



PACC OFFSHORE SERVICES HOLDINGS LTD.

Registration Number: 200603185Z

UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT
FOR THE THIRD QUARTER AND THE NINE MONTHS ENDED 30 SEPTEMBER 2015

Introduction

PACC Offshore Services Holdings Ltd. ("POSH") is one of Asia's largest operator of offshore support vessels, with a diversified fleet servicing offshore oil and gas exploration and production activities. With four distinct operating segments: Offshore Supply Vessels, Transportation and Installation, Offshore Accommodation and Harbour Services and Emergency Response, POSH's offshore support vessels perform anchor handling services, ocean towage and installation, ocean transportation, heavy-lift and offshore accommodation services as well as harbour towage and emergency response services.

As of 30 September 2015, the POSH Group (including joint ventures) operated a combined fleet of 114 vessels with another 14 vessels on order, comprising Anchor Handling Tug Supply Vessels, Anchor Handling Tugs, Platform Supply Vessels, Light Construction Vessels, Accommodation Vessels and Harbour Tugs.

The POSH fleet operates worldwide, serving offshore oilfields in Asia, Australasia, Africa, Middle-East and Latin America, providing vessels and services for projects involving many of the world's major oil companies, as well as many large international offshore contractors.

The Company's shares were listed and quoted on the Official List of Singapore Exchange Securities Trading Limited ("SGX-ST") on 25 April 2014.

For more information on POSH, please visit www.posh.com.sg.

The initial public offering ("IPO") of the PACC Offshore Services Holdings Ltd. was sponsored by DBS Bank Ltd., Merrill Lynch (Singapore) Pte. Ltd. and Oversea-Chinese Banking Corporation Limited (together, the "Joint Issue Managers"). The Joint Issue Managers assume no responsibility for the contents of this Announcement.

PACC OFFSHORE SERVICES HOLDINGS LTD.
 UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT
 FOR THE THIRD QUARTER AND THE NINE MONTHS ENDED 30 SEPTEMBER 2015

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.*

	Group					
	Quarter ended			9 Months ended		
	30-Sep 2015 US\$'000	30-Sep 2014 US\$'000	% Change	30-Sep 2015 US\$'000	30-Sep 2014 US\$'000	% Change
Revenue	80,397	67,032	20%	209,004	178,230	17%
Cost of sales	(62,017)	(49,669)	25%	(168,164)	(127,493)	32%
Gross profit	18,380	17,363	6%	40,840	50,737	-20%
Other operating income	3,608	13,707	-74%	8,865	56,153	-84%
Distribution costs	(399)	(335)	19%	(1,202)	(1,059)	14%
General and administrative expenses	(6,774)	(8,012)	-15%	(23,956)	(24,859)	-4%
Finance costs	(2,607)	(2,392)	9%	(7,702)	(8,622)	-11%
Share of joint ventures' results	873	(5,683)	NM	2,857	(8,579)	NM
Profit before taxation	13,081	14,648	-11%	19,702	63,771	-69%
Taxation	(502)	-	NM	(992)	(576)	72%
Net profit for the period	12,579	14,648	-14%	18,710	63,195	-70%
Profit attributable to:						
Equity holders of the Company	12,579	14,648	-14%	18,710	63,195	-70%
Non-controlling interests	-	-	-	-	-	-
	12,579	14,648	-14%	18,710	63,195	-70%

NM denotes "Not Meaningful"

1(a)(ii). *Profit before taxation is arrived at after (charging)/crediting the following significant items.*

	Group			
	Quarter ended		9 Months Ended	
	30-Sep 2015 US\$'000	30-Sep 2014 US\$'000	30-Sep 2015 US\$'000	30-Sep 2014 US\$'000
Amortisation of intangible assets	(14)	(20)	(43)	(132)
Depreciation of fixed assets	(16,140)	(8,961)	(44,227)	(26,852)
Exchange gain	105	956	628	1,611
Fixed assets written-off	(207)	(1,031)	(207)	(1,031)
Gain on disposal of fixed assets	758	11,646	2,625	46,456
Interest income	726	282	2,387	5,257
Interest expense	(2,607)	(2,392)	(7,702)	(8,622)
Reversal of/(allowance for) doubtful debts	690	27	(2,004)	(2,055)
Bad debts written off	-	-	-	(36)

PACC OFFSHORE SERVICES HOLDINGS LTD.
 UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT
 FOR THE THIRD QUARTER AND THE NINE MONTHS ENDED 30 SEPTEMBER 2015

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.

	Group		Company	
	30-Sep-15 US\$'000	31-Dec-14 US\$'000	30-Sep-15 US\$'000	31-Dec-14 US\$'000
Non-current assets				
Goodwill	295,303	295,303	-	-
Fixed assets	1,289,048	1,113,689	29,324	33,798
Intangible assets	61	104	22	33
Due from joint ventures	23,048	165,541	23,048	165,541
Investment in subsidiaries	-	-	358,394	358,394
Investment in joint ventures	86,260	75,078	64,700	64,700
Receivables and other non-current assets	11,546	4,847	-	-
	<u>1,705,266</u>	<u>1,654,562</u>	<u>475,488</u>	<u>622,466</u>
Current assets				
Consumable stores	1,021	2,437	-	-
Receivables and other current assets	111,605	76,640	4,306	288
Due from subsidiaries, joint ventures and fellow subsidiaries	46,513	124,953	1,239,517	1,109,512
Cash and cash equivalents	13,137	12,168	2,631	1,687
	<u>172,276</u>	<u>216,198</u>	<u>1,246,454</u>	<u>1,111,487</u>
Fixed assets classified as held for sale	-	575	-	-
	<u>172,276</u>	<u>216,773</u>	<u>1,246,454</u>	<u>1,111,487</u>
Total assets	<u>1,877,542</u>	<u>1,871,335</u>	<u>1,721,942</u>	<u>1,733,953</u>
Non-current liabilities				
Bank borrowings	-	300,000	-	300,000
Deferred tax liabilities	152	166	-	-
	<u>152</u>	<u>300,166</u>	<u>-</u>	<u>300,000</u>
Current liabilities				
Payables and accruals	75,681	70,393	13,853	19,962
Advances received from customers	3,400	2,400	-	-
Due to subsidiaries, joint ventures and fellow subsidiaries	18,981	19,323	45,360	28,641
Due to holding companies	124	405	124	405
Bank borrowings	565,395	260,500	565,395	260,500
Provision for taxation	2,488	4,384	1,851	3,722
	<u>666,069</u>	<u>357,405</u>	<u>626,583</u>	<u>313,230</u>
Total liabilities	<u>666,221</u>	<u>657,571</u>	<u>626,583</u>	<u>613,230</u>
Equity				
Share capital	827,201	827,201	827,201	827,201
Treasury shares	(1,060)	-	(1,060)	-
Retained profits	384,882	386,265	269,218	293,522
Other reserves	298	298	-	-
Total equity	<u>1,211,321</u>	<u>1,213,764</u>	<u>1,095,359</u>	<u>1,120,723</u>
Total liabilities and equity	<u>1,877,542</u>	<u>1,871,335</u>	<u>1,721,942</u>	<u>1,733,953</u>

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

	As at 30-Sep-2015		As at 31-Dec-2014	
	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000	Secured US\$'000
(i) Amount payable in one year or less, or on demand	565,395	-	260,500	-
(ii) Amount repayable after one year	-	-	300,000	-

PACC OFFSHORE SERVICES HOLDINGS LTD.
 UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT
 FOR THE THIRD QUARTER AND THE NINE MONTHS ENDED 30 SEPTEMBER 2015

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.*

	Group			
	Quarter Ended		9 Months Ended	
	30-Sep-15 US\$'000	30-Sep-14 US\$'000	30-Sep-15 US\$'000	30-Sep-14 US\$'000
Cash flows from operating activities				
Profit before taxation	13,081	14,648	19,702	63,771
Adjustments for:				
Amortisation of prepayments	104	147	370	454
Amortisation of intangible assets	14	20	43	132
Depreciation of fixed assets	16,140	8,961	44,227	26,852
Fixed assets written off	207	1,031	207	1,031
Bad debts written off	-	-	-	36
(Reversal of)/allowance for doubtful debts-trade	(690)	(27)	2,004	2,055
Gain on disposal of fixed assets	(758)	(11,646)	(2,625)	(46,456)
Shares of joint ventures' results	(873)	5,683	(2,857)	8,579
Interest expense	2,607	2,392	7,702	8,622
Interest income	(726)	(282)	(2,387)	(5,257)
Operating cash flows before working capital changes	29,106	20,927	66,386	59,819
Changes in working capital				
Decrease/(increase) in consumables	284	(315)	1,416	346
Increase in receivables and other assets	(2,635)	(5,334)	(31,068)	(17,362)
Increase in payables and accruals	1,005	17,455	2,619	29,906
Decrease in due to holding companies (non-trade)	-	-	-	(29)
Cash generated from operations	27,760	32,733	39,353	72,680
Interest paid	(2,666)	(2,243)	(7,555)	(9,526)
Interest received	334	226	1,817	2,380
Income taxes paid	(38)	19	(2,901)	(539)
Net cash generated from operating activities	25,390	30,735	30,714	64,995
Cash flows from investing activities				
Acquisition of fixed assets	(35,702)	(26,113)	(229,017)	(103,539)
Proceeds from disposal of fixed assets	712	55,328	712	101,717
Decrease/(increase) in due from joint ventures	13,195	(13,674)	217,725	(15,210)
Increase in interest in joint ventures	-	(8,972)	-	(9,090)
Net cash (used in)/generated from investing activities	(21,795)	6,569	(10,580)	(26,122)
Cash flows from financing activities				
Dividends paid	-	-	(20,093)	-
Proceeds from issuance of shares	-	-	-	296,226
Purchase of treasury shares	(1,060)	-	(1,060)	-
(Repayment of)/proceeds from bank borrowings	(26,665)	(36,275)	4,895	(321,461)
Decrease in due to fellow subsidiaries	(2,966)	(986)	(3,013)	(12,989)
Increase/(decrease) in due to holding companies	124	(300)	106	(6)
Net cash used in financing activities	(30,567)	(37,561)	(19,165)	(38,230)
Net (decrease)/increase in cash and cash equivalents	(26,972)	(257)	969	643
Cash and cash equivalents at beginning of period	40,109	11,452	12,168	10,552
Cash and cash equivalents at end of period	13,137	11,195	13,137	11,195

PACC OFFSHORE SERVICES HOLDINGS LTD.
 UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT
 FOR THE THIRD QUARTER AND THE NINE MONTHS ENDED 30 SEPTEMBER 2015

1(d)(i). A statement (for the issuer and group) showing either (i) all the 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.

The Group	Share capital US\$'000	Treasury shares US\$'000	Retained profits US\$'000	Exchange reserves US\$'000	Total US\$'000
Balance at 1 Jan 2015	827,201	-	386,265	298	1,213,764
Dividends paid	-	-	(20,093)	-	(20,093)
Total comprehensive income for the period	-	-	6,131	-	6,131
Balance at 30 Jun 2015	827,201	-	372,303	298	1,199,802
Purchase of treasury shares	-	(1,060)	-	-	(1,060)
Total comprehensive income for the period	-	-	12,579	-	12,579
Balance at 30 Sep 2015	827,201	(1,060)	384,882	298	1,211,321
Balance at 1 Jan 2014	530,975	-	333,022	298	864,295
Issuance of new ordinary shares	296,226	-	-	-	296,226
Total comprehensive income for the period	-	-	48,547	-	48,547
Balance at 30 Jun 2014	827,201	-	381,569	298	1,209,068
Total comprehensive income for the period	-	-	14,648	-	14,648
Balance at 30 Sep 2014	827,201	-	396,217	298	1,223,716

The Company	Share capital US\$'000	Treasury shares US\$'000	Retained profits US\$'000	Total US\$'000
Balance at 1 Jan 2015	827,201	-	293,522	1,120,723
Dividends paid	-	-	(20,093)	(20,093)
Total comprehensive loss for the period	-	-	(1,965)	(1,965)
Balance at 30 Jun 2015	827,201	-	271,464	1,098,665
Purchase of treasury shares	-	(1,060)	-	(1,060)
Total comprehensive loss for the period	-	-	(2,246)	(2,246)
Balance at 30 Sep 2015	827,201	(1,060)	269,218	1,095,359
Balance at 1 Jan 2014	530,975	-	373,796	904,771
Issuance of new ordinary shares	296,226	-	-	296,226
Total comprehensive loss for the period	-	-	(1,750)	(1,750)
Balance at 30 Jun 2014	827,201	-	372,046	1,199,247
Total comprehensive loss for the period	-	-	(3,365)	(3,365)
Balance at 30 Sep 2014	827,201	-	368,681	1,195,882

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 issue of equity securities, issue of shares for cash or 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 end of the current financial period reported on and as at end of the corresponding period of the immediately preceding financial year.

There was no change in the Company's share capital since the end of the previous period.

During the quarter ended 30 September 2015, the Company purchased 4,685,900 (30 September 2014: nil) treasury shares.

Movement in the Company's treasury shares during the quarter ended 30 September 2015 were as follows:

	Number of shares
Balance as at 1 July 2015	-
Purchase of treasury shares	4,685,900
Balance as at 30 September 2015	<u>4,685,900</u>

As at 30 September 2015, the 4,685,900 (30 September 2014: nil) treasury shares held by the Company represent 0.26% (30 September 2014: nil) of the total number of issued shares (excluding treasury shares).

There was no outstanding convertible share as at 30 September 2015 (30 September 2014: nil).

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.

Total number of issued ordinary shares (excluding treasury shares) as at 30 September 2015 were 1,815,314,100 (31 December 2014: 1,820,000,000).

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.

None.

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

The financial statements for the period under review have not been audited or reviewed by the 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 has applied accounting policies and methods of computation in the financial statements for the current reporting year consistent with those of the audited financial statements for the year ended 31 December 2014.

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

On 1 January 2015, the Group and the Company adopted all new and revised FRSs and interpretation of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2015. The adoption of these new/revised FRSs and INT FRSs did not result in significant changes to the Group's and the Company's accounting policy.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding year, after deducting any provision for the preference dividends; (a) Based on weighted average number of shares and (b) On a fully diluted basis (detailing any adjustments made to the earnings)

	Group			
	Quarter Ended		9 Months Ended	
	30-Sep-15	30-Sep-14	30-Sep-15	30-Sep-14
Net profit attributable to equity holders of the Company (US\$'000)	12,579	14,648	18,710	63,195
Weighted average ordinary shares for calculation ('000) **				
- Basic	1,818,479	1,820,000	1,819,487	1,680,250
- On fully diluted basis	1,818,479	1,820,000	1,819,487	1,680,250
Earnings per ordinary shares ("EPS") (cents)				
(i) Based on weighted average number of ordinary shares issued	0.69	0.80	1.03	3.76
(ii) On fully diluted basis	0.69	0.80	1.03	3.76

** The weighted average ordinary shares for Q3 FY15/9M FY15 excluding treasury shares, weighted across by days over the relevant 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.

	Group		Company	
	As at	As at	As at	As at
	30-Sep-15	31-Dec-14	30-Sep-15	31-Dec-14
Net asset value (US\$'000)	1,211,321	1,213,764	1,095,359	1,120,723
Total number of ordinary shares issued ('000)	1,815,314	1,820,000	1,815,314	1,820,000
Net asset value per ordinary shares (US cents)	66.73	66.69	60.34	61.58

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.**

Income Statement

3rd Quarter 2015 ("Q3 FY15") vs 3rd Quarter 2014 ("Q3 FY14")

	Revenue			Gross Profit			Gross Profit Margin	
	Q3 15	Q3 14	%	Q3 15	Q3 14	%	Q3 15	Q3 14
	US\$ '000	US\$ '000	Change	US\$ '000	US\$ '000	Change	%	%
Offshore Supply Vessels ("OSV")	37,996	42,955	-12%	5,322	10,447	-49%	14%	24%
Offshore Accommodation ("OA")	26,943	8,988	200%	10,912	3,255	235%	41%	36%
Transportation & Installation ("T&I")	7,248	9,817	-26%	840	3,332	-75%	12%	34%
Harbour Services and Emergency Response ("HSER")	8,210	5,272	56%	1,306	329	297%	16%	6%
	<u>80,397</u>	<u>67,032</u>	20%	<u>18,380</u>	<u>17,363</u>	6%	23%	26%

In Q3 FY15, the Group registered an increase in revenue of US\$13.4 million to US\$80.4 million, a 20% increase over Q3 FY14 of US\$67.0 million. The increase was mainly due to higher contribution of US\$18.0 million from the OA segment.

OSV

OSV segment revenue decreased by US\$5.0 million or 12% to US\$38.0 million (Q3 FY14: US\$43.0 million) mainly due to lower charter rates and utilisation rates of 74% in Q3 FY15 (Q3 FY14: 83%). Consequently, gross profit decreased by 49% to US\$5.3 million (Q3 FY14: US\$10.4 million).

OA

OA segment revenue increased US\$18.0 million or 200% to US\$26.9 million (Q3 FY14: US\$9.0 million) with new contributions from POSH Xanadu, a 750-pax semi-submersible accommodation vessel ("SSAV") and three new 238-pax light construction vessels ("LCV") offset by lower utilisation rates of existing vessels. Gross profit consequently increased by US\$7.6 million to US\$10.9 million (Q3 FY14: US\$3.3 million).

T&I

T&I segment revenue decreased US\$2.6 million or 26% to US\$7.2 million (Q3 FY14: US\$9.8 million) mainly due to lower charter rates and utilisation rates. Gross profit correspondingly decreased to US\$0.8 million (Q3 FY14: US\$3.3 million).

HSER

HSER revenue increased by 56% to US\$8.2 million (Q3 FY14: US\$5.3 million) mainly due to salvage job in Q3 FY15, and gross profit increased to US\$1.3 million (Q3 FY14: US\$0.3 million)

General and administrative expenses decreased by 15% to US\$6.8 million (Q3 FY14: US\$8.0 million) mainly due to the reversal of US\$0.7 million doubtful debt no longer required and lower administrative expenses of US\$0.5 million as a result of cost control initiatives.

Other operating income decreased US\$10.1 million to US\$3.6 million in Q3 FY15 (Q3 FY14: US\$13.7 million), mainly due to gain from vessels disposal of US\$11.6 million in Q3 FY14.

Income Statement (cont'd)

3rd Quarter 2015 ("Q3 FY15") vs 3rd Quarter 2014 ("Q3 FY14")

The Group's share of results from Joint Ventures ("JVs") registered a profit of US\$0.9 million in Q3 FY15 as compared to a loss of US\$5.7 million in Q3 FY14. This was mainly due to higher contributions from POSH Terasea.

The Group recorded a net profit attributable to shareholders of US\$12.6 million in Q3 FY15 compared to US\$14.6 million in Q3 FY14. The decrease in net profit of US\$2.0 million was mainly due to gain from vessels disposal of US\$11.6 million in Q3 FY14. Excluding the gain from vessels disposal, net profit increased by US\$8.8 million to US\$11.8 million in Q3 FY15 (Q3 FY14: US\$3.0 million).

9 Months ended 30 September 2015 ("9M FY15") vs 9 Months ended 30 September 2014 ("9M FY14")

	Revenue			Gross Profit			Gross Profit Margin	
	9M 2015	9M 2014	%	9M 2015	9M 2014	%	9M 2015	9M 2014
	US\$ '000	US\$ '000	Change	US\$ '000	US\$ '000	Change	%	%
Offshore Supply Vessels ("OSV")	102,283	105,066	-3%	8,500	27,833	-69%	8%	26%
Offshore Accommodation ("OA")	66,368	22,575	194%	25,585	8,165	213%	39%	36%
Transportation & Installation ("T&I")	21,342	34,278	-38%	4,071	12,582	-68%	19%	37%
Harbour Services and Emergency Response ("HSER")	19,011	16,311	17%	2,684	2,157	24%	14%	13%
	<u>209,004</u>	<u>178,230</u>	17%	<u>40,840</u>	<u>50,737</u>	-20%	20%	28%

The Group's revenue for 9M FY15 increased US\$30.8 million or 17% to US\$209.0 million (9M FY14: US\$178.2 million). The increase was mainly due to higher contribution from the OA segment of US\$43.8 million. Gross profit decreased by 20% to US\$40.8 million mainly due to lower charter rates and lower fleet utilisation for the OSV and T&I segments and higher vessel operating/repair costs.

OSV

OSV segment revenue decreased US\$2.8m or 3% to US\$102.3 million (9M FY14: US\$105.1 million) mainly due to lower charter rates and utilisation rates of 70% in 9M FY15 (9M FY14: 85%). Gross profit decreased by 69% to US\$8.5 million due to decrease in revenue and higher operating/repair costs.

OA

OA segment revenue increased US\$43.8 million or 194% to US\$66.4 million (9M FY14: US\$22.6 million) mainly due to contributions from POSH Xanadu and three LCVs that commenced their charters in 9M FY15 offset by lower utilisation rates of 67% in 9M FY2015 (9M FY14: 77%). Gross profit improved by US\$17.4 million or 213% to US\$25.6 million (9M FY14: US\$8.2 million).

T&I

T&I segment revenue decreased US\$12.9 million or 38% to US\$21.3 million (9M FY14: US\$34.3 million). Gross profit decreased 68% to US\$4.1 million (9M FY14: US\$12.6 million) mainly due to lower charter and utilisation rates in 9M FY15.

HSER

HSER segment registered a 17% increase in revenue to US\$19.0 million (9M FY14: US\$16.3 million) due to salvage job in Q3 FY15.

General and administrative expenses decreased by 4% to US\$24.0 million (9M FY14: US\$24.9 million) mainly due lower administrative expenses arising from cost control initiatives.

Income Statement (cont'd)

9 Months ended 30 September 2015 ("9M FY15") vs 9 Months ended 30 September 2014 ("9M FY14")

Other operating income in 9M FY15 decreased to US\$8.9 million (9M FY14: US\$56.2 million) mainly due to gain from vessels disposal of US\$46.5 million in 9M FY14.

The Group's share of results from JVs registered a profit of US\$2.9 million in 9M FY15 compared with loss of US\$8.6 million in 9M FY14 due to better performance from POSH Terasea.

The Group's net profit attributable to shareholder was US\$18.7 million in 9M FY15 compared to US\$63.2 million in 9M FY14. The net profit decreased by US\$44.5 million mainly due to gain from vessels disposal of US\$46.5 million in 9M FY14. Excluding the gain from vessels disposal, net profit was US\$16.1 million in 9M FY15 (9M FY14: US\$16.7 million).

Statement of Financial Position

The Group's net asset was US\$1,211.3 million as at 30 September 2015.

Fixed assets increased by US\$175.4 million mainly due to vessels repurchased from JVs. Due from JVs was decreased by US\$221 million mainly due to the repayment of loan by JVs arising from the vessels repurchased and from POSH Terasea. Increase in receivables was due to longer receivable days and increase in other current assets was mainly due deferred project expenses for new charters in the OA segment.

The Group has a net current liability of US\$493.8 million as compared to US\$140.6 million as of 31 December 2014 mainly due to the US\$300.0 million term loan with repayment due in July 2016 being classified as current liability in 9M FY15. The term loan will be refinanced before maturity date.

Statement of Cash Flows

The Group generated net operating cash flow of US\$30.7 million for 9M FY15.

Net cash used in investing activities in 9M FY15 was US\$10.6 million as compared to US\$26.1 million in 9M FY14. This was mainly due to acquisition of fixed assets partially offset by repayment of loans by JVs.

The Group's net cash flow used in financing activities was US\$19.2 million in 9M FY15 which was mainly due to dividend payment of US\$20.1 million.

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

None.

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.*

At current weak oil prices, oil companies are reducing or deferring their capital expenditures and are reviewing existing charter arrangements and renegotiating charter rates. The Group is facing similar demands from charterers and expects continued pressure on charter rates and vessel utilisation in the next few quarters.

These factors will have a negative impact on the financial performance of the Group until market conditions improve.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Not Applicable

(c) Date payable

Not Applicable

(d) Book closure date

Not Applicable

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

No dividend has been declared or recommended for the current period reported on.

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.

Pursuant to Rule 920(2) of the listing manual of the SGX-ST, a renewal of general mandate has been obtained for the Group to enter into Interested Person Transactions with our Interested Persons as set out in the circular to the shareholders of the Company dated 10 April 2015. During the nine months financial period ended 30 September 2015, the following Interested Person Transactions were entered into by the Group.

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)
	US\$'000	US\$'000
PaxOcean Engineering Zhuhai Co., Ltd	-	10,923
DP Shipbuilding and Engineering Pte Ltd	150	4,449
Kuok (Singapore) Ltd	-	3,764*
PaxOcean Engineering Pte Ltd	-	1,555
DP Marine Pte Ltd	-	1,236
Sea Puffin Pte Ltd	-	1,042
DDW-Pax Ocean Shipyard Pte Ltd	-	554
GWC Commercial Pte Ltd (f.k.a Midpoint Properties Limited)	-	485
PSM Perkapalan Sdn Bhd	-	307
Manis Shipping Pte Ltd	-	144
TOTAL	150	24,459

Note:

* Included an amount of US\$2.3 million which represented actual billing in Q1 FY15 for shared services provided in FY14. An accrual for shared services expenses were recorded in FY14 and reflected in Note 26 of the financial statements for financial year ended 31 December 2014.

14. *Negative confirmation pursuant to Rule 705(5).*

The Board hereby confirms that to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the third quarter and nine months ended 30 September 2015 to be false or misleading in any material respect.

15. *Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).*

The Company confirms that the undertakings under Rule 720(1) of the Listing Manual have been obtained from all its directors and executive officers in the format set out in Appendix 7.7.

On behalf of the Board of Directors

Kuok Khoon Ean
Chairman

Gerald Seow
Chief Executive Officer/Director

3 November 2015