

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SECOND FINANCIAL QUARTER (“2Q2017”) IN RESPECT OF THE FINANCIAL PERIOD ENDED 30 JUNE 2017

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

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	The Group					
	For the second quarter ended 30 June			For the half year ended 30 June		
	2Q2017 (\$'000)	2Q2016 (\$'000)	Increase/ (decrease) (%)	HY2017 (\$'000)	HY2016 (\$'000)	Increase/ (decrease) (%)
Revenue	14,785	17,481	(15)	27,566	37,550	(27)
Cost of sales	(13,294)	(12,925)	3	(25,798)	(27,761)	(7)
Gross profit	1,491	4,556	(67)	1,768	9,789	(82)
Other gains – net	488	1,375	(65)	800	1,685	(53)
Expenses						
- Administrative	(3,522)	(3,380)	4	(7,705)	(7,185)	7
- Finance	(1,446)	(1,311)	10	(2,773)	(2,808)	(1)
(Loss)/profit before income tax	(2,989)	1,240	NM	(7,910)	1,481	NM
Income tax	30	30	-	-	28	NM
Net (loss)/profit	(2,959)	1,270	NM	(7,910)	1,509	NM
Other comprehensive income/(loss) that may be reclassified subsequently to profit or loss						
Currency translation differences arising from consolidation ⁽¹⁾	229	(176)	NM	(275)	(110)	150
Total comprehensive (loss)/income	(2,730)	1,094	NM	(8,185)	1,399	NM
Net (loss)/profit attributable to :						
Equity holders of the Company	(4,077)	387	NM	(9,190)	283	NM
Non-controlling interests	1,118	883	27	1,280	1,226	4
	(2,959)	1,270	NM	(7,910)	1,509	NM
Total comprehensive (loss)/income attributable to :						
Equity holders of the Company	(3,848)	211	NM	(9,465)	173	NM
Non-controlling interests	1,118	883	27	1,280	1,226	4
	(2,730)	1,094	NM	(8,185)	1,399	NM

(1) The currency translation difference arising from consolidation relates mainly to the fluctuations of Indonesian Rupiah and Chinese Renminbi against Singapore Dollar.

(2) “NM” denotes not meaningful.

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1(a)(ii) Notes to statement of comprehensive income

	The Group					
	For the second quarter ended 30 June			For the half year ended 30 June		
	2Q2017 (\$'000)	2Q2016 (\$'000)	Increase/ (decrease) (%)	HY2017 (\$'000)	HY2016 (\$'000)	Increase/ (decrease) (%)
<u>Included in Other (losses)/gains – net:</u>						
- Foreign exchange gain/(loss), net	62	(271)	123	(68)	(221)	69
- Gain on bargain purchase	-	1,154	(100)	-	1,154	(100)
- Government grants	49	120	(59)	160	271	(41)
- (Loss)/gain on sale of property, plant and equipment	(4)	131	(103)	(34)	89	(138)
- Rental income	11	104	(89)	258	199	30
- Sale of scrap metals	57	47	21	167	86	94
- Claim against former shareholder of subsidiary ⁽¹⁾	306	-	100	306	-	100
- Other income ⁽²⁾	7	90	(92)	11	107	(90)
	488	1,375	(65)	800	1,685	(53)
<u>Included under finance expense:</u>						
- Interest expense	1,446	1,311	10	2,773	2,808	(1)
<u>Included under cost of sales and administrative expenses:</u>						
- Depreciation of property, plant and equipment	4,083	3,062	33	8,036	6,069	32
<u>Included under administrative expenses:</u>						
- Allowance for impairment of trade receivables	-	-	-	9	-	100
- Write-off of trade receivables	27	-	100	33	-	100
<u>Included under income tax:</u>						
- Over provision of current income tax in prior financial years	(30)	(30)	-	-	(28)	(100)

Notes:

- (1) The claim against a former shareholder of a subsidiary relates to the acquisition of Chinyee Engineering & Machinery Ptd Ltd (“Chinyee”), which was completed in March 2014. These claims relate to non-collections of various projects undertaken by Chinyee prior to acquisition, and accordingly the Group accounted it as other income through unanimous settlement with the former shareholder and upon receipt of the claims.
- (2) Other income relates to interest income and miscellaneous income/expense.

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.**

STATEMENT OF FINANCIAL POSITION

	Group		Company	
	As at 30 June 2017 (\$'000)	As at 31 December 2016 (\$'000)	As at 30 June 2017 (\$'000)	As at 31 December 2016 (\$'000)
ASSETS				
Current assets				
Cash and cash equivalents	18,312	7,416	5,893	425
Trade and other receivables	42,794	46,778	74,974	75,466*
Inventories	10,164	10,065	-	-
	71,270	64,259	80,867	75,891
Assets of disposal group classified as held-for-sale	6,350	6,350	-	-
	77,620	70,609	80,867	75,891
Non-current assets				
Available-for-sale financial assets	91	91	-	-
Investment in subsidiaries	-	-	82,030	82,030
Property, plant and equipment	218,917	225,625	5	10
Deposits for purchase of property, plant and equipment	647	1,193	-	-
Intangible assets	44,800	44,800	-	-
Club memberships	60	60	-	-
Deferred income tax asset	-	-	524	524
	264,515	271,769	82,559	82,564
Total assets	342,135	342,378	163,426	158,455
LIABILITIES				
Current liabilities				
Trade and other payables	16,366	14,733	30,412	28,222*
Borrowings	44,128	46,693	833	-
Current income tax liabilities	743	815	-	-
	61,237	62,241	31,245	28,222
Liabilities directly associated with disposal group classified as held-for-sale	2,375	2,525	-	-
	63,612	64,766	31,245	28,222
Non-current liabilities				
Borrowings	160,143	151,136	54,028	50,000
Deferred income tax liabilities	4,477	4,478	-	-
	164,620	155,614	54,028	50,000
Total liabilities	228,232	220,380	85,273	78,222
NET ASSETS	113,903	121,998	78,153	80,233
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	91,747	91,657	91,747	91,657
Fair value reserve	14	14	-	-
Other reserve	509	509	-	-
Translation reserve	(4,248)	(3,973)	-	-
Retained profits/(accumulated losses)	18,010	27,200	(13,594)	(11,424)
	106,032	115,407	78,153	80,233
Non-controlling interests	7,871	6,591	-	-
Total equity	113,903	121,998	78,153	80,233

*The FY2016 comparative figures of the Company level for amounts due from/due to subsidiary corporations were adjusted as a result of inter-company offsetting of balances.

1 (b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

	As at 30 June 2017		As at 31 December 2016	
	Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
Borrowings				
Current borrowings	36,456	7,672	37,543	9,150
Borrowings included in the disposal group classified as held-for-sale	2,375	-	2,525	-
Total	38,831	7,672	40,068	9,150

Amount repayable after one year

	As at 30 June 2017		As at 31 December 2016	
	Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
Borrowings				
Non-current borrowings	156,337	3,806	146,431	4,705

Details of any collaterals

The bank borrowings are secured by the Group's leasehold buildings, vessels, certain short-term bank deposits and corporate guarantees by the Company.

Finance lease liabilities of the Group are secured by leased machinery and equipment and motor vehicles, as the legal title is retained by the lessor and will be transferred to the Group upon full payment.

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

	The Group			
	For the second quarter ended 30 June		For the half year ended 30 June	
	2Q2017 (\$'000)	2Q2016 (\$'000)	HY2017 (\$'000)	HY2016 (\$'000)
Cash flows from operating activities				
Net (loss)/profit	(2,959)	1,270	(7,910)	1,509
Adjustments for:				
- Income tax	(30)	(30)	-	(28)
- Depreciation of property, plant and equipment	4,083	3,062	8,036	6,069
- Loss/(gain) on disposal of property, plant and equipment	4	(131)	34	(89)
- Gain on bargain purchase	-	(1,154)	-	(1,154)
- Claim against former shareholder of subsidiary	(306)	-	(306)	-
- Interest income	(3)	(2)	(4)	(4)
- Interest expense	1,446	1,311	2,773	2,808
- Currency translation differences	196	(171)	162	(110)
	2,431	4,155	2,785	9,001
Changes in working capital:				
- Trade and other receivables	(1,185)	4,738	3,984	2,602
- Inventories	476	41	(99)	(119)
- Trade and other payables	1,342	(4,673)	7,142	(8,455)
Cash generated from operations	3,064	4,261	13,812	3,029
Interest received	3	2	4	4
Income tax refunded/(paid)	23	30	(72)	28
Net cash provided by operating activities	3,090	4,293	13,744	3,061
Cash flows from investing activities				
Payments of other payables relating to prior financial years' acquisitions	-	(400)	-	(400)
Proceeds from disposal of property, plant and equipment	103	1,111	160	1,362
Purchase of property, plant and equipment	(1,008)	(2,372)	(1,102)	(6,436)
Placement of short-term bank deposits pledged	33	-	121	(1)
Net cash used in investing activities	(872)	(1,661)	(821)	(5,475)
Cash flows from financing activities				
Interest paid	(1,990)	(2,277)	(3,764)	(3,136)
Repayment of bank borrowings	(6,780)	(2,696)	(10,001)	(8,815)
Repayment of finance lease liabilities	(1,081)	(1,580)	(2,155)	(3,213)
Proceeds from bank borrowings	15,000	694	15,000	6,523
Proceeds from private placements	-	-	-	14,708
Net cash provided by/(used) in financing activities	5,149	(5,859)	(920)	6,067
Net decrease in cash and cash equivalents	7,367	(3,227)	12,003	3,653
Cash and cash equivalents at beginning of financial period	7,256	14,154	2,620	7,274
Cash and cash equivalents at end of financial period	14,623	10,927	14,623	10,927

(1) Cash and cash equivalents, for the purpose of presenting consolidated statement of cash flows, consist of :

	As at 30 June 2017 (\$'000)	As at 30 June 2016 (\$'000)
Cash and bank balances	18,312	14,693
Short-term bank deposits pledged	(2,774)	(2,719)
Bank overdrafts included in borrowings	(915)	(1,047)
	14,623	10,927

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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 (\$'000)	Treasury shares (\$'000)	Retained profits/ (accumulated losses) (\$'000)	Fair value reserve (\$'000)	Translation reserve (\$'000)	Other reserve (\$'000)	Total (\$'000)	Non-controlling interests (\$'000)	Total equity (\$'000)
Group									
Balance as at 1 January 2017	91,860	(203)	27,200	14	(3,973)	509	115,407	6,591	121,998
Total comprehensive (loss)/income	-	-	(5,113)	-	(504)	-	(5,617)	162	(5,455)
Balance as at 31 Mar 2017	91,860	(203)	22,087	14	(4,477)	509	109,790	6,753	116,543
Award of performance shares to independent directors of the Company	90	-	-	-	-	-	90	-	90
Total comprehensive (loss)/income	-	-	(4,077)	-	229	-	(3,848)	1,118	(2,730)
Balance as at 30 June 2017	91,950	(203)	18,010	14	(4,248)	509	106,032	7,871	113,903
Balance as at 1 January 2016	75,765	(203)	54,114	92	(2,551)	509	127,726	6,047	133,773
Issue of new shares for private placement (net of transaction cost)	14,708	-	-	-	-	-	14,708	-	14,708
Issue of new shares for acquisition of business in prior financial years	1,375	-	-	-	-	-	1,375	-	1,375
Total comprehensive (loss)/income	-	-	(104)	-	66	-	(38)	343	305
Balance as at 31 Mar 2016	91,848	(203)	54,010	92	(2,485)	509	143,771	6,390	150,161
Total comprehensive income/(loss)	-	-	387	-	(176)	-	211	883	1,094
Balance as at 30 June 2016	91,848	(203)	54,397	92	(2,661)	509	143,982	7,273	151,255

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	Share capital (\$'000)	Treasury shares (\$'000)	Retained profits/ (accumulated losses) (\$'000)	Total equity (\$'000)
Company				
Balance as at 1 January 2017	91,860	(203)	(11,424)	80,233
Total comprehensive loss	-	-	(878)	(878)
Balance as at 31 Mar 2017	91,860	(203)	(12,302)	79,355
Award of performance shares to independent directors of the Company	90	-	-	90
Total comprehensive loss	-	-	(1,292)	(1,292)
Balance as at 30 June 2017	91,950	(203)	(13,594)	78,153
Balance as at 1 January 2016	75,765	(203)	(8,463)	67,099
Issue of new shares for private placement (net of transaction cost)	14,708	-	-	14,708
Issue of new shares for acquisition of business in prior financial years	1,375	-	-	1,375
Total comprehensive loss	-	-	(878)	(878)
Balance as at 31 Mar 2016	91,848	(203)	(9,341)	82,304
Total comprehensive loss	-	-	(913)	(913)
Balance as at 30 June 2016	91,848	(203)	(10,254)	81,391

- 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 and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.**

The details of the changes in issued share capital of the Company from 1 January 2017 to 30 June 2017 are as follows:

CHANGES IN ISSUED SHARE CAPITAL	Number of shares (‘000)	Paid-up capital (\$‘000)
Issued share capital as at 1 January 2017	421,739	91,657
Award of performance shares to independent directors of the Company	501	90
Issued share capital as at 30 June 2017 excluding treasury shares	<u>422,240</u>	<u>91,747</u>

Save as disclosed above, the Company did not have any outstanding options or convertibles as at 30 June 2017 and 31 December 2016.

As at 30 June 2017, the total number of treasury shares held was 455,025 (30 June 2016: 455,025).

Under the Share Buy-Back Mandate, no shares were bought back by the Company during the HY2017.

The Company did not have any outstanding options or convertibles as at 30 June 2017 and 31 December 2016.

- 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.**

	As at 30 June 2017	As at 31 December 2016
Total number of issued shares (excluding treasury shares) (in ‘000)	<u>422,240</u>	<u>421,739</u>

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

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at end of 30 June 2017.

1(d)(v) A statement showing all sales, transfers, disposals, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

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

The figures have not been audited or reviewed by the independent auditor.

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

Not applicable.

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

The Group and the Company have applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period compared with the audited financial statements for the financial year ended 31 December 2016.

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

Not applicable.

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

	The Group			
	For the second quarter ended 30 June 2Q2017		For the half year ended 30 June HY2017	
	2Q2017	2Q2016	HY2017	HY2016
Net (loss)/earnings attributable to equity holders of the Company (\$'000)	(4,077)	387	(9,190)	283
Weighted average number of shares outstanding for basic EPS ('000)	421,783	421,651	421,761	412,790
Basic EPS attributable to equity holders of the Company (SGD cents)	(0.97)	0.09	(2.18)	0.07
Weighted average number of shares outstanding for basic EPS ('000)	421,783	421,651	421,761	412,790
Adjustment for 2014 Performance Share Award to be issued ('000)	-	61	-	61
	421,783	421,712	421,761	412,851
Diluted EPS attributable to equity holders of the Company (SGD cents)	(0.97)	0.09	(2.18)	0.07

Basic and Diluted EPS is computed by dividing the net (loss)/profit attributable to the equity holders of the Company in each financial period by the weighted average number of ordinary shares outstanding at the end of the respective financial period.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:
(a) current financial period reported on; and
(b) immediately preceding financial year.

NET ASSET VALUE ("NAV")

	Group		Company	
	As at		As at	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
NAV per ordinary share (SGD cents)	25.11	27.36	18.51	19.02
Number of shares used in computation of NAV per share ('000)	422,240	421,739	422,240	421,739

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

REVIEW OF INCOME STATEMENT OF THE GROUP

HY2017 vs HY2016 and 2Q2017 vs 2Q2016

Revenue

<u>Revenue by segment</u>	2Q2017		2Q2016		HY2017		HY2016	
	(\$'000)	(%)	(\$'000)	(%)	(\$'000)	(%)	(\$'000)	(%)
Offshore & Engineering	3,875	26	5,584	32	7,503	27	15,783	42
Marine	5,805	39	7,235	41	12,187	44	13,765	37
Energy Services	5,105	35	4,662	27	7,876	29	8,002	21
	14,785	100	17,481	100	27,566	100	37,550	100

Notes:

- (1) Offshore & Engineering includes offshore structures, engineering, manufacturing, inspection and maintenance. This also includes rope access services.
- (2) Marine includes stearn gear manufacturing and refurbishment works, ship inspection, repair & maintenance services and engineering & fabrication works. This also includes diving services.
- (3) Energy Services includes oil sludge and slop reclamation, hydro cleaning oil and gas tanks, encapsulation of wastes prior for landfill disposal and design and launch carbon footprint management initiatives and green initiatives.

Overall, revenue in HY2017 decreased by 27% or \$10.0 million to \$27.6 million as compared to \$37.6 million in HY2016 mainly due to weaker revenue in the Offshore & Engineering segment.

The Group registered a 15% decline in revenue from 2Q2016 to \$14.8 million in 2Q2017 as explained above.

Offshore & Engineering segment

Revenue from the Offshore & Engineering segment in HY2017 was \$7.5 million, decrease by \$8.3 million as compared to \$15.8 million in HY2016. The order book at the start of HY2017 was lower than the start of HY2016 as the oil and gas industry remains muted during the current reporting period due to subdued oil prices that brought about a general decline in demands from major customers.

The above also explains the 31% decline in revenue in 2Q2017 as compared to 2Q2016.

REVIEW OF INCOME STATEMENT OF THE GROUP (continued)

Marine segment

Revenue from the Marine segment declined by approximately \$1.6 million or 11% to \$12.2 million in HY2017 as compared to HY2016 mainly due to lower demand from diving services and repairs and maintenance services. This also explains the decrease in revenue in 2Q2017 as compared to 2Q2016.

Energy Services segment

Revenue from Energy Services was \$7.9 million, a marginal decline of \$126,000 or a 2% decline from HY2016 of \$8.0 million.

In 2Q2017, revenue was up by 10% to \$5.1 million when compared to 2Q2016 revenue of \$4.7 million, a result of increased work orders from one of the oil super major player as part of its three year service contract signed on March 2015.

Cost of sales, gross profit and gross profit margin

With a lower Group's revenue, cost of sales also decreased by approximately 7% or \$2.0 million to \$25.8 million in HY2017. This reduction was however not in proportion with the fall in revenue, as revenue from the Offshore & Engineering segment is insufficient to cover its fixed running costs. Consequently, gross profit decreased by \$8.0 million to \$1.8 million as of HY2017.

This also explains the fluctuations in cost of sales and gross profit in 2Q2017 as compared to 2Q2016.

Other income

The Group's other income for HY2017 of \$800,000 decreased by \$885,000 as compared to \$1.7 million in HY2016 due mainly to the recognition of a \$1.2 million gain on bargain purchase in relation to the acquisition of business and certain assets in Stone Marine Singapore Private Limited in HY2016. The said decrease was offset by higher government grant and other income recognised in 2Q2017 for the claim against former shareholder of subsidiary of \$306,000.

The above also explains the decrease in other income in 2Q2017 as compared to 2Q2016.

Administrative expenses

The Group's administrative expenses increased by \$520,000 or 7% to \$7.7 million, mainly due to higher depreciation expense in relation to two properties being reclassified from disposal group to property, plant and equipment.

These also explain the marginal 4% increase in administrative expense in 2Q2017 as compared to 2Q2016.

REVIEW OF INCOME STATEMENT OF THE GROUP (continued)

Finance expenses

Finance expense of \$2.8 million remains relatively the same for both reporting periods ended 30 June 2017 and 2016.

The increase in finance expense of \$135,000 or 10% in 2Q2017 was mainly due to lower interest rate on the bank debt refinancing of \$50 million term loan offset by higher interest from the \$15 million bank borrowings received in 2Q2017.

Income tax

No significant variance for income tax.

Net profit

As the operating environment in the oil and gas industry continued to remain weak, the Group registered a net loss of of \$3.0 million and \$7.9 million in 2Q2017 and HY2017 respectively as compared to net profit of \$1.3 million or \$1.5 million in 1Q2016 and HY2016.

The net profit attributable to non-controlling interests for HY2017 remains comparable with HY2016 at \$1.2 million. The 2Q2017 net profit attributable to non-controlling interests for 2Q2017 increased by 27% to \$1.1 million due to the continuous support from major oil players in the Energy segment.

The Group incurred a net loss attributable to Equity holders of the Company of \$4.1 million and \$9.2 million in 2Q2017 and HY2017 respectively as compared to a net profit of \$387,000 and \$283,000 in 2Q2016 and HY2016.

REVIEW OF FINANCIAL POSITION

Current assets

Current assets increased by \$7.0 million or 10% from \$70.6 million as at 31 December 2016 to \$77.6 million as at 30 June 2017. This was due to higher cash and cash equivalent arising from draw down of bank loan of \$15 million. Trade and other receivables decreased by \$4.0 million as a result of intensive collection efforts.

Non-current assets

The marginal decrease of 3% or \$7.3 million in non-current assets to \$264.5 million as at 30 June 2017 is mainly due to depreciation expense of approximately \$8.0 million, partially offset by \$1.9 million additions in fixed assets, majority of which came from purchases of machinery for Energy services segment.

Current liabilities

Current liabilities marginally decreased from \$64.8 million as at 31 December 2016 to \$63.6 million as at 30 June 2017 due to repayment of certain short term loans, invoice financing and monthly repayment on borrowings directly associated with disposal group.

Non-current liabilities

The non-current liabilities increased by 6% or \$9.0 million to \$164.6 million as at 30 June 2017 mainly due to proceeds of term loans as mentioned above, offset by monthly repayments of long-term loans.

Disposal Group classified as held-for-sale

The Group reclassified certain assets and liabilities under disposal group as held-for-sale as part of the key initiatives of management to dispose of under-utilised assets for cost savings and improve the cash flow position.

REVIEW OF STATEMENT OF CASH FLOWS

The Group's generated a net cash inflow from operating activities of \$13.7 million, mainly arose from intensive collection efforts in trade and other receivables of \$4.0 million and increases in trade and other payables of \$7.1 million.

Due to the uncertainties experienced in the oil and gas turmoil, the Group recorded a minimal investing activities during 2Q2017 and HY2017. The marginal purchase of fixed assets is from the Energy segment for its expansion of services to customers.

The Group's financing activities recorded a net cash outflow of \$920,000 for HY2017 due mainly to proceeds of \$15 million from bank loans, offset with repayments of term loans and hire purchase of approximately \$12.2 million and interest payments of \$3.8 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.

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.

Our businesses are primarily affected by market conditions in the offshore and marine industries. Factors affecting oil prices continue to remain uncertain, and as oil prices remain low, demand for repair and maintenance of rigs and related goods and services has not picked up. Given the depressed conditions, we expect our offshore and marine businesses to remain challenging in the next 12 months.

We will continue to actively explore diversification opportunities within and outside Singapore. The Group will continue to manage costs and cash flow prudently. The Group's order book as at 30 June 2017 stands at \$8.9 million (as at 31 December 2016: \$12.1 million).

11 Dividend

(a) Current financial period reported on

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding period of the immediately preceding financial year

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

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

Not applicable.

13 Interested Person Transactions

There were no interested person transactions, as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited, entered into by the Group or by the Company during the first quarter ended 30 June 2017. The Company does not have a general mandate from shareholders for interested person transactions

14 Negative Assurance on Interim Financial Statements

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements of the Group and the Company for the first quarter ended 30 June 2017 to be false or misleading in any material aspect.

15 Confirmation that the issuer has procured undertakings from all its directors and executive officers pursuant to Rule 720(1) of the SGX Listing Manual.

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720 (1) of the SGX Listing Manual.

BY ORDER OF THE BOARD

SIM SOON NGEE GLENN DLE
Executive Chairman and Chief Executive Officer

8 August 2017
