



VALLIANZ HOLDINGS LIMITED

Unaudited Financial Statement And Dividend Announcement

For the Financial Year Ended 31 December 2014

UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2014 (“FY2014”)
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 Profit or Loss and Other Comprehensive Income

	Group		Change %
	FY2014 US\$'000	FY2013 US\$'000	
Revenue	153,680	19,985	669
Cost of sales	(98,498)	(4,958)	nm
Gross profit	55,182	15,027	267
Other income	7,117	1,219	484
Administrative expenses	(16,785)	(3,504)	379
Other operating expenses	(1,653)	(230)	619
Finance costs	(22,258)	(3,092)	620
Share of profit of joint venture	-	1,621	nm
Profit before tax	21,603	11,041	96
Income tax expense	(1,173)	(728)	61
Profit for the year	20,430	10,313	98
Profit for the year attributable to:			
Owners of the Company	18,511	7,493	147
Redeemable convertible capital securities holders	66	-	nm
Non-controlling interests	1,853	2,820	(34)
Total	20,430	10,313	
Other comprehensive income for the net of tax			
Exchange differences on translating foreign operations			
- (loss) / gain arising during the year	(268)	252	(206)
- gain included in profit or loss on disposal of subsidiary	-	(350)	nm
Cash flow hedges	(2,141)	-	nm
Total comprehensive income for the year	18,021	10,215	76
Total comprehensive income attributable to:			
Owners of the Company	16,102	7,395	118
Redeemable convertible capital securities holders	66	-	-
Non-controlling interests	1,853	2,820	(34)
Total	18,021	10,215	

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	
	FY2014	FY2013
	US\$'000	US\$'000
Allowance for impairment of receivables	1,653	-
Depreciation of property, plant and equipment	17,606	1,545
Dividend income from available-for-sale investments	(5,286)	(5,707)
Finance costs	22,258	3,092
Foreign exchange gain	(1,004)	(143)
Gain on bargain purchase	(5,862)	-
Gain on liquidation of subsidiary	-	(1,203)
(Gain)/Loss on disposal of plant and equipment	(7)	1
Other income	(251)	(6)
Interest income	(7)	-
Provision for employee benefit	143	-
Share-based payment expense	1,927	181

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.

Statements of Financial Position

	<u>Group</u>		<u>Company</u>	
	<u>31 Dec 2014</u> US\$'000	<u>31 Dec 2013</u> US\$'000	<u>31 Dec 2014</u> US\$'000	<u>31 Dec 2013</u> US\$'000
<u>ASSETS</u>				
Current assets				
Cash and cash equivalents	24,917	1,812	3,322	65
Trade receivables	99,219	5,662	-	-
Other receivables	55,978	5,335	292,513	13,368
Inventories	1,009	-	-	-
Work-in-progress	1,779	-	-	-
Available-for-sale investments	99	86	86	86
	183,001	12,895	295,921	13,519
Non-current assets				
Property, plant and equipment	661,358	25,166	188	198
Subsidiaries	-	-	22,996	24,798
Joint venture	-	3,071	-	-
Associate	15,539	-	-	-
Available-for-sale investments	99,700	104,900	-	-
Goodwill	11,854	-	-	-
Deferred tax assets	262	-	-	-
	788,713	133,137	23,184	24,996
Total assets	971,714	146,032	319,105	38,515
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Term loans	102,421	15,258	-	-
Trade payables	48,942	2,559	-	-
Other payables	37,834	1,549	3,729	2,714
Finance leases	16,305	23	18	23
Income tax payable	1,406	728	-	-
	206,908	20,117	3,747	2,737
Non-current liabilities				
Term loans	306,697	53,797	-	-
Finance leases	153	19	-	19
Notes payable	118,528	-	118,528	-
Other payables	85,001	-	-	-
Derivative financial instruments	8,195	-	8,195	-
Deferred tax liability	4,977	-	-	-
Retirement benefit obligation	507	-	-	-
	524,058	53,816	126,723	19
Capital and reserves				
Share capital	185,276	54,647	185,276	54,647
Perpetual capital securities	22,500	-	22,500	-
Foreign currency translation reserve	(268)	-	-	-
Hedging reserve	(2,141)	-	(2,141)	-
Share options reserve	1,156	181	1,156	181
Other reserve	24	-	24	-
Retained earnings	6,262	(12,098)	(18,180)	(19,069)
Equity attributable to owners of the Company and capital securities holders	212,809	42,730	188,635	35,759
Non-controlling interests	27,939	29,369	-	-
Total equity	240,748	72,099	188,635	35,759
Total liabilities and equity	971,714	146,032	319,105	38,515

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 31 Dec 2014		As at 31 Dec 2013	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
88,577	30,149	15,281	-

Amount repayable after one year

Group		Group	
As at 31 Dec 2014		As at 31 Dec 2013	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
306,850	118,528	53,816	-

Details of any collateral

The Group's borrowings are secured by:

- (i) first legal mortgage over all the Group's vessels, property, equipment and motor vehicles; and
- (ii) 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.**

	Group	
	FY2014	FY2013
	US\$'000	US\$'000
Cash flows from operating activities		
Profit before tax	21,603	11,041
Adjustments for:		
Allowance for impairment of receivables	1,653	-
Depreciation of property, plant and equipment	17,606	1,545
Dividend income from available-for-sale investments	(5,286)	(5,707)
Finance costs	22,258	3,092
Gain on bargain purchase	(5,862)	-
Gain on liquidation of subsidiary	-	(1,203)
(Gain)/Loss on disposal of plant and equipment	(7)	1
Provision for employee benefit	143	-
Share of profit of joint venture	-	(1,621)
Share-based payment expense	1,927	181
Unrealised exchange (gain)/loss	(268)	252
Operating cash flows before working capital changes	53,767	7,581
Trade and other receivables	(11,038)	(7,442)
Trade and other payables	(93,691)	1,552
Inventories	133	-
Construction contracts work-in-progress	6,512	-
Cash (used in)/generated from operations	(44,317)	1,691
Income taxes paid	(376)	-
Net cash (used in)/generated from operating activities	(44,693)	1,691
Cash flows from investing activities		
Dividends received	3,970	5,866
Proceeds from disposal of plant and equipment	56	56
Proceeds from redemption of preference shares	5,200	10,750
Acquisition of subsidiaries	4,607	-
Acquisition of investment in joint venture	-	(1,450)
Purchases of plant and equipment	(289,681)	(713)
Net cash (used in)/generated from investing activities	(275,848)	14,509
Cash flows from financing activities		
Pledged deposit	(4,163)	-
Dividend paid	(912)	(476)
Interest paid	(19,226)	(3,077)
Proceeds from new bank loans raised	247,060	-
Proceeds from new shares issue	63,535	-
Proceeds from issuance of redeemable convertible capital securities	35,200	-
Proceeds from issuance of notes	123,318	-
Repayment of term loans	(101,295)	(14,169)
Repayment of obligation under finance leases	(114)	(18)
Redemption of preference shares issued by a subsidiary	(3,920)	-
Net cash generated from/(used in) financing activities	339,483	(17,740)
Net increase in cash and cash equivalents	18,942	(1,540)
Cash and cash equivalents at beginning of year	1,812	3,352
	20,754	1,812
Pledged Deposit	4,163	-
Cash and cash equivalents at end of year	24,917	1,812

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	Hedging reserve	Share options reserve	Other reserve	Retained earnings	Equity attributable to owners of the Company	Redeemable convertible capital securities	Perpetual capital securities	Equity attributable to owners of the Company & capital securities holders	Non-controlling interests	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2014	54,647	-	-	181	-	(12,098)	42,730	-	-	42,730	29,369	72,099
Total comprehensive income for the year												
Profit for the year	-	-	-	-	-	18,511	18,511	66	-	18,577	1,853	20,430
Other comprehensive income for the year	-	(268)	(2,141)	-	-	-	(2,409)	-	-	(2,409)	-	(2,409)
Total	-	(268)	(2,141)	-	-	18,511	16,102	66	-	16,168	1,853	18,021
Transactions with owners, recognised directly in equity												
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	(2,797)	(2,797)
Issue of redeemable convertible capital securities	-	-	-	-	-	-	-	35,200	-	35,200	-	35,200
Conversion of redeemable convertible capital securities to ordinary shares	35,200	-	-	-	-	-	35,200	(35,200)	-	-	-	-
Distribution paid	-	-	-	-	-	-	-	(66)	-	(66)	-	(66)
Dividends	-	-	-	-	-	(846)	(846)	-	-	(846)	-	(846)
Issue of share capital, net of transaction costs	63,608	-	-	-	-	-	63,608	-	-	63,608	-	63,608
Issue of consideration shares	30,892	-	-	-	-	-	30,892	-	-	30,892	-	30,892
Issue of perpetual capital securities	-	-	-	-	-	-	-	-	22,500	22,500	-	22,500
Non-controlling interest arising from increase in control of investment	-	-	-	-	-	-	-	-	-	-	3,434	3,434
Performance shares awarded	929	-	-	(68)	-	-	861	-	-	861	-	861
Recognition of shares-based payments	-	-	-	1,067	-	-	1,067	-	-	1,067	-	1,067
Redemption of preference shares issued by a subsidiary	-	-	-	-	-	695	695	-	-	695	(3,920)	(3,225)
Forfeiture of performance shares awarded	-	-	-	(24)	24	-	-	-	-	-	-	-
Total	130,629	-	-	975	24	(151)	131,477	(66)	22,500	153,911	(3,283)	150,628
At 31 December 2014	185,276	(268)	(2,141)	1,156	24	6,262	190,309	-	22,500	212,809	27,939	240,748

1(d)(i) Statements of Changes in Equity (Cont'd)

Group	Share capital	Foreign currency translation reserve	Share options 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 year							
Profit for the year	-	-	-	7,493	7,493	2,820	10,313
Other comprehensive income for the year	-	(98)	-	-	(98)	-	(98)
Total	-	(98)	-	7,493	7,395	2,820	10,215
Transactions with owners, recognised directly in equity							
Recognition of shares-based payments	-	-	181	-	181	-	181
Dividends	-	-	-	(476)	(476)	-	(476)
Liquidation of subsidiary	-	-	-	-	-	(853)	(853)
Total	-	-	181	(476)	(295)	(853)	(1,148)
At 31 December 2013	54,647	-	181	(12,098)	42,730	29,369	72,099

Company	Share capital	Hedging reserve	Share options reserve	Other reserve	Accumulated losses	Redeemable convertible capital securities	Perpetual capital securities	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2014	54,647	-	181	-	(19,069)	-	-	35,759
Total comprehensive income for the year								
Profit for the year	-	-	-	-	1,735	66	-	1,801
Other comprehensive income for the year	-	(2,141)	-	-	-	-	-	(2,141)
Total	-	(2,141)	-	-	1,735	66	-	(340)
Transactions with owners, recognised directly in equity								
Issue of redeemable convertible capital securities	-	-	-	-	-	35,200	-	35,200
Conversion of redeemable convertible capital securities to ordinary shares	35,200	-	-	-	-	(35,200)	-	-
Distribution paid	-	-	-	-	-	(66)	-	(66)
Dividends	-	-	-	-	(846)	-	-	(846)
Issue of share capital, net of transaction costs	63,608	-	-	-	-	-	-	63,608
Issue of consideration shares	30,892	-	-	-	-	-	-	30,892
Issue of perpetual capital securities	-	-	-	-	-	-	22,500	22,500
Performance shares awarded	929	-	(68)	-	-	-	-	861
Recognition of shares-based payments	-	-	1,067	-	-	-	-	1,067
Forfeiture of performance shares awarded	-	-	(24)	24	-	-	-	-
Total	130,629	-	975	24	(846)	(66)	22,500	153,216
At 31 December 2014	185,276	(2,141)	1,156	24	(18,180)	-	22,500	188,635

Company								
Company	Share capital	Hedging reserve	Share options reserve	Other reserve	Accumulated losses	Redeemable convertible capital securities	Perpetual capital securities	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2013	54,647	-	-	-	(20,064)	-	-	34,583
Total comprehensive income for the year								
Profit for the year	-	-	-	-	1,471	-	-	1,471
Total	-	-	-	-	1,471	-	-	1,471
Transactions with owners, recognised directly in equity								
Recognition of shares-based payments	-	-	181	-	-	-	-	181
Dividends	-	-	-	-	(476)	-	-	(476)
Total	-	-	181	-	(476)	-	-	(295)
At 31 December 2013	54,647	-	181	-	(19,069)	-	-	35,759

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.

(a) Performance Share Plan

On 14 May 2013, Vallianz Holdings Limited (the “**Company**”) granted 6,000,000 share awards (“**Awards**”) pursuant to the Vallianz Performance Share Plan (“**PSP**”). One-third of the Awards will be vested in each year on the anniversary of the Awards over a three (3) year period.

On 7 May 2014, the Company granted 7,500,000 Awards pursuant to the PSP. The Awards were vested on 14 May 2014.

Date of grant	As at 1 January 2014	Granted	Vested	Cancelled	As at 31 December 2014
14 May 2013	6,000,000	-	1,666,667	1,000,000	3,333,333
7 May 2014	-	7,500,000	7,500,000	-	-

(b) Employee Share Options

On 14 May 2013, the Company granted 9,000,000 share options pursuant to the Vallianz Employee Share Option Scheme (“**ESOS**”). The share option is valid for a period of five (5) years commencing from the date of grant and exercisable after the first anniversary of the date of grant.

On 7 May 2014, the Company granted 20,000,000 share options pursuant to the ESOS. Each share option is valid for a period of ten (10) years commencing from the date of grant and exercisable after the first anniversary of the date of grant.

Date of grant	As at 1 January 2014	Granted	As at 31 December 2014
14 May 2013	9,000,000	-	9,000,000
7 May 2014	-	20,000,000	20,000,000

(c) Option Shares

On 2 October 2013, the Company entered into an option agreement with Swiber Holdings Limited (“**Swiber**”) to issue to Swiber an aggregate of 500,000,000 non-transferable share options (the “**Options**”, and each, an “**Option**”), with each Option carrying the right to subscribe for one (1) new ordinary share in the capital of the Company (the “**Option Shares**”) at the exercise price of S\$0.055 per Option.

Details of issued and allotment of Option Shares as below:

Date of issue & allotment	No. of Option Shares	
10 March 2014	236,000,000	
14 March 2014	55,000,000	
22 September 2014	209,000,000	
	As at 1 January 2014	As at 31 December 2014
No. of issued and allotted Option Shares	-	500,000,000
No. of Option Shares that may be issued on exercise on Option	-	-

1(d)(ii) Details of any changes in the company's share capital (Cont'd)

(d) Redeemable Convertible Capital Securities

On 2 October 2013, the Company entered into a subscription agreement with Rawabi Holding Company Ltd ("Rawabi") to issue to Rawabi redeemable convertible capital securities ("RCCS") of a principal amount of US\$35,200,000. The RCCS is convertible into ordinary shares in the capital of the Company (the "Conversion Shares").

On 14 February 2014, the Company completed the issuance of the RCCS of a principal amount of US\$35,200,000.

Details of issue and allotment of Conversion Shares as below:

Date of issue & allotment	No. of Conversion Shares	
24 February 2014	509,000,000	
12 March 2014	101,000,000	
18 March 2014	24,000,000	
24 September 2014	182,600,000	
	As at 1 January 2014	As at 31 December 2014
No. of issued and allotted Conversion Shares	-	816,600,000
No. of Conversion Shares that may be issued on conversion	-	-

(e) Private Placement

On 25 June 2014, the Company issued 400,000,000 ordinary shares at S\$0.13545 and raised net proceeds of US\$41.80 million.

(f) First issuance of Consideration Shares

On 30 September 2014, the Company issued 143,333,333 ordinary shares at S\$0.138 and pursuant to its acquisition of Jetlee Shipbuilding & Engineering Pte. Ltd.

(g) Second issuance of Consideration Shares

On 31 October 2014, the Company issued 125,000,000 ordinary shares amounting to 50% of the aggregate consideration shares at S\$0.14 pursuant to the acquisition of OER Holdings Pte. Ltd.

(h) Third issuance of Consideration Shares

On 31 December 2014, the Company obtained shareholders' approval to allotment and issue 160,000,000 ordinary shares at S\$0.11 pursuant to acquisition of Newcruz International Pte. Ltd. and PTSB Holdings Pte. Ltd. These consideration shares that were issued on 5 January 2015 are included in the share capital of the Company on 31 December 2014.

(i) Total number of shares that may be issued as at 31 December 2014

Corporate Action	No. of Shares
Grant of share awards under PSP	3,333,333
Grant of share options under ESOS	29,000,000
Second issuance of Consideration Shares	125,000,000
Third issuance of Consideration Shares	160,000,000
	317,333,333

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		
	31 Dec 2014	31 Dec 2013
	No. of shares	No. of shares
	('000)	('000)
The number of issued shares	3,183,512	1,189,412

There were no treasury shares as at 31 December 2014 and 31 December 2013.

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 did not have any treasury shares at the end of the financial year.

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

The financial statements have not been audited or reviewed by the 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.

Except as disclosed in paragraph 5 below, 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 statements for the year ended 31 December 2013.

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 Reporting Standard ("**FRS**") and the interpretation of FRS ("**IFRS**") that became effective for the entities with their financial periods commencing 1 January 2014. The adoption of the new and revised FRS and IFRS has no material impact on the unaudited financial statements for the year ended 31 December 2014.

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.

	Group	
	Financial year ended	
	31 Dec 2014	31 Dec 2013
<u>Earnings (US\$'000)</u>		
Net profit after tax attributable to owners of the Company	18,511	7,493
<u>Number of shares ('000)</u>		
Weighted average number of shares for basic earnings per share	2,339,522	1,189,412
Effects of dilution	9,734	4,464
Weighted average number of shares for diluted earnings per share	2,349,256	1,193,876
<u>Earnings per share (US cents)</u>		
Basic	0.79	0.63
Diluted	0.79	0.63

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	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Net asset value (US\$'000)	212,809	42,730	188,635	35,759
Total number of shares issued ('000)	3,183,512	1,189,412	3,183,512	1,189,412
Net asset value per share (US cents)	6.68	3.59	5.93	3.01

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

The Group is a provider of offshore support vessels and integrated marine solutions to the offshore oil and gas industry. Headquartered in Singapore, the Group has been expanding its presence and building its network in the major and emerging offshore exploration and production ("E&P") markets of Asia Pacific, the Middle East, Latin America and West Africa. Its customers include international oil majors and national oil companies worldwide.

RSOS Consolidation

Arising from agreements entered into with the Saudi Arabian partner of our subsidiary Rawabi Swiber Offshore Services Co Ltd ("**RSOS**") subsequent to 31 December 2013, the Group started consolidating the results of RSOS since 1 January 2014, in line with FRS110. Prior to this, the Group had equity-accounted for the results of RSOS since its acquisition in October 2013. As a result, the Group reported significantly higher figures for

the financial year ended 31 December 2014 (“FY2014”) when compared to financial year ended 31 December 2013 (“FY2013”) for mainly the following items:

- revenue;
- cost of sales and gross profit;
- administrative expenses;
- finance costs;
- trade and other receivables;
- plant and equipment;
- current and non-current borrowings; and
- trade and other payables.

Acquisition of Jetlee Group

On 30 September 2014, the Group completed the acquisition of Jetlee Shipbuilding & Engineering Pte. Ltd. and its subsidiary (“**Jetlee Group**”) to establish its own marine base. The acquisition consideration was financed by the issuance of approximately 143.33 million ordinary shares in the capital of the Company at an issue price of S\$0.138 each. The Group started consolidating the financial results of Jetlee Group since 30 September 2014.

Acquisition of OER Group

On 31 October 2014, the Group completed the acquisition of OER Holdings Pte. Ltd. and its subsidiaries (“**OER Group**”) to generate higher efficiency in the management of crew personnel. In addition, the acquisition also enables the Group to expand its customer base, geographical footprint and enhance its service capabilities to customers. The acquisition consideration was financed by the issuance of 250 million ordinary shares in the capital of the Company at an issue price of S\$0.14 each in two (2) tranches. The Group started consolidating the financial results of OER Group since 31 October 2014.

Acquisition of Newcruz Group and PTSB Group

On 31 December 2014, the Group completed the acquisition of Newcruz International Pte. Ltd. and its subsidiary (“**Newcruz Group**”), and PTSB Holdings Pte. Ltd. and its 49% owned associate (“**PTSB Group**”) to provide additional shipyard facilities and increase geographical diversity of its earnings base. The acquisition consideration was financed by the issuance of 160 million ordinary shares in the capital of the Company at an issue price of S\$0.11 each and issuance of US\$22.50 million of senior perpetual securities. The Group started consolidating the financial results of Newcruz Group and PTSB Group on 31 December 2014.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

(a) Revenue

Revenue (US\$ m)	1Q	2Q	3Q	4Q	Full Year
FY2014	27.71	38.55	39.25	48.17	153.68
FY2013	2.73	4.74	6.49	6.03	19.99
y-o-y change	916%	713%	504%	699%	669%

The Group registered revenue of approximately US\$153.68 million for FY2014, representing an increase of 669% or US\$133.69 million when compared to FY2013. The Group commenced new charter contracts in the fourth quarter of 2014. Charter and brokerage revenue accounted for approximately 78% of the Group’s revenue in FY2014, compared to 44% in FY2013, following the acquisition of RSOS. The remaining revenue contribution was derived primarily from ship management services, shipyard services and investments.

At the end of 31 December 2014, the Group’s vessel chartering business had a fleet of 37 offshore support vessels, as compared to 26 at the end of December 2013.

(b) Cost of sales and gross profit

Cost of sales increased by US\$93.54 million to US\$98.50 million in FY2014, which is in line with the Group’s higher revenue and expanded scale of operations. Cost of sales comprises largely of vessel operating expenses.

The Group’s gross profit increased by 267% or US\$40.15 million to US\$55.18 million for FY2014.

(c) Other income

Other income of US\$7.12 million for FY2014 was mainly due to gain on bargain purchase as a result of acquisition of subsidiaries.

(d) Administrative expenses

Administrative expenses increased by US\$13.28 million to US\$16.79 million for FY2014 mainly as a result of the consolidation of RSOS, Jetlee Group and OER Group. Administrative expenses comprise largely staff and travel-related expenses.

(e) Finance costs

Finance costs for the Group increased by US\$19.17 million to US\$22.26 million for FY2014, from US\$3.09 million for FY2013. The increase is due mainly to the addition of bank loans for vessels as a result of consolidation of RSOS, and the issuance of notes under the Multicurrency Debt Issuance Programme.

(f) Net Profit

Net Profit (US\$ m)	1Q	2Q	3Q	4Q	Full Year
FY2014	5.45	5.79	5.20	3.99	20.43
FY2013	1.33	2.80	3.23	2.95	10.31
y-o-y change	310%	107%	61%	35%	98%

The Group's profit before tax increased by 96% to US\$21.60 million for FY2014 from US\$11.04 million for FY2013.

Correspondingly, the Group's net profit increased by 98% to US\$20.43 million for FY2014 from US\$10.31 million in the previous year. As a result, the Group had net profit margin of 13% for FY2014. Based on the weighted average number of shares, the Group recorded earnings per share of 0.79 US cents for FY2014 as compared to 0.63 US cents for FY2013.

The significant improvement in the Group's financial performance for FY2014 was mainly attributable to the strong positive contribution from RSOS.

Statements of Financial Position

(g) Trade and other receivables

Trade and other receivables increased from US\$11.00 million as at 31 December 2013 to US\$155.20 million as at 31 December 2014, in tandem with the higher level of business activities.

(h) Available-for-sale investments

As at 31 December 2013, the Group had preferential shares in Resolute Offshore Pte. Ltd. valued at US\$104.90 million. Resolute Offshore Pte. Ltd. redeemed 52,000 preference shares for a total value of US\$5.20 million in FY2014.

(i) Property, plant and equipment

Property, plant and equipment increased from US\$25.17 million as at 31 December 2013 to US\$661.36 million as at 31 December 2014. As explained earlier, this is due to the consolidation of vessel fleet owned by RSOS and plant and equipment of the Jetlee Group and the Newcruz Group. Consequently, depreciation for FY2014 increased by US\$16.06 million to US\$17.61 million, from US\$1.55 million for FY2013.

(j) Total current and non-current borrowings

Total current and non-current borrowings for the Group include term loans, working lines, notes payable and finance lease.

	31 December 2014			31 December 2013		
	Current US\$'000	Non-current US\$'000	Total US\$'000	Current US\$'000	Non-current US\$'000	Total US\$'000
Term Loans	65,226	306,697	371,923	15,258	53,797	69,055
Working Lines	37,195	-	37,195	-	-	-
Notes payable	-	118,528	118,528	-	-	-
Finance Lease	16,305	153	16,458	23	19	42
	118,726	425,378	544,104	15,281	53,816	69,097

Total current and non-current term borrowings increased from US\$69.10 million as at 31 December 2013 to US\$544.10 million as at 31 December 2014 which comprises largely of bank borrowings for vessels owned by RSOS, and notes payable.

The average repayment period for the Group's vessel borrowings is approximately six (6) years, which is significantly shorter than the useful lives of the vessels which are typically between 18 to 25 years. The short-term portion (i.e. repayable within the next 12 months) of the vessel borrowings are recorded as current liabilities, whereas the vessels' values are entirely recorded as non-current assets. This mismatch is one of the main reasons for the net current liabilities of US\$23.91 million as at 31 December 2014. In addition, the Group recognised as current liability an amount of US\$8.70 million being the contingent consideration payable to the ex-shareholders of OER Group.

Despite the net current liabilities position, the Group has not encountered any liquidity issues that resulted in any disruption of its operations. Nevertheless, the Group has been and will continue to proactively and prudently manage its working capital and capital expenditure needs as it navigates through this phase of its expansion and growth.

On 20 March 2014, the Group established a Multicurrency Debt Issuance Programme to issue up to S\$500,000,000 fixed or floating rate notes. As at 31 December 2014, the Group has the following notes outstanding:

	Tenure (years)	Interest Rate	Due Date	S\$'000	US\$'000
Series 1	2	7.20%	Apr 2016	100,000	74,075
Series 2	2.5	7.25%	Nov 2016	60,000	44,453

The Group hedges the foreign currency exposure from the notes with a cross-currency interest rate swap contract entered into during the year.

(k) Trade and other payables

The Group's trade and other payables increased by approximately US\$167.67 million from US\$4.11 million as at 31 December 2013 to US\$171.78 million as at 31 December 2014. The increase is consistent with the growth of the Group's business operations.

Consolidated Statement of Cash Flows

Cash and cash equivalents increased from US\$1.81 million as at 31 December 2013 to US\$24.92 million as at 31 December 2014.

(l) Cash flow used in operating activities

The Group registered positive operating cash inflows of US\$53.77 million for FY2014. However, as a result of an increase of US\$98.08 million in net working capital required for its expanded business activities, the Group recorded net cash used in operating activities of US\$44.69 million for FY2014.

(m) Cash flow used in investing activities

Net cash used in investing activities amounted to US\$275.85 million for FY2014 mainly due to capital expenditure of US\$289.68 million incurred mainly for the acquisition of vessels.

(n) Cash flow generated from financing activities

Net cash generated from financing activities amounted to US\$339.48 million for FY2014 mainly due to proceeds from new bank loans, shares issued, issuance of redeemable convertible capital securities and notes under the Multicurrency Debt Issuance Programme.

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 fall in global oil prices during the second half of 2014 continues to fuel concerns on the near-term outlook of the oil and gas industry. The Group believes its business model is less susceptible to capital expenditure reductions of the oil companies. However, protracted oil price weakness could inevitably lead to price pressures in the offshore services supply chain.

The Group's vessel chartering business focuses on supporting shallow water oilfield activities which have lower break-even costs as compared to projects in deep water oil fields. Besides operating mainly on longer term charter contracts of between three (3) and five (5) years, the Group serves primarily national oil companies ("NOC") which have less volatile E&P spending patterns.

With the OPEC maintaining its oil output, the Group will continue leveraging on its market position to capitalise on demand opportunities in the Middle East. In fact, the Group won a new charter contract worth US\$97 million in December 2014 from a NOC in the Middle East. This award raised the Group's new contracts secured in 2014 to a total of US\$243 million. At the end of December 2014, the Group's chartering services order book was approximately US\$540 million.

During FY2014, the Group achieved several significant corporate developments to strengthen its foundation for long-term growth. Apart from entering new markets in Latin America, the Group also acquired a 49% stake in an Indonesian offshore support vessel ("OSV") chartering company, in December 2014. This provides a platform for the Group to gain immediate access to the cabotage-protected OSV market in Indonesia and build a new earnings driver for the long term.

To enhance operational capabilities and efficiencies, the Group acquired a marine base in Batam and a shipyard in Singapore which complement our chartering and ship management businesses. With these facilities, the Group will have its own docks and in-house engineering and fabrication capabilities to carry out vessel maintenance, repair and conversion. The Group also acquired OER Group in October to derive economies of scale in the management of crew resources and leverage on OER Group's customer base and geographical reach.

In the current financial year, the Group expects to see maiden contributions from PTSB Group, and the start of revenue contributions from new contracts secured in 2014. The Group remains focused on its strategy to increase penetration in its target markets of Middle East, Latin America, Asia and West Africa to become a major OSV player and is confidently participating in bidding for projects totally to US\$1.2 billion in these regions. As it actively bids for new charter contracts in prospective markets, the Group will also work on plans to enhance its cost efficiencies and financial management.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial year reported on?

Yes.

Subject to ordinary shareholders' approval at the forthcoming Annual General Meeting, the following ordinary dividend has been proposed:

Name of dividend	First and Final
Dividend type	Cash
Dividend rate	US\$0.0005 per ordinary share
Tax rate	Tax exempt (one-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

Yes.

(c) Date Payable

The date payable for the proposed first and final dividend will be announced at a later date subject to shareholders' approval to be obtained at the forthcoming Annual General Meeting.

(d) Book Closure Date.

To be announced at a later date.

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

Not applicable.

13. Interested person transaction

In compliance with Chapter 9 of the SGX-ST Listing Manual (Section B: Rules of Catalist), there were no transactions with interested persons for the year ended 31 December 2014 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 S\$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 S\$100,000)
Chartering		
Swiber and its subsidiaries	US\$5,450,180 ⁽¹⁾	US\$4,115,067
Swiber and its subsidiaries	US\$1,278,900	Nil
Corporate services		
Swiber and its subsidiaries	Nil	US\$288,000
Rawabi Holdings Co Ltd	US\$414,141 ⁽²⁾	Nil
Marine brokerage services		
Swiber and its subsidiaries	Nil	US\$1,300,654
Ship management services		
Swiber and its subsidiaries	Nil	US\$13,103,067
Shipyard, Engineering, Fabrication Services and Facilities services		
Swiber and its subsidiaries	Nil	US\$459,938
Other		
Swiber and its subsidiaries	US\$2,270,000	US\$9,456,000
Rawabi Holdings Co Ltd	US\$1,515,937 ⁽³⁾	Nil

Notes :

⁽¹⁾The transaction relates to chartering income for the financial year ended 31 December 2014. No shareholder approval was obtained because all terms of the charter party agreement entered into between Vallianz Samson Pte Ltd ("VSPL"), Vallianz Marine Pte Ltd ("VMPL") and Newcruz Offshore Marine Pte Ltd were finalized and signed prior to the Company acquiring the 51% interest in VMPL and VSPL, and before Swiber Holdings Limited became an interested party as in Chapter 9 of the SGX-ST Listing Manual (Section B: Rules of Catalist).

⁽²⁾The transaction relates to holding support fee charged by Rawabi Holdings Co Ltd ("Rawabi") for the year ended 31 December 2014. No shareholder approval was obtained because all terms of the agreement entered into between Rawabi Swiber Offshore Services Co Ltd ("RSOS") and Rawabi were finalized and signed prior to Rawabi became an interested party as in Chapter 9 of the SGX-ST Listing Manual (Section B: Rules of Catalist).

⁽³⁾The transaction relates to construction cost of a camp facility in Kingdom of Saudi Arabia by Rawabi for the year ended 31 December 2014. No shareholder approval was obtained because all terms of the agreement entered into between RSOS and Rawabi were finalized and signed prior to Rawabi became an interested party as in Chapter 9 of the SGX-ST Listing Manual (Section B: Rules of Catalist).

14. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

	Vessel chartering & broking US\$'000	Vessel management & services US\$'000	Investment holding US\$'000	Total US\$'000
FY2014				
Revenue				
External sales	119,168	29,226	5,286	153,680
Results				
Segment results	32,707	5,911	4,994	43,612
Unallocated income				249
Finance costs				(22,258)
Profit before tax				21,603
Income tax				(1,173)
Profit for the year				<u>20,430</u>
FY2013				
Revenue				
External sales	8,668	5,619	5,698	19,985
Results				
Segment results	7,170	3,637	3,326	14,133
Finance costs				(3,092)
Profit before tax				11,041
Income tax				(728)
Profit for the year				<u>10,313</u>

15. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to paragraph 8 and 14 above.

16. **Breakdown of sales**

	Group		
	FY2014 US\$'000	FY2013 US\$'000	Increase %
(a) Sales reported for first half year	66,263	7,467	787
(b) Operating profit after tax before deducting non-controlling interest reported for first half year	11,239	4,128	172
(c) Sales reported for second half year	87,417	12,518	598
(d) Operating profit after tax before deducting non-controlling interest reported for second half year	9,191	6,185	49

17. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

	31 Dec 2014 US\$'000	31 Dec 2013 US\$'000
Ordinary	1,672	476
Total	<u>1,672</u>	<u>476</u>

There were no preferences shares as at 31 December 2014 and 31 December 2013.

- 18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(10) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Board of Directors of the Company would like to confirm that none of the persons occupying managerial positions in the Company or its principal subsidiaries are related to a Director or Chief Executive Officer or Substantial Shareholder of the Company, for the financial year ended 31 December 2014.

On behalf of the Board of Directors

Raymond Kim Goh
Director
Non-Executive Chairman

Yeo Chee Neng
Director
Non-Executive Vice Chairman

BY ORDER OF THE BOARD

Lee Bee Fong
Company Secretary
25 February 2015

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Stamford Corporate Services Pte Ltd ("**Sponsor**"), 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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