

## 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 over 3Q2012”

<b>FINANCIAL HIGHLIGHTS</b>					
<b>For the quarter ended</b>					
<b>30 September 2013</b>					
	<b>2013 3Q</b>	<b>2012 3Q</b>	<b>Growth %</b>	<b>2013 2Q</b>	<b>Growth %</b>
Revenue (\$m)	296	236	25	311	(5)
Earnings before interest and tax (EBIT) (\$m)	31.6	27.5	15	33.0	(4)
Other income, net (\$m)	1.3	1.5	(14)	1.8	(25)
Finance income/(costs), net (\$m)	0.5	1.2	(56)	0.6	(2)
Profit before tax (PBT) (\$m)	34.1	30.4	12	35.7	(4)
Profit attributable to shareholders (\$m)	25.7	23.7	8	28.7	(10)

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

**Singapore Technologies Engineering Ltd**

ST Engineering Hub, 1 Ang Mo Kio Electronics Park Road #07-01, Singapore 567710

Tel: (65) 6722 1818 Fax: (65) 6720 2293

<http://www.stengg.com>

(Regn. No.: 199706274H)

Engineering Our Future

## Marine

### Marine sector unaudited results for the third quarter ended 30 September 2013

	3Q2013 \$'000	3Q2012 \$'000	+ / (-) %
<b>1. (a) Revenue</b>	<b>295,905</b>	<b>235,925</b>	<b>25.4</b>
(b) Cost of sales	(251,944)	(195,338)	29.0
<b>(c) Gross Profit</b>	<b>43,961</b>	<b>40,587</b>	<b>8.3</b>
(d) Distribution and selling expenses	(1,176)	(1,937)	(39.3)
(e) Administrative expenses	(8,210)	(8,299)	(1.1)
(f) Other operating expenses	(2,953)	(2,863)	3.1
<b>(g) Profit from operations</b>	<b>31,622</b>	<b>27,488</b>	<b>15.0</b>
(h) Other income, net	1,309	1,516	(13.7)
(i) Finance income	11,719	4,836	142.3
(j) Finance costs	(11,188)	(3,619)	209.1
(k) Finance income/(costs), net	531	1,217	(56.4)
(l) Share of results of associates and jointly controlled entities	635	233	172.5
<b>(m) Profit before taxation</b>	<b>34,097</b>	<b>30,454</b>	<b>12.0</b>
(n) Taxation	(8,366)	(6,905)	21.2
<b>(o) Profit for the period</b>	<b>25,731</b>	<b>23,549</b>	<b>9.3</b>
Attributable to:			
(p) <b>Shareholders of the Company</b>	<b>25,730</b>	<b>23,737</b>	<b>8.4</b>
(q) Non-controlling interests	1	(188)	(100.5)
	<b>25,731</b>	<b>23,549</b>	<b>9.3</b>
<b>2. (a) Profit from operations is arrived at after charging/(crediting) the following:</b>			
Depreciation and amortisation	4,793	3,781	26.8
Allowance/(write-back of allowance) for doubtful debts & bad debts written off, net	7	(20)	(135.0)
Allowance/(write-back of allowance) for inventory obsolescence, net	388	(58)	<-500
<b>(b) Finance income/(costs), net comprises</b>			
Interest income	638	442	44.3
Foreign exchange gain/(loss), net	(3)	(68)	(95.6)
Fair value changes of financial instruments / hedged items	(75)	817	(109.2)
Interest expenses	(29)	(5)	480.0
Others	-	31	(100.0)
	<b>531</b>	<b>1,217</b>	<b>(56.4)</b>

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	3Q2013 \$'000	3Q2012 \$'000	+ / (-) %
3. (a) Profit for the period [1(o) above] as a percentage of revenue	8.7%	10.0%	
(b) Profit attributable to shareholders [1(p) above] as a percentage of share capital and reserves at end of period	10.7%	14.4%	
4. (a) Revenue reported for first half year	565,044	520,936	8.5
(b) Profit for the period reported for first half year	49,447	43,076	14.8
(c) Revenue reported for third quarter	295,905	235,925	25.4
(d) Profit for the period reported for third quarter	25,731	23,549	9.3
(e) Revenue reported for first nine months	860,949	756,861	13.8
(f) Profit for the period reported for first nine months	75,178	66,625	12.8
5. (a) There was no adjustment for over or under provision of current and deferred tax in respect of prior years (3Q2012: Nil).			
(b) There was no disposal of property during the third quarter.			

#### 6. Business Group Information

##### By Business Group

	Revenue			Profit before Taxation		+ / (-) %
	2013 \$'000	2012 \$'000	+ / (-) %	2013 \$'000	2012 \$'000	
<b>Third Quarter</b>						
Shipbuilding	207,013	147,724	40.1	12,966	13,281	(2.4)
Shiprepair	76,450	70,291	8.8	20,070	16,519	21.5
Engineering	<u>12,442</u>	<u>17,910</u>	(30.5)	<u>1,061</u>	<u>654</u>	62.2
Total	<u>295,905</u>	<u>235,925</u>	25.4	<u>34,097</u>	<u>30,454</u>	12.0
<b>Nine Months Ended 30 September</b>						
Shipbuilding	596,332	464,584	28.4	42,223	48,642	(13.2)
Shiprepair	229,670	235,019	(2.3)	53,961	40,277	34.0
Engineering	<u>34,947</u>	<u>57,258</u>	(39.0)	<u>3,317</u>	<u>2,243</u>	47.9
Total	<u>860,949</u>	<u>756,861</u>	13.8	<u>99,501</u>	<u>91,162</u>	9.1

	Revenue		
	3Q2013 \$'000	3Q2012 \$'000	+ / (-) %
<b>By Geographical Areas</b>			
Asia	102,365	94,924	7.8
USA	124,059	116,854	6.2
Europe	19,019	16,304	16.7
Others	<u>50,462</u>	<u>7,843</u>	>500
Total	<u>295,905</u>	<u>235,925</u>	25.4

<b>By Country of Incorporation</b>			
	3Q2013 \$'000	3Q2012 \$'000	+ / (-) %
Asia	171,984	120,660	42.5
USA	123,921	115,265	7.5
Europe	-	-	-
Others	-	-	-
Total	<u>295,905</u>	<u>235,925</u>	25.4

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### 7. Review of Performance

#### (a) Revenue

##### 3Q2013 vs 3Q2012

3Q2013	3Q2012	Growth	
\$296m	\$236m	\$60m	25%

Revenue for 3Q2013 was 25% or \$60 million higher than 3Q2012 due mainly to higher **Shipbuilding** activities from both the local and US operations.

##### 3Q2013 vs 2Q2013

3Q2013	2Q2013	Growth	
\$296m	\$311m	(\$15m)	(5%)

Revenue for 3Q2013 was comparable to 2Q2013.

#### (b) Profitability

##### 3Q2013 vs 3Q2012

3Q2013	3Q2012	Growth	
\$34.1m	\$30.4m	\$3.7m	12%

The profit before tax ("PBT") of \$34.1 million for 3Q2013 was higher than that in 3Q2012 by 12% or \$3.7 million due mainly to higher gross profit from the higher revenue. In this quarter, there was an impairment of \$23.7 million for ROPAX resulting from the prolonged softness of the shipping market in Europe, partially offset by write-back of provision for warranties of \$14.4 million no longer required.

##### 3Q2013 vs 2Q2013

3Q2013	2Q2013	Growth	
\$34.1m	\$35.7m	(\$1.6m)	(4%)

The current quarter's PBT of \$34.1 million was comparable to 2Q2013.

### 8. Prospects

#### FY2013

Barring unforeseen circumstances, revenue and profit before tax for FY2013 are expected to be higher than FY2012.

### 9. Balance Sheet

	30-Sep-13 \$'000	31-Dec-12 \$'000
Property, plant and equipment	171,418	151,322
Associates and jointly controlled entity	3,538	2,562
Intangible assets	420	616
Long-term receivables, non-current	201	277
Amounts due from related parties, non-current	4,806	4,806
Derivative financial instruments	18,948	3,157
Deferred tax assets	23,752	29,933
Non-current assets	223,083	192,673
Current assets	889,160	695,804
<b>Total assets</b>	<b>1,112,243</b>	<b>888,477</b>
Current liabilities	828,624	624,457
Non-current liabilities	70,953	139,636
<b>Total liabilities</b>	<b>899,577</b>	<b>764,093</b>
Share capital and reserves	213,150	124,843
Non-controlling interests	(484)	(459)
<b>Total equity and liabilities</b>	<b>1,112,243</b>	<b>888,477</b>
<b>Net current assets</b>	<b>60,536</b>	<b>71,347</b>



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### 10. Statement of Cash Flows for the third quarter ended 30 September 2013

	3Q2013 \$'000	3Q2012 \$'000
Net cash from operating activities	<b>42,465</b>	<b>42,105</b>
Net cash used in investing activities	<b>(8,227)</b>	<b>(9,138)</b>
Proceeds from sale of property, plant and equipment	2	-
Dividends from a joint venture	42	-
Purchase of property, plant and equipment	(8,271)	(8,626)
Additional investment in joint ventures	-	(510)
Payment from sale and maturity of investments	-	(2)
Net cash from financing activities	<b>6,259</b>	<b>217</b>
Loan from non-controlling shareholders	-	222
Proceeds from short-term bank loans	6,288	-
Interest paid	(29)	(5)
Net increase in cash and cash equivalents	<b>40,497</b>	<b>33,184</b>
Cash and cash equivalents at beginning of period	322,888	251,220
Exchange difference on cash and cash equivalents	(125)	(2,377)
Cash and cash equivalents at end of period	<b><u>363,260</u></b>	<b><u>282,027</u></b>

Media Contact:  
 Nancy Toh  
 Acting Group Financial Controller  
 Tel: (65) 6860 9213  
 Fax: (65) 6861 3028  
 Email: tohnancy@stengg.com