



SEMBCORP MARINE LTD
Registration Number: 196300098Z

THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2015 FINANCIAL STATEMENTS & RELATED ANNOUNCEMENT

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SEMBCORP MARINE LTD
UNAUDITED RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2015

The Board of Directors of Sembcorp Marine Ltd wishes to announce the following unaudited results of the Group for the third quarter and nine months ended 30 September 2015.

1. CONSOLIDATED INCOME STATEMENT

	Note	Group			Group		
		3Q 2015 \$'000	3Q 2014 \$'000	+ / (-) %	9M 2015 \$'000	9M 2014 \$'000	+ / (-) %
Turnover	2a	1,129,877	1,711,564	(34.0)	3,641,130	4,387,663	(17.0)
Cost of sales	2a	(1,039,107)	(1,507,042)	(31.0)	(3,182,280)	(3,818,672)	(16.7)
Gross profit	2a	90,770	204,522	(55.6)	458,850	568,991	(19.4)
Other operating income	2b	28,572	18,571	53.9	49,567	35,139	41.1
Other operating expenses	2b	(255)	(12,195)	(97.9)	(36,807)	(20,938)	75.8
General and administrative expenses	2c	(44,337)	(39,539)	12.1	(111,590)	(108,544)	2.8
Operating profit		74,750	171,359	(56.4)	360,020	474,648	(24.2)
Finance income	2d	1,492	2,246	(33.6)	6,239	7,574	(17.6)
Finance costs	2e	(12,115)	(5,420)	n.m.	(32,843)	(11,475)	n.m.
Investment income	2f	-	-	-	557	1,192	(53.3)
Non-operating income	2g	(65)	147	n.m.	-	147	n.m.
Non-operating expenses	2g	(17,062)	116	n.m.	(17,063)	-	n.m.
Share of results of associates and joint ventures, net of tax	2h	(24,436)	2,625	n.m.	(23,184)	17,251	n.m.
Profit before tax		22,564	171,073	(86.8)	293,726	489,337	(40.0)
Tax credit/(expense)	2i	8,946	(31,836)	n.m.	(40,152)	(81,534)	(50.8)
Profit for the period		31,510	139,237	(77.4)	253,574	407,803	(37.8)
Profit attributable to:							
Owners of the Company		32,106	132,005	(75.7)	247,211	386,082	(36.0)
Non-controlling interests		(596)	7,232	n.m.	6,363	21,721	(70.7)
Profit for the period		31,510	139,237	(77.4)	253,574	407,803	(37.8)
Profit attributable to Owners of the Company excluding non-operating items							
		49,233	131,742	(62.6)	264,274	385,935	(31.5)
Earnings per share (cents)							
Basic	2j	1.54	6.32	(75.6)	11.84	18.49	(36.0)
Diluted		1.54	6.32	(75.6)	11.83	18.49	(36.0)

n.m.: not meaningful

2. NOTES TO CONSOLIDATED INCOME STATEMENT

2a. Turnover, Cost of Sales

		Group			Group		
		3Q 2015 \$'000	3Q 2014 \$'000	+ / (-) %	9M 2015 \$'000	9M 2014 \$'000	+ / (-) %
Turnover	(i)	1,129,877	1,711,564	(34.0)	3,641,130	4,387,663	(17.0)
Cost of sales		(1,039,107)	(1,507,042)	(31.0)	(3,182,280)	(3,818,672)	(16.7)
Gross profit	(ii)	90,770	204,522	(55.6)	458,850	568,991	(19.4)
<i>Included in cost of sales:</i>							
Depreciation and amortisation	(iii)	(31,519)	(27,235)	15.7	(91,780)	(81,253)	13.0
Write-back of/(allowance for) inventory obsolescence		25	(34)	n.m.	(44)	279	n.m.

- (i) Group turnover for 3Q 2015 decreased mainly due to lower revenue recognition for rig building projects and repair business. Customer deferment requests for jackup rigs has resulted in the revenue recognition suspended for several rig building contracts. Customer's restructuring has also contributed to the lower revenue recognition.

Group turnover for 9M 2015 decreased mainly due to the lower revenue recognition for rig building projects and lower average revenue per repair vessel despite the increase in the number of ships repaired.

- (ii) Gross profit for 3Q 2015 and 9M 2015 decreased mainly due to lower contribution from rig building projects and repair business. Customer deferment requests for jackup rigs has resulted in lower margin recognition for rig building projects. However, contribution from offshore platforms projects was higher.
- (iii) Depreciation and amortisation for 3Q 2015 and 9M 2015 increased mainly due to depreciation charge for Sembmarine Integrated Yard @ Tuas and Brazil new yard; and amortisation of intellectual property rights.

2b. Other operating income/(expenses)

		Group			Group		
		3Q 2015 \$'000	3Q 2014 \$'000	+ / (-) %	9M 2015 \$'000	9M 2014 \$'000	+ / (-) %
Other operating income		28,572	18,571	53.9	49,567	35,139	41.1
Other operating expenses		(255)	(12,195)	(97.9)	(36,807)	(20,938)	75.8
		28,317	6,376	n.m.	12,760	14,201	(10.1)
<i>Included in other operating income/(expenses):</i>							
Foreign exchange gain/(loss), net	(i)	35,109	(12,665)	n.m.	18,840	(20,673)	n.m.
Changes in fair value of financial instruments	(ii)	(15,822)	8,978	n.m.	(34,877)	8,373	n.m.
Gain on disposal of property, plant and equipment, net		179	14	n.m.	414	67	n.m.
Rental income		4,084	3,429	19.1	11,747	7,988	47.1
Other income		5,469	6,755	(19.0)	18,566	18,711	(0.8)
Other expenses		(702)	(135)	n.m.	(1,930)	(265)	n.m.
		28,317	6,376	n.m.	12,760	14,201	(10.1)

- (i) Foreign exchange gain in 3Q 2015 and 9M 2015 mainly arose from the revaluation of assets and liabilities denominated in Euro, United States dollar and Brazilian Real.
- (ii) Fair value adjustment on financial instruments was due to mark-to-market adjustments of foreign currency forward contracts.

2. NOTES TO CONSOLIDATED INCOME STATEMENT (Cont'd)

2c. General and administrative expenses

	Group			Group		
	3Q 2015 \$'000	3Q 2014 \$'000	+ / (-) %	9M 2015 \$'000	9M 2014 \$'000	+ / (-) %
General and administrative expenses (i)	(44,337)	(39,539)	12.1	(111,590)	(108,544)	2.8
<i>Included in general and administrative expenses:</i>						
Depreciation and amortisation	(379)	(945)	(59.9)	(2,317)	(2,576)	(10.1)
Write-back of/(allowance for) doubtful debts and bad debts	186	(199)	n.m.	(2,057)	(120)	n.m.

(i) Higher general and administrative expenses in 3Q 2015 and 9M 2015 were mainly due to higher professional fees offset by lower personnel related costs.

2d. Finance income

Lower finance income in 3Q 2015 and 9M 2015 was mainly due to lower interest income from lower bank balances as compared to the corresponding periods in 2014.

2e. Finance costs

	Group			Group		
	3Q 2015 \$'000	3Q 2014 \$'000	+ / (-) %	9M 2015 \$'000	9M 2014 \$'000	+ / (-) %
Finance costs	(12,115)	(5,420)	n.m.	(32,843)	(11,475)	n.m.
<i>Included in finance costs:</i>						
Interest expense (i)	(11,346)	(4,822)	n.m.	(31,183)	(9,759)	n.m.
Commitment and facility fees	(769)	(598)	28.6	(1,660)	(1,716)	(3.3)
	(12,115)	(5,420)	n.m.	(32,843)	(11,475)	n.m.

(i) Higher interest expense in 3Q 2015 and 9M 2015 was mainly due to higher bank borrowings as compared to the corresponding periods in 2014.

2f. Investment income

Lower investment income in 9M 2015 was mainly due to lower dividend received from investments.

2g. Non-operating income/(expenses)

	Group			Group		
	3Q 2015 \$'000	3Q 2014 \$'000	+ / (-) %	9M 2015 \$'000	9M 2014 \$'000	+ / (-) %
Non-operating income	(65)	147	n.m.	-	147	n.m.
Non-operating expenses	(17,062)	116	n.m.	(17,063)	-	n.m.
	(17,127)	263	n.m.	(17,063)	147	n.m.
<i>Included in non-operating income/(expenses):</i>						
Changes in fair value of other financial assets	(72)	263	n.m.	(8)	147	n.m.
Impairment of available-for-sale financial assets	(17,055)	-	n.m.	(17,055)	-	n.m.
	(17,127)	263	n.m.	(17,063)	-	n.m.

2h. Share of results of associates and joint ventures, net of tax

The share of results of associates and joint ventures decreased in 3Q 2015 and 9M 2015 mainly due to share of losses from associates.

2. NOTES TO CONSOLIDATED INCOME STATEMENT (Cont'd)

2i. Tax credit/(expense)

	Group			Group		
	3Q 2015 \$'000	3Q 2014 \$'000	+ / (-) %	9M 2015 \$'000	9M 2014 \$'000	+ / (-) %
Tax credit/(expense)	8,946	(31,836)	n.m.	(40,152)	(81,534)	(50.8)
<i>Included in tax credit/(expense):</i>						
Write-back/(under provision) of tax in respect of prior years, net (i)	10,203	27	n.m.	11,812	68	n.m.

(i) In 3Q 2015 and 9M 2015, the write-back of tax was mainly attributable to recognition of tax incentives.

2j. Earnings per ordinary share

Earnings per ordinary share of the Group based on net profit attributable to owners of the Company:	Group			Group		
	3Q 2015	3Q 2014	+ / (-) %	9M 2015	9M 2014	+ / (-) %
(i) Based on the weighted average number of shares (cents)	1.54	6.32	(75.6)	11.84	18.49	(36.0)
Weighted average number of shares ('000)	2,088,968	2,089,138	-	2,088,631	2,087,763	-
(ii) On a fully diluted basis (cents)	1.54	6.32	(75.6)	11.83	18.49	(36.0)
Adjusted weighted average number of shares ('000)	2,089,173	2,089,880	-	2,088,836	2,088,505	-

2k. Profitability ratios

	Group			Group		
	3Q 2015 %	3Q 2014 %	+ / (-) %	9M 2015 %	9M 2014 %	+ / (-) %
Profit after taxation as a percentage of Turnover	2.79	8.14	(65.7)	6.96	9.29	(25.1)
Profit attributable to owners of the Company as a percentage of Issued Capital and Reserves at end of period	1.07	4.74	(77.4)	8.25	13.88	(40.6)

3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Group			Group		
		3Q 2015 \$'000	3Q 2014 \$'000	+ / (-) %	9M 2015 \$'000	9M 2014 \$'000	+ / (-) %
Profit for the period		31,510	139,237	(77.4)	253,574	407,803	(37.8)
Other comprehensive income							
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Foreign currency translation differences for foreign operations	3a(i)	44,363	15,136	n.m.	77,175	5,275	n.m.
Net change in fair value of cash flow hedges	3a(ii)	(52,828)	(13,514)	n.m.	(36,369)	(1,933)	n.m.
Net change in fair value of available-for-sale financial assets	3a(iii)	(12,047)	(15,475)	(22.2)	(13,770)	(10,107)	36.2
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	3a(iv)	17,055	-	n.m.	17,055	-	n.m.
Other comprehensive income for the period, net of tax		(3,457)	(13,853)	(75.0)	44,091	(6,765)	n.m.
Total comprehensive income for the period		28,053	125,384	(77.6)	297,665	401,038	(25.8)
Total comprehensive income attributable to:							
Owners of the Company		21,978	116,738	(81.2)	280,347	378,362	(25.9)
Non-controlling interests		6,075	8,646	(29.7)	17,318	22,676	(23.6)
Total comprehensive income for the period		28,053	125,384	(77.6)	297,665	401,038	(25.8)

3a. Explanatory notes to Consolidated Statement of Comprehensive Income

- (i) The translation differences mainly arose from the consolidation of entities whose functional currencies are United States dollars and Renminbi.
- (ii) Fair value changes were due to the mark-to-market adjustments of foreign currency forward contracts and interest rate swaps.
- (iii) Fair value changes were mainly attributable to the mark-to-market adjustments of quoted prices of available-for-sale assets.
- (iv) Reclassification adjustments to profit or loss on impairment of available-for-sale financial assets.

4. BALANCE SHEETS

	Group		Company	
	30-Sep-2015 \$'000	31-Dec-2014 \$'000	30-Sep-2015 \$'000	31-Dec-2014 \$'000
Non-current assets				
Property, plant and equipment	3,351,800	3,008,909	88,671	90,805
Investment properties	-	-	20,963	22,535
Investments in subsidiaries	-	-	504,696	502,675
Interests in associates and joint ventures	465,676	470,277	107,369	107,369
Other financial assets	81,405	90,443	53,417	59,528
Trade and other receivables	51,118	41,015	41,599	73,824
Intangible assets	48,109	52,614	184	184
Deferred tax assets	7,876	8,044	-	-
	4,005,984	3,671,302	816,899	856,920
Current assets				
Inventories and work-in-progress	3,427,265	3,005,419	-	-
Trade and other receivables	572,488	468,532	65,526	40,869
Tax recoverable	207	203	-	-
Other financial assets	84,705	14,188	-	-
Cash and cash equivalents	826,814	1,078,776	17,625	22,402
	4,911,479	4,567,118	83,151	63,271
Total assets	8,917,463	8,238,420	900,050	920,191
Current liabilities				
Trade and other payables	1,743,952	1,825,676	10,066	18,430
Excess of progress billings over work-in-progress	656,805	1,005,353	-	-
Provisions	13,099	15,690	-	-
Other financial liabilities	124,430	46,771	-	-
Current tax payable	82,194	121,259	-	3,682
Interest-bearing borrowings	1,002,021	433,848	-	-
	3,622,501	3,448,597	10,066	22,112
Net current assets	1,288,978	1,118,521	73,085	41,159
Non-current liabilities				
Deferred tax liabilities	118,298	130,309	10,999	11,069
Provisions	60,973	100,274	27,895	27,895
Other financial liabilities	14,549	35,673	-	-
Interest-bearing borrowings	1,846,570	1,307,519	-	-
Other payables	89,445	84,021	16,823	16,823
	2,129,835	1,657,796	55,717	55,787
Total liabilities	5,752,336	5,106,393	65,783	77,899
Net assets	3,165,127	3,132,027	834,267	842,292
Equity attributable to owners of the Company				
Share capital	484,288	484,288	484,288	484,288
Other reserves	(43,017)	(76,625)	(22,361)	(16,733)
Revenue reserve	2,554,030	2,557,455	372,340	374,737
	2,995,301	2,965,118	834,267	842,292
Non-controlling interests	169,826	166,909	-	-
Total equity	3,165,127	3,132,027	834,267	842,292

4. BALANCE SHEETS (Cont'd)

4a. Group's borrowings and debt securities

Interest-bearing borrowings:	As at 30-Sep-2015	As at 31-Dec-2014
	\$'000	\$'000
(i) <u>Amount repayable in one year or less, or on demand</u> Unsecured	1,002,021	433,848
(ii) <u>Amount repayable after one year</u> Unsecured	1,846,570	1,307,519

4b. Net asset value

	Group		Company	
	30-Sep-2015	31-Dec-2014	30-Sep-2015	31-Dec-2014
Net asset value per ordinary share based on issued share capital at the end of the financial period/year (cents)	143.37	141.92	39.93	40.31

4c. Explanatory notes to Balance Sheets

(i) Group

Non-current assets

'Property, plant and equipment' increased mainly due to capital expenditures for Phase II of Sembmarine Integrated Yard @ Tuas and Brazil new yard.

'Other financial assets' decreased mainly due to fair value adjustments of quoted equity shares and foreign currency forward contracts.

'Trade and other receivables' increased mainly due to prepayment of lease.

Current assets

'Inventories and work-in-progress' comprising mainly work-in-progress increased due to payment terms of rig building projects. The recoverability of work-in-progress from the jack-up segment is dependent on the customers taking delivery of the rigs in the future.

'Trade and other receivables' increased mainly due to billings for ongoing projects and timing of receipts.

'Other financial assets' increased mainly due to fair value adjustments on foreign currency forward contracts.

'Cash and cash equivalents' decreased mainly due to capital expenditures, dividends paid and working capital changes for ongoing projects.

Current liabilities

'Excess of progress billings over work-in-progress' decreased mainly due to timing of billing for rig building projects.

'Provisions' decreased mainly due to net write back of allowance made for warranty provision.

'Other financial liabilities' increased mainly due to fair value adjustments on foreign currency forward contracts.

'Current tax payable' decreased mainly due to payments made during the period, offset by current year tax provision.

'Interest-bearing borrowings' increased mainly due to borrowings for working capital and capital expenditures for the new yard in Brazil. The Group has secured adequate committed long term banking facilities to refinance the short term borrowings as they fall due.

4. **BALANCE SHEETS** (Cont'd)

4c. **Explanatory notes to Balance Sheets** (Cont'd)

(i) **Group** (Cont'd)

Non-current liabilities

'Provisions' decreased mainly due to net write back of allowance made for warranty provision.

'Other financial liabilities' decreased mainly due to fair value adjustments on foreign currency forward contracts.

'Interest-bearing borrowings' increased mainly due to borrowings for working capital and capital expenditures.

Equity

'Other reserves' deficit decreased mainly due to foreign currency translation gain for foreign operations and fair value adjustments on foreign currency forward contracts.

(ii) **Company**

Non-current assets

'Other financial assets' decreased mainly due to fair value adjustments of quoted equity shares.

'Trade and other receivables' decreased mainly due to receipts received.

Current assets

'Trade and other receivables' increased mainly due to timing of receipts.

'Cash and cash equivalents' decreased mainly due to dividends paid.

Current liabilities

'Trade and other payables' decreased mainly due to payments made during the period.

'Current tax payable' decreased mainly due to payments made during the period.

Equity

'Other reserves' deficit increased mainly due to fair value adjustments on quoted prices of available-for-sale financial assets.

5. CONSOLIDATED STATEMENT OF CASH FLOWS

	Group		Group	
	3Q 2015	3Q 2014	9M 2015	9M 2014
	\$'000	\$'000	\$'000	\$'000
Cash flows from Operating Activities:				
Profit for the period	31,510	139,237	253,574	407,803
Adjustments for:				
Finance income	(1,492)	(2,246)	(6,239)	(7,574)
Finance costs	12,115	5,420	32,843	11,475
Investment income	-	-	(557)	(1,192)
Depreciation of property, plant and equipment	30,397	27,341	89,592	81,312
Amortisation of intangible assets	1,501	839	4,505	2,517
Share of results of associates and joint ventures, net of tax	24,436	(2,625)	23,184	(17,251)
Gain on disposal of property, plant and equipment, net	(179)	(14)	(414)	(67)
Changes in fair value of financial instruments	15,822	(8,978)	34,877	(8,373)
Share-based payment expenses	8,884	7,699	12,505	13,193
Assets written-off	6	(21)	13	76
Changes in fair value of other financial assets	72	(263)	8	(147)
Impairment of available-for-sale financial assets	17,055	-	17,055	-
Tax (credit)/expense	(8,946)	31,836	40,152	81,534
Operating profit before working capital changes	131,181	198,225	501,098	563,306
Changes in working capital:				
Inventories and work-in-progress	(607,629)	(855,982)	(770,394)	(432,685)
Trade and other receivables	317,418	4,327	(114,146)	(976)
Trade and other payables	212,594	78,666	103,200	(196,017)
Cash generated from/(used in) operations	53,564	(574,764)	(280,242)	(66,372)
Investment and interest income received	1,517	2,211	6,883	8,633
Interest paid	(19,820)	(7,139)	(49,639)	(14,031)
Tax paid	(35,013)	(29,244)	(84,994)	(72,663)
Net cash generated from/(used in) operating activities	248	(608,936)	(407,992)	(144,433)
Cash flows from Investing Activities:				
Purchase of property, plant and equipment	(288,879)	(216,568)	(726,806)	(523,036)
Proceeds from sale of property, plant and equipment	229	31	623	297
Purchase of intangible assets	-	(25,186)	-	(25,186)
Capital contribution by non-controlling interests	-	-	157	-
Acquisition of other financial assets	1	(22)	(15)	(5,418)
Net cash used in investing activities	(288,649)	(241,745)	(726,041)	(553,343)
Cash flows from Financing Activities:				
Proceeds from borrowings	397,962	727,195	1,161,787	1,099,730
Repayment of borrowings	(4,307)	(33,912)	(12,527)	(233,912)
Proceeds from share options exercised	387	267	1,767	668
Purchase of treasury shares	-	-	(10,978)	(11,555)
Dividends paid to owners of the Company	(83,563)	(104,459)	(250,665)	(271,605)
Dividends paid to non-controlling interests of subsidiaries	(5,281)	(502)	(14,558)	(13,399)
Unclaimed dividends	29	-	29	5
Net cash generated from financing activities	305,227	588,589	874,855	569,932
Net increase/(decrease) in cash and cash equivalents	16,826	(262,092)	(259,178)	(127,844)
Cash and cash equivalents at beginning of the period	803,559	1,820,899	1,076,783	1,694,901
Effect of exchange rate changes on balances held in foreign currencies	4,381	(2,660)	7,161	(10,910)
Cash and cash equivalents at end of the period	824,766	1,556,147	824,766	1,556,147

5. CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

5a. Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of cash flows comprise the following balance sheet amounts:

	30-Sep-2015 \$'000	30-Sep-2014 \$'000
Fixed deposits	21,303	351,972
Cash and bank balances	805,511	1,206,140
Cash and cash equivalents in balance sheets	826,814	1,558,112
Bank overdrafts	(2,048)	(1,965)
Cash and cash equivalents in consolidated statement of cash flows	824,766	1,556,147

5b. Explanatory notes to Consolidated Statement of Cash Flows

(i) Third quarter

Cash flows from operating activities before changes in working capital was \$131.2 million in 3Q 2015. Net cash generated from operating activities for 3Q 2015 at \$0.2 million was mainly due to working capital for the ongoing rig building projects.

Net cash used in investing activities for 3Q 2015 was \$288.6 million. The Group spent \$288.9 million on expansion and operational capital expenditures, mainly for the Brazil new yard and Phase II of Sembmarine Integrated Yard @ Tuas.

Net cash generated from financing activities for 3Q 2015 was \$305.2 million. It relates mainly to net proceeds from borrowings, offset by dividends paid.

(ii) Nine months

Cash flows from operating activities before changes in working capital was \$501.1 million in 9M 2015. Net cash used in operating activities for 9M 2015 at \$408.0 million was mainly due to working capital for the ongoing rig building projects.

Net cash used in investing activities for 9M 2015 was \$726.0 million. The Group spent \$726.8 million on expansion and operational capital expenditures, mainly for the Brazil new yard and Phase II of Sembmarine Integrated Yard @ Tuas.

Net cash generated from financing activities for 9M 2015 was \$874.9 million. It relates mainly to net proceeds from borrowings, offset by dividends paid.

(iii) Significant non-cash transactions

Purchase of property, plant and equipment includes net payment of \$24.0 million on prior year's accrued capital expenditure for the Brazil new yard (9M 2014: excludes accrued capital expenditure of \$65.8 million for the Brazil new yard).

6. STATEMENTS OF CHANGES IN EQUITY

6a. Statements of Changes in Equity for the Group

	Attributable to owners of the Company							Non-controlling interests \$'000	Total Equity \$'000
	Share capital \$'000	Reserve for own shares \$'000	Capital reserves \$'000	Currency translation reserve \$'000	Other reserves \$'000	Revenue reserve \$'000	Total \$'000		
1H 2015									
At 1 January 2015	484,288	(1,715)	25,574	(17,044)	(83,440)	2,557,455	2,965,118	166,909	3,132,027
Total comprehensive income									
Profit for the period	-	-	-	-	-	215,105	215,105	6,959	222,064
Other comprehensive income									
Foreign currency translation differences for foreign operations	-	-	-	28,528	-	-	28,528	4,284	32,812
Net fair value changes of cash flow hedges	-	-	-	-	16,459	-	16,459	-	16,459
Net fair value changes of available-for-sale financial assets	-	-	-	-	(1,723)	-	(1,723)	-	(1,723)
Total other comprehensive income	-	-	-	28,528	14,736	-	43,264	4,284	47,548
Total comprehensive income	-	-	-	28,528	14,736	215,105	258,369	11,243	269,612
Transactions with owners of the Company, recognised directly in equity									
Purchase of treasury shares	-	(10,978)	-	-	-	-	(10,978)	-	(10,978)
Issue of treasury shares	-	10,061	-	-	(8,685)	-	1,376	-	1,376
Dividends paid	-	-	-	-	-	(167,102)	(167,102)	(9,277)	(176,379)
Cost of share-based payment - charged to profit or loss	-	-	-	-	3,778	-	3,778	-	3,778
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	157	157
Total transactions with owners	-	(917)	-	-	(4,907)	(167,102)	(172,926)	(9,120)	(182,046)
At 30 June 2015	484,288	(2,632)	25,574	11,484	(73,611)	2,605,458	3,050,561	169,032	3,219,593
3Q 2015									
Total comprehensive income									
Profit for the period	-	-	-	-	-	32,106	32,106	(596)	31,510
Other comprehensive income									
Foreign currency translation differences for foreign operations	-	-	-	37,692	-	-	37,692	6,671	44,363
Net fair value changes of cash flow hedges	-	-	-	-	(52,828)	-	(52,828)	-	(52,828)
Net fair value changes of available-for-sale financial assets	-	-	-	-	(12,047)	-	(12,047)	-	(12,047)
Net fair value changes of available-for-sale financial assets reclassified to profit or loss	-	-	-	-	17,055	-	17,055	-	17,055
Total other comprehensive income	-	-	-	37,692	(47,820)	-	(10,128)	6,671	(3,457)
Total comprehensive income	-	-	-	37,692	(47,820)	32,106	21,978	6,075	28,053
Transactions with owners of the Company, recognised directly in equity									
Issue of treasury shares	-	734	-	-	(354)	-	380	-	380
Dividends paid	-	-	-	-	-	(83,563)	(83,563)	(5,281)	(88,844)
Unclaimed dividends	-	-	-	-	-	29	29	-	29
Cost of share-based payment - charged to profit or loss	-	-	-	-	5,916	-	5,916	-	5,916
Total transactions with owners	-	734	-	-	5,562	(83,534)	(77,238)	(5,281)	(82,519)
At 30 September 2015	484,288	(1,898)	25,574	49,176	(115,869)	2,554,030	2,995,301	169,826	3,165,127

6. STATEMENTS OF CHANGES IN EQUITY (Cont'd)

6a. Statements of Changes in Equity for the Group (Cont'd)

	Attributable to owners of the Company							Non-controlling interests \$'000	Total Equity \$'000
	Share capital \$'000	Reserve for own shares \$'000	Capital reserves \$'000	Currency translation reserve \$'000	Other reserves \$'000	Revenue reserve \$'000	Total \$'000		
1H 2014									
At 1 January 2014	484,288	(7,759)	25,574	(67,406)	(26,588)	2,268,927	2,677,036	132,476	2,809,512
Total comprehensive income									
Profit for the period	-	-	-	-	-	254,077	254,077	14,489	268,566
Other comprehensive income									
Foreign currency translation differences for foreign operations	-	-	-	(9,402)	-	-	(9,402)	(459)	(9,861)
Net fair value changes of cash flow hedges	-	-	-	-	11,581	-	11,581	-	11,581
Net fair value changes of available-for-sale financial assets	-	-	-	-	5,368	-	5,368	-	5,368
Total other comprehensive income	-	-	-	(9,402)	16,949	-	7,547	(459)	7,088
Total comprehensive income	-	-	-	(9,402)	16,949	254,077	261,624	14,030	275,654
Transactions with owners of the Company, recognised directly in equity									
Purchase of treasury shares	-	(11,555)	-	-	-	-	(11,555)	-	(11,555)
Issue of treasury shares	-	16,555	-	-	(16,178)	-	377	-	377
Dividends paid	-	-	-	-	-	(167,146)	(167,146)	(12,897)	(180,043)
Unclaimed dividends	-	-	-	-	-	5	5	-	5
Cost of share-based payment - charged to profit or loss	-	-	-	-	3,904	-	3,904	-	3,904
Total transactions with owners	-	5,000	-	-	(12,274)	(167,141)	(174,415)	(12,897)	(187,312)
At 30 June 2014	484,288	(2,759)	25,574	(76,808)	(21,913)	2,355,863	2,764,245	133,609	2,897,854
3Q 2014									
Total comprehensive income									
Profit for the period	-	-	-	-	-	132,005	132,005	7,232	139,237
Other comprehensive income									
Foreign currency translation differences for foreign operations	-	-	-	13,722	-	-	13,722	1,414	15,136
Net fair value changes of cash flow hedges	-	-	-	-	(13,514)	-	(13,514)	-	(13,514)
Net fair value changes of available-for-sale financial assets	-	-	-	-	(15,475)	-	(15,475)	-	(15,475)
Total other comprehensive income	-	-	-	13,722	(28,989)	-	(15,267)	1,414	(13,853)
Total comprehensive income	-	-	-	13,722	(28,989)	132,005	116,738	8,646	125,384
Transactions with owners of the Company, recognised directly in equity									
Issue of treasury shares	-	794	-	-	(527)	-	267	-	267
Dividends paid	-	-	-	-	-	(104,459)	(104,459)	(502)	(104,961)
Cost of share-based payment - charged to profit or loss	-	-	-	-	5,301	-	5,301	-	5,301
Total transactions with owners	-	794	-	-	4,774	(104,459)	(98,891)	(502)	(99,393)
At 30 September 2014	484,288	(1,965)	25,574	(63,086)	(46,128)	2,383,409	2,782,092	141,753	2,923,845

6. STATEMENTS OF CHANGES IN EQUITY (Cont'd)

6b. Statements of Changes in Equity of the Company

	Share capital \$'000	Reserve for own shares \$'000	Capital reserves \$'000	Other reserves \$'000	Revenue reserve \$'000	Total Equity \$'000
1H 2015						
At 1 January 2015	484,288	(1,715)	960	(15,978)	374,737	842,292
Total comprehensive income						
Profit for the period	-	-	-	-	163,074	163,074
Other comprehensive income						
Net fair value changes of available-for-sale financial assets	-	-	-	1,589	-	1,589
Total other comprehensive income	-	-	-	1,589	-	1,589
Total comprehensive income	-	-	-	1,589	163,074	164,663
Transactions with owners of the Company, recognised directly in equity						
Purchase of treasury shares	-	(10,978)	-	-	-	(10,978)
Issue of treasury shares	-	10,061	-	(8,681)	-	1,380
Dividends paid	-	-	-	-	(167,102)	(167,102)
Cost of share-based payment						
- charged to profit or loss	-	-	-	716	-	716
- issued to employees of subsidiaries	-	-	-	3,062	-	3,062
Total transactions with owners	-	(917)	-	(4,903)	(167,102)	(172,922)
At 30 June 2015	484,288	(2,632)	960	(19,292)	370,709	834,033
3Q 2015						
Total comprehensive income						
Profit for the period	-	-	-	-	85,165	85,165
Other comprehensive income						
Net fair value changes of available-for-sale financial assets	-	-	-	(7,700)	-	(7,700)
Total other comprehensive income	-	-	-	(7,700)	-	(7,700)
Total comprehensive income	-	-	-	(7,700)	85,165	77,465
Transactions with owners of the Company, recognised directly in equity						
Issue of treasury shares	-	734	-	(347)	-	387
Dividends paid	-	-	-	-	(83,563)	(83,563)
Unclaimed dividends	-	-	-	-	29	29
Cost of share-based payment						
- charged to profit or loss	-	-	-	1,153	-	1,153
- issued to employees of subsidiaries	-	-	-	4,763	-	4,763
Total transactions with owners	-	734	-	5,569	(83,534)	(77,231)
At 30 September 2015	484,288	(1,898)	960	(21,423)	372,340	834,267

6. STATEMENTS OF CHANGES IN EQUITY (Cont'd)

6b. Statements of Changes in Equity of the Company (Cont'd)

	Share capital \$'000	Reserve for own shares \$'000	Capital reserves \$'000	Other reserves \$'000	Revenue reserve \$'000	Total Equity \$'000
1H 2014						
At 1 January 2014	484,288	(7,759)	960	2,748	409,509	889,746
Total comprehensive income						
Profit for the period	-	-	-	-	152,296	152,296
Other comprehensive income						
Net fair value changes of available-for-sale financial assets	-	-	-	6,817	-	6,817
Total other comprehensive income	-	-	-	6,817	-	6,817
Total comprehensive income	-	-	-	6,817	152,296	159,113
Transactions with owners of the Company, recognised directly in equity						
Purchase of treasury shares	-	(11,555)	-	-	-	(11,555)
Issue of treasury shares	-	16,555	-	(16,154)	-	401
Dividends paid	-	-	-	-	(167,146)	(167,146)
Unclaimed dividends	-	-	-	-	5	5
Cost of share-based payment						
- charged to profit or loss	-	-	-	790	-	790
- issued to employees of subsidiaries	-	-	-	3,114	-	3,114
Total transactions with owners	-	5,000	-	(12,250)	(167,141)	(174,391)
At 30 June 2014	484,288	(2,759)	960	(2,685)	394,664	874,468
3Q 2014						
Total comprehensive income						
Profit for the period	-	-	-	-	86,100	86,100
Other comprehensive income						
Net fair value changes of available-for-sale financial assets	-	-	-	(13,819)	-	(13,819)
Total other comprehensive income	-	-	-	(13,819)	-	(13,819)
Total comprehensive income	-	-	-	(13,819)	86,100	72,281
Transactions with owners of the Company, recognised directly in equity						
Issue of treasury shares	-	794	-	(527)	-	267
Dividends paid	-	-	-	-	(104,459)	(104,459)
Cost of share-based payment						
- charged to profit or loss	-	-	-	999	-	999
- issued to employees of subsidiaries	-	-	-	4,302	-	4,302
Total transactions with owners	-	794	-	4,774	(104,459)	(98,891)
At 30 September 2014	484,288	(1,965)	960	(11,730)	376,305	847,858

6. STATEMENTS OF CHANGES IN EQUITY (Cont'd)

6c. Changes in the Company's share capital

(i) Issued and Paid Up Capital

As at 30 September 2015, the Company's issued and paid up capital, excluding treasury shares, comprises 2,089,145,033 (31 December 2014: 2,089,343,860) ordinary shares.

(ii) Share Options

During 3Q 2015, there were 182,500 (3Q 2014: 158,810) share options exercised under the Company's Share Option Plan ("SOP") and settled by way of issuance of treasury shares.

In 3Q 2015, there were 244,590 (3Q 2014: 68,000) share options that lapsed.

As at 30 September 2015, there were 973,312 (30 September 2014: 1,701,977) unissued ordinary shares under options granted to eligible employees and directors under the SOP.

(iii) Performance Shares

During 3Q 2015, there was no (3Q 2014: 740,000) performance shares awarded under the Company's Performance Share Plan ("PSP").

The total number of performance shares in awards granted conditionally and representing 100% of targets to be achieved, but not released as at 30 September 2015 was 3,275,000 (30 September 2014: 2,810,000). Based on the multiplying factor, the actual release of the awards could range from zero to a maximum of 4,912,500 (30 September 2014: 4,215,000) performance shares.

(iv) Restricted Shares

In 3Q 2015, there was no (3Q 2014: 18,360) restricted shares awarded under the Company's Restricted Share Plan ("RSP").

During 3Q 2015, 55,699 (3Q 2014: 33,916) restricted shares were released under the RSP and 143,370 (3Q 2014: 66,767) restricted shares lapsed. The restricted shares released were settled by way of issuance of treasury shares.

The total number of restricted shares outstanding, including awards achieved but not released, as at 30 September 2015 was 10,165,290 (30 September 2014: 8,319,988). Of this, the total number of restricted shares in awards granted conditionally and representing 100% of targets to be achieved, but not released as at 30 September 2015 was 7,662,786 (30 September 2014: 5,464,700). Based on the multiplying factor, the actual release of the conditional awards could range from zero to a maximum of 11,494,179 (30 September 2014: 8,197,050) restricted shares.

(v) Treasury Shares

In 3Q 2015, 238,199 (3Q 2014: 192,726) treasury shares were issued pursuant to the SOP and RSP.

As at 30 September 2015, 615,074 (30 September 2014: 476,869) treasury shares were held that may be issued upon the exercise of the options under the SOP and upon the vesting of performance shares and restricted shares under the PSP and RSP respectively.

7. AUDIT

The figures have not been audited or reviewed by the Company's auditors. However, our auditors have performed certain procedures under the requirements of Singapore Standard on Related Services (SSRS) 4400 – Engagements to Perform Agreed-upon Procedures Regarding Financial Information. These procedures do not constitute either an audit or a review made in accordance with Singapore Standards on Auditing or Singapore Standards on Review Engagements.

8. AUDITORS' REPORT

Not applicable.

9. ACCOUNTING POLICIES

Except as disclosed in paragraph 10 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 December 2014.

10. CHANGES IN ACCOUNTING POLICIES

The following new/amended FRSs have become effective from 1 January 2015:

Amendments to FRS 19 Employee Benefit Plans: Employee Contributions

Improvements to FRSs (January 2014)

- FRS 16 Property, Plant and Equipment
- FRS 38 Intangible Assets
- FRS 24 Related Party Disclosures
- FRS 102 Share-based Payment
- FRS 103 Business Combinations
- FRS 108 Operating Segments

Improvements to FRSs (February 2014)

- FRS 103 Business Combinations
- FRS 113 Fair Value Measurements
- FRS 40 Investment Property

The adoption of the above FRSs (including consequential amendments) does not have any significant impact on the financial statements.

11. REVIEW OF GROUP PERFORMANCE

(i) Turnover

	3Q 2015	3Q 2014	+ / (-)	+ / (-)	9M 2015	9M 2014	+ / (-)	+ / (-)
	\$'m	\$'m	\$'m	%	\$'m	\$'m	\$'m	%
Rigs & Floaters	743.8	1,314.9	(571.1)	(43.4)	2,464.4	3,107.3	(642.9)	(20.7)
Repairs & Upgrades	131.4	157.3	(25.9)	(16.5)	397.2	464.8	(67.6)	(14.5)
Offshore Platforms	234.7	220.2	14.5	6.6	722.4	754.8	(32.4)	(4.3)
Other Activities	20.0	19.2	0.8	4.2	57.1	60.8	(3.7)	(6.1)
	1,129.9	1,711.6	(581.7)	(34.0)	3,641.1	4,387.7	(746.6)	(17.0)

Turnover for 3Q 2015 decreased mainly due to lower revenue recognition for rig building projects and repair business. Customer deferment requests and customer's restructuring has resulted in the lower revenue recognition for rigs & floaters segment.

Turnover for 9M 2015 decreased mainly due to the lower revenue recognition for rig building projects and lower average revenue per repair vessel despite the increase in the number of ships repaired.

(ii) Profit attributable to Owners of the Company ("Net profit")

Net profit for 3Q 2015 and 9M 2015 decreased mainly due to lower contribution from rig building projects resulting from customer deferment requests and restructuring, higher finance costs, impairment loss on available-for-sale financial assets and share of losses from associates. However, contribution from offshore platforms projects was higher.

12. VARIANCE FROM PROSPECT STATEMENT

There is no material change from the previous prospect statement.

13. PROSPECTS

Low oil prices and the oversupply situation in the global offshore exploration segment continues to weigh on offshore rig utilisation and charter rates, leading to the lack of new charter contracts and the cancellation of existing charters.

As stated in our 1H 2015 outlook, some of our customers are deferring or are seeking to defer the delivery of their ordered rigs. These deferrals have now resulted in a delay in earnings recognition from these projects. Brazil's oil and gas industry continues to remain fraught in uncertainty.

The group faces many challenges ahead and we will continue to actively manage our balance sheet to maintain a healthy financial position.

Despite the depressed market, the group has secured \$2.9 billion in new contracts year-to-date for the offshore production market segments bringing our net total order book to \$11.6 billion.

On July 1, 2015, we reached a key milestone in our Transformation efforts as our various business units were integrated under ONE Brand focussing on four key capabilities, namely, Rigs & Floaters; Repairs & Upgrades; Offshore Platforms; and Specialised Shipbuilding. As an integrated Sembcorp Marine, we will optimise our capabilities and capacities, as well as increase our efficiency and productivity to better serve our partners and customers.

While the immediate operating environment in the offshore rig building industry remains very challenging, Sembcorp Marine remains focussed on the timely and effective execution of its current order book and efficient working capital management. We are confident of the long term fundamentals of the offshore and marine industry and believe our investments in new capabilities and facilities will help ensure sustainable returns for the Group, both in Singapore and at our overseas yards.

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, exchange rate movement, cost of capital and capital availability, competition from other companies and venues for the sale and distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.

14. DIVIDEND

There is no dividend recommended for the period ended 30 September 2015.

15. SEGMENTAL REPORTING

9M 2015

(i) Business Segments:

	Rigs & floaters, Repairs & upgrades, Offshore platforms, and Specialised shipbuilding \$'000	Ship chartering \$'000	Others \$'000	Eliminations \$'000	Total \$'000
Turnover					
Sales to external parties	3,586,532	38,993	15,605	-	3,641,130
Inter-segment sales	-	-	144,236	(144,236)	-
Total	3,586,532	38,993	159,841	(144,236)	3,641,130
Results					
Segment results	341,129	9,705	9,186	-	360,020
Finance income	6,101	-	138	-	6,239
Finance costs	(30,708)	(2,135)	-	-	(32,843)
Investment income	-	-	557	-	557
Non-operating expenses	(8)	-	(17,055)	-	(17,063)
Share of results of associates and joint ventures, net of tax	(27,485)	3,188	1,113	-	(23,184)
Profit/(loss) before tax	289,029	10,758	(6,061)	-	293,726
Tax expense	(38,572)	-	(1,580)	-	(40,152)
Profit/(loss) for the period	250,457	10,758	(7,641)	-	253,574
Assets					
Segment assets	8,079,484	257,794	106,426	-	8,443,704
Investments in associates and joint ventures	395,200	63,299	7,177	-	465,676
Deferred tax assets	7,876	-	-	-	7,876
Tax recoverable	207	-	-	-	207
Total assets	8,482,767	321,093	113,603	-	8,917,463
Liabilities					
Segment liabilities	5,425,231	122,417	4,196	-	5,551,844
Deferred tax liabilities	117,886	-	412	-	118,298
Current tax payable	80,373	-	1,821	-	82,194
Total liabilities	5,623,490	122,417	6,429	-	5,752,336
Capital expenditure	702,585	-	241	-	702,826
Significant non-cash item					
Depreciation and amortisation	86,656	6,760	681	-	94,097
Assets written-off	13	-	-	-	13

(ii) Geographical Segments:

	Turnover from external customers \$'000	Non-current assets ⁽¹⁾ \$'000	Total assets \$'000	Capital expenditure \$'000
Singapore	461,669	2,162,130	6,867,172	281,711
China	301	390,081	390,010	-
Rest of ASEAN, Australia & India	298,456	155,486	298,609	11,426
Middle East & Africa	7,122	-	-	-
Norway	748,337	-	-	-
The Netherlands	595,881	237,346	257,753	-
Rest of Europe	554,964	6,832	39,004	619
Brazil	71,981	947,653	1,058,926	408,959
U.S.A.	813,047	4,267	5,989	111
Mexico	88,872	-	-	-
Other Countries	500	-	-	-
Total	3,641,130	3,903,795	8,917,463	702,826

⁽¹⁾ Non-current assets presented consist of property, plant and equipment, investments in associates and joint ventures, trade and other receivables (other than financial instruments) and intangible assets.

15. SEGMENTAL REPORTING (Cont'd)

9M 2014

(i) Business Segments:

	Rigs & floaters, Repairs & upgrades, Offshore platforms, and Specialised shipbuilding \$'000	Ship chartering \$'000	Others \$'000	Eliminations \$'000	Total \$'000
Turnover					
Sales to external parties	4,331,365	38,379	17,919	-	4,387,663
Inter-segment sales	-	-	160,337	(160,337)	-
Total	4,331,365	38,379	178,256	(160,337)	4,387,663
Results					
Segment results	453,693	11,543	9,412	-	474,648
Finance income	7,487	-	87	-	7,574
Finance costs	(10,563)	(912)	-	-	(11,475)
Investment income	78	-	1,114	-	1,192
Non-operating income	147	-	-	-	147
Share of results of associates and joint ventures, net of tax	12,076	3,901	1,274	-	17,251
Profit before tax	462,918	14,532	11,887	-	489,337
Tax expense	(80,079)	-	(1,455)	-	(81,534)
Profit for the period	382,839	14,532	10,432	-	407,803
Assets					
Segment assets	7,012,778	238,495	140,270	-	7,391,543
Investments in associates and joint ventures	402,575	53,151	5,678	-	461,404
Deferred tax assets	9,178	-	-	-	9,178
Tax recoverable	300	-	-	-	300
Total assets	7,424,831	291,646	145,948	-	7,862,425
Liabilities					
Segment liabilities	4,549,299	126,425	18,571	-	4,694,295
Deferred tax liabilities	142,261	-	551	-	142,812
Current tax payable	99,257	-	2,216	-	101,473
Total liabilities	4,790,817	126,425	21,338	-	4,938,580
Capital expenditure	613,877	-	170	-	614,047
Significant non-cash item					
Depreciation and amortisation	76,956	6,228	645	-	83,829
Assets written-off	76	-	-	-	76

(ii) Geographical Segments:

	Turnover from external customers \$'000	Non-current assets ⁽¹⁾ \$'000	Total assets \$'000	Capital expenditure \$'000
Singapore	561,633	1,865,804	6,184,630	159,718
China	3,629	390,923	391,059	25
Rest of ASEAN, Australia & India	571,149	144,967	182,144	14,341
Middle East & Africa	13,018	-	-	-
Norway	750,373	-	-	-
The Netherlands	849,358	222,285	238,505	-
Rest of Europe	127,704	7,014	17,202	644
Brazil	-	818,301	842,733	439,294
U.S.A.	997,934	3,799	6,152	25
Mexico	512,865	-	-	-
Total	4,387,663	3,453,093	7,862,425	614,047

⁽¹⁾ Non-current assets presented consist of property, plant and equipment, investments in associates and joint ventures, trade and other receivables (other than financial instruments) and intangible assets.

15. **SEGMENTAL REPORTING** (Cont'd)

15a. **Explanatory notes to Segmental Reporting**

(i) Business segments

The Group has two reportable segments, which are the Group's strategic business units. The strategic business units are managed separately because of their different business activities. The two reportable segments are (i) rigs & floaters, repairs & upgrades, offshore platforms and specialised shipbuilding (ii) ship chartering.

Inter-segment sales and transfers are carried out on an arm's length basis. Segment assets consist primarily of property, plant and equipment, current assets and exclude inter-segment balances. Segment liabilities comprise mainly operating liabilities and exclude inter-segment balances. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Other operations include bulk trading in marine engineering related products; provision of harbour tug services to port users; collection and treatment of used copper slag, and the processing and distribution of copper slag for blast cleaning purposes.

(ii) Geographical segments

The Group operates principally in the Republic of Singapore. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets and total assets are based on the geographical location of the assets.

(iii) Review of segment performance

Please refer to paragraph 11.

16. INTERESTED PERSON TRANSACTIONS

	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual (excluding transactions less than \$100,000)	
	9M 2015 \$'000	9M 2014 \$'000
Transaction for the Sales of Goods and Services		
PSA International Pte Ltd and its associates	2,951	5,840
Sembcorp Industries Limited and its associates	-	108
Transaction for the Purchase of Goods and Services		
Sembcorp Industries Limited and its associates	120	1,506
Singapore Technologies Engineering Ltd and its associates	-	10,252
Management and Support Services		
Sembcorp Industries Limited	188	188
Total Interested Person Transactions	3,259	17,894

17. CONFIRMATION PURSUANT TO THE RULE 705(5) OF THE LISTING MANUAL

The Board of Directors hereby confirms that, to the best of its knowledge, nothing has come to its attention which may render the third quarter and nine months ended 30 September 2015 unaudited financial results to be false or misleading.

BY ORDER OF THE BOARD

**TAN YAH SZE/KEM HUEY LEE SHARON
JOINT COMPANY SECRETARIES**

22 October 2015