

## News Release

*Details on how the business of the Sector is managed and its related performance are set out below. This information is given on a voluntary basis and from the perspective of the Sector management, as its disclosure is not required by law or regulation.*

### Marine

“Better Performance than 1Q2013”

<b>FINANCIAL HIGHLIGHTS</b> For the first quarter ended 31 March 2014			
	<b>2014 1Q</b>	<b>2013 1Q</b>	<b>Growth %</b>
Revenue (\$m)	324	254	27
Earnings before interest and tax (EBIT) (\$m)	28.2	26.6	6
Other income, net (\$m)	1.5	1.5	(1)
Finance income, net (\$m)	1.0	0.7	38
Profit before tax (PBT) (\$m)	31.5	29.6	7
Profit attributable to shareholders (\$m)	25.1	20.8	21

N.B.: All currencies are in Singapore dollars.



## Marine

### Marine sector unaudited results for the first quarter ended 31 March 2014

	1Q2014 \$'000	1Q2013 \$'000	+ / (-) %
1. (a) Revenue	323,564	254,300	27.2
(b) Cost of sales	(281,801)	(214,184)	31.6
(c) Gross Profit	<u>41,763</u>	<u>40,116</u>	4.1
(d) Distribution and selling expenses	(2,105)	(1,847)	14.0
(e) Administrative expenses	(8,799)	(9,129)	(3.6)
(f) Other operating expenses	(2,653)	(2,572)	3.1
(g) Profit from operations	<u>28,206</u>	<u>26,568</u>	6.2
(h) Other income	1,543	1,536	0.5
(i) Other expenses	(23)	(3)	>500
(j) Other income, net	1,520	1,533	(0.8)
(k) Finance income	1,080	6,069	(82.2)
(l) Finance costs	(94)	(5,354)	(98.2)
(m) Finance income, net	986	715	37.9
(n) Share of results of associates and jointly controlled entities, net of tax	820	773	6.1
(o) Profit before taxation	<u>31,532</u>	<u>29,589</u>	6.6
(p) Taxation	(6,423)	(8,796)	(27.0)
(q) Profit for the year	<u>25,109</u>	<u>20,793</u>	20.8
Attributable to:			
(r) Shareholder of the Company	25,112	20,799	20.7
(s) Non-controlling interests	(3)	(6)	(50.0)
	<u>25,109</u>	<u>20,793</u>	20.8
2. (a) Profit from operations is arrived at after charging/(crediting) the following:			
Depreciation and amortisation	6,595	4,260	54.8
Write-back of allowance for doubtful debts & bad debts written off, net	(50)	(58)	> 500
Allowance for inventory obsolescence, net	22	9	144.4
(b) Finance income, net comprises			
Interest income	541	501	8.0
Foreign exchange gain/(loss), net	(32)	67	(147.8)
Fair value changes of financial instruments / hedged items	477	170	180.6
Gain on disposal of investments	-	1	(100.0)
Interest expenses	-	(24)	(100.0)
	<u>986</u>	<u>715</u>	37.9



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	1Q2014 \$'000	1Q2013 \$'000	+ / (-) %
3. (a) Profit for the year [1(q) above] as a percentage of revenue	7.8%	8.2%	
(b) Profit attributable to shareholders [1(f) above] as a percentage of share capital and reserves at end of the period	10.7%	12.7%	
4. (a) Revenue reported for first quarter	323,564	254,300	27.2
(b) Profit for the period reported for first quarter	25,109	20,793	20.8
5. (a) There was no over or under provision of current and deferred tax in respect of prior years (1Q2013: There was an adjustment of \$421,000 for over provision of current and deferred tax in respect of prior years).			
(b) There was no disposal of property during the period.			

### 6. Business Group Information

#### By Business Group

	Revenue			Profit before Taxation		
	1Q2014 \$'000	1Q2013 \$'000	+ / (-) %	1Q2014 \$'000	1Q2013 \$'000	+ / (-) %
Shipbuilding	246,536	176,516	39.7	16,128	12,863	25.4
Shiprepair	56,903	68,463	(16.8)	11,696	16,641	(29.7)
Engineering	20,125	9,321	115.9	3,708	85	>500
Total	<u>323,564</u>	<u>254,300</u>	27.2	<u>31,532</u>	<u>29,589</u>	6.6

#### By Geographical Areas

	Revenue		
	1Q2014 \$'000	1Q2013 \$'000	
Asia	83,201	85,415	(2.6)
USA	110,051	145,855	(24.5)
Europe	18,764	22,518	(16.7)
Others	111,548	512	>500
Total	<u>323,564</u>	<u>254,300</u>	27.2

#### By Country of Incorporation

Asia	215,888	108,445	99.1
USA	107,676	145,855	(26.2)
Europe	-	-	-
Others	-	-	-
Total	<u>323,564</u>	<u>254,300</u>	27.2



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### 7. Review of Performance

#### (a) Revenue

1Q2014 vs 1Q2013	1Q2014	1Q2013	Growth	
		\$324m	\$254m	\$70m

Revenue for 1Q2014 of \$324 million was higher than 1Q2013 by 27% or \$70 million. The increase came mainly from higher Shipbuilding revenue from the local operations.

#### (b) Profitability

1Q2014 vs 1Q2013	1Q2014	1Q2013	Growth	
		\$31.5m	\$29.6m	\$1.9m

1Q2014 profit before tax (PBT) of \$31.5 million was higher than 1Q2013 by 7% or \$1.9 million. The higher PBT was due mainly to higher gross profit from the higher revenue.

### 8. Prospects

#### 1H2014

Barring unforeseen circumstances, revenue for 1H2014 is expected to be higher, whilst PBT is expected to be comparable to 1H2013.

### 9. Balance Sheet

	31-Mar-14 \$'000	31-Dec-13 \$'000
Property, plant and equipment	322,028	324,043
Jointly controlled entities	4,043	3,223
Intangible assets	290	355
Long-term receivables, non-current	190	194
Amounts due from related parties, non-current	4,806	4,806
Derivative financial instruments, non-current	22,770	27,899
Deferred tax assets	16,590	16,072
Non-current assets	370,717	376,592
Current assets	795,626	764,224
<b>Total assets</b>	<b>1,166,343</b>	<b>1,140,816</b>
Current liabilities	862,566	846,639
Non-current liabilities	98,058	103,680
<b>Total liabilities</b>	<b>968,624</b>	<b>950,319</b>
Share capital and reserves	207,684	190,459
Non-controlling interests	35	38
<b>Total equity and liabilities</b>	<b>1,166,343</b>	<b>1,140,816</b>
<b>Net current liabilities</b>	<b>(66,940)</b>	<b>(82,415)</b>



**Marine**

**10. Statement of Cash Flows for the first quarter ended 31 March 2014**

	1Q2014 \$'000	1Q2013 \$'000
Net cash from operating activities	54,287	184,122
Net cash used in Investing activities	(5,329)	(10,538)
Proceeds from disposal of property, plant and equipment	9	2
Purchase of property, plant and equipment	(5,338)	(10,793)
Proceeds from disposal of investments	-	253
Net cash from used in financing activities	(3,749)	1,937
Proceeds from related corporation loans	-	1,961
Dividend paid to shareholders	(3,749)	-
Interest paid	-	(24)
Net increase in cash and cash equivalents	45,209	175,521
Cash and cash equivalents at beginning of the period	333,058	221,190
Exchange difference on cash and cash equivalents at beginning of the period	(582)	847
Cash and cash equivalents at end of the period	<u>377,685</u>	<u>397,558</u>

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