



UNAUDITED FOURTH QUARTER FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2015

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		
	4th Qtr Ended 31/3/2015 S\$'000	31/3/2014 S\$'000	Incr/ (decr) %	Financial Year Ended 31/3/2015 S\$'000	31/3/2014 S\$'000	Incr/ (decr) %
Revenue	25,874	25,277	2.4	109,942	96,338	14.1
Cost of sales	(19,118)	(18,275)	4.6	(80,824)	(67,605)	19.6
Gross profit	6,756	7,002	(3.5)	29,118	28,733	1.3
Other income	1,313	283	364.0	2,385	379	529.3
Distribution costs	(1,311)	(990)	32.4	(4,737)	(3,890)	21.8
Administrative expenses	(5,057)	(2,485)	103.5	(15,749)	(9,602)	64.0
Other operating expenses	(517)	(19)	NM	(582)	(677)	(14.0)
Interest expense	(610)	(496)	23.0	(2,067)	(1,761)	17.4
Profit before income tax	574	3,295	(82.6)	8,368	13,182	(36.5)
Income tax benefit (expense)	39	(251)	NM	(909)	(1,621)	(43.9)
Profit for the period/year	613	3,044	(79.9)	7,459	11,561	(35.5)
Attributable to:						
Shareholders of the Company	1,257	3,053	(58.8)	7,418	11,637	(36.3)
Non-controlling interests	(644)	(9)	NM	41	(76)	NM
	613	3,044	(79.9)	7,459	11,561	(35.5)
Gross profit margin	26.1%	27.7%		26.5%	29.8%	
Net profit margin	2.4%	12.0%		6.8%	12.0%	
EBITDA ⁽¹⁾ (S\$'000)	2,516	4,292	(41.4)	13,693	16,712	(18.1)
EBITDA margin	9.7%	17.0%		12.5%	17.3%	

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

NM: Not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group			Group		
	4th Qtr Ended		Incr/ (decr) %	Financial Year Ended		Incr/ (decr) %
	31/3/2015 S\$'000	31/3/2014 S\$'000		31/3/2015 S\$'000	31/3/2014 S\$'000	
Profit for the period/year	613	3,044	(79.9)	7,459	11,561	(35.5)
Other comprehensive income						
Item that may be reclassified to profit or loss:						
Translation gain arising on consolidation	548	47	NM	929	85	NM
Other comprehensive income for the period/year	548	47	NM	929	85	NM
Total comprehensive income for the period/year	1,161	3,091	(62.4)	8,388	11,646	(28.0)
Total comprehensive income attributable to:						
Shareholders of the Company	1,993	3,100	(35.7)	8,346	11,722	(28.8)
Non-controlling interests	(832)	(9)	NM	42	(76)	NM
	1,161	3,091	(62.4)	8,388	11,646	(28.0)

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

	Group			Group		
	4th Qtr Ended		Incr/ (decr) %	Financial Year Ended		Incr/ (decr) %
	31/3/2015 S\$'000	31/3/2014 S\$'000		31/3/2015 S\$'000	31/3/2014 S\$'000	
Allowance for doubtful trade receivables	33	-	NM	79	25	216
Trade receivables written off	1	-	NM	20	-	NM
Other receivables written off	2	2	-	4	2	100
Doubtful trade receivables recovered	-	-	NM	(2)	(7)	(71)
Depreciation	804	486	65	2,685	1,709	57
Amortisation of intangible assets	528	15	NM	573	60	855
Foreign exchange (gain) loss	(324)	18	NM	(1,118)	648	NM
Loss (gain) on disposal of property, plant and equipment	38	(157)	NM	(126)	(176)	(28)
Loss on write off of club membership	36	-	NM	36	-	NM
Goodwill written off from acquisition of a subsidiary	444	-	NM	444	2	NM
Interest income	(4)	(12)	(67)	(22)	(43)	(49)
Interest expense	610	496	23	2,067	1,761	17
Inventories written down/(written back) to net realisable value	899	(687)	NM	899	(590)	NM
Trade payables written back	(4)	-	NM	(4)	-	NM
Income from contingent consideration	(716)	-	NM	(716)	-	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	
	31/3/2015 S\$'000	31/3/2014 S\$'000	31/3/2015 S\$'000	31/3/2014 S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	6,279	18,824	1,222	14,796
Trade receivables	31,257	26,595	2,131	1,480
Other receivables and prepayments	4,441	3,167	49,559	29,784
Inventories	149,372	124,862	-	-
Total current assets	191,349	173,448	52,912	46,060
Non-current assets				
Property, plant and equipment	26,413	14,028	756	-
Club memberships	40	76	-	-
Intangible assets	5,067	165	-	-
Goodwill	2,165	444	-	-
Prepayments	2,875	-	-	-
Deferred tax assets	364	28	219	-
Subsidiaries	-	-	6,101	6,101
Total non-current assets	36,924	14,741	7,076	6,101
Total assets	228,273	188,189	59,988	52,161
LIABILITIES AND EQUITY				
Current liabilities				
Trade payables	17,850	16,628	-	-
Other payables	14,209	2,093	6,027	542
Current portion of bank borrowings	58,106	51,217	-	-
Current portion of finance leases	537	737	5	-
Income tax payable	578	1,773	-	266
Total current liabilities	91,280	72,448	6,032	808
Non-current liabilities				
Bank borrowings	29,360	15,613	-	-
Finance leases	1,277	1,741	14	-
Deferred tax liabilities	631	491	-	-
Total non-current liabilities	31,268	17,845	14	-
Capital, reserves and non-controlling interests				
Share capital	50,587	47,224	50,587	47,224
Retained earnings	54,111	50,723	3,355	4,129
Translation reserve	939	11	-	-
Equity attributable to shareholders of the Company	105,637	97,958	53,942	51,353
Non-controlling interests	88	(62)	-	-
Total equity	105,725	97,896	53,942	51,353
Total liabilities and equity	228,273	188,189	59,988	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

	31/3/2015		31/3/2014	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Term loans	9,959	-	4,358	-
Money market loan	7,500	-	3,000	-
Bank bills payables	5,754	22,357	9,554	24,898
Finance leases	537	-	737	-
Time loans	-	5,000	-	5,000
Revolving credit loans	-	7,536	-	4,407
	<u>23,750</u>	<u>34,893</u>	<u>17,649</u>	<u>34,305</u>

Amount repayable after one year

	31/3/2015		31/3/2014	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Term loans	29,360	-	15,613	-
Finance leases	1,277	-	1,741	-
	<u>30,637</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	
	4th Qtr Ended	31/3/2014	Financial Year Ended	31/3/2014
	31/3/2015	31/3/2014	31/3/2015	31/3/2014
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Profit before income tax	574	3,295	8,368	13,182
Adjustments for :				
Interest expense	610	496	2,067	1,761
Interest income	(4)	(12)	(22)	(43)
Depreciation	804	486	2,685	1,709
Amortisation of intangible assets	528	15	573	60
Allowance for doubtful trade receivables	33	-	79	25
Doubtful trade receivables recovered	-	-	(2)	(7)
Trade receivables written off	1	-	20	-
Other receivables written off	2	2	4	2
Loss (gain) on disposal of property, plant and equipment	38	(157)	(126)	(176)
Loss on write off of club membership	36	-	36	-
Income from contingent consideration	(716)	-	(716)	-
Goodwill written off from acquisition of a subsidiary	444	-	444	2
Net foreign exchange loss (gain) - unrealised	82	139	(23)	37
Inventories written down (written back) to net realisable value	899	(687)	899	(590)
Trade payables written back	(4)	-	(4)	-
Operating cash flows before movements in working capital	3,327	3,577	14,282	15,962
Trade receivables	(5,599)	(1,540)	3,168	2,420
Other receivables and prepayments	2,874	(207)	381	(588)
Inventories	(1,057)	(3,670)	(19,400)	(19,203)
Trade payables	(2,148)	8,025	(6,519)	(1,402)
Other payables	(433)	(976)	(1,364)	(2,337)
Bank bill payables	(6,943)	(8,529)	(6,399)	10,807
Cash (used in) generated from operations	(9,979)	(3,320)	(15,851)	5,659
Interest paid for bank bills	(217)	(263)	(951)	(891)
Interest received	4	12	22	43
Income tax (paid) refund	(724)	16	(2,370)	(1,607)
Net cash (used in) from operating activities	(10,916)	(3,555)	(19,150)	3,204
Investing activities				
Proceeds from disposal of property, plant and equipment	298	187	520	573
Purchases of property, plant and equipment	(3,589)	979	(7,666)	(1,975)
Prepayment for leasehold land	(2,875)	-	(2,875)	-
Acquisition of subsidiaries (Note A)	(299)	-	(4,386)	(1,197)
Net cash (used in) from investing activities	(6,465)	1,166	(14,407)	(2,599)
Financing activities				
Interest paid for other borrowings	(393)	(233)	(1,116)	(870)
Dividend paid	-	-	(3,942)	(3,456)
Repayment of obligations under finance leases	(338)	(411)	(1,053)	(1,417)
New bank loans obtained	15,578	1,262	31,820	4,407
Repayment of bank loans	(1,611)	(1,085)	(4,825)	(1,833)
Contributions from non-controlling interests	-	-	20	14
Net cash from (used in) financing activities	13,236	(467)	20,904	(3,155)
Net decrease in cash and cash equivalents	(4,145)	(2,856)	(12,653)	(2,550)
Exchange difference on cash and cash equivalents	68	5	108	(34)
Cash and cash equivalents at beginning of the period/year	10,356	21,675	18,824	21,408
Cash and cash equivalents at end of the period/year	6,279	18,824	6,279	18,824

Note A

On 1 July 2014, the Group acquired 100% of the issued capital of Rig Marine Holdings FZE

Identifiable assets and liabilities at the date of acquisition

	Fair value
	S\$'000
Cash and cash equivalents	699
Trade receivables	6,864
Other receivables and prepayments	502
Inventories	5,014
Property, plant and equipment	6,664
Intangible assets	5,475
Trade payables	(6,854)
Other payables	(2,794)
Finance leases	(41)
Deferred tax liability	(70)
Net assets	<u>15,459</u>
Goodwill arising on acquisition	
Consideration transferred/transferable	17,624
Less: 100% of fair value of identifiable net assets acquired	<u>(15,459)</u>
Goodwill arising on acquisition	<u>2,165</u>
<u>Net cash outflow on acquisition of a subsidiary</u>	
Total consideration	17,624
Total consideration unpaid as of 31 March 2015 and recorded as other payables	(9,176)
Total consideration settled by shares	<u>(3,363)</u>
Total consideration, satisfied by cash	5,085
Less: cash and cash equivalents acquired	(699)
Total cash outflow on acquisition of a subsidiary	<u>4,386</u>

Note A

On 26 August 2013, the Group acquired 90% of the issued capital of Phoenix Offshore Co., Ltd.

Identifiable assets and liabilities at the date of acquisition

	Fair value
	S\$'000
Cash and bank balances	31
Trade receivables	888
Other receivables	209
Property, plant and equipment	40
Trade payables	(700)
Other payables	(331)
Net assets	<u>137</u>
Goodwill written off from acquisition of a subsidiary	
Consideration transferred	125
Less: 90% of fair value of identifiable net assets acquired	<u>(123)</u>
Goodwill written off from acquisition of a subsidiary	<u>2</u>
Net cash flow on acquisition	
Total consideration, satisfied by cash	125
Less: Cash and cash equivalents acquired	<u>(31)</u>
Net cash outflow on acquisition of a subsidiary	<u>94</u>

On 1 July 2013, the Group acquired 100% of the issued capital of Lv Yang (Tianjin) Offshore Equipment Co., Ltd

Identifiable assets and liabilities at the date of acquisition

	Fair value
	S\$'000
Cash and bank balances	2,410
Trade receivables	755
Other receivables	327
Inventories	1,011
Property, plant and equipment	1,171
Trade payables	(1,062)
Other payables	(2,743)
Net assets	<u>1,869</u>
Goodwill arising on acquisition	
Consideration transferred	3,513
Less: fair value of identifiable net assets acquired	(1,869)
Less: estimated receivable from vendor arising from profit guarantee per purchase agreement	<u>(1,200)</u>
Goodwill arising on acquisition	<u>444</u>
Net cash flow on acquisition	
Total consideration, satisfied by cash	3,513
Less: Cash and cash equivalents acquired	<u>(2,410)</u>
Net cash outflow on acquisition of a subsidiary	<u>1,103</u>
Total net cash outflow on acquisition of subsidiaries	<u>1,197</u>

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 reserve	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 year						
Profit for the period	-	7,418	-	7,418	41	7,459
Other comprehensive income for the year	-	-	928	928	1	929
Total	-	7,418	928	8,346	42	8,388
Transactions with owners, recognised directly in equity						
Issuance of shares	3,363	-	-	3,363	-	3,363
Contribution from a non-controlling interest	-	-	-	-	20	20
Effects of change in a non-controlling interest	-	(88)	-	(88)	88	-
Dividend paid	-	(3,942)	-	(3,942)	-	(3,942)
Total	3,363	(4,030)	-	(667)	108	(559)
At 31 March 2015	50,587	54,111	939	105,637	88	105,725
At 1 April 2013	47,224	42,542	(74)	89,692	0	89,692
Total comprehensive income for the year						
Profit for the period	-	11,637	-	11,637	(76)	11,561
Other comprehensive income for the year	-	-	85	85	-	85
Total	-	11,637	85	11,722	(76)	11,646
Transactions with owners, recognised directly in equity						
Acquisition of a subsidiary	-	-	-	-	14	14
Dividend paid	-	(3,456)	-	(3,456)	-	(3,456)
Total	-	(3,456)	-	(3,456)	14	(3,442)
At 31 March 2014	47,224	50,723	11	97,958	(62)	97,896

	Share capital	Retained earnings	Translation reserve	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 year	-	3,168	-	3,168	-	3,168
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 March 2015	50,587	3,355	-	53,942	-	53,942
At 1 April 2013	47,224	5,146	-	52,370	-	52,370
Profit for the period, representing total comprehensive income for the period	-	2,439	-	2,439	-	2,439
Dividend paid, representing transactions with owners, recognised directly in equity	-	(3,456)	-	(3,456)	-	(3,456)
At 31 March 2014	47,224	4,129	-	51,353	-	51,353

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

31/3/2015	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

Except as disclosed below, the Company 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. The Company has adopted the following applicable Singapore Financial Reporting Standards ("FRSs") which became effective for the financial year beginning on or after 1 April 2014:

- FRS 27 (Revised) Separate Financial Statements
- FRS 110 Consolidated Financial Statements
- FRS 112 Disclosure of Interests in Other Entities
- FRS 110, FRS 112 Transition Guidance
- Amendments to FRS 32 Financial Instruments: Presentation
- Amendments to FRS 36 Impairment of Assets

The adoption of these new and revised FRSs has no material effect on the fourth quarter and full year announcement for the current period.

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		Group	
	4th Qtr Ended	31/03/2014	Financial Year Ended	31/03/2014
	31/03/2015	31/03/2014	31/03/2015	31/03/2014
Net profit after tax attributable to shareholders of the Company (S\$'000)	1,257	3,053	7,418	11,637
Weighted average number of ordinary shares for calculation of ('000):				
- Basic earnings per share	436,800	432,000	436,800	432,000
- Diluted earnings per share	436,800	432,000	436,800	432,000
Earnings per share ("EPS") (cents/share)				
(a) Based on weighted average number of ordinary shares	0.29	0.71	1.70	2.69
(b) On a fully diluted basis	0.29	0.71	1.70	2.69

The Company has no dilutive equity instruments as at 31 March 2015.

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	
	31/03/2015	31/3/2014	31/03/2015	31/3/2014
Net asset value attributable to shareholders of the Company (S\$'000)	105,637	97,958	53,942	51,353
Number of ordinary shares ('000)	438,000	432,000	438,000	432,000
Net asset value per ordinary share (cents)	24.12	22.68	12.32	11.89

8. Review of the Group's performance

Revenue

The Group's revenue for the full year ended 31 March 2015 ("FY2015") was S\$109.9 million with an increase of S\$13.6 million or 14.1% compared to S\$96.3 million for the financial year ended 31 March 2014 ("FY2014"). The increase was mainly due to (i) an increase in the rigging and lifting segment of S\$8.8 million resulting from the acquisition of Rig Marine Holdings FZE and its subsidiaries ("Rigmarine") in 2Q FY2015 and (ii) an increase in ship chandling segment of S\$4.8 million. The contribution from Rigmarine was S\$23.1 million which was partially offset by a decrease in sales from Singapore operations as a result of project delays from the slowdown in oil and gas industry.

For the fourth quarter ended 31 March 2015 ("4Q FY2015"), the Group's revenue was S\$25.9 million, 2.4% higher than the S\$25.3 million in the fourth quarter ended 31 March 2014 ("4Q FY2014"). The increase was mainly due to an increase in the rigging and lifting segment of S\$1.1 million which was offset by a decrease in ship chandling segment of S\$0.5 million.

Gross profit

Gross profit increased by S\$0.4 million or 1.3% from S\$28.7 million in FY2014 to S\$29.1 million in FY2015. The corresponding gross profit margin decreased from 29.8% to 26.5%. For 4Q FY2015, the gross profit was S\$6.8 million, 4.6% lower than the S\$7.0 million achieved in 4Q FY2014. The corresponding gross profit margin decreased from 27.7% to 26.1%.

The decrease in gross profit margin for FY2015 and 4Q FY2015 was mainly due to an increase in sales of lower margin products which formed a higher proportion of the Group's revenue coupled with the decrease in sales from Singapore operations as a result of project delays from the slowdown in oil and gas industry.

Other income

Other income increased by S\$2.0 million in FY2015 compared to FY2014 mainly due to: (i) net foreign exchange gain of S\$1.1 million due to the appreciation of United States Dollar and the depreciation of Euro, and (ii) accrued income of S\$0.7 million from the vendor relating to the acquisition of Lv Yang (Tianjin) Offshore Equipment Co. Ltd ("Lv Yang") arising from the profit guarantee per the purchase agreement.

Distribution costs

Distribution costs increased by S\$0.8 million or 21.8% in FY2015 compared to 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\$6.1 million or 64.0% in FY2015 compared to FY2014 mainly due to newly acquired subsidiaries. The increases were: (i) staff-related cost of S\$2.2 million, (ii) general expenses of S\$0.7 million, (iii) rental related expenses of S\$0.8 million, (iv) professional fees of S\$0.9 million, (v) depreciation of S\$0.8 million, (vi) travelling expenses of S\$0.4 million, and (vii) insurance of S\$0.2 million.

Other operating expenses

Other operating expenses decreased by S\$0.1 million in FY2015 compared to FY2014 mainly due to turnaround of a foreign exchange loss of S\$0.6 million in FY2014 to a foreign exchange gain of S\$1.1 million in FY2015 which was partially offset by goodwill written off of S\$0.4 million.

Interest expense

Interest expense increased by S\$0.3 million or 17.4% from S\$1.8 million in FY2014 to S\$2.1 million in FY2015 mainly due to higher bank borrowings.

Profit before income tax

As a result of the above reasons, profit for FY2015 decreased by S\$4.8 million or 36.5% from S\$13.2 million in FY2014 to S\$8.4 million in FY2015.

Review of statement of financial position and cash flows

Current Assets

The current assets increased by S\$17.9 million from S\$173.4 million as at 31 March 2014 to S\$191.3 million as at 31 March 2015. The increase was mainly due to (i) an increase in inventories of S\$24.6 million due to anticipated market demand and inventories from acquisition of Rigmarine, (ii) an increase in trade receivables of S\$4.7 million mainly due to acquisition of Rigmarine, (iii) an increase in other receivables and prepayments of S\$1.3 million mainly due to an increase in estimated receivable from the vendor relating to the acquisition of Lv Yang arising from the profit guarantee per the purchase agreement, which was partially offset by a decline in cash and bank balances of S\$12.5 million.

Non-Current Assets

The non-current assets increased by S\$22.2 million from S\$14.7 million as at 31 March 2014 to S\$36.9 million as at 31 March 2015. The increase was mainly due to: (i) an increase in fixed assets of S\$12.4 million, (ii) an increase in intangible assets of S\$4.9 million, (iii) an increase in goodwill of S\$2.2 million contributed by the acquisition of Rigmarine which was partially offset by goodwill written off of S\$0.4 million from the acquisition of Lv Yang, (iv) an increase in prepayment of S\$2.9 million for purchasing land in South Korea, and (v) an increase in deferred tax assets of S\$0.3 million.

Current liabilities

The current liabilities increased by S\$18.8 million from S\$72.4 million as at 31 March 2014 to S\$91.3 million as at 31 March 2015. The increase was mainly due to: (i) an increase in other payables of S\$12.1 million mainly due to the acquisition of Rigmarine, (ii) an increase in bank borrowings of S\$6.9 million from bank loans of S\$13.2 million which was partially offset by a decline in bank bill payables of S\$6.3 million, (iii) an increase in trade payable of S\$1.2 million, which was partially offset by (i) lower income tax payable of S\$1.2 million, and (ii) a decline in finance leases of S\$0.2 million.

Non-current liabilities

Non-current liabilities increased by S\$13.4 million from S\$17.9 million as at 31 March 2014 to S\$31.3 million as at 31 March 2015 mainly due to an increase in bank borrowings of S\$13.7 million, which was partially offset by repayment of finance leases of S\$0.5 million.

Capital, reserves and non-controlling interests

The increase in shareholder's equity of S\$7.7 million was mainly attributable to (i) profit of S\$7.4 million earned during the period, (ii) an increase in translation reserve of S\$0.9 million and (iii) 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

FY2015 ended 31 March 2015

Net cash used in operating activities

In FY2015, we generated net cash of S\$14.3 million from operating activities before changes in working capital.

Our net working capital outflow amounted to S\$33.4 million. This was mainly due to: (i) an increase in inventories of S\$19.4 million due to anticipated market demand, (ii) a decrease in trade payables of S\$6.5 million as we made payments in respect of a larger proportion of our trade payables, (iii) a decrease in bank bill payables of S\$6.4 million, (iv) a decrease in other payables of S\$1.4 million, which was partially offset by a decrease in trade receivables of S\$3.2 million.

We paid income tax of S\$2.4 million and interest for bank bills of S\$1.0 million.

Overall our net cash used in operating activities amounted to S\$19.2 million.

Net cash used in investing activities

Net cash used in investing activities amounted to S\$14.4 million in FY2015. This was mainly due to (i) the acquisition of Rigmarine of S\$4.4 million, (ii) the purchase of plant and equipment of S\$7.7 million, (iii) prepayment of S\$2.9 million for purchasing land in South Korea, which was partially offset by proceeds from disposal of plant and equipment of S\$0.5 million.

Net cash from financing activities

Net cash generated from financing activities amounted to S\$20.9 million in FY2015. This was mainly due to an increase in bank borrowings of S\$31.8 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\$5.9 million; and (iii) the repayment of obligations under finance leases of S\$1.1 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?

Yes. Please see Note 18.

11(b) Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes

11(c) Date payable

To be announced at a later date

11(d) Books closure date

To be announced at a later date

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

Not applicable

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.

The Group does not have a general mandate from shareholders for IPTs pursuant to Rule 920 of the Listing Manual of the SGX-ST. During the financial year, there were the following IPTs:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under Shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under Shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
United World Shipping Pte Ltd	166,409	Nil

Save for the above, there were no other IPTs, as defined in Chapter 9 of the Listing Manual of the SGX-ST, entered into during the financial year ended 31 March 2015.

- 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 March 2015	Balance of Net Proceeds as at 31 March 2015
	S\$'000	S\$'000	S\$'000
Expansion of our operations into Asian and/or other markets	20,000	18,405	1,595
Expansion of our operations into Malaysia	2,000	2,000	-
General working capital	21,042	21,042	-
	<u>43,042</u>	<u>41,447</u>	<u>1,595</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 **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Segmental information

Year ended 31 March 2015

	Rigging and lifting S\$'000	Ship chandling S\$'000	Group S\$'000
Revenue			
Sales	88,971	22,346	111,317
Inter-segment sales	(459)	(916)	(1,375)
Sales to external customers	88,512	21,430	109,942
Profit from operations			
Interest expense			(2,067)
Income tax expense			(909)
Unallocated profit from operations			829
Profit for the year	7,791	1,815	9,606
Assets			
Segment assets	215,603	10,374	225,977
Unallocated assets			2,296
Total assets			228,273
Liabilities			
Segment liabilities	118,009	3,997	122,006
Unallocated liabilities			542
Total liabilities			122,548
Other information			
Depreciation and amortisation	2,996	220	3,216
Unallocated depreciation and amortisation			42
			3,258
Addition to non-current assets	21,167	3,022	24,189
Unallocated non-current assets			798
			24,987

Year ended 31 March 2014

	Rigging and lifting S\$'000	Ship chandling S\$'000	Group S\$'000
Revenue			
Sales	80,223	17,045	97,268
Inter-segment sales	(512)	(418)	(930)
Sales to external customers	79,711	16,627	96,338
Profit from operations			
Interest expense			(1,761)
Income tax expense			(1,621)
Unallocated loss from operations			1,797
Profit for the year	12,297	849	13,146
Assets			
Segment assets	164,570	8,752	173,322
Unallocated assets			14,867
Total assets			188,189
Liabilities			
Segment liabilities	84,773	4,723	89,496
Unallocated liabilities			797
Total liabilities			90,293
Other information			
Depreciation and amortisation	1,554	215	1,769
Addition to non-current assets	5,541	54	5,595

Geographical information

Revenue from external customers
(based on location of customer)

	Group		
	FY2015 S\$'000	FY2014 S\$'000	Incr/ (decr) %
Singapore	34,688	34,897	(0.6)
Australia	6,732	17,995	(62.6)
Azerbaijan	14,465	-	NM
Other Asia ^{(1) (2)}	28,392	24,114	17.7
Europe ⁽¹⁾	17,080	13,781	23.9
Others ⁽¹⁾	8,585	5,551	54.7
	<u>109,942</u>	<u>96,338</u>	<u>14.1</u>

⁽¹⁾ Revenue from countries in "Other Asia", "Europe" and "Others" includes revenue from customers in countries that individually account for less than 10% of the Group's revenue.

⁽²⁾ Revenue from Other Asia excludes revenue from Singapore.

Non-current assets
(based on location of assets)

	Group		
	FY2015 S\$'000	FY2014 S\$'000	Incr/ (decr) %
Singapore	11,369	9,645	17.9
Malaysia	7,681	3,701	107.5
Middle East	6,773	-	NM
Azerbaijan	4,879	-	NM
Others	5,858	1,367	328.5
	<u>36,560</u>	<u>14,713</u>	<u>148.5</u>

16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by business or geographical segments.

The Group typically experiences a fluctuation in revenue contribution from each customer in each financial year due to the project based nature of our business and industry, whereby our customers' projects typically differ in their scope and size, and their occurrence is irregular, resulting in the supply of different products to them on an irregular basis.

Sales to Azerbaijan increased by S\$14.5 million due to the acquisition of Rigmarine. Sales to Other Asia, Europe and Others increased by S\$4.3 million, S\$3.3 million and S\$3.0 million respectively mainly due to more orders awarded to our existing and new customers in these regions. On the other hand, revenue contribution from Australia decreased by S\$11.3 million mainly due to the project based nature of some of our key customers.

17 A breakdown of sales

	Group		
	FY2015 S\$'000	FY2014 S\$'000	Incr/ (decr) %
(a) Sales reported for the first half year	55,567	48,729	14.0
(b) Operating profit after tax reported for the first half year	5,480	6,079	(9.9)
(c) Sales reported for the second half year	54,375	47,609	14.2
(d) Operating profit after tax reported for the second half year	1,979	5,482	(63.9)

18 A breakdown of the annual dividend (in dollar value) for the issuer's latest full year and its previous full year

The directors recommend a first and final one-tier exempt ordinary dividend of 0.5 cents for the year ended 31 March 2015, subject to shareholders' approval. Details are as follows:

	FY2015	FY2014
Type of Dividend	Cash	Cash
Dividend per share	0.5 cents	0.9 cents
Annual Dividend (S\$'000)	2,190	3,942

19 Disclosure of person occupying a managerial position in the issuer of any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13).

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Teo Sze Yao, Jayden	31	Nephew of Teo Bee Chiong (Executive Director, CEO and deemed Substantial Shareholder)	Senior Sales Manager. Manages the sales support team and provides sales support. Position held since 2013.	NA
Teo Sze Purn, Terry	30	Nephew of Teo Bee Chiong (Executive Director, CEO and deemed Substantial Shareholder)	Operations Manager. In charge of operations flow between sales, production, logistics & warehouse and provide technical support. Position held since 2011.	NA

BY ORDER OF THE BOARD

DESMOND TEO BEE CHIONG

Executive Director and Chief Executive Officer

29 May 2015