. Dividend

(a) Current Financial Year Reported On

Any dividend recommended for the current financial year reported on?

No

(b) Corresponding Year of the Immediately Preceding Financial Year

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

No

(c) Date Payable

Not applicable

(d) Book Closure Date.

Not applicable

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

Not applicable

13. Interested person transaction

There was no interested person transaction during the period under review.

Note: Rule 920(1)(a)(ii) of the Listing Manual – An issuer must announce the aggregate value of transactions conducted pursuant to the general mandate for interested person transactions for the financial periods which it is required to report on pursuant to Rule 705.

STATEMENT BY DIRECTORS PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

On behalf of the Board of Directors of the Company, we confirm, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the **first quarter and three months' financial results for the period ended 31 March 2016** to be false or misleading in any material aspect.

PURSUANT TO RULE 720(1) OF THE LISTING MANUAL

The Company hereby confirms that undertakings from all directors and executive officers as required in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual were procured.

On behalf of the Board of Directors

Raymond Kim Goh @ Goh Kim Teck
Director
Executive Chairman

Francis Wong Chin Sing
Director
Group Chief Executive Officer and President

BY ORDER OF THE BOARD

Lee Bee Fong
Company secretary
13 May 2016