



SWIBER HOLDINGS LIMITED

Financial Statements And Dividends Announcement

**For The Third Quarter And Nine Months Ended
30 September 2015**

UNAUDITED THIRD QUARTER ("3Q2015") FINANCIAL STATEMENT AND DIVIDENDS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015 ("9M2015").
1(a)(i) Consolidated Income Statement

	Group			Group		
	3Q2015 US\$'000	3Q2014 US\$'000	Change	9M2015 US\$'000	9M2014 US\$'000	Change
Revenue	215,695	107,342	100.9%	580,821	526,174	10.4%
Cost of sales	(191,732)	(106,495)	80.0%	(515,845)	(499,251)	3.3%
Gross profit	23,963	847	2729.2%	64,976	26,923	141.3%
Other operating income	2,830	4,950	-42.8%	4,529	114,557	-96.0%
Administrative expenses	(9,085)	(15,072)	-39.7%	(24,933)	(44,965)	-44.6%
Other operating expenses	(333)	(2,642)	-87.4%	(1,222)	(27,427)	-95.5%
Finance expenses	(17,887)	(17,373)	3.0%	(47,171)	(47,167)	N/M
Share of profit of associates and joint ventures	8,409	12,319	-31.7%	16,197	29,099	-44.3%
Profit/ (loss) before tax	7,897	(16,971)	N/M	12,376	51,020	-75.7%
Income tax expenses	(3,513)	(5,935)	-40.8%	(11,105)	(10,954)	1.4%
Profit/ (Loss) for the period	4,384	(22,906)	N/M	1,271	40,066	-96.8%
Attributable to :						
Owners of the company	3,200	(27,488)	N/M	(2,291)	30,662	N/M
Perpetual securities holders	-	3,147	N/M	-	4,532	N/M
Non-controlling interests	1,184	1,435	-17.5%	3,562	4,872	-26.9%
	4,384	(22,906)	N/M	1,271	40,066	-96.8%
Gross profit margin	11.1%	0.8%		11.2%	5.1%	
Net profit margin	2.0%	-21.3%		0.2%	7.6%	
EBITDA* (US\$'000)	40,068	13,963		100,694	132,263	
EBITDA* margin	18.6%	13.0%		17.3%	25.1%	

* : Denotes earnings before interest, taxes, depreciation and amortization.

N/M : Not Meaningful

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

	Group			Group		
	3Q2015	3Q2014		9M2015	9M2014	
	US\$'000	US\$'000		US\$'000	US\$'000	
Profit/ (Loss) for the period	4,384	(22,906)		1,271	40,066	
Other comprehensive income:						
Cash flow hedges						
- Fair value (losses)/ gain	(6,957)	566	N/M	(7,267)	(726)	901.0%
Currency translation differences arising from consolidation	(33)	288	N/M	(5,870)	26	N/M
Share of other comprehensive income of:						
- Associates	(373)	(472)	-21.0%	(481)	(506)	-4.9%
- Joint Ventures	(2,049)	679	N/M	(2,662)	340	N/M
Other comprehensive (loss)/ income for the period, net of tax	<u>(9,412)</u>	<u>1,061</u>		<u>(16,280)</u>	<u>(866)</u>	
Total comprehensive (loss)/ income for the period	<u>(5,028)</u>	<u>(22,052)</u>		<u>(15,009)</u>	<u>39,366</u>	
Total comprehensive income attributable to:						
Owners of the company	(6,212)	(26,634)	-76.7%	(18,571)	29,962	N/M
Perpetual securities holders	-	3,147	N/M	-	4,532	N/M
Non-controlling interests	1,184	1,435	-17.5%	3,562	4,872	-26.9%
Total	<u>(5,028)</u>	<u>(22,052)</u>		<u>(15,009)</u>	<u>39,366</u>	

N/M : Not Meaningful

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

	Group			Group		
	3Q2015 US\$'000	3Q2014 US\$'000		9M2015 US\$'000	9M2014 US\$'000	
Charging:						
Amortisation and depreciation	15,354	15,007	2.3%	44,677	37,602	18.8%
Bad debts written off	37	38	-2.6%	58	38	52.6%
Employees' share options/ awards expense	232	257	-9.7%	703	973	-27.7%
Fair value loss on financial liabilities designated as at fair value through profit or loss	-	4,012	N/M	-	21,377	N/M
Interest on borrowings	16,817	13,333	26.1%	43,641	43,869	-0.5%
Loss on disposal of property, plant and equipment	-	2,974	N/M	-	-	N/M
Loss on disposal of investment	750	-	N/M	750	-	N/M
Property, plant and equipment written off	174	3	N/M	182	4	N/M
Crediting:						
Interest income	(252)	(924)	-72.7%	(1,485)	(2,767)	-46.3%
Fair value gain on financial instruments designated as at fair value through profit or loss	-	-	N/M	(720)	-	N/M
Foreign exchange gains - net	(1,762)	(2,953)	-40.3%	(44)	(7,199)	-99.4%
Gain on disposal of property, plant and equipment	(446)	-	N/M	(867)	(918)	-5.6%
Gain on disposal of subsidiaries	-	-	N/M	-	(95,056)	N/M
Gain on disposal of associate	-	-	N/M	(251)	-	N/M

N/M: Not Meaningful

1(b)(i) Statements of Financial Position

	Group		Company	
	9M2015 US\$'000	FY2014 US\$'000	9M2015 US\$'000	FY2014 US\$'000
ASSETS				
Current assets				
Cash and bank balances	122,185	176,098	14,021	19,416
Trade receivables	412,336	454,342	-	-
Other receivables	184,287	207,205	845,184	910,079
Inventories	4,493	6,887	-	-
Construction contract work-in-progress	186,096	175,987	-	-
Total current assets	909,397	1,020,519	859,205	929,495
Non-current assets				
Investment in associates	194,715	196,357	131,012	141,720
Investment in joint ventures	22,828	22,559	-	-
Investment in subsidiaries	-	-	121,805	121,805
Other receivables	94,992	157,048	66,939	67,578
Property, plant and equipment	748,392	748,690	697	575
Deferred income tax assets	436	3,819	-	-
Goodwill	309	309	-	-
Total non-current assets	1,061,672	1,128,782	320,453	331,678
Total assets	1,971,069	2,149,301	1,179,658	1,261,173

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

	Group		Company	
	9M2015 US\$'000	FY2014 US\$'000	9M2015 US\$'000	FY2014 US\$'000
LIABILITIES AND EQUITY				
Current liabilities				
Trade payables	206,947	181,699	-	-
Other payables	46,284	89,537	285,159	259,776
Income tax liabilities	14,205	16,221	-	-
Bank borrowings	233,807	251,289	-	-
Derivative financial instruments	13,583	4,376	13,583	4,376
Notes payables	142,897	71,615	142,897	71,615
Finance leases	33,466	26,529	79	212
Total current liabilities	691,189	641,266	441,718	335,979
Non-current liabilities				
Derivative financial instruments	68,626	38,182	45,576	27,974
Bank borrowings	107,026	101,181	-	-
Notes payables	389,663	566,645	250,931	417,802
Finance leases	122,974	148,702	530	305
Total non-current liabilities	688,289	854,710	297,037	446,081
Capital, reserves and non-controlling interests				
Share capital	241,335	208,246	241,335	208,246
Perpetual capital securities	-	63,512	-	63,512
Hedging reserve	(20,865)	(13,428)	(12,369)	(8,023)
Translation reserve	(4,311)	4,514	-	-
Equity reserve	(479)	(590)	-	-
Employees' share option reserve	7,346	6,643	7,346	6,643
Retained earnings	278,465	284,740	204,591	208,735
Equity attributable to owners of the Company and perpetual capital securities holders	501,491	553,637	440,903	479,113
Non-controlling interests	90,100	99,688	-	-
Total equity	591,591	653,325	440,903	479,113
Total liabilities and equity	1,971,069	2,149,301	1,179,658	1,261,173

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

Amount repayable in one year or less, or on demand

Group		Group	
9M2015		FY2014	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
267,273	142,897	277,818	71,615

Amount repayable after one year

Group		Group	
9M2015		FY2014	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
230,000	389,663	249,883	566,645

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.

1(c) Consolidated Statement of Cash Flows

	Group	
	3Q2015	3Q2014
	US\$'000	US\$'000
Operating activities		
Profit/ (Loss) after income tax	4,384	(22,906)
Adjustments for :		
Income tax expense	3,513	5,935
Bad debts written off	37	-
Amortisation and depreciation	15,354	15,007
Employees' share options/ awards expense	232	257
Fair value loss on financial instruments designated as at fair value through profit and loss	-	4,012
Finance expense	17,887	17,374
Foreign exchange (gain)/ loss	(20)	2,179
(Gain)/ Loss on disposal of property, plant and equipment	(446)	2,974
Loss on disposal of investment	750	-
Interest income	(252)	(924)
Property, plant and equipment written off	174	3
Share of profit of associates and joint ventures - net	(8,409)	(12,319)
Operating cash flows before movements in working capital	33,204	11,592
Trade receivables	(11,967)	64,581
Construction work in progress	2,757	29,787
Inventories	(1,957)	(24,903)
Other assets and receivables	105,695	81,474
Trade payables	(891)	(44,057)
Other payables	(18,206)	(100,921)
Cash generated from operations	108,635	17,553
Income taxes paid	(2,960)	(11,743)
Interest expense paid	(15,998)	(11,146)
Net cash generated from/ (used in) operating activities	89,677	(5,336)
Investing activities		
Interest income received	182	623
Dividend received from associates and joint venture	880	881
Proceeds on disposal of property, plant and equipment	2,555	6,622
Purchases of property, plant and equipment	-	(4,564)
Dividend paid on preference shares issued by a subsidiary	-	(2,637)
Investment in associate	-	(9,196)
Net cash generated from/ (used in) investing activities	3,617	(8,271)

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

	Group	
	3Q2015 US\$'000	3Q2014 US\$'000
Financing activities		
Pledged deposits	25,882	3,002
New bank loans raised	215,873	174,196
Repayment of bank loans	(235,931)	(144,417)
Repayment of obligations under finance leases	(6,510)	(8,003)
Proceeds on issuance of notes payable	-	67,857
Redemption of notes payable	-	(94,347)
Redemption of perpetual capital securities	(66,856)	-
Net cash used in from financing activities	<u>(67,542)</u>	<u>(1,712)</u>
Net increase/ (decrease) in cash and cash equivalents	25,752	(15,319)
Cash and cash equivalents at beginning of the period	88,960	119,300
Effect of exchange rate changes on the balance of cash held in foreign currencies	2	(2,294)
Cash and cash equivalents at end of the period	<u>114,714</u>	<u>101,687</u>
Cash and cash equivalents consist of:		
Cash at bank	114,655	101,633
Fixed deposits	7,478	9,934
Cash on hand	52	46
	<u>122,185</u>	<u>111,613</u>
Less: Pledged cash placed with banks	(7,471)	(9,926)
Total	<u>114,714</u>	<u>101,687</u>

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

	←----- Equity attributable to owners of the Company -----→										
	Share capital US\$'000	Treasury shares 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 2015	208,245	-	(13,429)	4,514	(590)	6,643	284,740	63,518	553,641	99,688	653,329
(Loss)/ Profit for the period	-	-	-	-	-	-	(2,291)	-	(2,291)	3,562	1,271
Other comprehensive loss for the period	-	-	(7,436)	(8,825)	(19)	-	-	-	(16,280)	-	(16,280)
Total comprehensive income for the period	-	-	(7,436)	(8,825)	(19)	-	(2,291)	-	(18,571)	3,562	(15,009)
Proceeds from shares issued	33,090	-	-	-	-	-	-	-	33,090	-	33,090
Value of employee services received for issue of share options	-	-	-	-	130	703	-	-	833	-	833
Redemption of preference shares issued by a subsidiary	-	-	-	-	-	-	-	-	-	(9,500)	(9,500)
Dividends paid on preference shares issued by a subsidiary	-	-	-	-	-	-	-	-	-	(3,650)	(3,650)
Redemption of perpetual capital securities	-	-	-	-	-	-	-	(66,856)	(66,856)	-	(66,856)
Transaction costs relating to issuance of perpetual capital securities	-	-	-	-	-	-	(3,984)	3,338	(646)	-	(646)
Balance at 30 September 2015	241,335	-	(20,865)	(4,311)	(479)	7,346	278,465	-	501,491	90,100	591,591
Balance at 1 January 2014	208,246	(780)	(5,902)	(517)	(7,899)	6,138	282,868	63,601	545,755	195,809	741,564
Profit for the period	-	-	-	-	-	-	30,662	4,532	35,194	4,872	40,066
Other comprehensive income for the period	-	-	(726)	366	(29)	-	-	-	(389)	-	(389)
Total comprehensive income for the period	-	-	(726)	366	(29)	-	30,662	4,532	34,805	4,872	39,677
Value of employee services received for issue of share options	-	-	-	-	-	973	-	-	973	-	973
Performance shares awarded using treasury shares	-	780	-	-	(63)	(717)	-	-	-	-	-
Disposal of a subsidiary	-	-	-	-	7,372	-	-	-	7,372	(94,347)	(86,975)
Dividends paid on preference shares issued by a subsidiary	-	-	-	-	-	-	(3,970)	-	(3,970)	-	(3,970)
Interim dividends paid	-	-	-	-	-	-	(14,550)	-	(14,550)	-	(14,550)
Redemption of preference shares issued by a subsidiary	-	-	-	-	(2,147)	-	-	-	(2,147)	(4,400)	(6,547)
Transaction costs relating to issuance of perpetual capital securities	-	-	-	-	-	-	-	(6,200)	(6,200)	-	(6,200)
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	4	4
Balance at 30 September 2014	208,246	-	(6,628)	(151)	(2,766)	6,394	295,010	61,933	562,038	101,938	663,976

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

	Share capital US\$'000	Treasury shares 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 2015	208,245	-	(8,021)	6,643	208,734	63,518	479,119
Profit for the period	-	-	-	-	(4,143)	3,562	(581)
Other comprehensive income for the period	-	-	(4,348)	-	-	-	(4,348)
Total comprehensive income for the period	-	-	(4,348)	-	(4,143)	3,562	(4,929)
Proceeds from shares issued	33,090	-	-	-	-	-	33,090
Value of employee services received for issue of share options	-	-	-	703	-	-	703
Redemption of perpetual capital securities	-	-	-	-	-	(67,080)	(67,080)
Balance at 30 September 2015	241,335	-	(12,369)	7,346	204,591	-	440,903
Balance at 1 January 2014	208,246	(780)	(3,544)	6,138	106,770	63,601	380,431
Profit for the period	-	-	-	-	57,218	4,532	61,750
Other comprehensive income for the period	-	-	(700)	-	-	-	(700)
Total comprehensive income for the period	-	-	(700)	-	57,218	4,532	61,050
Value of employee services received for issue of share options	-	-	-	973	-	-	973
Performance shares awarded using treasury shares	-	780	-	(717)	-	-	63
Perpetual capital securities distribution payable and paid	-	-	-	-	-	(6,200)	(6,200)
Balance at 30 September 2014	208,246	-	(4,244)	6,394	163,988	61,933	436,317

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

A) SHARE OPTION SCHEME

Date of grant	Date of Expiration	1 January 2015	Granted	Subtotal	Share Consolidation	30 September 2015	Exercise price per share*
26-Jan-2011	20/1/2016	15,000,000	-	15,000,000	2:1	7,500,000	S\$1.94
19-Mar-2013	19/3/2018	15,000,000	-	15,000,000	2:1	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.

*Adjustments made following the 2:1 share consolidation (the "**Share Consolidation**"), which was effected as of 8 September 2015.

B) PERFORMANCE SHARE PLAN

Date of grant	1 January 2015	Granted	Vested	Cancelled	Subtotal	Share Consolidation	30 September 2015
19-Mar-2013	4,000,000	-	(1,860,000)	(140,000)	2,000,000	2:1	1,000,000

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.

C) RIGHTS ISSUE

The Company has undertaken a renounceable underwritten rights issue of 305,693,000 new ordinary shares in the capital of the Company (the "**Rights Shares**") at an issue price of S\$0.15 for each Rights Share on the basis of one (1) Rights Share for every two (2) existing ordinary shares in the capital of the Company. The Rights Shares has been issued on 7 January 2015, and listed for quotation on the Main Board of the SGX-ST on 8 January 2015.

D) SHARE CAPITAL

Following the shareholders' approval obtained at an extraordinary general meeting on 28 August 2015, the Company had consolidated its 2 existing issued ordinary shares into 1 ordinary share with effect from 8 September 2015. Accordingly, adjustments had been made to the number of shares.

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 2015	611,386,000	208,246,000
Issue of new ordinary shares pursuant to rights issuance	305,693,000	33,089,000
Issue of new ordinary shares pursuant to share option and awards	1,860,000	-
	918,939,000	241,335,000
Balance at 30 September 2015 (after 2:1 Share Consolidation)	459,469,486	241,335,000

2. Audit

Except for the comparative balance sheets of the Company and its subsidiaries (the “**Group**”) and of the Company as at 31 December 2014, 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 2014.

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 2015. The adoption of these new and revised FRSs have no material impact to the result of the Group and of the Company for 3Q2015.

6. Earnings per ordinary share

	Group		Group	
	3Q2015	3Q2014 (Restated) ¹	9M2015	9M2014 (Restated) ¹
Net profit after tax attributable to owners of the Company	3,200	(27,488)	(2,291)	30,662
Earnings per share				
a) Based on weighted average number of ordinary shares on issue (US\$ cents)	1.1	-	-	10.0
b) Based on fully diluted basis (US\$ cents) ²	1.1	-	-	8.8
Weighted average number of shares applicable to basic earnings per share ('000)	294,178	305,195	451,107	304,699
Weighted average number of shares based on fully diluted basis ('000)	296,178	335,825	453,107	335,988

¹ The comparative earnings per share for the three months and nine months ended 30 September 2014 were adjusted to reflect the effect of the Share Consolidation during the current financial period.

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	
	9M2015	FY2014	9M2015	FY2014
Net asset value (US\$'000)	501,491	553,637	440,903	479,113
Total number of shares issued ('000)	459,469	305,693	459,469	305,693
Net asset value per share (US\$ cents per share)	109.1	181.1	96.0	156.7

The Company has consolidated 2 ordinary shares into 1 ordinary share in the capital of the Company and the number of ordinary shares in issue used for the calculation of net asset value per ordinary share as at 31 December 2014 has been adjusted for the effect of the Share Consolidation.

8. Review of the Group's performance

Consolidated Income Statement and Statement of Comprehensive Income

(a) Revenue

9M2015 vs 9M2014/ 3Q2015 vs 3Q2014

Revenues increased by 10.4%, or US\$54.6 million, to US\$580.8 million in 9M2015 compared to US\$526.2 million for the corresponding period ended 30 September 2014 ("**9M2014**"). As for 3Q2015, the Group's revenue increased by US\$108.4 million or 100.9%, from US\$107.3 million in third quarter ended 30 September 2014 ("**3Q2014**") to US\$215.7 million in 3Q2015. The increase was due to significant revenue recognized for Latin America project and execution of new projects in South Asia. This was offset by a decrease in revenue in South East Asia.

Revenue contributed by geographical area

	3Q2015 US\$'000	3Q2014 US\$'000	9M2015 US\$'000	9M2014 US\$'000
Latin America	155,901	25,331	398,478	84,267
South East Asia	21,409	74,107	110,320	374,198
South Asia	38,385	-	60,157	53,099
Others ¹	-	7,904	11,866	14,610
	<u>215,695</u>	<u>107,342</u>	<u>580,821</u>	<u>526,174</u>

⁽¹⁾ Others include East Asia and Middle East

(b) Cost of sales and gross profit

9M2015 vs 9M2014/ 3Q2015 vs 3Q2014

Cost of sales increased by US\$16.5 million or 3.3%, from US\$499.3 million in 9M2014 to US\$515.8 million in 9M2015. As for 3Q2015, cost of sales increased by \$85.2 million, 80.0% from US\$106.5 million in 3Q2014 to US\$191.7 million in 3Q2015.

Gross profit margin increased from 5.1% in 9M2014 to 11.2% in 9M2015 and 0.8% in 3Q2014 to 11.1% in 3Q2015. This was due to increase in revenue and stringent control over its operating costs.

(c) Other operating income

9M2015 vs 9M2014/ 3Q2015 vs 3Q2014

Other operating income decreased by US\$110.1 million or 96.0%, from US\$114.6 million in 9M2014 to US\$4.5 million in 9M2015. The decrease was due mainly to absence of gain on disposal of group of subsidiaries and associate of US\$97.2 million. As for 3Q2015, other operating income decreased by US\$2.2 million or 42.8%, from US\$5.0 million in 3Q2014 to US\$2.8 million in 3Q2015. The decrease in 3Q2015 was due mainly to lower foreign exchange gain of US\$1.1 million.

(d) Administrative expenses

9M2015 vs 9M2014/ 3Q2015 vs 3Q2014

Administrative expenses decreased by US\$20.1 million or 44.6% from US\$45.0 million in 9M2014 to US\$24.9 million in 9M2015. As for 3Q2015, administrative expenses decreased by US\$6.0 million or 39.7% from US\$15.1 million in 3Q2014 to US\$9.1 million in 3Q2015. The decrease was the result of the Group's cost optimization program.

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

(e) Other operating expenses

9M2015 vs 9M2014/ 3Q2015 vs 3Q2014

Other operating expenses decreased by US\$26.2 million or 95.5% from US\$27.4 million in 9M2014 to US\$1.2 million in 9M2015. As for 3Q2015, other operating expenses decreased by US\$2.3 million or 87.4% from US\$2.6 million in 3Q2014 to US\$0.3 million in 3Q2015. . The decrease was due mainly to absence of fair value loss on option shares of an associated company. These options were fully exercised during the 3Q2014.

(f) Finance expenses

9M2015 vs 9M2014/ 3Q2015 vs 3Q2014

Finance expenses maintained at approximately US\$47.0 million and US\$17.0 million respectively for 9M2015 and 3Q2015. Finance expenses include interest on bank borrowings, and finance charges/ debt issuance cost on debt securities.

Total borrowings as at 30 September 2015 were US\$1,029.8 million as compared to 30 September 2014 of US\$1,225.1 million.

(g) Share of profit of associates and joint ventures

9M2015 vs 9M2014/ 3Q2015 vs 3Q2014

Share of profit of associates and joint ventures decreased by US\$12.9 million or 44.3%, from US\$29.1 million in 9M2014 to US\$16.2 million in 9M2015. As for 3Q2015, share of profits decreased by US\$3.9 million or 31.7% from US\$12.3 million in 3Q2014 to US\$8.4 million in 3Q2015. The decrease was due mainly lower contribution from the certain associates.

Statements of Financial Position

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

The Group's trade receivables and CWIP decreased by US\$31.9 million from US\$630.3 million as at 31 December 2014 to US\$598.4 million as at 30 September 2015. The increases were due to timing difference between achievement of milestone and revenue recognized for projects in progress.

Subsequent to 30 September 2015, the Group received settlement and billing of approximately US\$89.1 million.

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

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

Other receivables decreased by US\$85.0 million from US\$364.3 million as at 31 December 2014 to US\$279.3 million as at 30 September 2015. The increase was due mainly to repayment from associates.

(j) Inventories

Inventories decreased by US\$2.4 million, from US\$6.9 million as at 31 December 2014 to US\$4.5 million as at 30 September 2015. The decrease was due to consumption of materials in project execution.

(k) Investment in associates

Investment in associates decreased by US\$1.7 million, from US\$196.4 million as at 31 December 2014 to US\$194.7 million as at 30 September 2015. The decrease was due mainly to repayment of shareholder advances.

(l) Investment in joint ventures

Investment in joint ventures increased marginally by US\$0.2 million, from US\$22.6 million as at 31 December 2014 to US\$22.8 million as at 30 September 2015. The increase was due mainly to positive results delivered by certain joint ventures.

(m) Property, plant and equipment

Property, plant and equipment decreased by US\$0.3 million from US\$748.7 million as at 31 December 2014 to US\$748.4 million as at 30 September 2015. The decrease due mainly to disposal of a vessel and depreciation, which partially offset by addition of vessels upgrading costs during the period.

Depreciation increased by US\$1.9 million or 6.0%, from US\$31.7 million in 9M2014 to US\$33.6 million in 9M2015. The increase was mainly due to addition of vessels in the 2nd half of 2014.

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					
	9M2015			FY2014		
	Current US\$'000	Non-Current US\$'000	Total US\$'000	Current US\$'000	Non-Current US\$'000	Total US\$'000
Bank Loans	28,518	107,026	135,544	23,065	101,181	124,246
Working Lines	205,289	-	205,289	228,224	-	228,224
Notes Payables	142,897	389,663	532,560	71,615	566,645	638,260
Finance Leases	33,466	122,974	156,440	26,529	148,702	175,231
	410,170	619,663	1,029,833	349,433	816,528	1,165,961

Total current and non-current borrowings decreased by US\$83.6 million from US\$1,166.0 million as at 31 December 2014 to US\$1,225.1 million as at 30 September 2015. The decrease was due to repayment during the period.

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

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

Net debt-to-equity ratio is as follows:

Financial period ended	30 September 2015	30 June 2015	31 March 2015	31 December 2014	30 September 2014
Net debt-to-equity ratio	1.53	1.45	1.45	1.52	1.68

As at 30 September 2015, the Group has the following outstanding notes payables:

Notes Payables

Tenure (year)	Interest rate	Due Date	S\$'000	CNY'000	Group		
					9M2015 US\$'000	FY2014 US\$'000	
<u>Current</u>							
Multicurrency medium term notes							
- series 11	3	6.25%	08-Jun-15	95,000	-	-	71,615
- series 16	2.5	5.13%	06-Jun-16	130,000	-	90,473	96,466
- series 12	4	7.00%	06-Jul-16	75,000	-	52,424	-
						142,897	168,081
<u>Non-current</u>							
Multicurrency medium term notes							
- series 16	2.5	5.13%	06-Jun-16	130,000	-	-	96,466
- series 12	4	7.00%	06-Jul-16	75,000	-	-	56,102
- series 15	2.5	5.55%	07-Oct-16	100,000	-	69,450	74,192
- series 14	4	7.13%	18-Apr-17	160,000	-	111,205	119,154
- series 17	3	7.75%	18-Sep-17	-	450,000	70,276	71,887
						250,931	417,801
Islamic trust certificate							
- Series 2	3	6.25%	30-Oct-17	50,000	-	34,647	36,919
- Series 1	5	6.50%	02-Aug-18	150,000	-	104,085	111,925
						138,732	148,844
						389,663	566,645

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.

(o) Equity

Total equity decreased by US\$61.7 million from US\$653.3 million as at 31 December 2014 to US\$591.6 million as at 30 September 2015. The decrease due mainly from redemption of perpetual capital securities of S\$80 million during the period.

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

Consolidated Statement of Cash Flows

(p) Cash flow from operating activities

In 3Q2015, the Group net cash generated from operating activities amounted to US\$89.7 million. This comprised operating cash flow before working capital changes of US\$33.2 million, and adjusted for net working capital inflows of US\$75.4 million and income tax and interest payment of US\$18.9 million.

The net working capital inflows were mainly contributed from:

(i) decrease in other receivables of US\$105.7 million;

and partially offset by:

(ii) net decrease in trade and other payables of US\$19.1 million;

(iii) decrease in inventories of US\$2.0 million;

(iv) net increase in trade receivables and CWIP of US\$9.2 million.

(q) Cash flow from investing activities

In 3Q2015, the Group's net cash generated from investing activities amounted to US\$3.6 million was mainly due to proceeds from disposal of property, plant and equipment of US\$2.6 million.

(r) Cash flow generated used in financing activities

In 3Q2015, the Group recorded net cash outflow from financing activities of US\$67.5 million, which was mainly due to net repayment of borrowings amounting to US\$26.6 million and redemption of perpetual capital securities of US\$66.9 million.

9. Forecast or a prospect statement

Not applicable.

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

The oil and gas industry has turned increasingly cautious in response to the weaker oil price environment, major oil companies have been aggressively pursuing cost reduction or delaying some of their projects. This situation is inevitably leading to pressures within the industry. 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. This can be seen from the Group's ability to successfully secure new projects during the year. The order book was US\$1.5 billion as at 13 November 2015. The Group is filling up its order book amid a more challenging market.

Nonetheless, the Group expects to continue making headway in its turnabout 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 continues to see opportunities in its field of expertise and is working actively and prudently on new project tenders in its target markets in South Asia, Southeast Asia, West Africa and Latin America.

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?

Yes. The Company has declared a special dividend of S\$0.03 per Share ("Special Dividend") for the financial year ending 31 December 2014 which was announced on 4 March 2014.

(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

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 **third quarter and nine months' financial results for the period ended 30 September 2015** 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
14 November 2015