

UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE THIRD QUARTER (“3Q2013”) AND NINE MONTHS ENDED 30 SEPTEMBER 2013 (“9M 2013”)
PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

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

Consolidated Statement of Comprehensive Income

	Group			Group		
	3Q2013	3Q2012	Change	9M2013	9M2012	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	6,494	2,985	118	13,961	8,929	56
Cost of sales	(1,522)	(369)	312	(2,786)	(1,109)	151
Gross profit	4,972	2,616	90	11,175	7,820	43
Other income	961	332	189	967	1,349	(28)
Administrative expenses	(1,561)	(1,737)	(10)	(1,836)	(2,661)	(31)
Finance costs	(770)	(930)	(17)	(2,380)	(2,929)	(19)
Profit before tax	3,602	281	NM	7,926	3,579	121
Income tax expense	(374)	-	NM	(570)	-	NM
Profit for the period	3,228	281	NM	7,356	3,579	106
Other comprehensive income for the period, net of tax						
Exchange differences on translating foreign operations						
- (loss)/gain arising during the period	(192)	772	NM	(760)	951	NM
- gain included in profit or loss on disposal of a subsidiary	191	-	NM	191	-	NM
Total comprehensive income for the period	3,227	1,053	206	6,787	4,530	50
Profit for the period attributable to:						
Owners of the Company	2,139	128	NM	4,619	1,743	165
Non-controlling interests	1,089	153	NM	2,737	1,836	49
Total	3,228	281		7,356	3,579	
Total comprehensive income attributable to:						
Owners of the Company	2,138	522	310	4,330	2,229	94
Non-controlling interests	1,089	531	105	2,457	2,301	7
Total	3,227	1,053		6,787	4,530	

Note:

NM – Not Meaningful

1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year.

Net profit for the period is determined after charging/(crediting) the following:

	Group		Group	
	3Q2013	3Q2012	9M2013	9M2012
	US\$'000	US\$'000	US\$'000	US\$'000
Depreciation of plant and equipment	379	383	1,132	1,141
Employees' share options / awards expense	34	-	61	-
Finance costs	770	930	2,380	2,929
Loss on disposal of plant and equipment	-	2	1	3
Other income	-	-	(6)	(1,026)
Gain on disposal of investments	-	(323)	-	(323)
Gain on disposal of subsidiary	(951)	-	(951)	-
Dividend income	(1,422)	(1,570)	(4,318)	(4,802)
Foreign exchange loss/(gain)	541	1,069	(154)	907

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	
	30 Sep 2013 US\$'000	31 Dec 2012 US\$'000	30 Sep 2013 US\$'000	31 Dec 2012 US\$'000
Current assets				
Cash and cash equivalents	4,190	3,352	1,071	1,819
Trade receivables	5,109	432	-	-
Other receivables	2,825	3,282	7,839	8,035
Available-for-sale investments	86	86	86	86
	12,210	7,152	8,996	9,940
Non-current assets				
Plant and equipment	24,969	25,995	127	65
Subsidiaries	-	-	24,798	24,798
Available-for-sale investments	106,900	115,650	-	-
	131,869	141,645	24,925	24,863
Total assets	144,079	148,797	33,921	34,803
Current liabilities				
Term loans	14,985	14,169	-	-
Finance lease	23	-	23	-
Trade payables	530	-	-	-
Other payables	1,305	2,541	764	220
Income tax liability	570	-	-	-
	17,413	16,710	787	220
Non-current liabilities				
Term loans	57,621	69,055	-	-
Finance lease	24	-	24	-
	57,645	69,055	24	-
Total liabilities	75,058	85,765	811	220
Net assets	69,021	63,032	33,110	34,583
Capital and reserves				
Share capital	54,647	54,647	54,647	54,647
Foreign currency translation reserve	-	98	-	-
Employees' share option reserve	61	-	61	-
Accumulated losses	(14,972)	(19,115)	(21,598)	(20,064)
Equity attributable to owners of the Company	39,736	35,630	33,110	34,583
Non-controlling interests	29,285	27,402	-	-
Total equity	69,021	63,032	33,110	34,583

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

Amount repayable in one year or less, or on demand

Group		Group	
As at 30 Sep 2013		As at 31 Dec 2012	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
15,008	-	14,169	-

Amount repayable after one year

Group		Group	
As at 30 Sep 2013		As at 31 Dec 2012	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
57,645	-	69,055	-

Details of any collateral

The Group's borrowings are secured by:

- (i) First legal mortgage over all the Group's vessels and motor vehicle
- (ii) Corporate guarantee given by the Company and its major shareholder
- (iii) Assignment of marine insurances of certain vessels
- (iv) Assignment of earnings/charter proceeds of certain vessels
- (v) Unquoted cumulative preference shares held by the Group

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 statements of cash flows

	Group		Group	
	3Q2013 US\$'000	3Q2012 US\$'000	9M2013 US\$'000	9M2012 US\$'000
Cash flows from operating activities				
Profit before tax	3,602	281	7,926	3,579
Adjustments for:				
Depreciation of plant and equipment	379	383	1,132	1,141
Gain on disposal of investments	-	(323)	-	(323)
Gain on disposal of subsidiary	(951)	-	(951)	-
Dividend income from available-for-sale investments	(1,422)	(1,570)	(4,318)	(4,802)
Unrealised exchange loss	568	1,069	-	907
Finance costs	770	930	2,380	2,929
Loss on disposal of plant and equipment	-	2	1	3
Employees' share options / awards expense	34	-	61	-
Operating cash flows before working capital changes	2,980	772	6,231	3,434
Trade and other receivables	(1,679)	660	(4,358)	4,365
Trade and other payables	(114)	(104)	(707)	(5,470)
Cash from operations	1,187	1,328	1,166	2,329
Income taxes paid	-	-	-	-
Net cash from operating activities	1,187	1,328	1,166	2,329
Cash flows from investing activities				
Dividends received	1,432	1,570	4,455	4,802
Proceeds from disposal of plant and equipment	-	-	55	-
Proceed from redemption of preference shares	2,000	1,600	8,750	6,100
Proceed from disposal of investments	-	1,013	-	1,013
Purchase of plant and equipment	(27)	-	(102)	(82)
Net cash from investing activities	3,405	4,183	13,158	11,833
Cash flows from financing activities				
Dividends paid	-	-	(476)	-
Interest paid	(770)	(930)	(2,380)	(2,929)
Repayment of term loans	(3,545)	(3,524)	(10,618)	(10,555)
Repayment of obligation under finance lease	(5)	-	(12)	-
Net cash used in financing activities	(4,320)	(4,454)	(13,486)	(13,484)
Net effect of exchange rate changes due to cash and cash balances	-	-	-	-
Net increase in cash and cash equivalents	272	1,057	838	678
Cash and cash equivalents at beginning of period	3,918	3,070	3,352	3,449
Cash and cash equivalents at end of period	4,190	4,127	4,190	4,127

- 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.

Statements of Changes in Equity

Group	Share capital	Foreign currency translation reserve	Employees' share option reserve	Accumulated losses	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2013	54,647	98	-	(19,115)	35,630	27,402	63,032
Total comprehensive income for the period	-	(289)	-	4,619	4,330	2,457	6,787
Dividends paid	-	-	-	(476)	(476)	-	(476)
Recognition of share based payment	-	-	61	-	61	-	61
Disposal of subsidiary	-	191	-	-	191	(574)	(383)
At 30 September 2013	54,647	-	61	(14,972)	39,736	29,285	69,021

Group

At 1 January 2012	54,647	(622)	-	(21,526)	32,499	23,639	56,138
Total comprehensive income for the period	-	486	-	1,743	2,229	2,301	4,530
At 30 September 2012	54,647	(136)	-	(19,783)	34,728	25,940	60,668

Company	Share capital	Employees' share option reserve	Accumulated losses	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2013	54,647	-	(20,064)	34,583
Total comprehensive income for the period	-	-	(1,058)	(1,058)
Dividends paid	-	-	(476)	(476)
Recognition of share based payment	-	61	-	61
At 30 September 2013	54,647	61	(21,598)	33,110

Company

At 1 January 2012	54,647	-	(22,300)	32,347
Total comprehensive income for the period	-	-	(764)	(764)
At 30 September 2012	54,647	-	(23,064)	31,583

- 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 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.

None.

- 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.

Group and Company		
	30 Sep 2013	31 Dec 2012
	No. of shares	No. of shares
	('000)	('000)
The number of issued shares	1,189,412	1,189,412

There were no treasury shares as at 30 September 2013 and 31 December 2012.

- 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.

The Group does not have any treasury shares at the end of the financial period.

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

Except for the comparative Statement of Financial Position of the Company and its subsidiaries (the "Group") and of the Company as at 31 December 2012, which was conducted in accordance with Singapore Standard on Auditing, the financial statements have not been audited or reviewed by Company's auditors.

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 the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period as those applied in the audited financial statement for the year ended 31 December 2012.

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

The Group has adopted the new or revised Financial Reportings Standard ("FRS") and the interpretation of FRS ("IFRS") that become effective for the entities with financial period commencing 1 January 2013. The adoption of the new and revised FRS and IFRS has no material impact on the unaudited financial statements for the third quarter ended 30 September 2013.

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.**

	<u>Group</u>		<u>Group</u>	
	3Q2013	3Q2012	9M2013	9M2012
Profit after tax (US\$'000)	2,139	128	4,619	1,743
Basic				
Weighted average number of shares applicable to basic earnings per share ('000)	1,189,412	1,189,412	1,189,412	1,189,412
Earnings per share (US\$ cents)	0.18	0.01	0.39	0.15

Diluted

There is no dilution of earnings per share as the share options and share awards were anti-dilutive.

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.**

	<u>Group</u>		<u>Company</u>	
	30 Sep 2013	31 Dec 2012	30 Sep 2013	31 Dec 2012
Net asset value (US\$'000)	39,736	35,630	33,110	34,583
Total number of shares issued ('000)	1,189,412	1,189,412	1,189,412	1,189,412
Net asset value per share (US\$ cents)	3.34	3.00	2.78	2.91

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 and liabilities of the group during the current financial period reported on.**

Review of Group Performance

Consolidated Statement of Comprehensive Income

(a) Revenue

The Group's revenue increased by 118% or US\$3.51 million for the three months ended 30 September 2013 ("3Q2013") when compared to the corresponding period ended 30 September 2012 ("3Q2012"). For the nine months ended 30 September 2013 ("9M2013"), the Group's revenue increased by US\$5.03 million from US\$8.93 million for the nine months ended 30 September 2012 ("9M2012") to US\$13.96 million.

The increase in revenue was due mainly to the growth in ship management and brokerage activities of the Group in 9M2013.

(b) Cost of sales and gross profit

Cost of sales increased by US\$1.15 million, from US\$369,000 in 3Q2012 to US\$1.52 million in 3Q2013. For 9M2013, the Group's cost of sales increased by US\$1.68 million from US\$1.11 million in 9M2012 to US\$2.79 million. The increase in cost of sales is due mainly to chartering of a vessel in 9M2013 and cost incurred relating to ship management activities of the Group.

The Group's gross profit increased by US\$2.36 million and US\$3.36 million for 3Q2013 and 9M2013 as compared to 3Q2012 and 9M2012 respectively.

(c) Other Income

Other income increased by US\$629,000 from US\$332,000 in 3Q2012 to US\$961,000 in 3Q2013 mainly due to gain on recognized on liquidation of a subsidiary. For 9M2013, other income decreased by US\$382,000 from US\$1.35 million in 9M2012 to US\$967,000 in 9M2013.

(d) Administrative expenses

Administrative expenses decreased by 10% or US\$176,000 to US\$1.56 million in 3Q2013 compared to 3Q2012. For 9M2013, the Group's administrative expenses decreased by US\$825,000 from US\$2.66 million in 9M2012 to US\$1.84 million. The decrease is mainly due to lower foreign exchange loss in 3Q2013 and 9M2013 as compared to 3Q2012 and 9M2012.

(e) Finance costs

Finance costs for the Group decreased by US\$160,000 from US\$930,000 in 3Q2012 to US\$770,000 in 3Q2013. For 9M2013, the Group's finance costs decreased by US\$549,000 from US\$2.93 million in 9M2012 to US\$2.38 million. The decrease in finance costs was a result of the decrease in the Group's term loan balance.

(f) Profit for the period

The Group recorded a profit of US\$7.36 million for 9M2013 as compared to US\$3.58 million for 9M2012. The improvement in financial performance for 9M2013 was mainly attributable to the growth in business activities.

Consolidated Statement of Financial Position

(g) Trade and other receivables

Trade and other receivables increased from US\$3.71 million as at 31 December 2012 to US\$7.93 million as at 30 September 2013. The increase in trade receivables is in line with the increase in the revenue of the Group.

8 Review of Group Performance (Cont'd)

(h) Available-for-sale investments

As at 31 December 2012 the Group had preferential shares in Resolute Offshore Pte Ltd valued at US\$115.65 million. During the 9 months ended 30 September 2013, Resolute Offshore Pte Ltd redeemed 87,500 preference shares for a total value of US\$8.75 million.

(i) Plant and equipment

The decrease in plant and equipment from US\$26.0 million as at 31 December 2012 to US\$24.97 million as at 30 September 2013 is due mainly to depreciation on the Group's vessels and other equipment.

(j) Total current and non-current borrowings

Total current & non-current term loans decreased from US\$83.22 million as at 31 December 2012 to US\$72.65 million as at 30 September 2013 due to the repayment of the Group's various loans. The amortisation profiles of these loans caused the Group to record a working capital deficit of US\$5.20 million as at 30 September 2013.

The Group entered into a new finance lease during the 9 months ended 30 September 2013.

(k) Trade and other payables

The Group's trade and other payables decreased by approximately US\$706,000 from US\$2.54 million as at 31 December 2012 to US\$1.84 million as at 30 September 2013.

Consolidated Statement of Cash Flows

Cash and cash equivalents increased from US\$3.35 million as at 31 December 2012 to US\$4.19 million as at 30 September 2013.

(l) Cash flow from operating activities

The Group's net cash inflow from operating activities for 3Q2013 amounted to US\$1.19 million. This comprised of operating cash flows before working capital changes of US\$2.98 million, and adjusted for net working capital outflows of US\$1.79 million.

(m) Cash flow from investing activities

Net cash generated from investing activities amounted to US\$3.41 million in 3Q2013 due to the proceeds from the redemption of 20,000 preference shares and US\$1.43 million of dividends received from the Group's available-for-sale investment.

(n) Cash flow used in financing activities

Net cash used in financing activities amounted to US\$4.32 million in 3Q2013 due mainly to repayments of bank borrowings and interest.

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 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.**

The Group has business presence in Asia and the Middle East. The Middle East remains as one of the world's most active offshore regions as plans for new and existing exploration and production projects by operators, developers, and state oil companies remain on track. Economic growth in Asia is also driving demand for oil and increasingly, offshore and international operators as well as national oil and gas companies are taking action to meet the demand.

The growing offshore activities and energy demand has led to a rise in demand for offshore marine assets services. Apart from vessel ownership, to support the growing need for capital intensive offshore marine assets, offshore exploration and production companies engage alternative finance structures such as vessel leasing, which offer flexibility and cost-efficiencies. Expertise in fleet corporate management is also highly sought-after in the offshore industry.

All these augur well for the Group. As such, the Group will continue to focus on acquiring long term income producing assets that will provide stable and predictable income, and a good asset base from which it can expand upon. The Group believes that there will be a number of opportunities in the future for the Group to capitalise on and is optimistic for the outlook on the Oil and Gas industry.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No.

(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 financial period reported on.

13. Interested person transaction

In compliance with Chapter 9 of the SGX-ST Listing Manual (Section B: Rules of Catalyst), there were no transactions with interested persons for the nine months ended 30 September 2013 which exceeds the stipulated threshold except as disclosed below:

Name of interested person	Aggregate value of all interested person transactions during the financial period 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)
Chartering		
Swiber and its subsidiaries	US\$3,794,700 ⁽¹⁾	US\$1,085,000
Corporate services		
Swiber and its subsidiaries	Nil	US\$216,000
Marine brokerage services		
Swiber and its subsidiaries	US\$539,926	US\$854,141
Ship management services		
Swiber and its subsidiaries	US\$1,157,300	US\$1,963,450

⁽¹⁾The transaction relates to chartering income for the nine months ended 30 September 2013. No shareholder approval was obtained because all terms of the charter party agreement entered into between Vallianz Marine Pte. Ltd. ("Vallianz Marine") and Newcruz Offshore Marine Pte Ltd were finalized and signed prior to the Company acquiring the 51% interest in Vallianz Marine and before Swiber Holdings Limited became an interested party as in Chapter 9 of the SGX-ST Listing Manual (Section B: Rules of Catalyst).

14. Statement by Directors pursuant to Rule 705(5) of the Listing Manual

On behalf of the Board of Directors of the Company, we confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the third quarter financial results for the period ended 30 September 2013 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Raymond Kim Goh
Director
Non-Executive Chairman

Yeo Chee Neng
Director
Chief Executive Officer

BY ORDER OF THE BOARD

Lee Bee Fong
Company Secretary
01 November 2013

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Stamford Corporate Services Pte Ltd, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Company's Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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