CH OFFSHORE LTD

(Co. Reg. No. 197600666D)

Unaudited Financial Statements And Related Announcement for the Year Ended 30 June 2014

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

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

1(a)(i) **Statement of comprehensive income for the financial year ended 30 June 2014**

	Group		
	12 mths 30/6/2014 US$'000	**12 mths 30/6/2013 US$'000**	Change %
Revenue	**35,137**	**47,819**	(26.5)
Cost of sales	(4,500)	(7,818)	(42.4)
Gross profit before direct depreciation	**30,637**	**40,001**	(23.4)
Others - Direct depreciation	(7,322)	(7,476)	(2.1)
Gross profit after direct depreciation	**23,315**	**32,525**	(28.3)
Other income (refer to notes below)	63	17	270.6
Other expenses (refer to notes below)	(46)	(43,996)	(99.9)
Administrative expenses	(3,651)	(3,040)	20.1
Profit (Loss) before income tax and results of associated companies	**19,681**	**(14,494)**	235.8
Share of results of associated companies	5,370	7,414	(27.6)
Profit (Loss) before income tax	**25,051**	**(7,080)**	453.8
Income tax	30	(28)	(207.1)
Profit (Loss) after income tax	**25,081**	**(7,108)**	452.9
Other comprehensive income - items that may be reclassified subsequently to profit and loss:			
Cash flow hedge	-	152	(100.0)
Total comprehensive income (loss) for the year	**25,081**	**(6,956)**	460.6

1(a)(ii) **Notes to the statement of comprehensive income**

	Group		
	US$'000		%
	12 mths 30/6/2014 US$'000	**12 mths 30/6/2013 US$'000**	Change
Foreign exchange gain	46	-	nm
Miscellaneous	17	17	0.0
Indirect depreciation	(46)	(46)	0.0
Allowance for doubtful trade receivables	-	(43,950)	(100.0)

Note: "nm" means not meaningful

1(b)(i) **A statement of financial position (for the issuer and group), together with a comparative statement as at the end of immediately preceding financial year.**

Statements of financial position as at 30 June 2014	**Group**		**Company**	
	30/6/2014	**30/6/2013**	**30/6/2014**	**30/6/2013**
	US$'000	US$'000	US$'000	US$'000
ASSETS				
Current assets				
Cash and cash equivalents	79,949	65,655	79,394	64,768
Trade receivables	7,422	6,072	4,493	4,727
Other receivables and prepayments	302	1,013	34,233	41,542
Total current assets	87,673	72,740	118,120	111,037
Non-current assets				
Subsidiary companies	-	-	8,751	8,751
Associated companies	33,608	29,483	5,083	5,926
Club membership	3	3	3	3
Fixed assets	137,333	143,626	78,413	81,626
Total non-current assets	170,944	173,112	92,250	96,306
Total assets	**258,617**	**245,852**	**210,370**	**207,343**
LIABILITIES AND EQUITY				
Current liabilities				
Trade payables	8,981	9,725	14,175	15,482
Other payables	3,000	3,000	57,936	54,079
Other payables - deferred gain	403	403	-	-
Income tax payable	-	79	-	79
Total current liabilities	12,384	13,207	72,111	69,640
Non-current liabilities				
Other payables - deferred gain	6,252	6,655	-	-
Capital and reserves				
Issued capital	55,379	55,379	55,379	55,379
Accumulated profits	184,602	170,611	82,880	82,324
Total equity	239,981	225,990	138,259	137,703
Total liabilities and equity	**258,617**	**245,852**	**210,370**	**207,343**

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

(a) Amount repayable in one year or less, or on demand NIL

(b) Amount repayable after one year NIL

(c) Details of any collaterals. Not applicable

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 Statement of Cash Flows	**Group FY ended 30 June**	
	2014	**2013**
	US$'000	US$'000
Operating activities :		
Profit (Loss) before income tax and results of associated companies	19,681	(14,494)
Adjustments for :		
Depreciation	7,368	7,522
Interest income	(517)	(607)
Net foreign exchange (gain) loss - unrealised	(29)	43
Allowance for doubtful trade receivables	-	43,950
Operating profit before working capital changes	26,503	36,414
Trade receivables	(1,350)	(20,044)
Other receivables and prepayments	744	29
Trade payables	(744)	(1,995)
Cash generated from operations	25,153	14,404
Interest received	484	690
Income tax paid	(49)	(27)
	25,588	15,067
Investing activities :		
Purchase of fixed assets	(1,075)	(3,328)
Repayment from an associated company	843	-
Net cash used in investing activities	(232)	(3,328)
Financing activities :		
Dividends paid, representing net cash used in financing activity	(11,090)	(22,963)
Net increase (decrease) in cash and cash equivalents	14,266	(11,224)
Cash and cash equivalents at the beginning of the year	65,655	76,770
Effects of exchange rate changes on the balance of cash held in foreign currencies	28	109
Cash and cash equivalents at the end of the year	79,949	65,655

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.**

Statement of changes in equity

GROUP	**Issued capital US$'000**	**Hedging reserve US$'000**	**Accumulated profits US$'000**	**Total US$'000**
Balance at 1 July 2012	55,379	(152)	200,682	255,909
Total comprehensive loss for the year				
Loss for the year	-	-	(7,108)	(7,108)
Other comprehensive income for the year	-	152	-	152
Dividends representing transactions with owners, recognised directly in equity	-	-	(22,963)	(22,963)
Balance at 30 June 2013	55,379	-	170,611	225,990
Total comprehensive income for the year				
Profit for the year	-	-	25,081	25,081
Dividends representing transactions with owners, recognised directly in equity	-	-	(11,090)	(11,090)
Balance at 30 June 2014	55,379	-	184,602	239,981

COMPANY	**Issued capital US$'000**	**Hedging reserve US$'000**	**Accumulated profits US$'000**	**Total US$'000**
Balance at 1 July 2012	55,379	(152)	128,002	183,229
Total comprehensive loss for the year				
Loss for the year	-	-	(22,715)	(22,715)
Other comprehensive income for the year	-	152	-	152
Dividends representing transactions with owners, recognised directly in equity	-	-	(22,963)	(22,963)
Balance at 30 June 2013	55,379	-	82,324	137,703
Total comprehensive income for the year				
Profit for the year	-	-	11,646	11,646
Dividends representing transactions with owners, recognised directly in equity	-	-	(11,090)	(11,090)
Balance at 30 June 2014	55,379	-	82,880	138,259

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.**

There has been no change in the company's share capital since the end of the previous period reported on.

There were no treasury shares as at the end of the current financial period and as at the end of the corresponding period of the immediately preceding year.

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.**

As at 30 June 2014 and 30 June 2013, the total number of issued shares excluding treasury shares was 705,090,514.

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.**

Not applicable.

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

The figures have not been audited nor reviewed by the auditors.

3 **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of 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 financial statements for the current reporting period as compared with the most recently audited financial statements for the year ended 30 June 2013 except as disclosed in paragraph 5 below.

5 **If there are any changes in the accounting policies and methods 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 all the new and revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT") that are relevant in the current financial period. The adoption of these new and revised FRS and INT has no material effect on the financial statements.

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.**

Earnings (Loss) per ordinary share for the year based on net profit (loss) attributable to shareholders:		Group	
		As at 30 June	
		2014	**2013**
(i) Based on weighted average number of ordinary shares on issue	US cents	3.56	(1.01)
(ii) On a fully diluted basis	US cents	3.56	(1.01)

Note to item 6 (i)
Group basic earnings (loss) per ordinary share is calculated by dividing Group net profit (loss) attributable to members by the post restructuring number of ordinary shares issued as follows:

	Group	
	As at 30 June	
	2014	**2013**
Net profit (loss) attributable to members (US$'000)	25,081	(7,108)
Weighted average number of ordinary shares on issue	705,090,514	705,090,514

Note to item 6 (ii)

Group basic earnings (loss) per share was the same as the fully diluted earnings (loss) per share as the Group did not have any potential dilutive ordinary shares outstanding as at 30 June 2014 and 30 June 2013.

7 **Net asset value (for the issuer and the group) per ordinary share based on 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**	
		30/6/2014	**30/6/2013**	**30/6/2014**	**30/6/2013**
Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on	**US cents**	34.04	32.05	19.61	19.53

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

Full Year Results - FY ended 30 June 2014 ("FY14") vs FY ended 30 June 2013 ("FY13"):

For the financial year ended 30 June 2014 ("FY14"), the Group has recorded profit after income tax of US$25.081 million. This was 452.9% higher than the loss after income tax of US$7.108 million for the preceding financial year ended 30 June 2013 ("FY13").

Revenue

Revenue for FY14 declined 26.5% to US$35.137 million from US$47.819 million for FY13 primarily due to two vessels secured bareboat charters during the first quarter of FY14. Bareboat charter rates are lower as compared with the higher time-charter revenue generated during FY13.

Gross Profit after Direct Depreciation

Cost of sales decreased 42.4% to US$4.5 million from US$7.818 million for FY13 and direct depreciation declined 2.1% to US$7.322 million from US$7.476 million. The lower operating costs was mainly due to the reversal of provisions for demobilisation of US$2.68 million made during the previous financial year ended 30 June 2013 for two vessels which were no longer required as there was no further requirement to demobilise the vessels back. The reduction in operating costs was also as a result of more vessels are on bareboat charters. Despite the lower operating costs, gross profit after direct depreciation dipped 28.3% to US$23.315 million from US$32.525 million for FY13 primarily due to lower revenue generated during FY14.

Other Expenses

Other expenses comprised only indirect depreciation for the current FY14. However, during the previous FY13, the Group had made an allowance for doubtful trade receivables of US$43.95 million. In the event we are able to recover the balance, adjustments will be made to the allowance for doubtful receivables in subsequent financial year.

Share of Results of Associated Companies

Share of results of associated companies decreased 27.6% to US$5.37 million from US$7.414 million. These were derived from its three associated companies. The lower profit was mainly due to one vessel was docked for its mandatory major overhaul which was completed during the last quarter of FY14. Thereafter, the vessel was waiting to secure the next job. Another vessel was offhired for repair also during the final quarter of FY14.

Income Tax

The Group derived its income mainly from the chartering of its vessels. Income from the operation of Singapore registered vessels are tax-exempt under Sec13A of the Singapore Income Tax Act. The Group also derived taxable income from the chartering of foreign-flagged vessels, interest income, ship management fees and other services rendered. However, there is no provision for income tax as there is sufficient capital allowances and unabsorbed losses to offset.

Profit after Income Tax

For the year just ended, the Group achieved profit after income tax of US$25.081 million compared with loss after income tax of US$7.108 million for FY13 as there was an allowance of US$43.95 million made for doubtful trade receivables in FY13.

Review of the Financial Position as at 30 June 2014

As at 30 June 2014, the Group's financial position remained strong backed by healthy cashflow. The Group recorded cash surplus from operations of US$25.153 million for FY14. Both shareholders' funds and the Group's net assets value (NAV) per share rose to US$239.981 million from US$225.99 million and to 34.04 US cents from 32.05 US cents as at 30 June 2013 respectively. Cash and cash equivalents also increased 21.8% to US$79.949 million from US$65.655 million.

Trade receivables rose 22.2% to US$7.422 million from US$6.072 million as at 30 June 2013.This was due to slight delay in payment by some customers. However, the Group has received full payment for all past due trade receivables subsequent to the financial year just ended.

Investment in associated companies rose 14% to US$33.608 million from US$29.483 million as at 30 June 2013 was mainly due to profits generated by the associated companies which were equity-accounted for.

Other receivables and prepayments decreased 70.2% to US$0.302 million from US$1.013 million as at 30 June 2013. This was primarily due to decrease in bunker, prepayments and insurance claims.

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 this 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.**

Four vessels are expected to undergo mandatory docking for major overhaul in the next 12 months. Apart from this, the Group fleet continues to maintain a healthy utilization as the OSV market is relatively stable.

Save as disclosed herein, there are no known material factors or events which may affect the Group in the next reporting period and the next 12 months.

11 **Dividend**

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? **Yes**

Name of Dividend	Interim One-tier tax-exempt	Proposed Final One-tier tax-exempt	Proposed Special One-tier tax-exempt	Total
Dividend Type	Cash	Cash	Cash	Cash
Dividend Amount (SGD cents per share)	0.50	2.00	2.00	4.50

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of Dividend	Interim One-tier tax-exempt	Final One-tier tax-exempt	Special One-tier tax-exempt	Total
Dividend Type	Cash	Cash	Cash	Cash
Dividend Amount (SGD cents per share)	-	1.50	-	1.50

(c) Date payable

To be advised at a later date.

(d) Books closure date

The notice of book closure for the purpose of determining shareholders' entitlements to the proposed dividend will be announced at a later date.

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

Not applicable.

13 **Interested Person Transactions**

The Company has not obtained a general mandate from shareholders for Interested Person Transactions.

14 **Negative assurance confirmation by the Board pursuant to Rule 705 (5) of the Listing Manual.**

Not required for announcement on full year results.

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

15 **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.**

As the main focus is on the generation of revenue for the group, the CEO makes decision to charter the vessels based on the charter rates, timing and availability of the vessels. Hence, vessels are deployed worldwide and wherever clients required them subject to safety factors, for example, war zones or areas prone to piracy. As a result, it is not meaningful to present the revenue by countries or geographical locations.

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

The operations of the group are associated specifically with the support of offshore oil and gas industry which is the major operating segment of the group. Hence, any material changes in contributions to turnover and earnings by the business are covered in the review in Paragraph 8 above.

17 **A breakdown of sales.**

	Group		
	US$'000		%
	Latest Year 30/6/14	Previous Year 30/6/13	Change
(a) Sales reported for first half year	17,067	27,476	(37.9)
(b) Operating profit after tax before deducting minority interests reported for first half year	14,099	19,250	(26.8)
(c) Sales reported for second half year	18,070	20,343	(11.2)
(d) Operating profit (loss) after tax before deducting minority interests reported for second half year	10,982	(26,358)	(141.7)

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

	Latest Full Year (SGD'000)	Previous Full Year (SGD'000)
Ordinary	17,627	10,576
Special	14,102	-
Preference	-	-
Total:	31,729	10,576

19 **Disclosure of person(s) occupying a managerial position in the issuer or any of its subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year

Not applicable.

BY ORDER OF THE BOARD
Valerie Tan
Company Secretary
31 July 2014