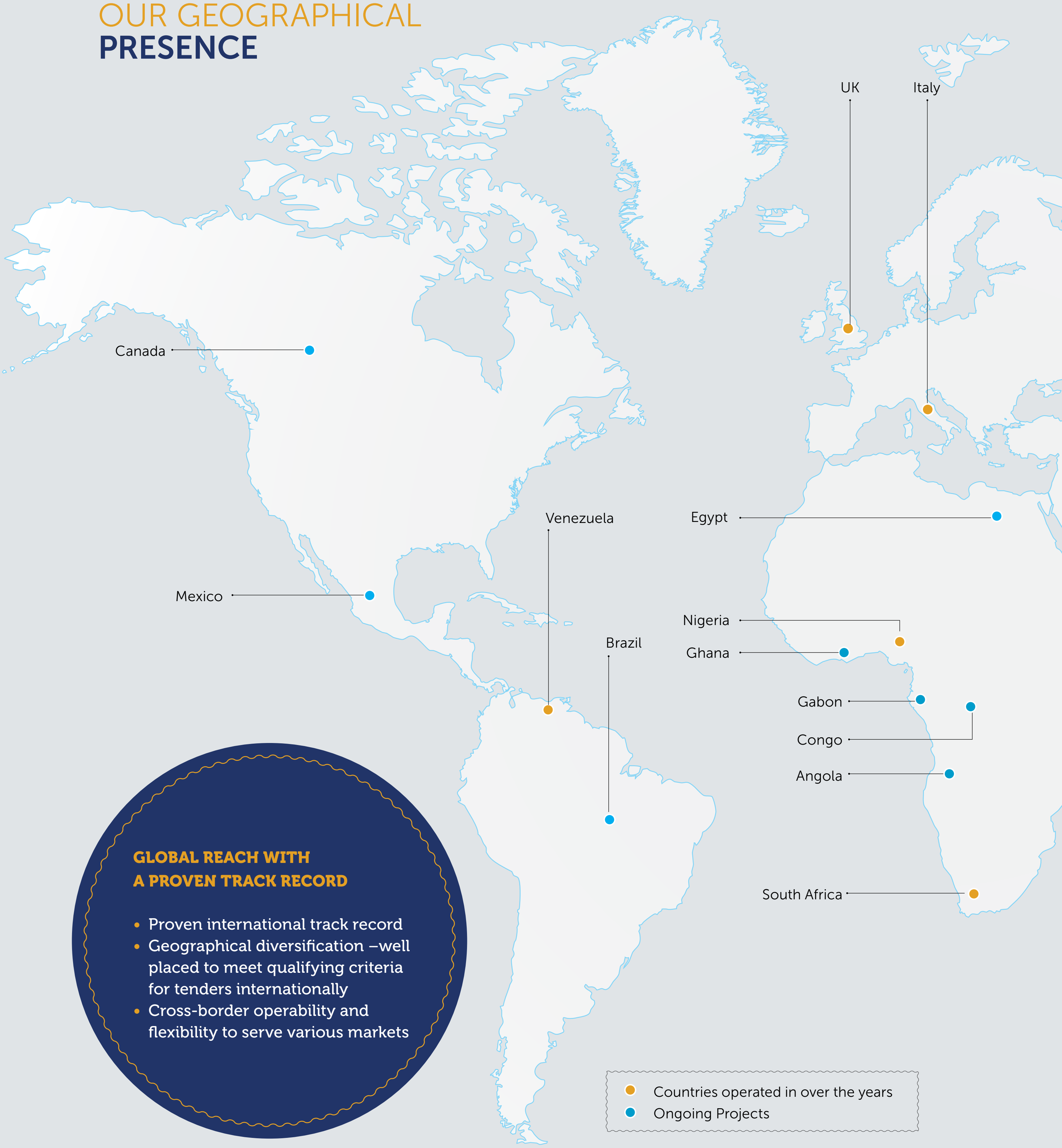
CHARTING A STEADY COURSE

PACC OFFSHORE SERVICES HOLDINGS LTD.
ANNUAL REPORT 2015

OUR GEOGRAPHICAL PRESENCE



GLOBAL REACH WITH A PROVEN TRACK RECORD

- Proven international track record
- Geographical diversification –well placed to meet qualifying criteria for tenders internationally
- Cross-border operability and flexibility to serve various markets


Azerbaijan
Iran
Russia
South Korea
China
Vietnam
Philippines
Brunei
India
Myanmar
UAE
Thailand
Oman
Qatar
Malaysia
Indonesia
New Caledonia
Australia
Saudi Arabia
New Zealand

CONTENTS

OUR VISION

WE ASPIRE TO BE THE BEST-IN-CLASS SERVICE PROVIDER, AND OUR CUSTOMER'S PARTNER OF CHOICE. WE ARE REPUTED FOR OUR RELIABILITY, PROFESSIONALISM, INTEGRITY AND OPERATIONAL EXCELLENCE.

OUR CORE VALUES

TEAMWORK

- Embrace our "ONE TEAM" culture to meet our shared vision and mission.
- Appreciate the contributions of each member of our POSH family, both on shore and at sea.

INTEGRITY

- Honour our commitments and deliver on our promises.
- Be sincere and honest in all our engagements.

ACCOUNTABILITY

- Be accountable for our actions or inaction.
- Be proactive and take ownership – "If it is to be, it is up to me".

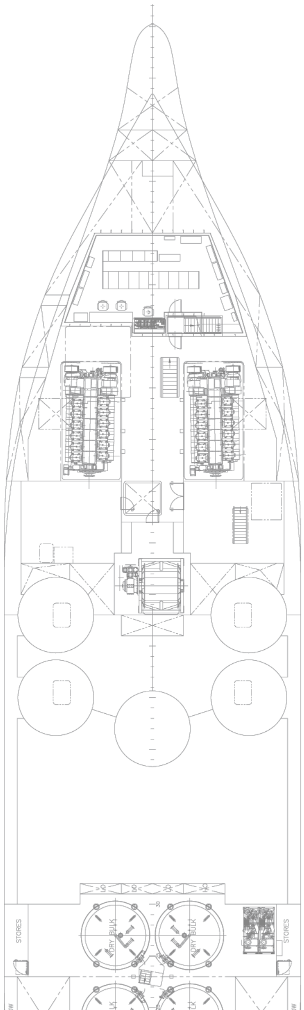
DEDICATION TO HEALTH, SAFETY, QUALITY & ENVIRONMENT

- Uphold our firm commitment to operational and safety excellence while delivering constant improvements.
- Keep our staff and our work environments safe and healthy.
- Care for our planet - do no environmental damage.

CUSTOMER AND MARKET FOCUS

- Always listen to and focus on the needs of our customers.
- Be alert to market forces re-shaping the business landscape to identify and capture new opportunities.
- Be passionate about what we do and relish the pursuit of finding solutions to any challenge.

ABOUT POSH



PACC Offshore Services Holdings Ltd. ("**POSH**") is a leading offshore marine services provider with some 60 years of operating experience and specialised expertise in offshore and marine oil field services. With a young and diverse fleet of over 100 offshore vessels servicing multiple segments of the offshore oil and gas value chain, we are known as a best-in-class service provider with a reputation for operational excellence, teamwork, integrity, accountability, safety and market focus.

Our highly experienced team is consistently recognised by customers for our professionalism and commitment to service quality and safety. We are known for continually raising the bar in offshore marine services, and our proven international track record makes us the partner of choice for clients.

We operate across four major business divisions: Offshore Supply Vessels ("**OSV**"), Offshore Accommodation ("**OA**") Transportation & Installation ("**T&I**"), and Harbour Services & Emergency Response ("**HSER**").

POSH is headquartered in Singapore and listed on the Mainboard of the Singapore Exchange. Our fleet operates worldwide, serving offshore oilfields in Asia, Africa, Middle East, North and Latin America, by providing vessels and services for projects involving many of the world's major oil companies and established international offshore contractors.

OUR HISTORY

Backed by years of operating experience and specialised expertise in offshore and marine oil field services, POSH represents the coming together of various established companies in the industry. Each of these companies possessed a rich heritage and solid reputation as pioneers and leaders in their respective fields of operation.

Evolving from a leading salvor and towage specialist in the 1950's, POSH today is a leading global player in the offshore and marine industry, providing a comprehensive suite of vessels and services. We operate a young, nimble and diverse fleet that is regularly renewed, reflecting our diverse capabilities and deep expertise.

Our combined assets, vast experience in project management, and impeccable track record are well recognised by our customers, and we will continue to build on our fine history and raise the bar for offshore and marine service excellence.

CORPORATE MILESTONES

2006

Company incorporated as PACC Offshore Pte. Ltd.

Entered the deepwater segment through orders for two 16,000 BHP DP2 AHTS

Entered the oilfield services sector through orders for 16 8000-10,000 BHP AHTS between 2006 and 2007

2007

Acquired PSA Marine's offshore businesses comprising SEMCO Pte. Ltd., a leading FPSO towage operator; Maritime Pte. Ltd., a leading transportation and installation operator; and various ship-owning entities

Company renamed PACC Offshore Services Holdings Pte. Ltd.

2008
Entered the offshore accommodation segment through four accommodation vessels

2010
Formed PSV fleet through the initial acquisition of two diesel electric PSVs and subsequent addition of six more PSVs

2012
Enhanced position in the offshore accommodation segment with an order of two 750-pax SSAVs between 2012 and 2013

2013
Awarded transportation and installation contract for Icthys FPSO and the world's largest semi-submersible platform - the Ichthys Central Processing Facility

2014
Launched initial public offering to strong institutional and retail support – IPO offering was five times subscribed

Admitted to the Mainboard of the Singapore Exchange and commenced trading

Secured contract with Petrobras for 750-pax POSH Xanadu SSAV - the largest purpose-built floatel to-date

2015
Further expansion into the Middle East with two LCVs deployed to Saudi Arabia

2016
Formation of Saudi Arabia JV with Hmood Al-Khalaf Group to expand presence in the Middle East

Joint venture POSH Terasea secured project to provide towage and positioning services for the Shell Prelude FLNG platform, which is the world's largest offshore facility

FINANCIAL HIGHLIGHTS

	FY2011	FY2012	FY2013	FY2014	FY2015
Financial Performance (US$'000)					
Revenue	240,950	242,966	237,263	234,037	280,820
Gross Profit	55,408	61,074	72,391	57,204	58,026
Net Profit / (Loss) After Tax	26,218	53,520	73,371	53,243	(130,959)
EBITDA	71,860	104,861	127,271	108,245	90,393
EBITDA Margin	29.8%	43.2%	53.6%	46.3%	32.2%

	FY2011	FY2012	FY2013	FY2014	FY2015
Financial Position (US$'000)					
Total Shareholders' Equity	594,322	662,514	864,295	1,213,764	1,061,043
Total Liabilities	709,452	736,633	909,226	657,571	672,567
Total Assets	1,303,774	1,399,147	1,773,521	1,871,335	1,733,610
Fixed Assets	734,181	768,741	1,037,610	1,113,689	1,278,147
- Vessels in-use	590,052	601,932	635,961	793,798	1,020,288
- Vessels under construction	143,552	166,247	400,341	318,132	256,221
- Other Assets	577	562	1,308	1,759	1,638
Net Current (Liabilities) / Assets	(451,412)	16,572	(388,819)	(140,632)	(496,192)
Net Debt	(622,092)	(524,808)	(796,874)	(548,332)	(545,951)
Net Debt/Equity	104.7%	79.2%	92.2%	45.2%	51.5%

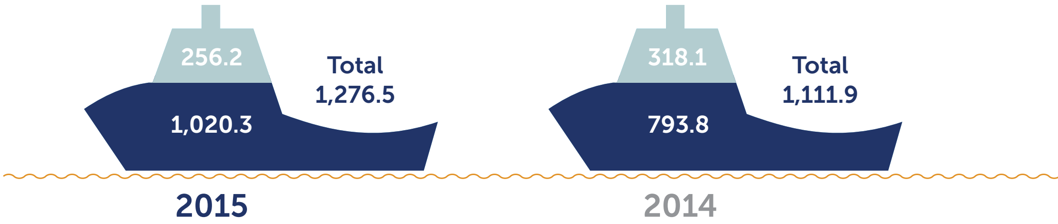
	FY2011	FY2012	FY2013	FY2014	FY2015
Financial Indicators					
Return on Shareholders' Equity	4.4%	8.1%	8.5%	4.4%	(12.3%)
Return on Assets	2.0%	3.8%	4.1%	2.8%	(7.6%)
Net Asset Value per Share (in US cents)	49.48	55.16	58.30	66.69	58.53
Basic Earnings per Share (in US cents)	2.18	4.46	6.02	3.10	(7.20)
Diluted Earnings per Share (in US cents)	2.18	4.33	4.95	3.10	(7.20)

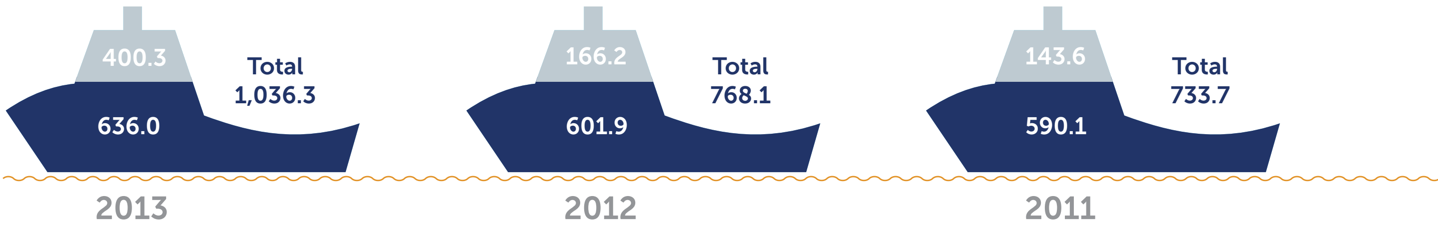
TOTAL VESSELS
US$ Million

	FY2011	FY2012	FY2013	FY2014	FY2015
Vessels in use	590.1	601.9	636.0	793.8	1,020.3
Vessels under construction	143.6	166.2	400.3	318.1	256.2
Total	733.7	768.1	1,036.3	1,111.9	1,276.5

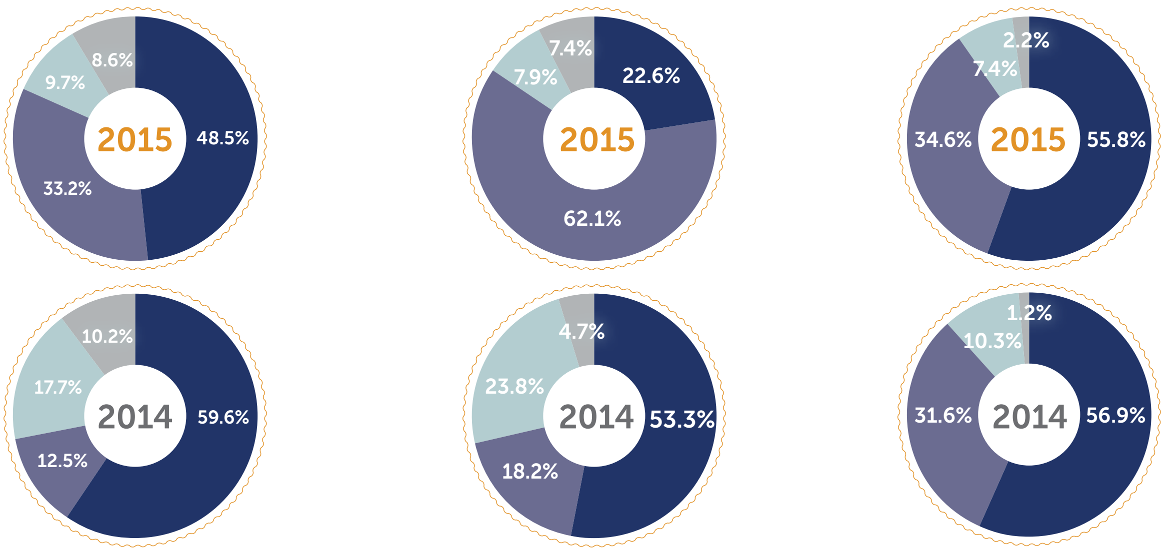
TOTAL VESSELS
US$ Million

- Vessels under construction
- Vessels in use





DIVISION RESULTS

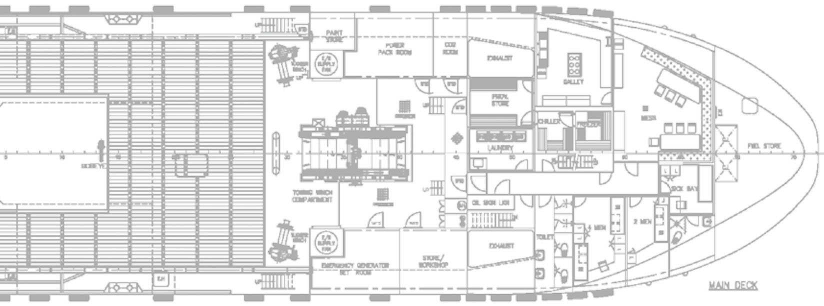


REVENUE
US$ Million	2014	2015
OSV	139.5	136.2
OA	29.3	93.2
T&I	41.4	27.3
HSER	23.8	24.1

GROSS PROFIT
US$ Million	2014	2015
OSV	30.5	13.1
OA	10.4	36.0
T&I	13.6	4.6
HSER	2.7	4.3

VESSELS-IN-USE
US$ Million	2014	2015
OSV	451.6	569.6
OA	250.9	352.8
T&I	81.7	75.4
HSER	9.6	22.5

CHAIRMAN'S LETTER TO SHAREHOLDERS



WITH A SOUND STRATEGY, A CLEAR EXECUTION PLAN AND AN EXPERIENCED TEAM, WE ARE CONFIDENT OF EMERGING STRONGER FROM THIS DOWNTURN.

DEAR SHAREHOLDERS,

During the year in review, the increased uncertainty in the geopolitical environment and continued declines in the price of oil led to oil and gas majors rationalising project schedules and investments. This has continued to affect the offshore oil and gas services sector, with corresponding pressure on charter rates and vessel utilisation across the industry.

The oversupply in crude oil resulting from US shale oil and gas production, an unchanged OPEC production which prioritised market share over price, and the impending return of Iran to the world oil market had continued to weigh on oil prices. This continued weakness in the price of oil has forced oil companies to reduce their cost base and adjust their business plans to reduce capital expenditure by US$230 billion over the past 18 months and to institute delays in their investment schedules.

Despite these difficult and challenging conditions, the Group was able to increase revenue by 20% to US$280.8 million, and maintain gross profit at US$58.0 million which was comparable with that achieved in 2014. However, due to the overall depressed conditions faced by the offshore marine sector, the Group took a non-cash impairment of US$148.4 million to goodwill and fixed assets in the fourth quarter of the year which resulted in POSH reporting a net loss of US$131.0 million for the year. Excluding the impairment/write off and gain from disposal, net profit was US$13.6 million compared to US$9.7 million in the previous year.

The Board of Directors has proposed a final dividend of 0.5 Singapore cents per ordinary share for the financial year ended 31 December 2015.

The Board and management continue to exercise prudent and diligent management of the Group's financials in the face of continuing uncertainty. Whilst we have reviewed and adjusted our capital expenditure plan due to the challenging environment, we are also ready to commit to capital expenditure when new opportunities arise. In early 2016, the Group has secured funding facilities of US$1.012 billion, part of which will be used to refinance existing loans. Our strong balance sheet places us in a good state to weather continued uncertainty and support growth.

The Group will continue to focus on operational and safety excellence as well as cost efficiency, whilst maintaining vigilance over the changing market conditions and clients' needs in order to maximise on vessel utilisation across our four key business divisions. We believe that our diversification in terms of fleet type, scope of services and geographic coverage has enabled us to spread and manage our risk during this downcycle.

Through their dedicated efforts, the management and staff have continued to deliver on our strategy in the face of challenging conditions. This has resulted in recent contract wins, including the towing and positioning contract for Shell's Prelude floating liquefied natural gas ("**FLNG**") platform that was won against stiff international competition. The Prelude FLNG is the world's largest floating structure, approximately the size of four football fields and weighing about four times that of the Sydney Harbour Bridge. In addition,

NECESSARY AND DIFFICULT ACTIONS HAVE BEEN TAKEN TO NAVIGATE THROUGH THE TOUGH TIMES IN 2015.

our recent two contracts in the Middle East – a contract for four new builds for a client in Saudi Arabia and a contract for an Anchor Handling Tug Supply ("**AHTS**") vessel in Qatar – were a direct result of the successful efforts to further expand our operational footprint and cultivate relationships with partners and clients in the region.

In addition to focusing on improving revenue, the Group also took concrete measures to readjust our cost base without compromising on service quality and vessel reliability. Salaries of management staff have been frozen for the past two years, while salaries of senior onboard staff have been reduced. In addition, the Group has reduced other vessel operating expenses including crewing, procurement, travelling and communication costs.

During the year, the Board worked closely with management in maintaining oversight of risk and ensuring that our operations continue to meet or exceed industry best practices.

Necessary and difficult actions have been taken to navigate through the tough times in 2015, and the Board and management will remain vigilant and continue to adapt to market conditions whilst remaining focused on executing on our mission of achieving the highest operational, cost efficiency and safety standards for the Group.

Our reliability and operational excellence have been a key differentiator for the Group and will remain a key focus in 2016. While we will face challenges in optimising the utilisation of our fleet, we will continue to invest selectively for future long-term growth.

With a sound strategy, a clear execution plan and an experienced and dedicated team, we are confident of emerging stronger from this downturn.

On behalf of the Board, I extend our sincere thanks and appreciation to all our staff and management for their dedication to the Group, and also to our shareholders, customers, and other stakeholders for your continued support.

KUOK KHOON EAN
Chairman

CEO'S REVIEW OF OPERATIONS

2015 WAS A TURBULENT YEAR FOR THE OFFSHORE SERVICES INDUSTRY AND FOR POSH. STILL, OUR STRATEGY TO DIVERSIFY ACROSS THE OFFSHORE SERVICES SECTOR AND TO GROW THE OFFSHORE ACCOMMODATION DIVISION HAS ENABLED US TO REPORT STEADY OPERATING PERFORMANCE.

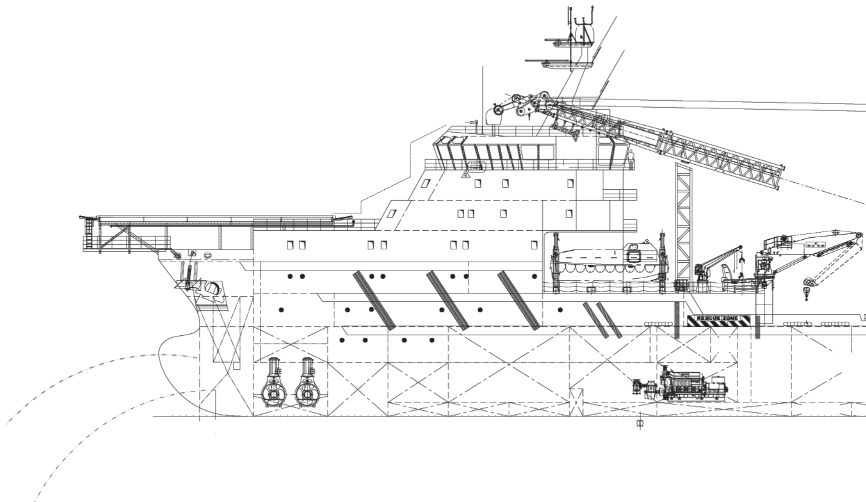
DEAR FELLOW SHAREHOLDERS,

The 2015 year in review was a turbulent year for the industry as a whole and consequently for POSH. Oil prices have been on a steep decline, further buffeting the oil and gas industry, which we, as offshore service providers, support.

Our strategy to diversify and provide broad based services across the offshore services sector and to grow the Offshore Accommodation division has enabled us to report steady operating performance in the face of this prolonged downcycle.

We had anticipated these headwinds in 2014, and took early steps to adapt our business strategy and reset our cost base in tandem with that of our clients. This has enabled us to remain relevant to our clients and continue to add value even in

OUR COMMITMENT TO SHAREHOLDERS REMAINS UNCHANGED. WE CONTINUE TO IDENTIFY AND SELECTIVELY PURSUE GROWTH OPPORTUNITIES THAT CONTRIBUTE TO CASH FLOW GENERATION AND LONG-TERM VALUE CREATION.



such challenging conditions. As a result of our actions, POSH delivered strong operating results in 2015.

Resilient performance amid challenging conditions in FY2015

Revenue increased 20% year-on-year in FY2015 to US$280.8 million from US$234.0 million, driven by our Offshore Accommodation division. Gross profit was maintained at US$58.0 million from US$57.2 million, as we kept a strict control on costs and continued to make calibrated investments in areas of long-term growth.

The net loss of US$131.0 million recorded for the year was the result of a prudent step to take a non-cash goodwill and fixed asset impairment of US$148.4 million. This reflected deteriorating macro conditions that affected the entire industry and it had no impact on operational performance or cash reserves. Operationally, we have performed better than in FY2014, with net operating profit of US$13.6 million in FY2015, up from US$9.7 million in FY2014.

Our cash flow from operating activities remains strong at US$69.6 million, up from US$60.1 million in FY2014. We continue to have a strong balance sheet with a conservative gearing of 0.51 times. In early 2016, we successfully refinanced debt with facilities available for drawdown totalling US$1.012 billion.

We expect industry conditions to remain difficult for the next two to three years until demand and supply for oil and gas achieves equilibrium. However, our objective of generating long-term value for shareholders regardless of external conditions remains steadfast. To deliver on this objective we will continue to focus on factors within our control, especially operational cost efficiency. We will do so without sacrificing our overarching mission of maintaining service excellence by continuously improving on operational excellence and safety, and maintaining the reliability of our vessels. This is an imperative we will deliver on. Together with maintaining service excellence, we will selectively pursue pockets of growth to differentiate ourselves and allow us to meet these challenges head on.

Operation excellence remains our key differentiator amid an increasingly competitive environment

Our excellent service and safety track record has enabled us to continue securing contracts against stiff competition. For instance, our specialist offshore service contractor joint venture, POSH Terasea, secured a landmark contract to tow and position the world's largest floating liquefied natural gas ("**FLNG**") platform ever built, the Shell Prelude. This massive and complex undertaking to tow a platform four times the size of a football field from South Korea to a gas field in Australia will see us deploying five vessels.

Last year, we identified the Middle East as a key growth market. During the year we secured two long-term contracts for our Light Construction Vessels ("**LCV**") with a Saudi Arabian client, and one Anchor Handling Tug Supply Vessels ("**AHTS**") with a Qatari client. These significant contracts further validate our diversified business strategy to expand selectively into growth markets and business segments to capture pockets of growth amid industry turbulence.

One of the hallmarks of service excellence is positive feedback from customers.

The many accolades we received in 2015 included those for our Offshore Accommodation centrepiece, the top-of-the-line 750-pax semi-submersible accommodation vessel ("**SSAV**") POSH Xanadu, which has the distinction of being the only floatel that has achieved 100% uptime in difficult weather conditions. Her nickname, "The Tick" by the client, is testament to her ability to stick to the platform even when all other floatels have disconnected due to adverse weather conditions. Another accolade we received was for POSH Endurance, which one charterer has hailed as having "the best crew that I have ever worked with".

CEO'S REVIEW OF OPERATIONS

Our Offshore Supply Vessels division's POSH Concorde was also recognised as the "Best Performing Vessel for Q4 2015" by our Brunei client. Our Saudi client provided similar compliments for POSH Pelican, saying: "Thank you very much for helping us...in a non-favourable weather conditions...(when) most of the (other) supply boats are in the anchorage".

We will continue to enhance our world-class service and our differentiated ability to serve the entire offshore marine value chain to meet the diverse needs of our current and potential customers.

Resetting our cost base, and improving cost efficiency

We have kept a close watch on our cost base while maintaining a focus on the topline. Since 2014, we have proactively sought cost reduction initiatives that have been far-reaching across our business, without compromising on training and safety regimens. Some of the initiatives we have taken include freezing salaries of all staff onshore and offshore across the board, and enhancing the productivity of our staff. Despite the growth in our fleet size, staff headcount has remained unchanged. Going forward, we will implement further cost reduction initiatives.

We have also had to take some difficult decisions in the area of reducing crewing costs, primarily through wage, travel and benefit adjustments. These painful but necessary actions support our ability to weather continued subdued market demand, amid the prolonged downcycle affecting our industry.

Safety will always remain a top priority

In undertaking the above initiatives, POSH continues to operate with the motto of "ONE TEAM, ONE GOAL – ZERO HARM". Our investment in improving Health, Safety and Environment ("**HSE**") policies and practices continues unabated. We see our focus on safety as an enduring, differentiating competitive advantage with our customers.

In 2015, we held a Safety Day for all staff, including those onshore, to raise awareness about challenging working conditions at sea and to re-emphasise that safety takes priority at all times. All staff demonstrated their commitment to this by signing the POSH Safety Pledge.

We continued our twice-yearly Sea & Shore Staff Seminar for all marine crew. These seminars involve senior management and prominent industry partners imparting knowledge on practical topics such as procurement, HSE, technical matters and operations to help them continue to deliver cost-effective, high quality and safe service, and to reinforce our company core values and mission.

Our HSE key performance indicators are closely tracked and senior management conduct regular vessel visits to demonstrate our firm commitment to HSE policies and to reiterate our core safety values to our staff at sea.

Our people underpin our service and safety excellence

We recognise that our people are the key to sustaining excellent quality service and delivering safety, and therefore we will continue to focus on improving the skills of staff in their specific operational areas. We do this through staff training programmes which emphasise superior management and maritime skills, with a strong focus on operational excellence and having a proactive attitude towards health, safety and stewardship of the environment.

Our employees underpin our operational and safety excellence around the world. We have continued to implement rigorous systems to entrench a culture of excellence and best practice for all employees – onshore and offshore. We do this with a robust training calendar each year to continually improve and broaden the skillsets of our crew and staff, reinforce safety awareness and instil a shared sense of corporate values.

A key focal point in these efforts is our annual POSH Day retreat. In 2015, approximately 170 employees from more than 10 countries had the opportunity to bond via team-building exercises at Bintan, Indonesia.

We are also proud of our cadetship training programme, which allows us to develop our own pool of quality senior officers and marine

OUR HUMAN CAPITAL UNDERPINS OUR COMPETITIVE STRENGTH, AND WE CONTINUE TO COMMIT TO A ROBUST TRAINING CALENDAR, REINFORCE SAFETY AS A TOP PRIORITY AND INSTIL A SHARED SENSE OF CORPORATE VALUES.

engineers that shares our core values and ethos. More than 280 cadets have risen through our ranks since the programme's inception in 2008. In 2015, we awarded 15 Malaysian cadets with a full sponsorship at the Akademi Laut Melaka. In Singapore, we partnered Wavelink Maritime Institute – the training arm of the Singapore Maritime Officers Union – and took on Singapore cadets to train onboard POSH vessels. Going forward, we will expand our cadetship programme into India, and the Middle East.

Creating value in the year ahead

Currently, oil prices remain depressed. Whilst the timing and magnitude of a rebound in oil price is uncertain, we believe that the long-term prospects for the industry remains positive, as the demand for energy remains intact amid depleting oil stocks from traditional sources.

In such conditions, we will focus on positioning ourselves to navigate these challenging times. We have identified clear strategic goals to do this: keep up the utilisation of our vessels, continue investing in existing operations to ensure service excellence; keep a close eye on costs and selectively pursue growth opportunities.

We do expect increased competition from other operators and a reduction in charter rates. We will be exploring further cost reduction initiatives to stay competitive. We constantly review our growth plans and adjust capital expenditure in line with market trends wherever possible. In the year ahead, we will take delivery of 12 previously committed vessels, with remaining payments approximating US$117.0 million.

Our commitment to shareholders remains unchanged. We continue to identify and selectively pursue growth opportunities that contribute to cash flow generation and long-term value creation. Our diversified business model with assets across the entire offshore marine value chain has served us well by allowing us to capitalise on existing customer relationships to cross-refer business for our other segments. We will also continue pursuing growth in new segments and geographies, including the Middle East, which has already begun to bear fruit with recent contract wins.

Our strong balance sheet means we are in a good position to identify and capture value accretive opportunities during this market downturn. This is also a competitive advantage as clients are looking for partners who are able to withstand the downturn and in a financial position to stay afloat.

To conclude, I thank all our shareholders for your trust and investment in POSH. With strong support from our customers and banks, you can be confident that our ship is seaworthy and secure, and we are well-positioned to navigate through the choppy seas ahead. We continue to redouble our efforts to improve operating performance that will lead to better returns when the tide for the industry eventually turns.

CAPTAIN GERALD SEOW
Chief Executive Officer

BOARD OF DIRECTORS

MR KUOK KHOON EAN
Chairman & Non-Executive Director

Mr Kuok Khoon Ean is the Chairman of Kuok (Singapore) Limited (**"KSL"**), a Director of Kerry Group Limited and the Managing Director of Kerry Holdings Limited. He is a Non-Executive Director of Wilmar International Limited, a company listed on the Singapore Exchange (**"SGX"**). He is an Independent Non-Executive Director of The Bank of East Asia, Limited and IHH Healthcare Berhad, which are listed on the Hong Kong Stock Exchange and Bursa Malaysia respectively.

Mr Kuok holds a Bachelor of Economics degree from Nottingham University, United Kingdom. Mr Kuok was appointed Chairman and Non-Executive Director of the Company on 18 July 2013 and was last re-elected on 14 April 2014.

MR SEOW KANG HOE, GERALD
Chief Executive Officer & Executive Director

Mr Gerald Seow has more than 40 years of experience in the shipping industry, including 15 years of sea-going experience and more than 20 years of senior management experience.

He first began his career at Neptune Orient Lines Limited (**"NOL"**) in 1971 and he remained with the NOL group until 1996. From 1986 to 1996, he came ashore and served in various senior management positions within the NOL group in Singapore and the United States of America.

In 1996, he joined Pacific Carriers Limited (**"PCL"**) and was instrumental in developing the liner shipping business, the offshore marine services business (under our Company since 2006) and the shipbuilding business for PCL and KSL.

Mr Seow holds a Certificate of Competency as Master of a Foreign-Going Ship from the Ministry of Transport of New Zealand and a Degree of Master of Science in Shipping, Trade and Finance from The City University of London. He was appointed as an Executive Director of the Company on 7 March 2006 and was last re-elected on 14 April 2014.

MR WU LONG PENG
Non-Executive Director

Mr Wu Long Peng is an Executive Director of KSL, PCL and Malaysian Bulk Carriers Berhad (**"MBC"**) (a company listed on Bursa Malaysia). He has more than 30 years of experience in finance and corporate affairs. Mr Wu is also a Non-Executive Director of Gamma Communications Limited, a company listed on AIM in the United Kingdom.

Mr Wu is a Fellow Member of the Association of Chartered Certified Accountants, United Kingdom and a member of the Institute of Singapore Chartered Accountants. He was first appointed as a Director of the Company on 28 January 2008 and was last re-elected on 27 April 2015.

DATO' JUDE PHILOMEN BENNY
Lead Independent Director

Mr Jude Benny is currently a partner at Joseph Tan Jude Benny LLP and has been a lawyer in private practice with the same firm for more than 25 years since 1988. Mr Benny is an Independent Director of BW LPG Limited, a company listed on the Oslo Stock Exchange. He was formerly a director of Singapore Maritime Foundation from 2004 to 2011 and also formerly a director of the Maritime & Port Authority of Singapore from 2006 to 2015.

Mr Benny holds a Bachelor of Laws (Honours) from the London University. In recognition of his public service in Singapore, he was conferred the Public Service Medal in 2013. He was appointed as a Director of the Company on 1 September 2013 and was last re-elected on 14 April 2014.

MR MA KAH WOH
Independent Director

Mr Ma Kah Woh was a senior partner of KPMG Singapore, where, he was in charge of the Audit & Risk Advisory Practice and Risk Management function for many years until his retirement in September 2003.

Mr Ma currently sits on the Boards of Mapletree Investment Pte Ltd and Mapletree Logistics Trust Management Limited (the manager of Mapletree Logistics Trust, a real estate investment trust listed on the SGX), and StarHub Ltd (a company listed on the SGX). He also sits on the Board of private equity fund, CapitaLand China Development Fund II Ltd., and on the Board of Trustees of the National Heritage Board.

Mr Ma is a Fellow of the Institute of Chartered Accountants in England and Wales, and a Member of the Institute of Singapore Chartered Accountants. He was appointed as a Director of the Company on 1 September 2013 and was last re-elected on 14 April 2014.

DATO' AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID
Independent Director

Mr Ahmad Sufian has more than 40 years of experience in the shipping industry. He was the chairman of Global Maritime Ventures from 1996 to 2003, country manager of American President Lines from 1989 to 1995, director/general manager of Perbadanan Nasional Shipping Line from 1982 to 1989 and manager of Malaysian International Shipping Corporation from 1977 to 1982. He is currently also the Independent Non-Executive Chairman of MBC, GD Express Sdn Bhd and WCT Holdings Berhad and an Independent Non-Executive Director of PPB Group Berhad, each of which is listed on Bursa Malaysia.

Mr Sufian obtained a Certificate of Competency as Master of a Foreign-Going Ship in United Kingdom in 1975 and attended the Advanced Management Program at Harvard Business School in 1993. He is a Fellow of the Chartered Institute of Logistics and Transport. He was appointed as a Director of the Company on 9 January 2009 and was last re-elected on 27 April 2015.

MR WEE JOO YEOW
Independent Director

Mr Wee Joo Yeow was the Managing Director and Head of Corporate Banking in Singapore of the United Overseas Bank ("**UOB**"). Mr Wee has more than 30 years of corporate banking experience. He joined UOB in 2002. Prior to that, Mr Wee was with Overseas Union Bank ("**OUB**") from 1981 to 2001 and was last appointed as the Executive Vice President and Head of Marketing, Sales, Credit and Origination in Corporate Banking of OUB before its merger into UOB.

Mr Wee is also currently an Independent Director of Oversea-Chinese Banking Corporation Limited, Frasers Centrepoint Limited and Great Eastern Holdings Limited (each a company listed on the SGX), and Mapletree Industrial Trust Management Ltd. (the manager of Mapletree Industrial Trust, a real estate investment trust listed on the SGX).

Mr Wee graduated from the University of Singapore with a Bachelor of Business Administration (Honours) degree and New York University with a Master of Business Administration. He was first appointed as a Director of the Company on 19 December 2013 and was last re-elected on 14 April 2014.

SENIOR MANAGEMENT

MR LEE KENG LIN
Chief Operating Officer,
Divisional Director

Harbour Services & Emergency Response

As part of the Group's succession plan, Mr Lee was appointed as Chief Operating Officer in October 2014. He is responsible for overseeing the day-to-day operations of the Group and works closely with the Chief Executive Officer to grow the Group's business and drive performance measures in all operational aspects.

Mr Lee has more than 10 years of experience in the offshore marine industry. He has been with the Group since 2007. Mr Lee was part of the team that led our acquisition of PSA Marine's offshore business in 2007 and has been instrumental in the development and operations of various joint ventures and new business divisions. Prior to this, he was employed by PSA International as its corporate and business development manager, where he was responsible for business development and charters of harbour tugs, and offshore support vessels.

MR CHAI ULVA
Divisional Director

Offshore Accommodation

Mr Chai is the Divisional Director of Offshore Accommodation, where he has been instrumental in the development and expansion of the business.
Mr Chai has more than 10 years of experience in the offshore marine industry. He was a manager with PSA Marine Pte Ltd from 2000 to 2006, handling business development and overseas charters, and served as a director in PSA Marine's joint venture company in Fuzhou, China. From 2006 to 2007, Mr Chai was an assistant general manager in PSA Marine's offshore business. Since our acquisition of the business in 2007, Mr Chai has served the Group as an assistant general manager and general manager.

MR SIM HEE PING
Divisional Director

Fleet Services and Fleet HSEQA

Mr Sim heads our fleet management division. He is responsible for the overall technical management, safety and training of the Group's offshore crew.

Mr Sim has more than 35 years of experience in the shipping industry. Prior to joining the Group in 2009, he held various positions with NOL from 1977 to 2006. He started out as a cadet engineer in 1977 and worked his way up to become a chief engineer in 1987, taking care of the equipment and machinery on board NOL ships. Between 1987 and 1989, he was seconded to Jurong Shipyard as a ship repair manager. He was also a technical superintendent from 1989 to 1998 and a technical director from 1998 to 2006, in charge of managing NOL vessels. From 2006 to 2008, he was seconded to Neptune Shipmanagement Services Pte Ltd, the ship management arm of NOL, as its managing director.

MR NG ENG KHIN
Divisional Director

Transportation & Installation (Deepwater)

Mr Ng is President of POSH Terasea Offshore Pte. Ltd, the Group's specialist offshore service contractor joint venture. He has held the position since POSH Terasea's formation and oversaw the subsequent injection of the Group's entire Transportation & Installation (Deepwater) business into the joint venture.

Mr Ng has more than 35 years of experience in the offshore marine industry. Mr Ng was involved in PSA Marine's offshore business prior to our acquisition of the business in 2007. He was a project superintendent in charge of design, project operation and execution from 1977 to 1986 and a senior manager (from 1985 to 2001) and a general manager (from 2001 to 2007) specialising in project management, operation and execution of complex transportation and installation projects, as well as being responsible for sales, marketing and development. He has been instrumental in the development of the Transportation & Installation (Deepwater) business of the Group.

MS KUM WAN MEI GWENDOLYN

Divisional Director

Transportation & Installation (Shallow Water)

Ms Kum was appointed as Divisional Director of Transportation & Installation (Shallow Water) on 14 January 2016. She is responsible for the advancement and overall development of the business unit.

Ms Kum holds a Bachelor of Business (Marketing) from Monash University, Melbourne, and has more than 15 years of experience in the offshore and marine industry. From 2000 to 2007, she was Marketing Manager with Offshore Charters Pte. Ltd. From 2008 to 2010, she was Marketing Manager with Miclyn Express Offshore Pte Ltd. In both tenures, she was responsible for marketing the Company's fleet of over 100 offshore vessels and barges. She joined POSH Semco in 2011 as Marketing Manager and was later promoted to Senior General Manager in 2014, leading the Offshore Construction Support Marketing Team in strategising and developing new business areas and successfully maximising utilisation and profitability of the business.

MR TEO KIM LENG KELVIN

Divisional Director

Offshore Supply Vessels

Mr Teo was appointed as Divisional Director of Offshore Supply Vessels ("**OSV**") on 14 January 2016. His key responsibility is to oversee the growth and development of the OSV division.

Mr Teo has more than 10 years of experience in the offshore and marine industry. From 2006 to 2009, he was a Marketing Manager, and later promoted to Deputy General Manager with POSH Semco. Upon promotion, his responsibilities included exploring business opportunities in new markets and management of the Chartering Team. In 2010, he was promoted to General Manager of the Deepwater Services Division and later to Senior General Manager in 2014. He oversaw the growth of the OSV fleet at POSH and worked closely with the Director and senior management in overseeing the Chartering and Operation Team.

MS THAI KUM FOON

Chief Financial Officer

Ms Thai Kum Foon is the Chief Financial Officer of POSH. She has oversight of the functions of financial reporting, corporate finance, treasury, capital management, tax, and investor relations.

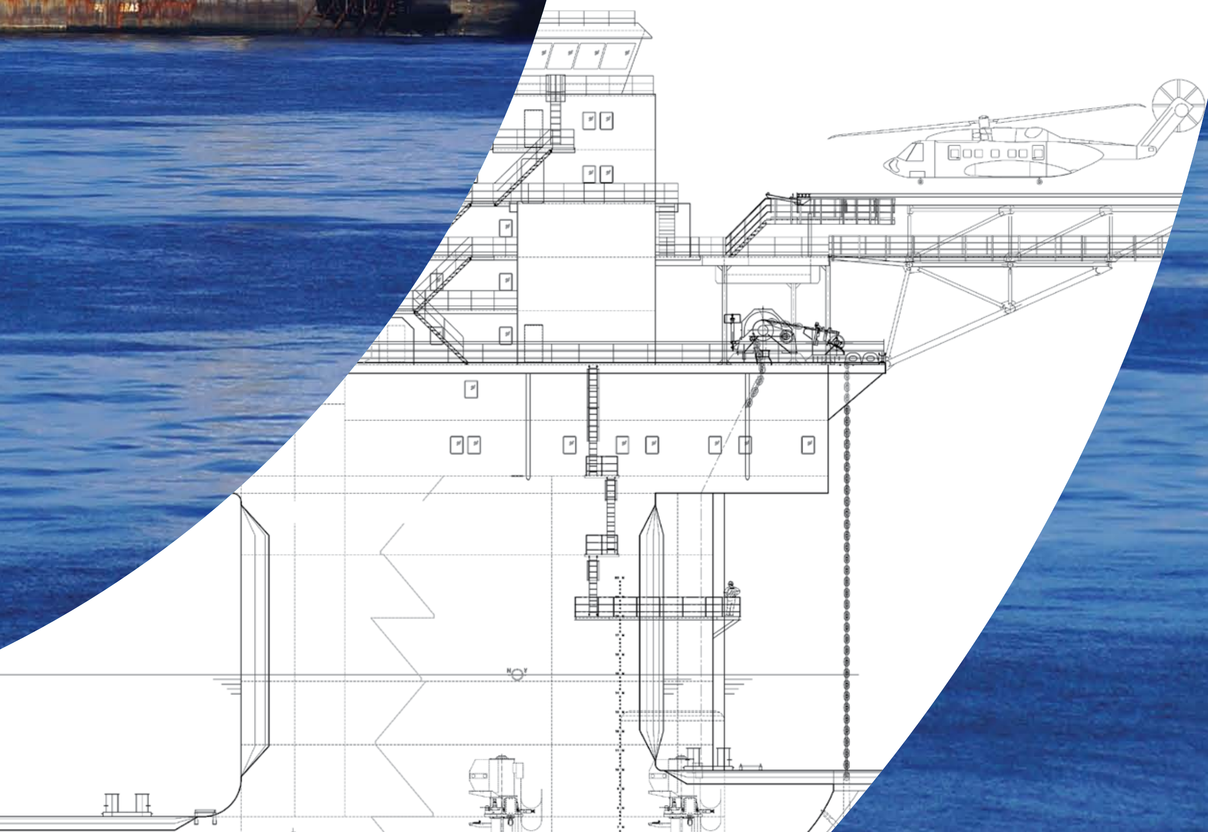
She was previously the CFO at The Straits Trading Company Limited from January 2013 to March 2015, and CFO of Jaya Holdings from April 2009 to December 2012. Prior to that, she held senior finance positions in listed and multinational companies in real estate and semiconductor manufacturing.

She has a Degree of Bachelor of Accountancy from the National University of Singapore, and is a fellow with the Institute of Singapore Chartered Accountants and Institute of Chartered Accountants Australia.


POSH XANADU
POSH
PETROBRAS
POSH XANADU

EXCELLENCE INTEGRITY & RELIABILITY

We have built a strong reputation for excellence, integrity, reliability, safety and professionalism. This is underpinned by our strong core of dedicated staff, young and diversified fleet, support from stakeholders and an experienced Board and management at the helm.



OUR PEOPLE OUR COMMUNITY

OUR PEOPLE

At POSH, we believe that our people are our most valuable asset and the competitive advantage that underpins our success. That is why we are committed to developing them to their fullest potential while maintaining an unrelenting focus on ensuring a safe working environment that also fosters cooperation and mutual appreciation.

Developing our Human Capital

Despite the current industry downcycle, we made an executive decision not to cut back on our training programmes. Instead, we are investing more into developing our talent so that POSH will emerge in a strong position on the expected longer-term upturn.

Our robust training calendar continually improves and broadens the skillsets of our employees and reinforces safety awareness. One highlight on the calendar is the **Sea & Shore Staff Seminar** for our marine crew, held at least twice every year. At these seminars, senior management and guest speakers share best practice, case studies and initiatives to equip our seafarers to deliver cost-effective and high quality service and broaden their perspectives.

POSH is also proud of our **cadetship training programme**, which was established in 2008 to develop our own pool of quality officers and engineers that share our values and ethos. We have recruited more than 280 cadets since the programme's inception, most of whom have progressed steadily through the ranks. From an initial focus on the Philippines and China, we extended our programme into Malaysia and Singapore in 2014. In October 2015, 15 cadets from POSH's established cadetship training programme completed the first phase of their training and will be embarking on their sea training phase. Going forward, we are looking to expand the programme into India and the Middle East.

Safety in the Workplace

Safety is one of POSH's most fundamental core values. In line with our core belief of "ONE TEAM, ONE GOAL – ZERO HARM", we are committed to maintaining an accident-free working environment for all our staff and crew, not only when risks are most obvious but in day-to-day activities as well.

We continue to invest in safety training programmes across the Group while tracking, assessing and improving on our Health, Safety and Environment ("**HSE**") policies and practices. For example, we have updated our Group-wide safety handbook to keep abreast of industry trends and developments in best practice. Senior management also conduct regular vessel visits.

We also keep HSE top of mind through regular safety seminars and dialogues. Activities held last year included a Safety Day for our shore staff to gain greater awareness about the challenging working conditions at sea, and a "town hall-style" meeting aimed at refreshing our crew and staff's safety awareness and application of safety measures.

Our POSH Family

POSH abides by a "ONE TEAM" working culture. Whether a staff member is based on shore or at sea, serves in an administrative or technical role, he or she is as equally crucial to our success as any other employee. Throughout the year, we hold various activities that not only foster closer cooperation and mutual appreciation, but also encourage bonding in a fun environment.

Our annual POSH Day, held last year in Bintan Lagoon Resort and attended by 170 members of our POSH family, serves as a key platform to put teamwork into practice and showcase sportsmanship and leadership, as well as to bring employees even closer through interaction and communication outside the workplace. In 2015, we held two crew seminars in Manila and one in Jakarta. Families were also invited to the "Family Day" held immediately after the last seminar in Manila to cultivate stronger ties between our land and marine crew.

DIVERSITY IN THE WORKPLACE

POSH is an equal-opportunity employer. We believe that having a diverse workforce is not just the right thing to do, it is a business imperative. As a global offshore marine operator, we are enriched by the increased creativity and application of local knowledge that a diverse workforce brings.

We are proud to have more than 10 nationalities working for the POSH Group. Among our marine crew, we have at least 16 nationalities: Filipino, Ukrainian, British, Swedish, Malaysian, Burmese, Indonesian, Indian, South African, Mexican, Polish, Dutch, Russian, Brazilian, Latvian and Ghanaian.

OUR COMMUNITY

Serving the community has always been a priority for us at POSH as we are strong advocates of responsible corporate citizenry. Even amid challenging times across our industry, we remain steadfast in our commitment to support worthy causes through our Corporate and Social Responsibility ("**CSR**") efforts.

The annual POSH Charity Walk is the landmark event on our CSR calendar where we bring together employees, friends and families to support worthy charitable causes while enjoying the outdoors. Last year, more than 400 participants took part in the walk, which took us along a scenic route from the Sports Hub to Gardens by the Bay. All participants gave generously and as a sign of our commitment to the community, we contributed a further S$50 per participant. All in all, we were able to raise some S$60,000, all of which went to the Children's Cancer Foundation and the Community Chest.

In recognition of our significant contribution to the organisation, the Community Chest accorded POSH the Corporate Silver Award last year.

1 OFFSHORE SUPPLY VESSELS

Our Offshore Supply Vessels ("OSV") division has one of the youngest fleet of mid-water and deepwater Anchor Handling Tug Supply Vessels ("**AHTS**") and Platform Supply Vessels ("**PSV**"). These multifunctional vessels undertake towing and anchor handling of drilling rigs, as well as provide logistic support during the exploration, field development, construction and production phases of the oil and gas life cycle.

The vessels in our fleet are equipped with advanced Dynamic Positioning ("**DP**") technology, which enables safe and efficient operations in close-quarters operations. These new generation vessels are also designed with fuel-efficient diesel electric propulsion and Clean Design and Green Passport notation, which reduces and limits the vessels' combustion machinery emissions and accidental sea pollution. Our OSV division operates:

- AHTS of 100-200 ton bollard pull providing multi-role services during drilling such as towing and positioning of drilling rigs, as well as transporting drilling material and other equipment.
- PSVs that transport drilling material and supplies to drilling rigs and offshore production platforms as well as pipes and other material for the construction of marine structures or pipelines.

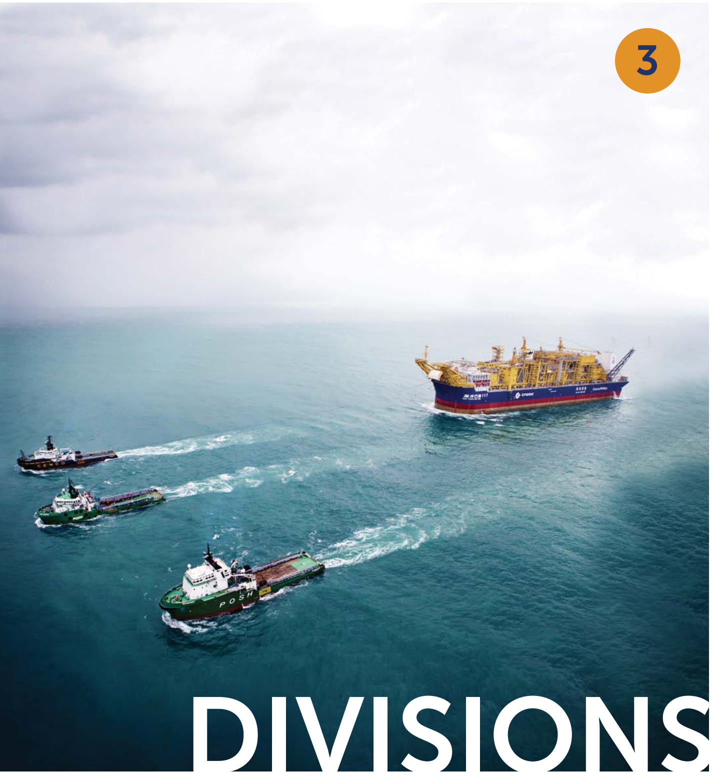
With our young and modern fleet, we are committed to serving our global network of customers, including super majors and national oil and gas companies. We continue to uphold our proven international track record, operating across Asia Pacific, Africa, Middle East and Latin America.

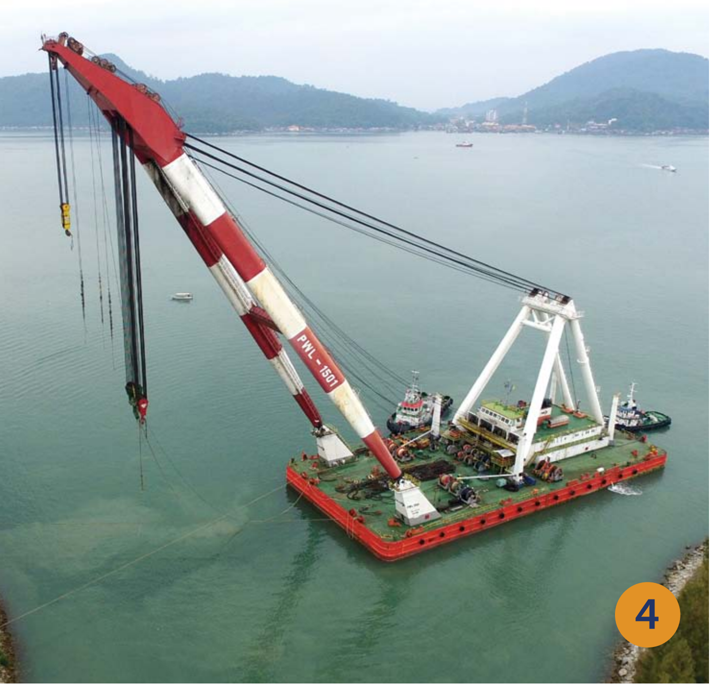
2 OFFSHORE ACCOMMODATION

The Offshore Accommodation ("OA") division is our fastest growing business unit, operating a fleet of vessels that delivers a wide range of accommodation and "walk-to-work" solutions for large numbers of offshore professionals involved in the construction and maintenance of offshore oil field structures and platforms.

We are focused on providing a variety of high-specification offshore accommodation vessels that cater to the different needs of our customers. Our deepwater OA fleet comprises two comfort-class DP3 semi-submersible accommodation platforms that are the largest in the world. These vessels boast sophisticated machinery redundancy and platform stability, offering comfortable and safe living, first class crew welfare amenities and "walk-to-work" capability. They are capable of operating in harsh weather conditions of up to 5.4 metre high waves and 45-knot winds.

Our shallow water OA fleet consists of DP2 diesel electric accommodation vessels as well as other light construction vessels and workboats.





3 TRANSPORTATION & INSTALLATION

Our Transportation & Installation ("T&I") division supports marine contractors worldwide in the construction and maintenance of oilfield infrastructure and pipelines.

In shallow waters, the division operates a fleet of 4,000 to 8,000 BHP Anchor Handling Tugs ("**AHT**"), which are primarily engaged to support pipelay and platform construction work. In addition, our shallow water T&I department operates submersible barges (up to 30,500 dwt) for float-over or launching operations of large marine structures and ballastable tank barges, as well as tugs for transportation of construction materials and subsea pipes.

As for deepwater operations, our specialist offshore service contractor joint venture, POSH Terasea, operates the largest deepwater AHT fleet globally, comprising tugs of 150-200 ton bollard pull each. These ocean-going tugs are designed with high bollard pull and large fuel tanks that enable them to perform large tows, such as Floating Production Storage and Offloading ("**FPSO**") vessels across long distances economically, without a need for multiple refuelling stops. Leveraging on our full suite of vessels, POSH is a leading operator in the deepwater T&I space, having built an impressive track record by successfully completing over 200 demanding ocean towage projects over the past decade.

4 HARBOUR SERVICES & EMERGENCY RESPONSE

Our Harbour Services ("HS") department has been operating for over 10 years. Together with our joint venture Pacific Workboats, we own, operate and manage a fleet of harbour tugs and heavy lift crane barges, which are actively engaged in supporting harbour towage operators and providing heavy lift services to shipyards. In November 2013, we were granted a public towing license by the Maritime and Port Authority of Singapore for the provision of towage services to vessels within the limits of and the approaches to the port of Singapore.

Our Emergency Response ("ER") department provides worldwide emergency assistance to vessels that require support after encountering distress due to collision, oil spillage, grounding or fire damage. We are one of the two main offshore support vessel operators in the world to offer such emergency response services, which include salvage, wreck removal, rescue and oil-spill response services.

BUSINESS & FINANCIAL REVIEW

STEADY OPERATIONAL PERFORMANCE ON EXECUTION OF DIFFERENTIATED BUSINESS MODEL

2015 was a challenging year in the offshore and marine services sector. Despite the industry-wide volatility, POSH delivered a steady operational performance. We believe this is driven by our unwavering commitment to operational excellence, developing our people and responding nimbly to market conditions.

Our commitment to operational excellence goes beyond initiatives such as maximising vessel utilisation or driving crew productivity. We believe in developing our human capital and cultivating a deep pool of talent that shares our core values to take the company forward, while at the same time ensuring their safety and welfare. Together with our young and diverse fleet of over 100 offshore vessels, we are able to meet the evolving and specific needs of our customers.

Our portfolio of assets is deployed across four business divisions, each serving a targeted segment of the offshore and marine services value chain.

Offshore Supply Vessels ("OSV")

In 2015, our OSV division delivered on key project milestones and continued to secure charters on the strength of existing working relationships and our strong track record.

We chartered five of our larger Anchor Handling Tug Supply Vessels ("**AHTS**"), including one newbuild, to a repeat customer in Russia.

We also successfully won contracts for our Platform Supply Vessels ("**PSV**") in West Africa, one of our key target markets, until the second half of 2017. In June 2015, POSH marked its first entry into the Ghanaian market, further expanding our existing footprint beyond Congo and Angola in the West African market, after we were awarded a charter of three and a half years for POSH Sincero at the Offshore Cape Three Points oilfield. In July 2015, we also secured a two-year charter for POSH Shearwater, which joins our two other PSVs already working on long-term charters in West Africa.

Building on our success in the Middle East market, we ventured successfully into Qatar in May 2015, with a two-year charter secured with an international oil major for our 10,800BHP AHTS POSH Hermosa. Our 3,200 dwt PSV POSH Pelican also received a further contract extension of its long-term charter in Saudi Arabia, which will keep her deployed until the middle of 2018.

Even though the division faced lower charter and utilisation rates, revenue was fairly resilient, edging down 2% year-on-year to US$136.2 million. Gross profits were down 57% to US$13.1 million on lower revenue and higher operating and repair costs relating to the transfer of its Mexican joint venture vessels to the OSV division. Gross profit margin declined to 10% in FY2015 from 22% in FY2014 as a result of stronger competition and depressed rates.

Offshore Accommodation ("OA")

The OA division continued to validate POSH's diversified business strategy across the offshore and marine value chain, reporting strong growth over the year.

In Q4 2015, our 750-pax semisubmersible accommodation vessel ("**SSAV**"), POSH Xanadu, successfully supported the first leg of Petrobras' FPSO maintenance campaign. She earned strong praise from Petrobras for being the only floatel in the region to maintain 100% operational uptime despite unprecedented adverse weather conditions.

Our three newbuild E-Class Light Construction Vessels ("**LCV**") - POSH Endurance, POSH Endeavour and POSH Enterprise - were also well received by the market, having all been chartered by leading national oil companies. All three vessels have commenced their charters. POSH Endurance is currently working on a firm two years contract to support well intervention works for an oil major in Southeast Asia, while POSH Endeavour and POSH Enterprise were both awarded five-year contracts in the Middle East, with options for extension.

OA division revenue grew by more than twice to US$93.2 million in FY2015 from the previous year. This came about mainly due to contributions from POSH Xanadu and the three LCVs. Gross profit improved by nearly 2.5 times

BUSINESS & FINANCIAL REVIEW

to US$35.9 million as a result, while gross profit margin increased to 39% from 35%.

Transportation and Installation ("T&I")

Our T&I division maintained its core business focus on major projects while maximising utilisation by targeting spot jobs and towages in between projects.

In 2015, we executed two major transportation projects, one to move three container cranes and the other, its first load-and-float-off of a jack up rig.

The division also won a series of towage contracts over the year. This included the transport of a semisubmersible rig from Macae in Brazil to West Cameron in the US for cold-stacking in January. With a team of well-trained crew, the Group's 16,300 BHP Anchor Handling Tug ("**AHT**"), Terasea Falcon, successfully completed the 5,100 nautical mile voyage without any bunker stops, demonstrating POSH's high operational standards and capabilities as a specialised long-distance towing contractor.

We also received strong endorsement from our client for the performance of POSH Salvigilant, which safely completed its 2,300 nautical mile towage of the Stybarrow Venture MV16 FPSO from Stybarrow Field in Australia to Vung Tau in Vietnam on a single tow.

We continued supporting our long-term clients in Thailand and India with marine spreads chartered in these markets for their respective campaigns. On the back of our track record in India, we won yet another campaign in India with an oil-major client.

T&I division revenue for FY2015 was US$27.3 million, a decline of 34% from the previous year, due to lower charter rates and utilisation levels. Gross profits slipped 66% to US$4.6 million as a result, while gross profit margin declined to 17% from 33% in FY2014.

Harbour Services and Emergency Response ("HSER")

The HSER division continued to improve on its market share and won several significant contracts. This includes contracts from the Singapore Navy, tankers companies calling on the Singapore oil terminals as well as the terminal developmental project in Singapore.

Revenue from HSER increased by 1% year-on-year to US$24.1 million on positive contribution from new vessels. Gross profit increased by 60% to US$4.3 million, while gross profit margin increased to 18% from 11% accordingly.

PROACTIVELY MANAGING CHALLENGES TO RIDE OUT VOLATILITY

In view of depressed charter rates and low utilisation of vessels in the offshore and marine services sector, the Group made an impairment of US$127.0 million and US$21.4 million on goodwill and fixed assets respectively for the year. Consequently, POSH posted a net loss attributable to shareholders of US$131.0 million in FY2015, as compared to a profit of US$53.2 million in FY2014.

Our underlying operations remain profitable. Stripping out the impact from impairments, write-offs and disposals, we reported a net operating profit of US$13.6 million in FY2015, up from US$9.7 million in FY2014.

As we continued to drive cost rationalisation initiatives to mitigate the impact from the short-term volatility, we were able to bring down general and administrative expenses by about US$3.3 million, or 10%, to US$30.0 million for the year.

The Group's share of results from joint ventures narrowed losses to US$9.5 million from US$13.6 million in the previous year mainly due to an improved performance from POSH Terasea, our specialist offshore service contractor joint venture.

The Board of Directors recommended a final dividend of 0.5 Singapore cents per ordinary share for the full year ended 31 December, 2015.

PRUDENT CAPITAL MANAGEMENT WHILE PURSUING GROWTH

We remain in a healthy financial position with a strong balance sheet that enables us to meet our financial commitments as well as selectively pursue accretive growth opportunities for the Group.

For 2015, we generated a net operating cash flow of US$69.6 million. Our gearing was 0.51 times, which compares favourably to industry peers.

The Group has a net current liability of US$496.2 million as compared to US$140.6 million as of 31 December 2014 mainly due to the US$300.0 million term loan with repayment due in July 2016 being reclassified as current liability in FY2015. Subsequent to FY2015, the Group has secured financing facilities of US$1.012 billion, part of which will be used to refinance the existing loans.

The Group's net asset value was US$1.061 billion as at 31 December, 2015. Fixed assets increased by US$164.5 million mainly due to vessels repurchased from our Mexico joint ventures. Due from joint ventures decreased by US$199.8 million on the repayment of loans by joint ventures for the vessels repurchased. The increase in receivables was in line with the higher revenue driven by new charters in the OA segment.

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Through the years, POSH has developed a strong reputation for excellence, integrity, reliability, safety and professionalism. With the continued support from stakeholders, a committed staff and a deeply experienced Board of Directors and senior management at the helm, we have the fortitude to navigate successfully through the current downcycle and emerge stronger over the longer term.

OUR FLEET

OFFSHORE SUPPLY VESSELS
(AS AT 31 MARCH 2016)

VESSELS OWNED BY THE GROUP

VESSEL NAME	VESSEL TYPE	BHP (Unless otherwise stated)	AGE (Years)
POSH Champion	Anchor Handling/ Towing/Supply (AHTS)	16,000	5.20
POSH Commander	Anchor Handling/ Towing/Supply (AHTS)	16,000	4.85
POSH Concorde	Anchor Handling/ Towing/Supply (AHTS)	16,000	3.38
POSH Conquest	Anchor Handling/ Towing/Supply (AHTS)	16,000	5.29
POSH Constant	Anchor Handling/ Towing/Supply (AHTS)	16,000	5.62
POSH Perseverance	Anchor Handling/ Towing/Supply (AHTS)	12,240	0.94
POSH Persistence	Anchor Handling/ Towing/Supply (AHTS)	12,240	2.81
POSH Hermosa	Anchor Handling/ Towing/Supply (AHTS)	10,800	7.94
POSH Radiant	Anchor Handling/ Towing/Supply (AHTS)	8,000	1.69
POSH Rapid	Anchor Handling/ Towing/Supply (AHTS)	8,000	4.36
POSH Resolute	Anchor Handling/ Towing/Supply (AHTS)	8,000	4.76
POSH Resolve	Anchor Handling/ Towing/Supply (AHTS)	8,000	4.57
POSH Gannet	Platform Supply Vessel (PSV)	4,100 dwt	2.82
POSH Skua	Platform Supply Vessel (PSV)	4,100 dwt	3.16
POSH Kittiwake	Platform Supply Vessel (PSV)	3,300 dwt	4.53
POSH Sincero	Platform Supply Vessel (PSV)	3,300 dwt	5.75
POSH Fulmar	Platform Supply Vessel (PSV)	3,200 dwt	2.50
POSH Pelican	Platform Supply Vessel (PSV)	3,200 dwt	2.27
POSH Sandpiper	Platform Supply Vessel (PSV)	3,200 dwt	2.73

VESSELS OWNED BY THE GROUP

VESSEL NAME	VESSEL TYPE	BHP (Unless otherwise stated)	AGE (Years)
POSH Shearwater	Platform Supply Vessel (PSV)	3,200 dwt	2.93
POSH Honesto	Platform Supply Vessel (PSV)	2,346 dwt	7.61
POSH Generoso	Platform Supply Vessel (PSV) with mudplant	2,828 dwt	7.38
POSH Gentil	Platform Supply Vessel (PSV) with mudplant	2,828 dwt	6.16
POSH Gitano	Platform Supply Vessel (PSV) with mudplant	2,750 dwt	5.75
POSH Galante	Platform Supply Vessel (PSV) with mudplant	2,346 dwt	7.35
TOTAL OFFSHORE SUPPLY VESSELS			25

VESSELS OWNED BY OUR JOINT VENTURES

VESSEL NAME	VESSEL TYPE	BHP (Unless otherwise stated)	AGE (Years)
WINPOSH Rampart	Anchor Handling/ Towing/Supply (AHTS)	8,000	3.90
WINPOSH Ready	Anchor Handling/ Towing/Supply (AHTS)	8,000	2.06
WINPOSH Regent	Anchor Handling/ Towing/Supply (AHTS)	8,000	5.62
WINPOSH Resolve	Anchor Handling/ Towing/Supply (AHTS)	8,000	3.61
TOTAL OFFSHORE SUPPLY VESSELS			4

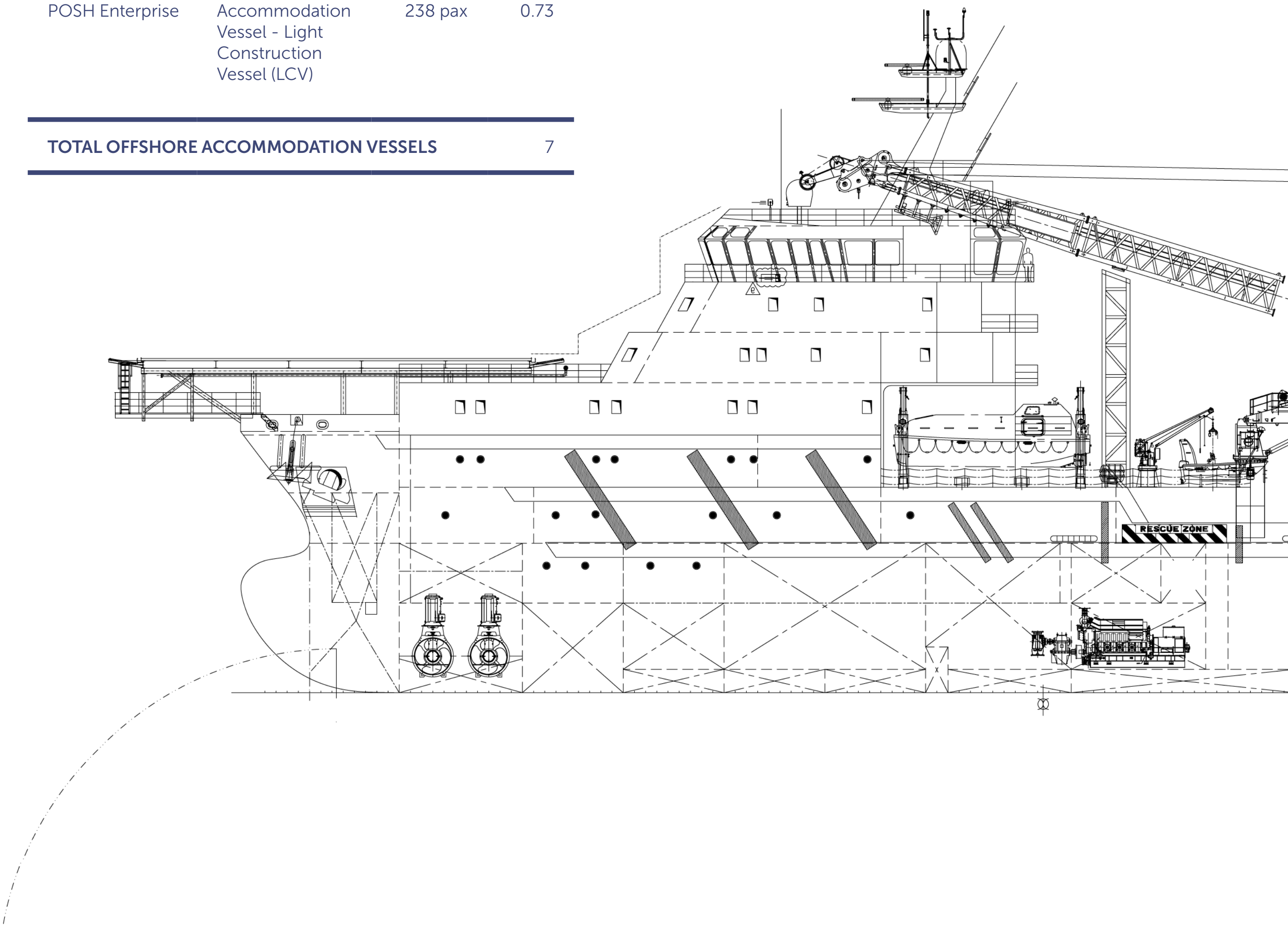
OFFSHORE ACCOMMODATION
(AS AT 31 MARCH 2016)

VESSELS OWNED BY THE GROUP

VESSEL NAME	VESSEL TYPE	BHP (Unless otherwise stated)	AGE (Years)
POSH Bawean	Accommodation vessel (AV)	198 pax	17.76
POSH Bangka	Accommodation vessel (AV)	197 pax	17.76
POSH Bali	Accommodation vessel (AV)	191 pax	18.42
POSH Xanadu	Semi Submersible Accommodation Vessel (SSAV)	750 pax	1.31
POSH Endeavour	Accommodation Vessel - Light Construction Vessel (LCV)	238 pax	1.23
POSH Endurance	Accommodation Vessel - Light Construction Vessel (LCV)	238 pax	1.22
POSH Enterprise	Accommodation Vessel - Light Construction Vessel (LCV)	238 pax	0.73
TOTAL OFFSHORE ACCOMMODATION VESSELS			7

VESSELS OWNED BY OUR JOINT VENTURES

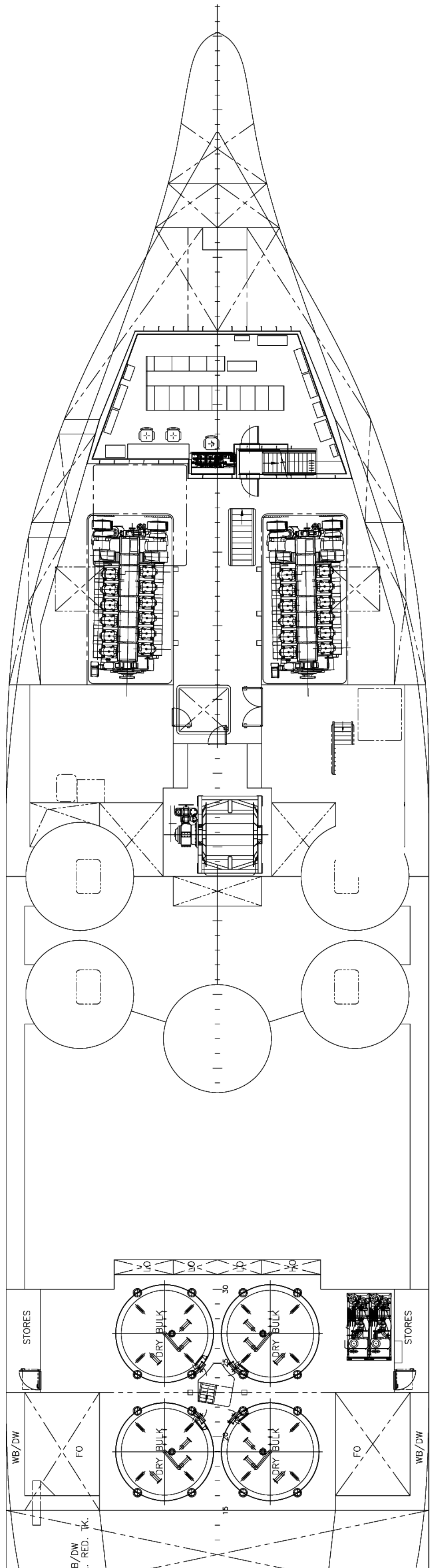
VESSEL NAME	VESSEL TYPE	BHP (Unless otherwise stated)	AGE (Years)
PW Natuna	Accommodation vessel	300 pax	6.12
TOTAL OFFSHORE ACCOMMODATION VESSELS			1



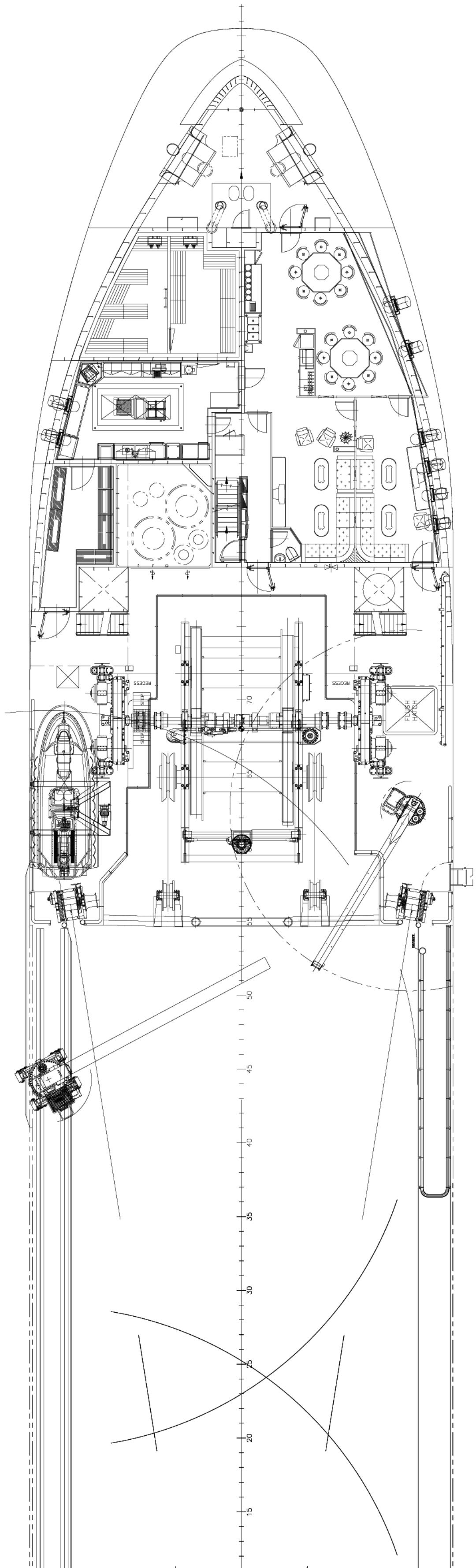
OUR
FLEET

TRANSPORTATION AND INSTALLATION
(AS AT 31 MARCH 2016)

VESSELS OWNED BY THE GROUP			
VESSEL NAME	VESSEL TYPE	BHP (Unless otherwise stated)	AGE (Years)
Maritime Putra	Anchor Handling Tug (AHT)	5,000	10.93
Maritime Putri	Anchor Handling Tug (AHT)	5,000	10.97
POSH Pahlawan	Anchor Handling Tug (AHT)	5,000	6.19
POSH Panglima	Anchor Handling Tug (AHT)	5,000	5.25
Salvirile	Anchor Handling Tug (AHT)	5,000	10.38
Salvision	Anchor Handling Tug (AHT)	5,000	10.76
Salvaree	Anchor Handling Tug (AHT)	4,040	16.09
Maritime Mesra	Anchor Handling Tug (AHT)	4,000	6.75
POSH Mulia	Anchor Handling Tug (AHT)	4,000	6.54
Maritime Honour	Deck/Tank Barge	13,000 dwt	3.47
Maritime Glory	Deck/Tank Barge	11,500 dwt	8.61
Maritime Pride	Deck/Tank Barge	11,500 dwt	8.61
Maritime Courage	Deck/Tank Barge	11,000 dwt	4.33
Maritime Faith	Deck/Tank Barge	7,700 dwt	8.88
Maritime Icon	Deck/Tank Barge	7,700 dwt	8.00
Maritime Topaz	Deck/Tank Barge	7,700 dwt	8.18
Maritime West	Deck/Tank Barge	7,700 dwt	9.23
Maritime Falcon	Deck/Tank Barge	5,400 dwt	8.00
Maritime Hawk	Deck/Tank Barge	5,400 dwt	8.18
Maritime Swift	Deck/Tank Barge	5,400 dwt	10.36
Maritime Amber	Deck Cargo Barge	7,500 dwt	1.13
Maritime Diamond	Deck Cargo Barge	7,500 dwt	1.13
POSH Giant I	Submersible Barge	20,000 dwt	7.75
POSH Giant II	Submersible Barge	20,000 dwt	5.08
Maritime Raja	Towing Tug	3,200	11.09
Maritime Ratna	Towing Tug	3,200	9.45
Maritime Ratu	Towing Tug	3,200	11.28
Tango 7	Towing Tug	3,200	7.20
TOTAL TRANSPORTATION & INSTALLATION VESSELS			28



VESSELS OWNED BY OUR JOINT VENTURES			
VESSEL NAME	VESSEL TYPE	BHP (Unless otherwise stated)	AGE (Years)
Terasea Eagle	Anchor Handling Tug (AHT)	16,300	2.35
Terasea Falcon	Anchor Handling Tug (AHT)	16,300	3.08
Terasea Hawk	Anchor Handling Tug (AHT)	16,300	2.92
Terasea Osprey	Anchor Handling Tug (AHT)	16,300	2.08
Salvanguard	Anchor Handling Tug (AHT)	13,500	12.25
Salviscount	Anchor Handling Tug (AHT)	13,500	12.12
Salveritas	Anchor Handling Tug (AHT)	12,000	9.21
Salviceroy	Anchor Handling Tug (AHT)	12,000	9.02
Salvigilant	Anchor Handling Tug (AHT)	12,000	8.70
WINPOSH 3301	Deck/Tank Barge	12,200 dwt	9.76
Maritime East	Deck/Tank Barge	8,000 dwt	11.61
Maritime Hope	Deck/Tank Barge	8,000 dwt	11.61
POSH Giant 3	Semi-submersible Barge	30,500 dwt	3.28
Tenaga Maju	Towing Tug	2,400	22.76
TOTAL TRANSPORTATION & INSTALLATION VESSELS			14



OUR FLEET

HARBOUR SERVICES & EMERGENCY RESPONSE
(AS AT 31 MARCH 2016)

VESSELS OWNED BY THE GROUP

VESSEL NAME	VESSEL TYPE	BHP (Unless otherwise stated)	AGE (Years)
HARBOUR SERVICES			
Semco L301	Crane Barge	300T Sheerleg	42.78
Semco L88	Crane Barge	60T Sheerleg	21.76
POSH Harvest	Harbour Tug	4,000	5.33
POSH Gallant	Harbour Tug	4,000	1.31
POSH Gentle	Harbour Tug	4,000	1.24
POSH Guardian	Harbour Tug	4,000	1.01
POSH Grace	Harbour Tug	4,000	0.96
PW Rapi	Harbour Tug	1,000	8.96
PW Rajin	Harbour Tug	1,000	8.96
Intan	Harbour Tug	1,000	7.42
Ikhlas	Harbour Tug	1,000	7.42
TOTAL HARBOUR SERVICES VESSELS			11

VESSELS OWNED BY THE GROUP

VESSEL NAME	VESSEL TYPE	BHP (Unless otherwise stated)	AGE (Years)
EMERGENCY RESPONSE			
Salvixen	Utility/Emergency Support	1,250	34.27
Salvern	Utility/Emergency Support	N/A	13.40
Work Boat 1	Workboat	N/A	26.77
TOTAL EMERGENCY RESPONSE VESSELS			3

VESSELS OWNED BY OUR JOINT VENTURES

VESSEL NAME	VESSEL TYPE	BHP (Unless otherwise stated)	AGE (Years)
HARBOUR SERVICES			
PW Benar	ASD Tug/Harbour Tug	4,000	2.51
PW Berani	ASD Tug/Harbour Tug	4,000	2.44
PW Gamma	ASD Tug/Harbour Tug	4,000	5.67
PW Kappa	ASD Tug/Harbour Tug	4,000	5.75
PW Iota	ASD Tug/Harbour Tug	3,600	3.32
PW Lambda	ASD Tug/Harbour Tug	3,600	3.53
PW Teguh	ASD Tug/Harbour Tug	3,600	11.18
PW Tekun	ASD Tug/Harbour Tug	3,600	11.28
PW Tenaga	ASD Tug/Harbour Tug	3,600	3.40
PW Tenang	ASD Tug/Harbour Tug	3,600	3.38
PW Tepat	ASD Tug/Harbour Tug	3,600	3.23
PW Teraju	ASD Tug/Harbour Tug	3,600	3.23
PW Tetap	ASD Tug/Harbour Tug	3,600	1.86
PW Tangkas	ASD Tug/Harbour Tug	3,600	1.80
PW Zeta	ASD Tug/Harbour Tug	3,200	6.64
Sea Basset	ASD Tug/Harbour Tug	3,000	20.76
PW L-1501	Crane Barge	1500 MT	38.78
PW L801	Crane Barge	800 MT	9.13
PW Reliance	Utility Tug	3,600	7.75
TOTAL HARBOUR SERVICES VESSELS			19

CORPORATE GOVERNANCE REPORT

PACC Offshore Services Holdings Ltd. ("POSH" or the "Company") was listed on the Mainboard of the Singapore Exchange Securities Trading Limited on 25 April 2014. POSH and its subsidiaries (the "Group") believe in a firm commitment to upholding the highest standards of corporate governance to safeguard the interests of all its stakeholders. This report sets out the current practice with reference to the guidelines set out in the revised Code of Corporate Governance 2012 (the "Code").

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long–term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

The Board is accountable to stakeholders for the long–term performance and financial soundness of the Group. The Board's primary responsibility, apart from its statutory duties, is to direct and oversee the implementation of the Group's overall business strategy, establish and communicate corporate culture and values, and establish conflicts of interest policies and a strong corporate governance environment.

To assist the Board in the discharge of its oversight function, various board committees namely the Audit, Board Risk, Nominating and Remuneration Committees have been constituted with clear terms of reference. All board committees are actively engaged and play an important role in ensuring good corporate governance in the Company and within the Group. All Directors exercise due diligence and independent judgment, and make decisions objectively in the best interests of the Group. This is one of the performance criteria for the assessment of the contributions of the individual Directors.

The Board conducts regular scheduled meetings on a quarterly basis and ad–hoc meetings are convened, if requested by any member of the Board or if warranted by circumstances deemed appropriate by the Board. Between scheduled meetings, matters that require the Board's approval are circulated to all Directors for their consideration and decision. As provided in the Company's Articles of Association, Directors may participate in Board meetings by teleconferencing and videoconferencing.

All written resolutions passed and minutes of meetings held by the Board committees are circulated to the Board for information and review, with such recommendations as the respective Board committees consider appropriate for approval by the Board. While the Board committees have the delegated powers to make decisions or make recommendations within the scope of their respective terms of reference, the ultimate responsibility for the decisions and actions rests with the Board as a whole.

For the year under review, the attendance of the Directors of the Company at meetings of the Board and Board Committees are summarised below:

	Board	Audit Committee	Board Risk Committee	Remuneration Committee	Nominating Committee
1. Kuok Khoon Ean	6/6	NA	4/4	6/6	NA
2. Seow Kang Hoe, Gerald	6/6	NA	NA	NA	NA
3. Teo Joo Kim[1]	0/6	NA	NA	NA	NA
4. Wu Long Peng	6/6	NA	NA	NA	2/2
5. Ahmad Sufian @ Qurnain Bin Abdul Rashid	6/6	4/4	NA	6/6	2/2
6. Ma Kah Woh	6/6	4/4	4/4	NA	2/2
7. Jude Philomen Benny	6/6	3/4	3/4	NA	2/2
8. Wee Joo Yeow	6/6	4/4	4/4	6/6	NA

Note:
1. *Mr Teo Joo Kim, a former Board member was on medical leave since November 2014 and he retired from office on 27 April 2015.*

CORPORATE
GOVERNANCE REPORT

The Company has adopted and documented internal guidelines setting forth matters that require Board approval. Matters which are specifically reserved for the decision of the Board include:
- Strategies and major business proposals of the Group;
- Acquisitions and disposals of investments, businesses and assets;
- New lines of businesses which complement the core business activities of the Group;
- Commitment to loans and lines of credit from banks and financial institutions and fund raising from capital markets, including the opening and closing of bank accounts;
- Share issuances, interim dividends and other returns to shareholder.

The Board has a board induction pack organised for new directors. Directors are updated on the Group's business and on regulatory changes, as and when necessary. The Board has been briefed and updated on the changes to the Companies Act, Cap. 50 and the SGX–ST Listing Rules. Industry update briefing sessions by external industry specialist were also organised for the Board. Board members also attends seminars and courses organise by the Accounting and Corporate Regulatory Authority, the Singapore Institute of Directors and/or the Singapore Exchange Limited on relevant topics, costs of which are borne by the Company.

The Board secretariat is responsible for organising and compiling a list of relevant courses, which will be circulated to board members. Directors' attendance at courses will be maintained by the secretariat.

BOARD COMPOSITION AND GUIDANCE

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board has seven (7) members comprising one (1) Executive Director, two (2) Non–Executive Directors and four (4) Independent Non–Executive Directors. Independent Directors make up more than half the Board.

The Board considers an "independent" director as one who has no relationship with the Company, its related corporations, its shareholders with shareholdings of 10% or more voting shares in the Company or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of a director's independent business judgment with a view to the best interests of the Group.

With Independent Directors being a majority on the Board, the Company believes that it has a strong and independent element on the Board which facilitates the exercise of independent and objective judgment on its corporate affairs.

Mr Jude Benny is the Lead Independent Director. He avails himself to address shareholders' concerns and acts as a counter–balance on management issues in the decision–making process. Mr Benny works closely with other Independent Directors and when necessary meets with them, without the presence of other Directors to discuss matters that were deliberated at Board meetings.

The Nominating Committee reviews annually, the size, composition and balance of the Board to ensure the Board has the core competencies for effective functioning and informed decision making. The Board is made up of Directors with a wide range of skills, experience and qualifications and they bring with them expertise and knowledge in areas such as accounting, finance, legal, business acumen, risk management and specific industry and customer–based knowledge relevant to the Group's business. Key information about the Directors is presented in the section entitled "Board of Directors" in the Company's Annual Report 2015.

The Board is provided with accurate, complete and timely information to enable it to make well informed decisions. The Non–Executive Directors and Independent Directors have participated actively in the Board meetings. With their expertise and competency in their respective fields, they have, collectively, provided constructive advice and good governance guidance for effective discharge by the Board of its principal functions.

CORPORATE GOVERNANCE REPORT

The Board in concurrence with the NC, is of the view that taking into account the nature and scope of the operations of the Group, and the requirements of the Group's businesses, the current size and composition of the Board facilitates effective decision making. With independent directors making up more than half of the Board, no individual or small group of individuals dominate decision making. The Directors as a group provide the appropriate balance and diversity of skills, experience, knowledge of the Group, core competencies, such as accounting or finance, business or management experience required for the Board and the board committees to be effective.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the Company's business. No one individual should represent a considerable concentration of power.

The Company's Chairman is Mr Kuok Khoon Ean. With the assistance of the Company Secretaries, the Chairman schedules and prepares meeting agenda to enable the Board to discharge its duties responsibly having regard to the Group's operations.

The Chairman leads all Board meetings and ensures that Board members receive accurate and timely information to enable them to be fully cognizant of the affairs of the Group. He also promotes a culture of openness and solicits contributions from the Board members to facilitate constructive discussions.

The Chairman takes a leading role in the Company's drive to achieve and maintain high standards of corporate governance with the full support of the Board and the Company Secretaries.

BOARD MEMBERSHIP

Principle 4: There should be a formal and transparent process for the appointment and re–appointment of directors to the Board.

The Board has established the Nominating Committee ("NC") comprising entirely Non–Executive Directors with the majority being Independent Directors, namely:

Jude Philomen Benny	–	Chairman and Lead Independent Director
Ahmad Sufian @ Qurnain bin Abdul Rashid	–	Member
Wu Long Peng	–	Member
Ma Kah Woh	–	Member

The NC meets at least once a year and is responsible for making recommendations to the Board on matters relating to:

a) The review of board succession plans for directors, in particular, the Chairman and the Chief Executive Officer ("CEO");
b) The development of a process for evaluation of the performance of the Board, Board committees and directors;
c) The review of training and professional development programs for the Board; and
d) The appointment and re–appointment of directors.

The NC has adopted the guidelines as set out in the Code in carrying out its assessment of the independence of the Directors of the Company. In addition, each Independent Director is required to state whether he considers himself independent taking into consideration the existence of relationships (if any) which would nullify his independence as a Director based on the guidelines in the Code.

The NC has, upon its assessment, concluded that none of the Independent Directors are related and do not have any relationship with the Company or its related companies, its shareholders with shareholdings of 10% or more voting shares in the Company or its officers that could interfere with the exercise of their independent judgment. The Board has concurred with the NC that all of the four Independent Directors are considered independent.

The Company does not, as a matter of policy, limit the maximum number of listed company board representations its Board members may hold as long as each of the Board members is able to commit his time and attention to the affairs of the Group. In this connection, the NC determines annually whether a Director with multiple board representations and/or other principal commitments is able to carry and has been adequately carrying out his duties as a Director of the Company. The NC takes into account the results of the assessment of the competencies, commitment and contributions of the individual Director and is of the view that although some Directors hold other non–Group Board representations, they are nevertheless able to carry and have effectively carried out their duties as Directors of the Company.

As part of the Board selection process, the NC undertakes an assessment of the current strengths of the Board, its ability to govern effectively, as well as any gaps that should be filled. It will consider key attributes in a candidate, particularly the necessary experience and skill set to fill any gaps identified and the ability to contribute positively to Board discussions. Candidates may be proposed by existing Board members or recommended through its network of business associates and professionals. The necessary due diligence on the candidate will be conducted and an interview arranged with the NC before the selected candidate is formally proposed to the Board of Directors.

As a principle of good corporate governance, all Board members are required to submit themselves for re–election at regular intervals. The CEO, as a Board member, is also subject to retirement and re–election. In accordance with the Articles of Association of the Company, one–third of the Directors who have been longest in office since their last re–election, are required to retire by rotation at least once every three years. These Directors are eligible for re–election subject to approval by the shareholders at the annual general meeting ("AGM"). New Directors will hold office only until the next AGM following their appointments and they will be eligible for re–election. Such Directors are not taken into account in determining the number of Directors who are to retire by rotation.

The NC has, in its deliberations on the re–election of existing Directors, taken into consideration the relevant Director's contribution and performance. The assessment parameters include attendance record and intensity of participation at meetings of the Board and Board Committees as well as the quality of participation and special contribution.

The Board has accepted the NC's recommendation to seek approval of shareholders at the upcoming Annual General Meeting ("AGM") for the re–election of Mr Kuok Khoon Ean, Mr Seow Kang Hoe, Gerald and Mr Jude Philomen Benny under Articles 91 and 92 of the Company's Articles of Association.

BOARD PERFORMANCE

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

The Board, through the NC, has implemented a process for assessing the effectiveness of the Board as a whole and its board committees and contribution by each individual director to the effectiveness of the Board, on an annual basis. Directors are required to complete a board assessment form and an individual self–assessment form. In addition, Committee members are required to assess each board Committee they are a member of. The findings are collated and presented by the NC to the Board.

CORPORATE GOVERNANCE REPORT

ACCESS TO INFORMATION

Principle 6: In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on–going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

All Directors receive a set of Board papers that include explanatory information relating to matters to be brought before the Board, copies of disclosure notes and internal group financial statements prior to Board and Board Committees' meetings. This is generally sent to them in advance to allow sufficient time for the Board members to obtain further explanations, where necessary, to be properly briefed and adequately prepared for the Board and Board Committees' meetings.

The Directors also receive the monthly flash reports as well as quarterly management accounts of the Group and have unrestricted access to the records and information of the Group. The Non–Executive and Independent Directors have access to senior executives in the Group and other employees to seek additional information if required. To facilitate such access, the contact particulars of the senior executives and Company Secretaries of the Group have been provided to the Directors. The Directors whether collectively or individually may, at the Company's expense, seek and obtain independent professional advice when necessary to discharge their duties effectively.

The Company Secretaries have the responsibility to ensure that Board procedures are followed and that all applicable rules and regulations including requirements of the Securities and Futures Act, Singapore Companies Act and SGX–ST Listing Manual, are complied with. The Company Secretaries are in attendance at meetings of the Board and Board Committees and are responsible for preparing the minutes of the proceedings thereat. The appointment and removal of the Company Secretaries is a matter for the Board to decide as a whole.

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The Remuneration Committee ("RC") comprises three (3) Directors namely:

Wee Joo Yeow	–	Chairman
Ahmad Sufian @ Qurnain bin Abdul Rashid	–	Member
Kuok Khoon Ean	–	Member

The RC has written terms of reference that describes the responsibilities of the members. The RC is responsible for ensuring a formal and transparent procedure for developing a comprehensive remuneration policy, and general framework and guidelines for remuneration (which covers all aspects of remuneration including directors' fees, salaries, allowances, bonuses, grant of shares and shares options, and benefits–in–kind) of the members of the Board and key management personnel. The RC reviews and recommends to the Board, in consultation with the Chairman of the Board (where applicable), specific remuneration packages for each of the Directors and the key management personnel. The RC assists the Board to ensure that remuneration policies and practices are sound in that they are able to attract, retain and motivate without being excessive, and thereby maximising shareholder value.

The RC is also responsible for the review of, and recommending to the Board awards under the POSH Share Option Plan ("SOP") and POSH Performance Share Plan ("PSP") and their associated performance targets. In addition, the RC reviews the Company's obligations arising in the event of termination of the executive director's and key management personnel's contract of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

No RC member nor any Director is involved in deliberations regarding compensation, share–based incentive or any form of benefits to be granted to himself.

CORPORATE
GOVERNANCE REPORT

LEVEL AND MIX OF REMUNERATION

Principle 8: The level and structure of remuneration should be aligned with the long–term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

The Company's current remuneration framework comprises a fixed and a variable component. The variable component comes in the form of annual bonus tied to the performance of the individual and the Group. For the year under review, neither share options nor performance shares were awarded.

In 2015, POSH engaged Ernst & Young to carry out an executive compensation benchmarking exercise including a review of the Group's compensation strategy to define a compensation framework for key management personnel of the Group.

Subsequent to the financial year in January 2016, the Company implemented the PSP with the award of two batches of share awards to an Executive Director and key management personnel of the Group. That serves to reward and recognise the key executives' contributions to the long–term growth of the Group. Details of the share awards granted are set out in the Directors' Statement.

DISCLOSURE ON REMUNERATION

Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

Each member of the Board receives annual Directors' fees, and such fees are subject to the approval of shareholders at the AGM. The structure of Directors' fees for FY2015 is set out below. The Chief Executive Officer ("CEO") as an Executive Director does not receive Director's Fees.

Fee Structure

a. A retainer fee of S$60,000 for serving as a Director;
b. Additional fee of $30,000 for serving as Chairman of the Board;
c. Additional fee of $20,000 for serving as Lead Independent Director;
d. Additional fee for serving as Member on the following Board committees. In addition the Chairman of each board committee is also paid an additional fee in view of the greater responsibility carried by that office.

	Audit Committee S$	**Board Risk Committee S$**	**Nominating Committee S$**	**Remuneration Committee S$**
Chairman's Fee	30,000	5,000	5,000	5,000
Member's Fee	20,000	10,000	10,000	10,000

CORPORATE GOVERNANCE REPORT

The breakdown of remuneration for the Directors and the top 5 key executives of the Company for FY2015 is as follows:

Non–Executive and Independent Directors	Proposed Directors' Fee	Fixed Salary	Variable Bonus	Benefits–in–kind	Total (S$)
Kuok Khoon Ean	100%	–	–	–	115,000
Teo Joo Kim[1]	100%	–	–	–	20,000
Wu Long Peng	100%	–	–	–	70,000
Jude Philomen Benny	100%	–	–	–	125,000
Ma Kah Woh	100%	–	–	–	130,000
Ahmad Sufian @ Qurnain Bin Abdul Rashid	100%	–	–	–	100,000
Wee Joo Yeow	100%	–	–	–	105,000

Note:
1. *Mr Teo Joo Kim, retired on 27 April 2015.*

Directors	Fixed Salary	Variable Bonus	Benefits–in–kind	Total	Remuneration Band (S$)
Executive Director					
Seow Kang Hoe, Gerald	49.4%	49.2%	1.4%	100%	1,000,000–1,249,999
Top 5 Key Management Personnel					
Lee Keng Lin	67%	33%	–	100%	500,000–749,999
Chai Ulva	81%	19%	–	100%	500,000–749,999
Ng Eng Khin[1]	67%	33%	–	100%	500,000–749,999
Sim Hee Ping	73%	27%	–	100%	250,000–499,999
Thai Kum Foon[2]	67%	33%	–	100%	250,000–499,999

Note:
1. *Mr Ng is employed by POSH Terasea Offshore Pte Ltd, a wholly owned subsidiary of the joint venture POSH Terasea Pte Ltd..*
2. *Ms Thai joined POSH on 4 May 2015.*

The remuneration of the Company's top five key executives takes into account the pay and employment conditions within the industry and is performance–related. The Company is of the opinion that it is not in the best interest of the Company to disclose specific details of their remuneration due to the competitiveness of the industry for key talent.

No employee is an immediate family member of a director or the CEO.

ACCOUNTABILITY

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board is responsible for providing a balanced and understandable assessment of the Company's and Group's performance, financial position and prospects, including interim and other price–sensitive public reports, and reports to regulators (if required). The Directors fully recognise the principle that the Board is accountable to the shareholders while the Management is accountable to the Board.

The Board has embraced openness and transparency in the conduct of the Group's affairs, whilst preserving the commercial interests of the Group. Financial reports and other price–sensitive information are disseminated to shareholders through announcements via SGXNet, press releases and the Company's website.

CORPORATE **GOVERNANCE REPORT**

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

Role of Board and Board Committees

The Board with the assistance of the Board Risk Committee ("BRC") and the Audit Committee ("AC" which is discussed under Principle 12) is responsible for the governance of risk by ensuring that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interest and the Group's assets, and determines the nature and extent of the significant risks which the Board is willing to take in achieving strategic objectives. The Board sets the overall strategic direction and ensures such strategies are aligned with the risk tolerance of the Group, as well as any potential emerging risks that the Group may face.

The BRC comprises four (4) Non–Executive Directors with the majority being Independent Directors, namely:

Kuok Khoon Ean	–	Chairman
Jude Philomen Benny	–	Member
Ma Kah Woh	–	Member
Wee Joo Yeow	–	Member

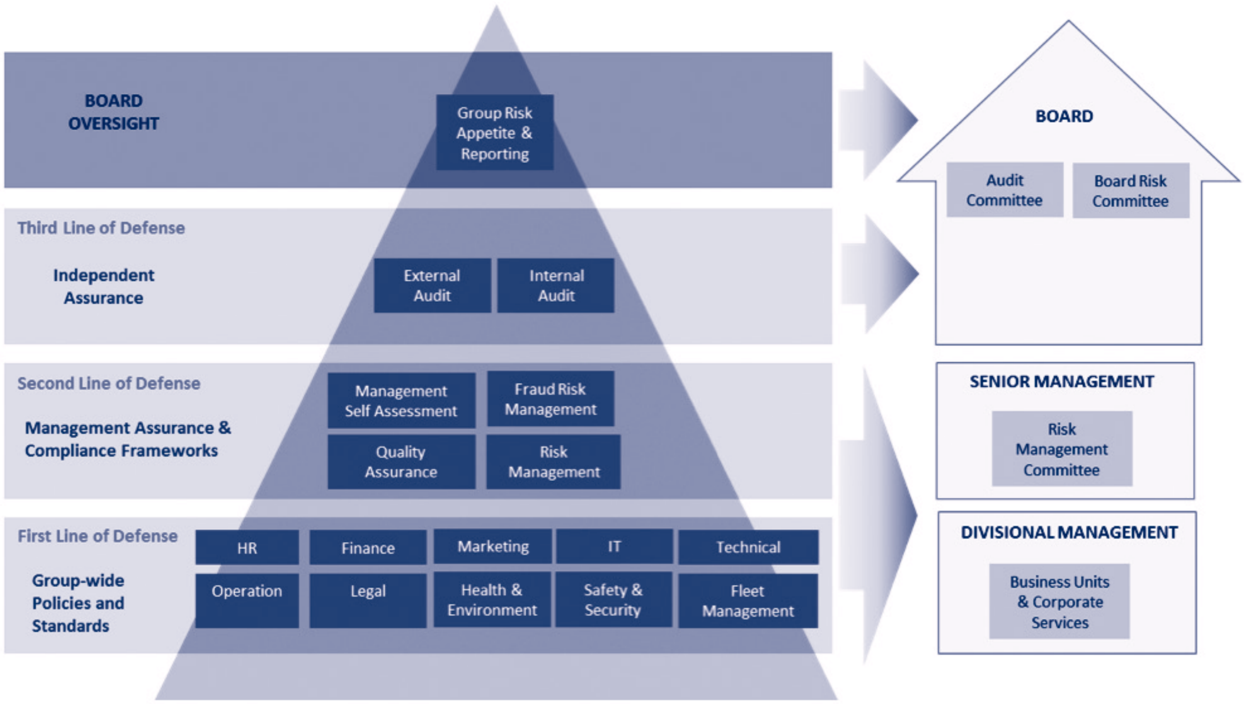
The BRC reviews and discusses with Management the Group's risk governance structure, risk assessment and risk management guidelines, policies and processes and the adequacy and effectiveness of the Group's risk management policies and systems. The BRC reports to the Board on material findings and recommendations in respect of significant strategic, business and operating risks. For financial reporting, IT, compliance and regulatory risks, the AC provides the oversight and assesses the adequacy and effectiveness of the Group's internal control and compliance systems.

Risk Governance and Assurance Framework

The Group's risk governance and assurance framework is structured with three lines of defence; the business unit management, in partnership with corporate services support functions, is the first line of defence and is primarily responsible for establishing policies and procedures to manage risks within approved Group risk appetite. As the second line of defence, Group oversight functions (such as Group Health, Safety, Environment and Quality Assurance ("HSEQA") and Risk Management) develop and maintain appropriate risk management framework and assurance processes as well as monitor and report key risk issues. Internal Audit function and external auditors, as the third line of defence, provide independent assurance on the adequacy and effectiveness of the Group's internal controls and risk management systems. The following diagram depicts the Group's risk governance and assurance framework by which the Board obtains assurance on the adequacy and effectiveness of the Group's risk management and internal control systems.

CORPORATE GOVERNANCE REPORT

Risk Governance and Assurance Framework



Risk Management Framework

The Group has established a Risk Management Framework to identify, manage and monitor the portfolio of business and operating risks impacting the Group on an on–going basis. During the financial year, the internal audit team worked with the business units to review and assess key financial, operational, compliance and information technology risks of the Group. All business units were involved in identifying and evaluating risks from the bottom up, and these risks were then reviewed by the Risk Management Committee that comprised senior management of the Group to provide a top down perspective as well. Reports on specific risk topics were also prepared by Management, and tabled to the BRC during the year for deliberation.

Fraud Risk Management

The Group does not tolerate any corporate impropriety, malpractice or wrongdoing by staff in the course of their work. The Group has put in place a fraud risk management framework and some of the key practices in place include the following:

a) *Clear communication of Group's values and ethics*
The Group's Codes of Ethics and Conduct serve to guide staff on issues of ethical conduct and conflicts of interests that may arise in the course of their employment. These requirements are also clearly set out in the employee's Employment Terms & Conditions, as well as the Employee Handbook.

b) *Implementation of anti–fraud controls*
Conflicting duties and access rights are identified and segregated. Employee due diligence processes include background reference checks for executive grades and above. All new staff are also required to provide offence and non–indebtedness declarations. For new vendors, company profile searches and financial evaluation are performed, where relevant.

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c) *Establishment of whistleblowing channels*
The Group implemented a whistleblowing programme that provides a framework for reporting of suspected fraud, corruption, dishonest practices or other misdemeanours without fear of reprisals and provides for independent investigation of such matters and appropriate follow up actions. Please refer to Principle 12 for an elaboration on the whistleblowing programme.

d) *Conduct of periodic fraud risk awareness sessions*
During the year, IT and internal audit team conducted sessions with Finance and Operations departments to raise awareness on potential cyber fraud risks and the measures to be taken to detect, prevent or mitigate such risks.

Quality Assurance

To further enhance POSH commitment towards safety, the Group's Safety Handbook was revised to reflect current safety standards and used to educate non–operational staff on the importance of Safety. POSH 10 Golden Rules was developed to inculcate safety culture within all POSH staff with strong commitment coming from senior management. All shore staff were briefed by HSE department on the contents of the Safety Handbook and 10 Golden Rules, following which they signed the safety pledge to reflect their commitment towards safety. This pledge is to promote the mindset of "Safety Starts With Me".

To cultivate environmental awareness in shore based personnel towards compliance with ISO 14001, waste segregation was implemented in office in 2015. In addition to ship staff, the Behaviour Base Safety (BBS) program was extended to the shore based personnel.

Regular review of Group's Safety Management System (IMS) is carried out to ensure continual improvement and that it remains current. The HSEQA department also carries out regular audits on ship operations in compliance with International Safety Management Code, International Ship and Port Facility Security Code, Code of Maritime Labour Convention, Occupational Health and Safety Management Standard and International Organisation for Standardisation ("ISO") Quality Management Standard. Periodic checks are also conducted by prospective Charterers to ensure compliance with Charterer's requirement of Offshore Vessel Management System Audit and Offshore Vessel Inspection Database.

Information Technology ("IT") Risk Management

IT services for the Group is outsourced to KSL Group IT as part of the common support services provided under the Shared Services Platform across KSL Group.

KSL Group IT together with POSH Management through the IT Steering Committee (ITSC) forum meets periodically to discuss IT projects and initiatives in alignment with business goals and direction. The forum also serves as a communication channel to discuss matters concerning IT governance including IT policies & process, IT security and service level agreement for continual performance monitoring of outsourced services to the Group.

As it is critical for the organisation to continually examine its risks and security objectives across its business environment, IT seeks to further enhance its security posture by deployment of Advanced Threat Defence System for protection against threats and vulnerabilities to mitigate cyber related risks. This coupled with continuous updating of documented IT security policies and security programmes, increases staff awareness of cyber security risks so that they can play an active role in managing IT risks in the course of their work. IT has also established a strategy and reporting framework for incident management and controls.

To mitigate IT project related risks, IT projects are managed based on an IT Project Framework that sets out processes to ensure detailed and accurate scoping of business requirements, project planning, regular project updates, risk assessment with respect to project budget and timeline, performance monitoring and reporting of key projects to stakeholders.

Over the years, both the internal audit team and external auditor carried out periodic audits to assess the adequacy of internal controls for IT systems in addition to reviewing general information technology infrastructure and controls in their audit cycle/programme. Any potential risks identified are then highlighted to Management for necessary actions. Any major risks identified are also tracked and reported to the AC.

CORPORATE GOVERNANCE REPORT

Management Control Self Assessment

During the year, the internal audit team developed Control Self–Assessment checklists for each business division to evaluate the adequacy and effectiveness of the key controls within their area. The results of these self–assessments provide one of the bases for the Board's opinion on the adequacy and effectiveness of risk management and internal control systems.

Opinion on the Adequacy and Effectiveness of Internal Control and Risk Management Systems

The Board recognises the importance of a sound internal controls system to safeguard the assets of the Group and the shareholders' interest. The Board affirms its overall responsibility for the Group's system of internal controls and for reviewing the adequacy and integrity of those systems. It should be noted that the internal controls system is designed to manage rather than to eliminate risks. Accordingly, the internal controls system can only provide reasonable and not absolute assurance regarding the achievement of the Group's objectives in the following areas:

a) effectiveness and efficiency of operations;
b) reliability of financial reporting; and
c) compliance with applicable laws and regulations.

The first area addresses an entity's basic business objectives, including performance and profitability goals and safeguarding of assets. The second relates to the preparation of reliable financial statements, including interim and full year financial statements. The third deals with complying with those laws and regulations to which the entity is subject to.

During the year under review, the Board has received assurance from the CEO and Chief Financial Officer that financial records have been properly maintained, that the financial statements give a true and fair view of the Group's operations and finances, and that the risk management and internal control systems of the Group are adequate and effective.

On the basis of the foregoing assurance from Management, the internal controls established and maintained by the Group, and work performed by the internal and external auditors, the Board, with the concurrence of the AC and BRC, is of the opinion that the Group's systems of risk management and internal controls were adequate and effective as at 31 December 2015 to address financial, operational, compliance and information technology risks which are relevant to the Group's operations.

AUDIT COMMITTEE

Principle 12: The Board should establish an Audit Committee ("AC") with written terms of reference which clearly set out its authority and duties.

Composition and Role of AC

The Audit Committee ("AC") comprises entirely of Non–Executive Independent Directors, namely:

Ma Kah Woh	–	Chairman
Ahmad Sufian @ Qurnain bin Abdul Rashid	–	Member
Jude Philomen Benny	–	Member
Wee Joo Yeow	–	Member

The Chairman has accounting, auditing and risk management expertise and experience. The other members provide expertise in accounting, banking, legal and business issues. The Board is of the view that the members of the AC have recent and relevant accounting or related financial management expertise or experience to discharge the AC's functions.

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The AC was briefed at each quarterly AC meeting by the external auditor on changes in Financial Reporting Standards which are relevant to the Group's businesses. Members of the AC also attends seminars and courses organised by the Accounting and Corporate Regulatory Authority, the Singapore Institute of Directors and/or the Singapore Exchange Limited on relevant topics, costs of which are borne by the Company.

The AC has a set of Terms of Reference dealing with its scope and authority, which include:

- Review of the quality and reliability of information prepared for inclusion in financial reports;
- Review of the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls;
- Review of scope and audit findings of internal and external auditors as well as management responses to them;
- Evaluation of the nature and extent of non–audit services performed by external auditor;
- Recommendation of the appointment and re–appointment of external auditor;
- Approval of the remuneration and terms of engagement of external auditor; and
- Review of Interested Person Transactions.

In addition, the AC also:

- Meets with the external and internal auditors, without the presence of Management, at least once a year to review and discuss the financial reporting process, system of internal controls, significant comments and recommendations; and
- Reviews and if required, investigates the matters reported via the whistle–blowing mechanism, by which staff and external parties who have business relationship with the Group may, in confidence, raise concerns about suspected improprieties including financial irregularities.

The AC has explicit authority to investigate any matter within its terms of reference, and have access to sufficient resources in order to carry out its duties, including full access to, and co–operation by, Management, the company secretaries, the external auditor and internal auditors for assistance as required. It has full discretion to invite any Director, member of Management and third parties to attend its meetings. It also has the authority to review its terms of reference and its own effectiveness annually and recommend necessary changes to the Board.

AC Activities for the Year

The AC met 4 times during the year and the activities for the year, in accordance with its responsibilities and duties under its Terms of Reference, included the following:

a) *Financial Reporting*
The AC reviewed the quarterly and annual financial statements and financial announcements required by SGX–ST for recommendation to the Board for approval. The reviews focused on changes in accounting policies and practices, major judgmental and risk areas, significant adjustments resulting from the audit, compliance with accounting standards, compliance with SGX–ST and other legal requirements.

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b) *External Audit*
The AC discussed with the external auditor the audit plan, and the report on the audit of the year–end financial statements; reviewed the external auditor's management letter and Management's responses thereto; and reviewed the external auditor's objectivity and independence from Management and the Company. During the year, the AC had one meeting with the external auditor, without the presence of Management, to enable the external auditor to raise issues encountered in the course of their work directly with the AC. A review of the incumbent external auditor's competency and quality of the work, objectivity and independence was performed. The AC has also reviewed the aggregate amount of fees paid to the external auditors for FY2015 and the breakdown of the fees paid in total for audit and non–audit services, and is satisfied that the value and volume of non–audit services performed by the external auditors would not affect their independence and objectivity. The fees payable in respect of audit services provided by the external auditor for FY2015 are disclosed in the notes (set out on page 110 of this annual report) to the financial statements. The AC has reviewed and is satisfied with the standard of the external auditor's work. The AC has recommended the re–appointment of Ernst & Young LLP ("EY") as the Group's external auditor at the forthcoming AGM. In appointing EY as auditor of the Group, the Company has complied with Rule 712 and Rule 715, read with Rule 716 of the SGX–ST Listing Manual.

c) *Internal Audit*
The AC reviewed the scope and major findings of internal audits carried out by the internal audit team during the year and Management's responses thereto. During the year, the AC had one private session with the internal audit team, without the presence of Management, to ensure the adequacy of the independence and resource sufficiency of the internal audit function. Please refer to Principle 13 for an elaboration on internal audit.

d) *Risk Management*
The AC, together with the BRC, reviews the risk reports and materials; and the adequacy and effectiveness of the risk management system. Risk appetites for financial, operational and compliance risks have been established and endorsed by AC and BRC to facilitate timely and effective risk discussions and reporting between Management and the Board. Please refer to Principle 11 for an elaboration on AC's and BRC's assessment of the adequacy and effectiveness of risk management and internal controls systems.

e) *Interested Person Transactions*
The AC reviewed and approved the Interested Person Transactions ("IPT") Manual that sets out the procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and those transactions are conducted on an arm's length basis and are not prejudicial to the interests of the shareholders. During the year, prior approvals and ratifications were sought from AC for IPTs in accordance with the IPT Manual. The AC also reviewed the results of the audits carried out by the internal audit team on the quarterly interested person transactions for compliance with the SGX–ST Listing Manual and the Shareholders' Mandate obtained at the last Annual General Meeting.

f) *Whistle–Blowing*
The AC oversees and reviews the whistleblowing programme implemented to strengthen corporate governance and ethical business practices across the business units. The policy and processes are set out in the Company's website and communicated to all staff via internal circular. Whistleblowers are provided with accessible channels to the AC Chairman, which include a secure phone hotline, and electronic and postal mailing addresses. The AC will direct the investigations of all cases reported and the adoption of appropriate remedial measures where warranted. During the year, the AC reviewed and was satisfied with the adequacy of the whistle–blowing programme instituted by the Company.

INTERNAL AUDIT

Principle 13: The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

Independence of the Internal Audit Function

The role of the Internal Auditors ("IA") is to assist the AC to ensure that the Group maintains a sound system of internal controls and risk management by regular monitoring of key controls and procedures and ensuring their effectiveness, undertaking investigations as directed by the AC and the BRC, and conducting regular in–depth audits of high risk areas. The Group's internal audit functions are outsourced to its parent company, KSL Group.

Staffed by suitably qualified executives, IA has unrestricted direct access to the AC and unfettered access to all the Group's documents, records, properties and personnel. The Head of IA's primary line of reporting is to the Chairman of the AC, although she reports administratively to the CEO of the Group. Annually, the AC provides an appraisal of the performance of the Head of IA to KSL Group.

Adequacy of the Internal Audit Function Resources

IA prepares a risk–centric annual audit plan to review the adequacy and effectiveness of the Group's system of internal controls, including financial, operational, compliance, IT controls and risk management systems on an annual basis. IA carries out audits that address the controls and business processes in the Group. The AC reviews the annual audit plan proposed by IA and periodically assesses the adequacy of the resources required. External resources may be engaged to assist in the audits, where necessary.

Qualifications and Experience of Internal Audit Staff

IA employs suitably qualified and experienced personnel who either possess a recognised diploma in Accounting or an equivalent professional qualification, or have working experience in a public accounting firm. In addition, they are Certified Internal Auditors ("CIA"), Certified Public Accountants ("CPA"), Chartered Certified Accountant ("ACCA"), Certified Fraud Examiner, ("CFE") and Certified Information Systems Auditors ("CISA"). The certification bodies that govern these professional accreditations require their members to maintain a program of continuing education. The professional competence of IA is maintained and upgraded through training programmes, conferences and seminars that provide updates on auditing techniques, regulations and industry trends.

Internal Audit Standards

The IA function adheres to the Code of Ethics and International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors' (IIA). Internal Audit focuses on determining whether the controls provide reasonable assurance of effective and efficient operations, as to reliability and integrity of financial data and reports, and compliance with laws, regulations and contracts. The internal audit plan is reviewed and approved by the AC. The Internal Audit Plan covers the examination and evaluation of the adequacy and effectiveness of internal control systems and the quality of compliance to the internal control systems which comprises key components of control environment, risk assessment process, operational control activities, information and communication system and monitoring practices.

The approach of internal audit is divided into four phases:

1. Document and update systems and procedures or policies;
2. Prepare and update detailed audit programmes, testing and draft report;
3. Discuss with auditee's management on draft report and finding; and
4. Report to AC and follow–up.

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In addition, IA will suggest improvements in practices and procedures to eliminate inefficiencies, to report deficiencies and follow up with appropriate management to ensure the necessary corrective actions are taken and to report on a regular basis to the AC.

Annual review of adequacy and effectiveness of internal audit function

IA conducted an internal self–assessment for internal auditing work performed during the year, as part of its Quality Assurance and Improvement programme for the internal audit activity. IA also conforms to the standards of the Institute of Internal Auditors for validation by an independent external reviewer once every five years. An external review will be conducted in FY2016 as part of the five year cycle.

SHAREHOLDER RIGHTS

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

COMMUNICATION WITH SHAREHOLDERS

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

CONDUCT OF SHAREHOLDER MEETINGS

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Company is committed to treat all shareholders fairly and equitably to facilitate the exercise of their ownership rights and to provide them with adequate, timely and sufficient information pertaining to changes in the Group's business which could have a material impact on the Company's share price.

The Company employs various platforms to effectively engage the shareholders and the investment community, with an emphasis on timely, accurate, fair and transparent disclosure of information. Engagement with shareholders and other stakeholders takes many forms, including announcements of quarterly results and presentations, e–mail communications, publications and content on the Company's website. During the year under review, senior management met with investors, analysts and also held media conference calls to keep the market and investors apprised of the Group's corporate developments and financial performance.

Material information is disclosed in a comprehensive, accurate and timely manner via SGXnet and the press. To ensure a level playing field and provide confidence to shareholders, unpublished price–sensitive information are not selectively disclosed.

The Company ensures that shareholders have the opportunity to participate effectively and vote at shareholders' meeting. Shareholders are informed of shareholders' meetings through notices published in the newspaper and via SGXnet, and reports or circulars sent to all shareholders. Shareholders are invited at such meetings to put forth any questions they may have on the motions to be debated and decided upon. Shareholders are also informed of the rules, including voting procedures, governing such meetings.

If any shareholder is unable to attend, he is allowed to appoint up to two proxies to vote on his behalf at the meeting through proxy forms sent in advance.

At shareholders' meetings, each distinct issue is proposed as a separate resolution. The results are announced in a timely manner after the general meeting via SGXnet.

The Chairman of the Board and each Board Committee are required to be present to address questions at general meetings of shareholders. The external auditor will also be present at such meetings to assist the Directors in addressing shareholders' queries, if necessary.

The Company Secretaries prepares minutes of shareholders' meetings, which incorporate substantial comments or queries from shareholders and responses from the Board and Management. These minutes are available to shareholders upon request.

Pertinent information is regularly conveyed to the shareholders through SGXNet and the Company's website at http://www.posh.com.sg/.

The Company has not adopted a formal dividend policy. The Company pays dividends out of profits available for distribution and when there is sufficient cash available after taking into consideration the operating requirement and capital commitment of the Group.

DEALING IN SECURITIES

In compliance with Rule 1207 (19) of the SGX–ST Listing Manual, the Company has an internal code on dealings in the Company's shares by all Directors and employees of the Group.

All Directors and employees of the Group are prohibited from dealing in the Company's shares during the period commencing two weeks before the announcement of the Group's quarterly results, and one month before the announcement of its full year financial results, and ending on the date of such announcements.

Directors, officers and employees of the Group are prohibited from dealing in the Company's shares while in possession of unpublished price–sensitive information and to refrain from dealing in the Company's shares on short–term considerations.

CORPORATE GOVERNANCE REPORT

INTERESTED PARTY TRANSACTIONS

Pursuant to Rule 907 of the Listing Manual of the SGX–ST the aggregate value of interested person transactions entered into during FY2015 are as follows:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) US$'000	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) US$'000
PaxOcean Engineering Zhuhai Co., Ltd	–	10,923
DP Shipbuilding and Engineering Pte Ltd	150	4,994
Kuok (Singapore) Ltd	–	4,247*
PaxOcean Engineering Pte Ltd	–	2,066
DP Marine Pte Ltd	–	1,245
Sea Puffin Pte Ltd	–	1,760
DDW–Pax Ocean Shipyard Pte Ltd	–	174
GWC Commercial Pte Ltd (f.k.a. Midpoint Properties Limited)	–	777
PSM Perkapalan Sdn Bhd	–	409
Total	150	26,595

Note:
* *Included an amount of US$2.3 million which represented actual billing in Q1 FY2015 for shared services provided in FY2014. An accrual for shared services expenses were recorded in FY2014 and reflected in Note 26 of the financial statements for the financial year ended 31 December 2014.*

MATERIAL CONTRACTS

Except as disclosed under the section on Interested Person Transactions above and in Note 26 (Related Party Transactions) of the Notes to the Financial Statements, there were no other material contracts of the Company or its subsidiaries involving the interests of the CEO, each Director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

FINANCIAL CONTENTS

DIRECTORS' **STATEMENT**

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of PACC Offshore Services Holdings Ltd. (the "company") and its subsidiaries (collectively, the "group") and statements of financial position and changes in equity of the company for the financial year ended 31 December 2015.

Opinion of the directors

In the opinion of the directors,

(i) the consolidated financial statements of the group and statements of financial position and changes in equity of the company are drawn up so as to give a true and fair view of the financial position of the group and of the company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the group and changes in equity of the company for the year ended on that date; and

(ii) at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

Directors

The directors of the company in office at the date of this statement are:

Kuok Khoon Ean
Seow Kang Hoe, Gerald
Wu Long Peng
Jude Philomen Benny
Ma Kah Woh
Ahmad Sufian @ Qurnain Bin Abdul Rashid
Wee Joo Yeow

Arrangements to enable Directors to acquire shares or debentures

Except as described in the financial statements, neither at the end of nor at any time during the financial year was the company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the company to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate.

DIRECTORS' **STATEMENT**

Directors' interests in shares or debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Chapter 50, an interest in shares of the company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Holdings registered in the name of director or nominee		Holdings in which director is deemed to have an interest	
	As at 1.1.2015	As at 31.12.2015	As at 1.1.2015	As at 31.12.2015
	Number of ordinary shares			
In the immediate and ultimate holding company – Kuok (Singapore) Limited				
Kuok Khoon Ean	–	**–**	5,700,000	**5,700,000**
Wu Long Peng	800,000	**800,000**	133,333	**133,333**
Seow Kang Hoe, Gerald	400,000	**400,000**	–	**–**
In the company				
Kuok Khoon Ean	–	**–**	1,100,000	**1,725,000**
Wu Long Peng	5,626,542	**5,626,542**	–#	**–#**
Seow Kang Hoe, Gerald	7,344,043	**7,444,043**	–#	**–#**
Ahmad Sufian @ Qurnain Bin Abdul Rashid	1,020,000	**1,020,000**	–	**–**
Ma Kah Woh	200,000	**200,000**	–	**–**
Jude Philomen Benny	250,000	**250,000**	38,000	**38,000**
Wee Joo Yeow	500,000	**500,000**	–	**–**

Please refer to details below on certain options granted to these directors over existing shares of the company.

There were no changes in any of the above-mentioned interests in the company between the end of the financial year and 21 January 2016.

The following Directors were granted options by Kuok (Singapore) Limited over shares it held in the company, as follows:

Name	No. of options As at 1.1.2015	As at 31.12.2015	Exercise Price per option share (US$)
Seow Kang Hoe, Gerald	3,750,000	**3,750,000**	0.5333
Wu Long Peng	2,812,500	**2,812,500**	0.5333

These options are to be exercised from 5 August 2015 to 4 August 2018 ("Option Exercise Period"). These options may be exercised on all or part of the option shares at any time during the Option Exercise Period, provided that where the option is exercised in part, it shall be in multiples of 18,750 shares.

Except as disclosed in this report, no other director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

DIRECTORS' STATEMENT

Directors' interests in shares or debentures (cont'd)

Share based incentive plans

On 28 March 2014, the Shareholders approved two share-based incentive plans for its directors and employees, the POSH Share Option Plan (the "SOP") and the POSH Performance Share Plan (the "PSP"), (collectively, the "Schemes").

The company had adopted the Schemes to reward, retain and motivate employees and non-executive directors of the group, as well as to align the interests of employees with the interests of the group and its shareholders, thereby enhancing the long term growth of the company and the group. The Schemes shall be administered by the Remuneration Committee.

There were no performance shares awarded nor were there any options granted during the financial year to take up any unissued shares of the company.

No shares were issued by virtue of the exercise of options or the vesting of any performance share awards.

No options have been granted at a discount.

There were no performance shares awarded but not vested nor were there any unissued shares under option at the end of the financial year.

Except as disclosed in this report, no other director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the company, or of related corporations, at the end of the financial year.

No employee has received 5% or more of the total number of share awards available under share based incentive plan during the financial year.

Subsequent to the financial year, on 22 January 2016, the company had awarded two tranches of share awards under the PSP as follows:

Tranche 1 : A total of 1,839,000 share awards were granted under the PSP. The vesting of the shares awards is subject to achievement of performance and/or service conditions as determined by the Remuneration Committee. The share awards shall vest on the 3rd anniversary of the date of grant (i.e. 22 January 2019).

Tranche 2 : A total of 1,873,000 share awards were granted under the PSP. The share awards were a one-time grant as an initial launch of the PSP scheme to key management personnel of the company. The vesting of these shares awards are not conditional on any performance criteria. The share awards shall vest on 31 December 2016 subject to the terms of PSP.

Details of share awards granted to a Director of the company are as follows: -

	Number of PSP share awards granted	
Name of Director	**Tranche 1**	**Tranche 2**
Seow Kang Hoe, Gerald	678,000	634,000

No awards have been made to controlling shareholders or their associates, or parent group directors or employees.

DIRECTORS' **STATEMENT**

Audit committee

The Audit Committee ("AC") carried out its functions in accordance with section 201B (5) of the Singapore Companies Act, Chapter 50, including the following:

- Reviewed the audit plans of the internal and external auditors of the group and the company, and reviewed the internal auditor's evaluation of the adequacy of the company's system of internal accounting controls and the assistance given by the group and the company's management to the external and internal auditors

- Reviewed the quarterly and annual financial statements and the auditor's report on the annual financial statements of the group and the company before their submission to the board of directors

- Reviewed the adequacy and effectiveness of the group and the company's material internal controls, including financial, operational, compliance and information technology controls and risk management via reviews carried out by the internal auditor

- Met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC

- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators

- Reviewed the cost effectiveness and the independence and objectivity of the external auditor

- Reviewed the nature and extent of non-audit services provided by the external auditor

- Recommended to the board of directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit

- Reported actions and minutes of the AC to the board of directors with such recommendations as the AC considered appropriate

- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.

The AC, having reviewed all non-audit services provided by the external auditor to the group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor. The AC has also conducted a review of interested person transactions.

The AC convened four meetings during the year with full attendance from all members, except for one where a member was absent. The AC has also met with internal and external auditors, without the presence of the company's management, at least once a year.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

DIRECTORS' STATEMENT

Auditors

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditors.

On behalf of the board of directors

....
SEOW KANG HOE, GERALD
Director

....
WU LONG PENG
Director

18 March 2016

INDEPENDENT **AUDITOR'S REPORT**

to the members of PACC Offshore Services Holdings Ltd.
for the financial year ended 31 December 2015

Report on the financial statements

We have audited the accompanying financial statements of the company and its subsidiaries set out on pages 57 to 110, which comprise the statements of financial position of the group and the company as at 31 December 2015, the statements of changes in equity of the group and the company and the consolidated statement of comprehensive income and consolidated statement of cash flow of the group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the group and statement of financial position and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the group and of the company as at 31 December 2015 and of the financial performance, changes in equity and cash flow of the group for the year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and Chartered Accountants
Singapore

18 March 2016

STATEMENTS OF **FINANCIAL POSITION**

as at 31 December 2015

	Note	Group		Company	
		2015	2014	**2015**	2014
		US$'000	US$'000	**US$'000**	US$'000
Assets					
Non-Current Assets					
Goodwill	4	**168,303**	295,303	**–**	–
Fixed assets	5	**1,278,147**	1,113,689	**46,861**	33,798
Intangible assets	6	**29**	104	**1**	33
Due from joint ventures	11	**22,871**	165,541	**22,871**	165,541
Investment in subsidiaries	25	**–**	–	**356,662**	358,394
Interest in joint ventures	7	**76,734**	75,078	**48,317**	64,700
Receivables and other non-current assets	8	**11,289**	4,847	**–**	–
		1,557,373	1,654,562	**474,712**	622,466
Current Assets					
Consumables	9	**805**	2,437	**–**	–
Receivables and other current assets	10	**93,761**	76,640	**4,386**	288
Due from subsidiaries and joint ventures	11	**65,914**	123,059	**1,197,635**	1,109,512
Due from related companies	11	**187**	1,894	**–**	–
Cash and cash equivalents	12	**13,779**	12,168	**2,003**	1,687
		174,446	216,198	**1,204,024**	1,111,487
Fixed assets classified as held-for-sale	13	**1,791**	575	**–**	–
		176,237	216,773	**1,204,024**	1,111,487
Total Assets		**1,733,610**	1,871,335	**1,678,736**	1,733,953
Equity and Liabilities					
Equity Attributable to Shareholders					
Share capital	14(a)	**827,201**	827,201	**827,201**	827,201
Treasury shares	14(b)	**(1,669)**	–	**(1,669)**	–
Retained profits		**235,213**	386,265	**218,079**	293,522
Other reserves	15	**298**	298	**–**	–
		1,061,043	1,213,764	**1,043,611**	1,120,723
Non-Current Liabilities					
Bank borrowings	16	**–**	300,000	**–**	300,000
Deferred tax liabilities		**138**	166	**–**	–
		138	300,166	**–**	300,000
Current Liabilities					
Payables and accruals	17	**69,247**	70,393	**19,463**	19,962
Advances received from customers	18	**3,400**	2,400	**–**	–
Due to subsidiaries and joint ventures	19	**29,079**	14,509	**46,442**	24,169
Due to related companies	19	**7,051**	5,201	**6,868**	4,859
Due to holding company	20	**584**	18	**584**	18
Bank borrowings	16	**559,730**	260,500	**559,730**	260,500
Provision for taxation		**3,338**	4,384	**2,038**	3,722
		672,429	357,405	**635,125**	313,230
Total Liabilities		**672,567**	657,571	**635,125**	613,230
Net Current (Liabilities)/Assets		**(496,192)**	(140,632)	**568,899**	798,257
Net Assets		**1,061,043**	1,213,764	**1,043,611**	1,120,723
Total Equity and Liabilities		**1,733,610**	1,871,335	**1,678,736**	1,733,953

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME

for the financial year ended 31 December 2015

	Note	Group	
		2015	2014
		US$'000	US$'000
Revenue	3	**280,820**	234,037
Cost of sales		**(222,794)**	(176,833)
Gross profit		**58,026**	57,204
Other (expenses)/income, net	21	**(135,565)**	57,983
Distribution costs		**(1,691)**	(1,573)
General and administrative expenses		**(30,018)**	(33,347)
Finance costs	22	**(10,357)**	(10,908)
Share of joint ventures' results		**(9,526)**	(13,557)
(Loss)/profit before taxation	23	**(129,131)**	55,802
Taxation	24	**(1,828)**	(2,559)
Net (loss)/profit for the year, representing total comprehensive (loss)/income attributable to shareholders		**(130,959)**	53,243
Earnings per share (cents per share)			
Basic	34	**(7.20)**	3.10
Diluted	34	**(7.20)**	3.10

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENTS OF
CHANGES IN EQUITY

for the financial year ended 31 December 2015

Group	Share Capital US$'000	Treasury Shares US$'000	Retained Profits US$'000	Foreign Currency Translation Reserves US$'000	Total Equity US$'000
Balance at 1 January 2015	**827,201**	**–**	**386,265**	**298**	**1,213,764**
Purchase of treasury shares (Note 14(b))	**–**	**(1,669)**	**–**	**–**	**(1,669)**
Dividends paid (Note 33)	**–**	**–**	**(20,093)**	**–**	**(20,093)**
Net loss and total comprehensive loss for the year	**–**	**–**	**(130,959)**	**–**	**(130,959)**
Balance at 31 December 2015	**827,201**	**(1,669)**	**235,213**	**298**	**1,061,043**
Balance at 1 January 2014	530,975	–	333,022	298	864,295
Issuance of new ordinary shares (Note 14(a))	307,886	–	–	–	307,886
Share issuance expenses (Note 14(a))	(11,660)	–	–	–	(11,660)
Net profit and total comprehensive income for the year	–	–	53,243	–	53,243
Balance at 31 December 2014	827,201	–	386,265	298	1,213,764

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENTS OF
CHANGES IN EQUITY

for the financial year ended 31 December 2015

Company	Share Capital US$'000	Treasury Shares US$'000	Retained Profits US$'000	Total Equity US$'000
Balance at 1 January 2015	**827,201**	**–**	**293,522**	**1,120,723**
Purchase of treasury shares (Note 14(b))	**–**	**(1,669)**	**–**	**(1,669)**
Dividends paid (Note 33)	**–**	**–**	**(20,093)**	**(20,093)**
Net loss and total comprehensive loss for the year	**–**	**–**	**(55,350)**	**(55,350)**
Balance at 31 December 2015	**827,201**	**(1,669)**	**218,079**	**1,043,611**
Balance at 1 January 2014	530,975	–	373,796	904,771
Issuance of new ordinary shares (Note 14(a))	307,886	–	–	307,886
Share issuance expenses (Note 14(a))	(11,660)	–	–	(11,660)
Net loss and total comprehensive loss for the year	–	–	(80,274)	(80,274)
Balance at 31 December 2014	827,201	–	293,522	1,120,723

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOW

for the financial year ended 31 December 2015

	2015 US$'000	2014 US$'000
Cash Flow from Operating Activities		
(Loss)/profit before taxation	**(129,131)**	55,802
Adjustments for:		
Amortisation of prepayments	**461**	588
Amortisation of intangible assets	**75**	147
Depreciation of fixed assets	**60,655**	39,274
Bad debts written off	**–**	36
Allowance for doubtful debts – trade	**2,004**	3,055
Fixed assets written off	**210**	1,032
Impairment of fixed assets	**21,437**	–
Impairment of fixed assets classified as held-for-sale	**–**	2,114
Impairment of goodwill	**127,000**	–
Gain on disposal of fixed assets	**(4,066)**	(46,659)
Share of joint ventures' results	**9,526**	13,557
Interest expense	**10,357**	10,908
Interest income	**(3,217)**	(7,063)
Operating cash flow before working capital changes	**95,311**	72,791
Decrease/(increase) in consumables	**1,632**	(1,172)
Increase in receivables and other assets	**(13,163)**	(5,402)
(Decrease)/increase in payables and accruals	**(4,355)**	3,908
Cash generated from operating activities	**79,425**	70,125
Interest paid	**(9,689)**	(12,114)
Interest received	**2,755**	2,991
Income taxes paid	**(2,902)**	(926)
Net cash generated from operating activities	**69,589**	60,076
Cash Flow from Investing Activities		
Acquisition of fixed assets	**(258,193)**	(190,151)
Proceeds from disposal of fixed assets	**2,156**	112,714
Increase in interest in joint ventures	**–**	(9,090)
Decrease/(Increase) in due from joint ventures	**206,087**	(10,650)
Net cash used in investing activities	**(49,950)**	(97,177)
Cash Flow from Financing Activities		
Proceeds from issuance of shares	**–**	296,226
Repayment of bank borrowings	**(770)**	(246,926)
Dividends paid	**(20,093)**	–
Purchase of treasury shares	**(1,669)**	–
Increase/(decrease) in due to joint ventures and related companies	**3,938**	(9,952)
Increase/(decrease) in due to holding company	**566**	(631)
Net cash (used in)/generated from financing activities	**(18,028)**	38,717
Net increase in cash and cash equivalents	**1,611**	1,616
Cash and cash equivalents at beginning of year	**12,168**	10,552
Cash and cash equivalents at end of year (Note 12)	**13,779**	12,168

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

NOTES TO
THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2015

1 General information

The financial statements of the group and the company for the year ended 31 December 2015 were authorised for issue in accordance with a resolution of the directors passed on 18 March 2016.

The company, which is a limited liability company, is incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST).

The registered office and principal place of business of the company is located at No. 1 Kim Seng Promenade, #07-02 and #06-01 Great World City, Singapore 237994 respectively.

The principal activities of the company are in the business of general shipping and investment holding. The principal activities of the subsidiaries, which provide offshore marine support services, are disclosed in Note 25 to the financial statements.

The immediate and ultimate holding company is Kuok (Singapore) Limited, incorporated in the Republic of Singapore.

2 Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the group are prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in United States Dollars (US$) and all values are rounded to the nearest thousand (US$'000) unless otherwise indicated.

The financial statements have been prepared on a going concern basis. The group has a net current liability position of US$496,192,000 as at 31 December 2015 (2014: US$140,632,000) mainly due to committed loans of US$300,000,000 being due for repayment in July 2016. Subsequent to the financial year end, the group has renewed and secured new banking facilities of US$812,000,000 with various lenders. In the opinion of the directors, the group will be able to generate positive cash flows from operations, and has sufficient financing facilities from lenders to meet their financial obligations as and when they fall due.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2015. The adoption of these standards did not have any effect on the financial performance or position of the group and the company.

NOTES TO
THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2015

2 Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective

The group has not adopted the following standards that have been issued but not yet effective:

Description	Effective date (Annual periods beginning on or after)
Amendments to FRS 1 *Disclosure Initiative*	1 January 2016
Amendments to FRS 27 *Equity Method in Separate Financial Statements*	1 January 2016
Amendments to FRS 16 and FRS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Amendments to FRS 111 *Accounting for Acquisitions of Interests in Joint Operations*	1 January 2016
Amendments to FRS 110 and FRS 28 *Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture*	1 January 2016
Improvements to FRSs (November 2014)	1 January 2016
FRS 115 *Revenue from Contracts with Customers*	1 January 2018
FRS 109 *Financial Instruments*	1 January 2018

Except for FRS 115 and FRS 109, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 115 and FRS 109 are described below:

FRS 115 *Revenue from Contracts with Customers*

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

Key issues for the group include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The group is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

FRS 109 Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the group to make changes to its current systems and processes.

FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory. The group is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

2 Summary of significant accounting policies (cont'd)

2.4 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the company. Where accounting policies of a subsidiary do not conform to those of the group, adjustments are made on consolidation when the amounts involved are considered significant to the group.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the group loses control over a subsidiary, it:

– De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
– De-recognises the carrying amount of any non-controlling interest;
– De-recognises the cumulative translation differences recorded in equity;
– Recognises the fair value of the consideration received;
– Recognises the fair value of any investment retained;
– Recognises any surplus or deficit in profit or loss;
– Re-classifies the group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) Business combinations

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

When the group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with FRS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it is not to be remeasured until it is finally settled within equity.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2015

2 Summary of significant accounting policies (cont'd)

2.4 Basis of consolidation and business combinations (cont'd)

(b) Business combinations (cont'd)

The group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. The accounting policy for goodwill is set out in Note 2.6. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

2.5 Significant accounting judgments and estimates

The preparation of the group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Judgments made in applying accounting policies

In the process of applying the group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Determination of functional currency

The group measures foreign currency transactions in the respective functional currencies of the company and its subsidiaries. In determining the functional currencies of the entities in the group, judgment is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2015

2 Summary of significant accounting policies (cont'd)

2.5 Significant accounting judgments and estimates (cont'd)

Key sources of estimation uncertainty (cont'd)

(a) Depreciation of vessels

The group's cost of vessels, less their estimated scrap value, is depreciated on a straight-line basis over the estimated useful life. The useful lives and scrap values of the vessels are based on estimations and these are common estimates applied in the shipping industry. Changes in market situation and individual condition of the vessels might impact the economic useful life and the scrap value. Accordingly, future depreciation charges could be subject to revision. The carrying amount of the group's vessels at the end of each reporting period is detailed in Note 5 to the financial statements. A 5% difference in the expected useful lives of these assets from management's estimates would result in approximately a 2% and 3% variance in the group's profit for the financial years ended 31 December 2015 and 2014 respectively.

(b) Impairment of vessels

The group determines the recoverable amount of vessels based on the higher of its fair value less costs to sell and its value in use. When value in use calculation is undertaken, management estimates the expected future cash flows from the asset or cash-generating unit ("CGU") by applying a suitable discount rate to calculate the present value of those cash flows. When fair value less costs to sell is used, management engages the services of professional valuers to determine the fair values using valuation techniques which involve the use of estimates and assumptions which are reflective of current market conditions. The carrying amount of the group's vessels is disclosed in Note 5.

(c) Impairment of loans and receivables

The group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flow are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the group's loans and receivables at the end of the reporting period is disclosed in Note 10.

(d) Impairment of goodwill

The group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the CGUs to which the goodwill is allocated. Estimating the value in use requires the group to make an estimate of the expected future cash flows from the CGUs and also to choose suitable discount rates in order to calculate the present value of those cash flow. The key assumptions applied in the determination of the value in use including sensitivity analysis, are disclosed and further explained in Note 4 to the financial statements. The carrying amount of the group's goodwill as at 31 December 2015 was US$168,303,000 (2014: US$295,303,000).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2015

2 Summary of significant accounting policies (cont'd)

2.6 Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, where applicable, from the acquisition date, allocated to each of the group's CGUs that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The CGU to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the CGU may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a CGU and part of the operation within that CGU is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the CGU retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2005 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.22.

2.7 Fixed assets and depreciation

All items of fixed assets are initially recorded at cost. Subsequent to recognition, fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the fixed assets. The cost of an item of fixed assets is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably.

When significant parts of fixed assets are required to be replaced in intervals, the group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Vessels under construction included in fixed assets are not depreciated as these assets are not yet available for use.

Cost includes the cost of any major enhancement which increases the future benefits from the vessels beyond their previously assessed standard of performance and is written off over the vessels' remaining useful lives. Expenditure for maintenance and repairs and replacement of equipment are charged to profit or loss when incurred.

Depreciation of new vessels is calculated utilising the straight-line method to write off the cost, less estimated scrap value over their estimated useful lives of 20 to 30 years, whilst for vessels purchased second-hand, depreciation is calculated utilising the straight-line method to write off the cost, less estimated scrap value over their remaining useful lives. Cost includes the cost of any major enhancement which increases the future benefits from the vessels beyond their previously assessed standard of performance and is written off over the vessels' remaining useful lives. Expenditure for maintenance and repairs and replacement of equipment are charged to profit or loss when incurred.

NOTES TO
THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2015

2 Summary of significant accounting policies (cont'd)

2.7 Fixed assets and depreciation (cont'd)

Drydocking costs, which enhance the useful lives of vessels, are capitalised in the month in which they are incurred and amortised over periods between 2 to 3 years until the next drydocking.

For acquisitions and disposals of vessels and drydocking costs during the financial year, depreciation is provided from the day of acquisition and to the day before disposal respectively. Fully depreciated assets are retained in the books until they are no longer in use.

Depreciation is computed on a straight-line basis over the estimated useful lives of the other assets from the month of acquisition to the month before disposal as follows:

Office equipment	–	5 years
Computer hardware	–	3 years
Furniture and fittings	–	10 years
Motor vehicles	–	5 years
Renovation	–	3 years
Plant and machinery	–	3 – 5 years

The carrying values of fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of fixed assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2.8 Intangible assets

Intangible assets acquired separately are measured initially at cost. When the asset is available for use, it is measured at cost less accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end.

The amortisation expense on intangible assets with finite useful lives is recognised in profit or loss in the expense category consistent with the function of the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised. Costs relating to computer software acquired, which are not an integral part of related hardware, are capitalised and amortised on a straight-line basis over their useful life of 3 years.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2015

2 Summary of significant accounting policies (cont'd)

2.9 Subsidiaries

A subsidiary is an investee that is controlled by the group. The group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In the company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.10 Joint ventures

The group has interests in joint ventures which are jointly controlled entities. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, where the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control. A jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venturer has an interest.

Investments in joint venture companies are stated in the company's statement of financial position at cost less any impairment losses. In the group's financial statements, they are accounted for using the equity method of accounting. Under the equity method, the investments in joint venture companies are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the group's share of net assets of the joint venture companies. Goodwill relating to a joint venture company is included in the carrying amount of the investment and is neither amortised nor tested individually for impairment. Any excess of the group's share of the net fair value of a joint venture company's identifiable assets, liabilities and contingent liabilities over the cost of the investment is included as income in the determination of the group's share of results of the joint venture company in the period in which the investment is acquired.

The profit or loss reflects the share of the results of operations of the joint venture companies. Where there has been a change recognised in other comprehensive income by the joint venture companies, the group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the group and the joint venture companies are eliminated to the extent of the interests in the joint venture companies.

The group's share of profit or loss of the joint venture companies is shown on the face of profit or loss after tax. When the group's share of losses in a joint venture company equals or exceeds its interest in the joint venture company, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture company.

The financial statements of the joint ventures are prepared as the same reporting date as the company. Where necessary, adjustments are made to bring the accounting policies in line with those of the group.

After application of the equity method, the group determines whether it is necessary to recognise an additional impairment loss on the group's investments in its joint venture companies. The group determines at the end of each reporting period whether there is any objective evidence that the investments in the joint venture companies are impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amounts of the joint venture companies and their carrying values and recognises the amount in profit or loss.

NOTES TO
THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2015

2 Summary of significant accounting policies (cont'd)

2.11 Prepayments

Prepayments comprise primarily advances paid for charter hire of vessels. The costs incurred are amortised over the period of the charter hire contract.

2.12 Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the group becomes a party to the contractual provisions of the financial instrument. The group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

De-recognition

A financial asset is derecognised where the contractual right to receive cash flow from the asset has expired. On the de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2015

2 Summary of significant accounting policies (cont'd)

2.13 Impairment of financial assets

The group assesses at each end of the reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assess them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has incurred, the group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.14 Consumables

Consumables include consumable stores such as lubricant oil stocks, bunkers and ship provisions, are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. In arriving at the net realisable value, due allowance is made for all obsolete and slow-moving items.

NOTES TO
THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2015

2 Summary of significant accounting policies (cont'd)

2.15 Non-current assets held-for-sale

Non-current assets classified as held-for-sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are classified as held-for-sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

2.16 Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the group becomes a party to the contractual provisions of the financial instrument. The group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition at fair value through profit or loss. This category includes derivative financial instruments entered into by the group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as fair value through profit or loss unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

The group has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

Other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2015

2 Summary of significant accounting policies (cont'd)

2.17 Provisions

Provisions are recognised when the group and the company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

2.18 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

As lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the income statement over the lease term on a straight-line basis.

The group's operating leases primarily relate to the rental of its office premises.

As lessor

Leases where the group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.20. Contingent rents are recognised as revenue in the period in which they are earned.

2.19 Income taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the group operates and generates taxable income. Current income taxes are recognised in profit or loss.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except in respect of taxable temporary differences associated with investments in subsidiaries and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

NOTES TO
THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2015

2 Summary of significant accounting policies (cont'd)

2.19 Income taxes (cont'd)

(b) Deferred tax (cont'd)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except in respect of deductible temporary differences associated with investments in subsidiaries and joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

2.20 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2015

2 Summary of significant accounting policies (cont'd)

2.20 Revenue (cont'd)

The following specific recognition criteria must also be met before revenue is recognised:

Charter hire income

Revenue from charter hire is recognised on a time-apportioned basis. Charter hire relates to the provision of marine related services such as transportation, towing, mooring, installation and salvage.

Interest income

Interest income is recognised using the effective interest method.

2.21 Employee benefits

(a) Defined contribution plans

The group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the group make contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the estimated liability for the unconsumed leave as a result of services rendered by employees up to the end of the reporting period.

(c) Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain management personnel are considered key management personnel.

2.22 Foreign currencies

The group's consolidated financial statements are presented in United States Dollars, which is also the company's functional currency. Each entity in the group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2 Summary of significant accounting policies (cont'd)

2.22 Foreign currencies (cont'd)

(a) Transactions and balances (cont'd)

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the group on disposal of the foreign operation.

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into USD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of joint ventures that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2005 are treated as assets and liabilities of the foreign operations and translated at the closing rates at the end of reporting period.

2.23 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group; or

(b) a present obligation that arises from past events but is not recognised because:

   (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

   (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group.

Contingent liabilities and assets are not recognised on the statement of financial position of the group.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2015

2 Summary of significant accounting policies (cont'd)

2.24 Impairment of non-financial assets

The group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflow that is largely independent of those from other assets or group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flow expected to be generated by the asset is discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flow after the fifth year.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously.

2.25 Segment reporting

For management purposes, the group is organised into operating segments based on their service which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers' report directly to the management of the company who regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 27, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.26 Share capital and share issue expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.27 Treasury shares

The group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the group and no dividends are allocated to them respectively.

2 Summary of significant accounting policies (cont'd)

2.28 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the group and company if that person:

(i) has control or joint control over the company;

(ii) has significant influence over the company; or

(iii) is a member of the key management personnel of the group or company or of a parent of the company.

(b) An entity is related to the group and the company if any of the following conditions applies:

(i) the entity and the company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) both entities are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is controlled or jointly controlled by a person identified in (a); or

(vi) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3 Revenue

Revenue represents income derived from the deployment of vessels and related marine services such as transportation, towing, mooring, installation and salvage.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2015

4 Goodwill

The carrying amounts of goodwill are allocated as follows:

	Group	
	2015	2014
	US$'000	US$'000
Offshore supply vessels	**111,178**	192,526
Transportation and installation	**57,125**	96,071
Harbour services and emergency response	**–**	6,706
	168,303	295,303

Impairment testing on goodwill

The recoverable amounts of the CGUs have been determined based on value in use calculations using cash flow projections from financial budgets approved by management covering a five-year period. The pre-tax discount rate applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flow projections beyond the five-year period are as follows:

	2015	2014
	%	%
Pre-tax discount rates	**8.0**	7.7
Growth rates	**2.0**	2.0

The calculations of value in use for the CGUs are most sensitive to the following assumptions:

(a) Pre-tax discount rates – Discount rates represent the current market assessment of the risks specific to each CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the group and its operating segments and derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the group's investors. The cost of debt is based on the interest bearing borrowings the group is obliged to service.

(b) Growth rates – The forecasted growth rates are based on management's estimation derived from past experience and external sources of information available.

(c) Both charter and utilisation rates are based on reference to current trend and historical performance.

Impairment recognised

During the financial year ended 31 December 2015, impairment of US$81,348,000, US$38,946,000 and US$6,706,000 were recognised to write-down the offshore supply vessels, transportation and installation and harbour services and emergency response CGUs, respectively. The total impairment of US$127,000,000 (2014: Nil) was recognised in "Other (expenses)/income, net" (Note 21) of the consolidated statement of comprehensive income.

Sensitivity to changes in assumptions

With regards to the assessment of value in use, the estimated recoverable amount was lower than its carrying amount by approximately US$127,000,000 (2014: Nil). An adverse change in a key assumption would result in further impairment. The increase in the pre-tax discount rate by 0.1%, would in isolation, lead to further impairment of US$16,900,000.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2015

5 Fixed assets

Group	Vessels US$'000	Office equipment US$'000	Computer hardware US$'000
Cost			
At 1 January 2014	731,638	199	339
Additions	7,367	10	567
Transfers	261,868	–	–
Disposals/write-offs	(103,890)	–	(13)
Transfer from assets held-for-sale (Note 13)	12,906	–	–
At 31 December 2014 and 1 January 2015	909,889	209	893
Additions	162,392	9	140
Transfers	150,189	–	–
Disposals/write-offs	(15,867)	(80)	(82)
Transfer to assets held-for-sale (Note 13)	(2,700)	–	–
At 31 December 2015	**1,203,903**	**138**	**951**
Accumulated depreciation and impairment			
At 1 January 2014	97,028	23	268
Depreciation for the year	37,719	38	88
Disposals/write-offs	(19,723)	–	(13)
Transfer from assets held-for-sale (Note 13)	2,996	–	–
At 31 December 2014 and 1 January 2015	118,020	61	343
Depreciation for the year	56,843	35	192
Impairment	21,437	–	–
Disposals/write-offs	(6,231)	(27)	(74)
Transfer to assets held-for-sale (Note 13)	(909)	–	–
At 31 December 2015	**189,160**	**69**	**461**
Net book value			
At 31 December 2015	**1,014,743**	**69**	**490**
At 31 December 2014	791,869	148	550

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2015

Furniture and fittings US$'000	Motor vehicles US$'000	Renovation US$'000	Vessels under construction US$'000	Drydocking cost US$'000	Plant and machinery US$'000	Total US$'000
217	354	339	400,341	5,055	870	1,139,352
5	21	40	179,659	2,215	267	190,151
–	–	–	(261,868)	–	–	–
–	(1)	–	–	(4,507)	(5)	(108,416)
–	–	–	–	–	–	12,906
222	374	379	318,132	2,763	1,132	1,233,993
52	–	363	88,278	6,928	31	258,193
–	–	–	(150,189)	–	–	–
–	(174)	–	–	(220)	(328)	(16,751)
–	–	–	–	–	–	(2,700)
274	**200**	**742**	**256,221**	**9,471**	**835**	**1,472,735**
124	45	318	–	3,704	232	101,742
22	79	25	–	1,096	207	39,274
–	(1)	–	–	(3,966)	(5)	(23,708)
–	–	–	–	–	–	2,996
146	123	343	–	834	434	120,304
22	69	17	–	3,256	221	60,655
–	–	–	–	–	–	21,437
–	(77)	–	–	(164)	(326)	(6,899)
–	–	–	–	–	–	(909)
168	**115**	**360**	**–**	**3,926**	**329**	**194,588**
106	**85**	**382**	**256,221**	**5,545**	**506**	**1,278,147**
76	251	36	318,132	1,929	698	1,113,689

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THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2015

5 Fixed assets (cont'd)

Company	Office equipment US$'000	Computer hardware US$'000	Furniture and fittings US$'000	Motor vehicles US$'000	Renovation US$'000	Vessels under construction US$'000	Total US$'000
Cost							
At 1 January 2014	119	53	217	199	158	207,656	208,402
Additions	–	36	4	–	–	120,440	120,480
Transfer to subsidiaries	–	–	–	–	–	(294,613)	(294,613)
At 31 December 2014 and 1 January 2015	119	89	221	199	158	33,483	34,269
Additions	9	40	52	–	343	78,379	78,823
Transfer to subsidiaries	–	–	–	–	–	(65,656)	(65,656)
At 31 December 2015	**128**	**129**	**273**	**199**	**501**	**46,206**	**47,436**
Accumulated depreciation							
At 1 January 2014	11	52	125	33	136	–	357
Depreciation for the year	24	8	21	39	22	–	114
At 31 December 2014 and 1 January 2015	35	60	146	72	158	–	471
Depreciation for the year	25	17	22	40	–	–	104
At 31 December 2015	**60**	**77**	**168**	**112**	**158**	**–**	**575**
Net book value							
At 31 December 2015	**68**	**52**	**105**	**87**	**343**	**46,206**	**46,861**
At 31 December 2014	84	29	75	127	–	33,483	33,798

During the financial year, the group carried out a review of the recoverable amount of its vessels in view of the depressed conditions in the offshore marine sector. An impairment of $21,437,000 (2014: Nil), representing the write-down of these vessels to their recoverable amounts was recognised in "Other (expenses)/income, net" (Note 21) of the consolidated statement of comprehensive income for the financial year ended 31 December 2015. The recoverable amount of these vessels was based on the higher of fair value less cost of disposal or value in use. The fair value less cost of disposal was determined by an independent valuer. The pre-tax discount rate applied to value in use computation was 8.0% per annum.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2015

6 Intangible assets

The intangible assets comprise separately acquired software.

	Group US$'000	Company US$'000
Cost		
At 1 January 2014, 31 December 2014, 1 January 2015 and at 31 December 2015	**895**	**649**
Accumulated amortisation		
At 1 January 2014	644	521
Amortisation	147	95
At 31 December 2014 and 1 January 2015	791	616
Amortisation	75	32
At 31 December 2015	**866**	**648**
Net carrying amount		
At 31 December 2015	**29**	**1**
At 31 December 2014	104	33

7 Interest in joint ventures

	Group		Company	
	2015 US$'000	2014 US$'000	**2015 US$'000**	2014 US$'000
Unquoted equity investments, at cost	**59,779**	59,794	**39,338**	39,353
Impairment	**–**	–	**(16,368)**	–
	59,779	59,794	**22,970**	39,353
Share of post-acquisition reserves	**12,874**	12,558	**–**	–
Deferred income	**(21,266)**	(22,621)	**–**	–
Receivables from a joint venture	**25,347**	25,347	**25,347**	25,347
	76,734	75,078	**48,317**	64,700

During the current financial year, management performed impairment testing for the company's investment in certain joint ventures. Based on assessment of the joint ventures' historical and current performance, estimated value and probability of future cash flows, the company has made an allowance for impairment against the respective investments amounting to US$16,368,000 (2014: Nil).

Deferred income relates to unrealised gains on disposal of vessels to joint ventures. Receivables from a joint venture arose from the disposal of vessels to a joint venture for which repayment is neither planned nor likely to occur in the foreseeable future.

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THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2015

7 Interest in joint ventures (cont'd)

The joint ventures are as follows:

Name of Joint Venture	Country of Incorporation	Effective Percentage of Equity Held 2015 %	2014 %	Principal Activities
Pacific Workboats Pte. Ltd.[(1)]	Singapore	**50.0**	50.0	Owner and operator of vessels
POSH Havila Pte Ltd[(1)]	Singapore	**50.0**	50.0	Owner and operator of vessels
Nimitrans Pte Ltd[(1)]	Singapore	**50.0**	50.0	Owner and operator of vessels
POSH Terasea Pte. Ltd. and its subsidiaries[(1)]	Singapore	**50.0**	50.0	Owner and operator of vessels
PT Win Offshore[(2)]	Indonesia	**49.0**	49.0	Owner and operator of vessels
PT Mandiri Abadi Maritim[(2)]	Indonesia	**49.0**	49.0	Owner and operator of vessels
Servicios Maritimos Gosh, S.A.P.I. de C.V.[(3)]	Mexico	**73.5**	73.5	Offshore business
PACC Offshore Mexico S.A. de C.V.[(4)]	Mexico	**49.0**	49.0	Offshore business
Servicios Maritimos POSH, S.A.P.I. de C.V. and its subsidiaries[(4)]	Mexico	**49.0**	49.0	Offshore business

(1) Audited by Ernst & Young LLP, Singapore
(2) Audited by RSM AAJ Associates, Indonesia
(3) Audited by a member firm of Ernst & Young Global for the purpose of group consolidation
(4) Not required to be audited in accordance with the laws of the country of incorporation

Aggregate information about the group's interest in joint ventures that are not individually material is as follows:

	Group 2015 US$'000	2014 US$'000
(Loss)/profit after taxation	**(10,304)**	1,207
Other comprehensive income	**–**	–
Total comprehensive income	**(10,304)**	1,207

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2015

7 Interest in joint ventures (cont'd)

The activities of the joint ventures are strategic to the group's activities. The summarised financial information in respect of Pacific Workboats Pte. Ltd., POSH Terasea Pte. Ltd. and its subsidiaries ("POSH Terasea Group") and Servicios Maritimos Gosh, S.A.P.I. de C.V. and reconciliation with the carrying amounts of the investment in the consolidated financial statements are as follows:

Summarised statement of financial position

Group	Pacific Workboats Pte. Ltd. US$'000	POSH Terasea Group US$'000	Servicios Maritimos Gosh S.A.P.I. de C.V. US$'000
At 31 December 2015			
Cash and cash equivalents	**1,350**	**12,386**	**4**
Current assets	**12,734**	**19,927**	**9,830**
Non-current assets	**85,570**	**225,215**	**–**
Total assets	**99,654**	**257,528**	**9,834**
Current liabilities	**10,968**	**40,197**	**20,525**
Non-current liabilities	**–**	**184,177**	**–**
Total liabilities	**10,968**	**224,374**	**20,525**
Net assets/(liabilities)	**88,686**	**33,154**	**(10,691)**
Group's effective interest	**50%**	**50%**	**73.5%**
Group' share of net assets/(liabilities)	**44,343**	**16,577**	**(7,858)**
Share of additional losses	**–**	**–**	**(2,833)**
Other adjustment	**–**	**994**	**10,691**
Carrying amount of investment	**44,343**	**17,571**	**–**
At 31 December 2014			
Cash and cash equivalents	1,186	3,801	8
Current assets	11,609	28,144	6,084
Non-current assets	91,020	240,117	125,194
Total assets	103,815	272,062	131,286
Current liabilities	13,034	49,154	39,826
Non-current liabilities	6,389	205,485	99,508
Total liabilities	19,423	254,639	139,334
Net assets/(liabilities)	84,392	17,423	(8,048)
Group's effective interest	50%	50%	73.5%
Group' share of net assets/(liabilities)	42,196	8,712	(5,915)
Goodwill on acquisition	–	–	1,622
Share of additional losses	–	–	(3,755)
Other adjustment	–	994	8,048
Carrying amount of investment	42,196	9,706	–

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7 Interest in joint ventures (cont'd)

Summarised statement of comprehensive income

Group	Pacific Workboats Pte. Ltd. US$'000	POSH Terasea Group US$'000	Servicios Maritimos Gosh S.A.P.I. de C.V. US$'000
2015			
Revenue	**19,790**	**81,717**	**3,836**
Depreciation and amortisation	**(5,544)**	**(17,396)**	**(2,350)**
Other operating expenses	**(9,613)**	**(44,260)**	**(4,952)**
Interest expense	**(95)**	**(4,330)**	**–**
Taxation	**(244)**	**–**	**–**
Profit/(loss) after taxation	**4,294**	**15,731**	**(3,466)**
Other comprehensive income	**–**	**–**	**–**
Total comprehensive income	**4,294**	**15,731**	**(3,466)**
2014			
Revenue	26,787	67,548	7,337
Depreciation and amortisation	(5,575)	(16,800)	(9,195)
Other operating expenses	(12,259)	(45,737)	(20,124)
Interest expense	(242)	(4,420)	(2,951)
Taxation	(1,567)	–	7,232
Profit/(loss) after taxation	7,144	591	(17,701)
Other comprehensive income	–	–	–
Total comprehensive income	7,144	591	(17,701)

GOSH Caballo Eclipse S.A.P.I de C.V. ("Eclipse"), a joint venture company acquired 260,000 shares in Servicios Maritimos Gosh S.A.P.I. de C.V. ("GOSH") as announced on 8 October 2014, through the enforcement of the share pledge agreements entered with the shareholders of GOSH. With this share acquisition, the group's effective shareholding in GOSH increased from 49% to 73.5% during the financial year 2014. As the newly acquired shares of GOSH are held by a joint venture company – Eclipse, the group has not obtained control of GOSH, and hence has not consolidated GOSH for the financial years ended 31 December 2015 and 31 December 2014.

The group has equity accounted for additional losses in excess of the group's equity interest. This adjustment of US$10,691,000 (2014: US$8,048,000) has been taken as an allowance against amounts owing from joint ventures.

8 Receivables and other non-current assets

	Group 2015 US$'000	Group 2014 US$'000
Prepayments	**3,774**	4,847
Other receivables	**7,515**	–
	11,289	4,847

Prepayments relate to advances paid for charter hire of vessels.

Other receivables relate to receivables from the sale of a vessel for which collection is not expected to be made within the next 12 months. This amount is denominated in United States Dollar.

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9 Consumables

Consumables mainly comprised bunkers onboard vessels.

10 Receivables and other current assets

	Group		Company	
	2015	2014	**2015**	2014
	US$'000	US$'000	**US$'000**	US$'000
Trade receivables	**70,493**	55,409	**–**	–
Other receivables	**16,670**	17,354	**361**	96
Deposits	**5,072**	822	**3,970**	94
	92,235	73,585	**4,331**	190
Prepayments	**1,526**	3,055	**55**	98
	93,761	76,640	**4,386**	288

Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Receivables that are past due but not impaired

As at 31 December 2015 and 2014, the group has trade receivables amounting to US$50,203,000 and US$36,744,000 respectively that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting periods is as follows:

	Group	
	2015	2014
	US$'000	US$'000
Less than 3 months	**22,446**	20,488
3 to 6 months	**6,300**	6,802
More than 6 months	**21,457**	9,454
	50,203	36,744

Receivables that are impaired

The group has trade receivables that are impaired at the end of the reporting period and the movements of allowance account used to record the impairment are as follows:

	2015	2014
	US$'000	US$'000
Trade receivables – nominal amounts	**16,336**	18,181
Allowance for impairment	**(16,336)**	(18,181)
	–	–

Movements in allowance account:

	2015	2014
	US$'000	US$'000
At 1 January	**18,181**	15,145
Allowance during the year	**2,004**	3,055
Provision written-off	**(3,849)**	(19)
At 31 December	**16,336**	18,181

10 Receivables and other current assets (cont'd)

Receivables that are impaired (cont'd)

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Other receivables comprised the following amounts:

	Group		Company	
	2015	2014	**2015**	2014
	US$'000	US$'000	**US$'000**	US$'000
Claim receivables	**4,940**	5,730	**–**	1
Capitalised charter cost	**5,744**	3,932	**–**	–
Others	**5,986**	7,692	**361**	95
	16,670	17,354	**361**	96

Receivables and other current assets are denominated in the following currencies:

	Group		Company	
	2015	2014	**2015**	2014
	US$'000	US$'000	**US$'000**	US$'000
United States Dollar	**81,623**	69,181	**137**	171
Singapore Dollar	**9,185**	4,291	**4,189**	117
Others	**2,953**	3,168	**60**	–
	93,761	76,640	**4,386**	288

11 Due from subsidiaries, joint ventures and related companies

	Group		Company	
	2015	2014	**2015**	2014
	US$'000	US$'000	**US$'000**	US$'000
Current				
Due from subsidiaries (non-trade)	**–**	–	**1,137,449**	948,800
Due from joint ventures				
– Trade	**15,575**	12,012	**–**	–
– Non-trade	**50,339**	111,047	**60,186**	160,712
	65,914	123,059	**1,197,635**	1,109,512
Due from related companies (non-trade)	**187**	1,894	**–**	–
	66,101	124,953	**1,197,635**	1,109,512
Non–current				
Due from joint ventures (non-trade)	**22,871**	165,541	**22,871**	165,541
Total	**88,972**	290,494	**1,220,506**	1,275,053

The amounts due from subsidiaries are non-trade in nature, unsecured, interest-free and receivable on demand.

In 2015, based on assessments of the subsidiaries' historical and current performances, estimated value and probability of future cash flows, the company has provided an allowance of US$24,495,000 (2014: Nil) on receivables due from subsidiaries.

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11 Due from subsidiaries, joint ventures and related companies (cont'd)

In 2014, non-current amounts of US$77,460,000 due from joint ventures were secured and bore effective interest rate at 6% per annum. These amounts were repaid during the current financial year upon the repurchase of vessels from the joint ventures.

Non-current amounts of US$22,871,000 (2014: US$88,081,000) owing from joint ventures are unsecured, subordinated to the borrowings under loan facilities undertaken and bear interest at a range of 1.47% to 5% (2014: 1.47% to 6%) per annum. The settlements of these amounts are based on expected cash flows to be derived over a period of 11 (2014: 12) years.

The current amounts due from joint ventures are unsecured and interest-free, except for amounts of US$3,937,000 (2014: US$14,409,000) which are unsecured, subordinated to the borrowings under loan facilities undertaken and bear interest at a range of 1.47% to 5% (2014: 1.47% to 6%) per annum.

12 Cash and cash equivalents

These relate to cash and bank balances which earn interest at daily bank rates.

Cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	2015	2014	**2015**	2014
	US$'000	US$'000	**US$'000**	US$'000
United States Dollar	**12,306**	11,368	**658**	1,144
Singapore Dollar	**1,358**	571	**1,345**	528
Others	**115**	229	**–**	15
	13,779	12,168	**2,003**	1,687

13 Fixed assets classified as held-for-sale

	Group
	US$'000
At 1 January 2014	24,320
Transfer to fixed assets (Note 5)	(9,910)
Disposals	(11,721)
Impairment	(2,114)
At 31 December 2014 and 1 January 2015	575
Disposals	(575)
Transfer from fixed assets (Note 5)	1,791
At 31 December 2015	**1,791**

The group had entered into agreements with various third parties for the sale of vessels subsequent to the completion of their respective charter hires in prior years. In 2014, an agreement had lapsed and a vessel with a carrying value of US$9,910,000 was reclassified from fixed assets classified as held-for-sale to fixed assets. In addition, the group had recognised impairment of US$2,114,000 on the remaining vessels classified as held-for-sale. Vessels with carrying values of US$11,721,000 were sold in 2014 and the remaining vessels were disposed in the current financial year.

As at 31 December 2015, the group has a potential sale for a vessel with a carrying value of US$1,791,000. Accordingly, this vessel has been classified as held-for-sale as at the end of financial year 2015.

14 (a) Share capital

	Group and Company			
	2015		2014	
	No. of ordinary shares '000	**US$'000**	No. of ordinary shares '000	US$'000
Issued and fully paid:				
At 1 January	**1,820,000**	**827,201**	197,650	530,975
Adjusted for share split and consolidation	**–**	**–**	1,284,725	–
Issuance of new ordinary shares pursuant to listing of the company on SGX-ST	**–**	**–**	337,625	307,886
Share issuance expenses	**–**	**–**	–	(11,660)
At 31 December	**1,820,000**	**827,201**	1,820,000	827,201

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. All shares rank equally with regard to the company's residual assets. The ordinary shares have no par value.

On 28 March 2014, prior to the Initial Public Offering ("IPO"), resolution was passed to approve the subdivision of each ordinary share in the company into 15 shares ("the share split") and contingent upon the share split, the consolidation of every two shares in the capital of the company into one share.

During the IPO, the company issued 337,625,000 new ordinary shares resulting in an increase in share capital of US$296,226,000.

(b) Treasury shares

	Group and Company			
	2015		2014	
	No. of ordinary shares '000	**US$'000**	No. of ordinary shares '000	US$'000
At 1 January	**–**	**–**	–	–
Acquired during the financial year	**(7,295)**	**(1,669)**	–	–
At 31 December	**(7,295)**	**(1,669)**	–	–

Treasury shares relate to ordinary shares of the company that is held by the company.

The company acquired 7,295,000 (2014: Nil) shares in the company through purchases on the Singapore Exchange during the financial year. The total amount paid to acquire the shares was US$1,669,000 (2014: Nil) and this has been presented as a component within shareholders' equity.

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15 Foreign currency translation reserves

This represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the group's presentation currency.

16 Bank borrowings – unsecured

	Group		Company	
	2015	2014	**2015**	2014
	US$'000	US$'000	**US$'000**	US$'000
Current:				
– Loan 1	**194,830**	242,000	**194,830**	242,000
– Loan 2	**180,270**	18,500	**180,270**	18,500
– Loan 3	**184,630**	–	**184,630**	–
	559,730	260,500	**559,730**	260,500
Non-current (1 to 5 years):				
– Loan 2	**–**	150,000	**–**	150,000
– Loan 3	**–**	150,000	**–**	150,000
	–	300,000	**–**	300,000
Total	**559,730**	560,500	**559,730**	560,500

The unsecured bank borrowings bear interest at a weighted average rate of 1.77% and 1.81% per annum for the financial years ended 31 December 2015 and 2014 respectively. Loans 2 and 3 are due for repayment in July 2016.

Subsequent to 31 December 2015, the group has renewed and secured additional financing facilities of US$812,000,000 part of which will be used to refinance the current loans. These facilities have various tenures ranging from 1 to 7 years.

17 Payables and accruals

	Group		Company	
	2015	2014	**2015**	2014
	US$'000	US$'000	**US$'000**	US$'000
Trade payables	**13,785**	17,742	**–**	–
Vessel related accruals	**23,822**	20,475	**–**	–
Other accruals	**29,585**	28,088	**19,463**	18,959
Other payables	**2,055**	4,088	**–**	1,003
	69,247	70,393	**19,463**	19,962

Trade and other payables are non-interest bearing. Trade payables are normally settled on 30 days term.

17 Payables and accruals (cont'd)

Trade and other payables are denominated in the following currencies:

	Group		Company	
	2015	2014	**2015**	2014
	US$'000	US$'000	**US$'000**	US$'000
United States Dollar	**61,213**	42,682	**17,671**	16,940
Singapore Dollar	**4,706**	24,973	**1,792**	3,022
Others	**3,328**	2,738	**–**	–
	69,247	70,393	**19,463**	19,962

18 Advances received from customers

Advances received from customers relate to deposits received from various charterers in connection with the charter hire and sale of vessels.

19 Due to subsidiaries, joint ventures and related companies

	Group		Company	
	2015	2014	**2015**	2014
	US$'000	US$'000	**US$'000**	US$'000
Due to subsidiaries	**–**	–	**42,185**	24,142
Due to joint ventures	**29,079**	14,509	**4,257**	27
	29,079	14,509	**46,442**	24,169
Due to related companies	**7,051**	5,201	**6,868**	4,859
	36,130	19,710	**53,310**	29,028

The amounts due to subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand.

The amounts due to joint ventures and related companies are trade in nature, unsecured, interest-free, payable on demand, and are to be settled in cash. These amounts are denominated in United States Dollars.

20 Due to holding company

The amounts are non-trade, unsecured, interest-free, payable on demand, and are to be settled in cash. These amounts are denominated in United States Dollars.

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21 Other (expenses)/income, net

	Group	
	2015	2014
	US$'000	US$'000
Interest income		
– Joint ventures	**2,670**	7,035
– Others	**547**	28
Gain on disposal of fixed assets	**4,066**	46,659
Foreign exchange gain	**1,059**	2,147
Sundry income	**4,530**	4,228
Impairment of fixed assets (Note 5)	**(21,437)**	–
Impairment of fixed assets classified as held-for-sale (Note 13)	**–**	(2,114)
Impairment of goodwill (Note 4)	**(127,000)**	–
	(135,565)	57,983

22 Finance costs

	Group	
	2015	2014
	US$'000	US$'000
Interest on borrowings	**10,357**	10,908

23 (Loss)/profit before taxation

(Loss)/profit before taxation has been arrived at after charging:

	Group	
	2015	2014
	US$'000	US$'000
Amortisation of intangible assets (Note 6)	**(75)**	(147)
Depreciation of fixed assets (Note 5)	**(60,655)**	(39,274)
Consumables recognised as an expense in cost of sales	**(6,625)**	(7,757)
Bad debts written off	**–**	(36)
Allowance for doubtful debts – trade (Note 10)	**(2,004)**	(3,055)
Fixed assets written off	**(210)**	(1,032)
Staff costs		
– Salaries and related costs	**(63,399)**	(54,016)
– CPF contributions or equivalents	**(1,488)**	(1,222)

The amounts of staff costs shown above does not include staff costs recognised in vessels under construction for the financial years ended 31 December 2015 and 2014 of approximately US$868,000 and US$986,000 respectively.

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24 Taxation

	Group 2015 US$'000	2014 US$'000
Current taxation		
– Singapore tax	**608**	544
– Foreign tax	**–**	12
– Under provision in respect of prior years	**678**	1,185
	1,286	1,741
Deferred taxation		
– Current year	**(5)**	–
– Over provision in respect of prior years	**(23)**	–
	(28)	–
Withholding tax	**570**	818
	1,828	2,559

The tax expense on the results of the financial years varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on the group's (loss)/profit as a result of the following:

	Group 2015 US$'000	2014 US$'000
(Loss)/profit before taxation	**(129,131)**	55,802
Tax at statutory rate of 17% (2014: 17%)	**(21,952)**	9,486
Tax effect on non-deductible expenses	**30,326**	5,311
Tax effect on exempt income	**(11,454)**	(12,070)
Under provision in respect of prior years	**655**	1,185
Withholding tax	**570**	818
Effect of different tax rate in other countries	**2,405**	790
Effect of partial tax exemption and tax relief	**(287)**	(147)
Benefits from previously unrecognised deferred tax assets	**(355)**	(496)
Deferred tax assets not recognised	**301**	514
Share of results of joint ventures	**1,619**	(2,832)
	1,828	2,559

The group did not recognise deferred tax assets arising from tax losses amounting to US$912,000 (2014: US$2,301,000), in accordance with the accounting policy stated in Note 2.19(b). The use and availability of these tax losses are subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the subsidiaries operate.

Income derived from the charter hire of vessels stationed in waters outside of Singapore during the financial year is exempt from income tax under Section 13A and Section 13F of the Singapore Income Tax Act, Cap. 134.

At the end of the respective reporting periods, no deferred tax liability has been recognised for taxes that would be payable on the undistributed earnings of certain of the group's subsidiaries and joint ventures as:

– The group is in a position to control the timing of the reversal of the temporary differences of its subsidiaries and it is probable that such differences will not reverse in the foreseeable future; and

– The joint ventures of the group require the consent of both partners to distribute its earnings. At the end of the reporting period, the group does not foresee giving such consent.

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25 Investment in subsidiaries

	Company	
	2015	2014
	US$'000	US$'000
Unquoted equity investments, at cost	**482,856**	482,856
Impairment	**(126,194)**	(124,462)
	356,662	358,394

During the current financial year, management performed impairment testing for the company's investment in subsidiaries. Based on assessments of the subsidiaries' historical and current performance, estimated value and probability of future cash flows, the company has made an allowance for impairment against the respective investment amounting to US$126,194,000 (2014: US$124,462,000).

The subsidiaries as at 31 December 2015 and 2014 are as follows:

Name of Subsidiary	Country of Incorporation	Effective Percentage of Equity Held 2015 %	2014 %	Principal Activities
Held by the company				
POSH Semco Pte Ltd[(1)]	Singapore	**100**	100	Operator of vessels for offshore marine support services
POSH Maritime Pte Ltd[(1)]	Singapore	**100**	100	Dormant
Singapore Oil Spill Response Centre Pte Ltd[(1)]	Singapore	**100**	100	Provision of services to control pollution from oil & chemical spillage & to protect the marine environment
Semco Salvage and Towage Pte Ltd[(1)]	Singapore	**100**	100	Owner and operator of vessels
Semco Salvage (I) Pte Ltd[(1)]	Singapore	**100**	100	Owner and operator of vessels
Semco Salvage (II) Pte Ltd[(1)]	Singapore	**100**	100	Owner and operator of vessels
Semco Salvage (III) Pte Ltd[(1)]	Singapore	**100**	100	Owner and operator of vessels
Semco Salvage (IV) Pte Ltd[(1)]	Singapore	**100**	100	Owner and operator of vessels
Semco Salvage (V) Pte Ltd[(1)]	Singapore	**100**	100	Owner and operator of vessels
Ibis Shipping Pte Ltd [(1)]	Singapore	**100**	100	Owner and operator of vessels
Maritime Alpha Pte Ltd[(1)]	Singapore	**100**	100	Owner and operator of vessels
Maritime Bravo Pte Ltd[(1)]	Singapore	**100**	100	Owner and operator of vessels
Maritime Charlie Pte Ltd[(1)]	Singapore	**100**	100	Owner and operator of vessels

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25 Investment in subsidiaries (cont'd)

Name of Subsidiary	Country of Incorporation	Effective Percentage of Equity Held 2015 %	2014 %	Principal Activities
Held by the company (cont'd)				
Maritime Delta Pte Ltd(1)	Singapore	**100**	100	Owner and operator of vessels
Raven Pte Ltd(1)	Singapore	**100**	100	Owner and operator of vessels
Swallow Pte Ltd(1)	Singapore	**100**	100	Owner and operator of vessels
Condor Shipping Pte Ltd(1)	Singapore	**100**	100	Owner and operator of vessels
Jacana Shipping Pte Ltd (1)	Singapore	**100**	100	Owner and operator of vessels
Starling Shipping Pte Ltd (1)	Singapore	**100**	100	Owner and operator of vessels
Labrador Shipping Corporation(2)	Malaysia	**100**	100	Owner and operator of vessels
Larkspur Pte Ltd(1)	Singapore	**100**	100	Owner and operator of vessels
Newfoundland Shipping Corporation(2)	Malaysia	**100**	100	Owner and operator of vessels
POSH Fleet Services Pte Ltd(1)	Singapore	**100**	100	Provision of ship management services
POSH Semco (B) Sdn Bhd(4)	Brunei	**100**	–	Dormant (incorporated on 25 November 2015)
POSH Australia Pty Ltd(4)	Australia	**100**	100	Operator of vessels for offshore marine support services
Crescent Marine Pte. Ltd.	Singapore	**100**	–	Chartering of ships, barges and boats with crew (freight) (incorporated on 22 May 2015)
POSH (USA) Inc.(4)	United States	**100**	100	Dormant
PACC Offshore (UK) Limited(3)	United Kingdom	**100**	100	Dormant
Maritime Vanguard Pte Ltd (1)	Singapore	**100**	100	Operator of vessels for offshore marine support services
Adara Limited(4)	British Virgin Island	**100**	100	Owner and operator of vessels

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25 Investment in subsidiaries (cont'd)

Name of Subsidiary	Country of Incorporation	Effective Percentage of Equity Held 2015 %	2014 %	Principal Activities
Held by the company (cont'd)				
Mayan Investments Pte Ltd[(1)]	Singapore	**100**	100	Investment holding
Eide Marine Offshore B.V.[(4)]	The Netherlands	**100**	–	Renting and leasing of ships, support activities for water transport (acquired on 30 January 2015)
Valley Ocean Limited[(4)]	British Virgin Island	**100**	–	Owner and operator of vessels (acquired on 10 April 2015)
Pacific Cosmo Ventures Limited [(4)]	British Virgin Island	**100**	–	Owner and operator of vessels (acquired on 10 April 2015)
Held through a subsidiary				
Avocet Shipping Pte Ltd [(1)]	Singapore	**100**	100	Dormant
Operadora De Servicios Costa Afuera S.A. de C.V. [(4)]	Mexico	**99**	99	Service company
POSH Fleet Services Mexico S.A. de C.V.[(4)]	Mexico	**99**	99	Ship management
POSH Gannet S.A. de C.V.[(4)]	Mexico	**100**	100	Owner and operator of vessels
POSH Skua S.A. de C.V.[(4)]	Mexico	**100**	100	Owner and operator of vessels

(1) Audited by Ernst & Young LLP, Singapore
(2) Audited by Mazars, Malaysia
(3) Audited by Littlestone Golding Chartered Accountants, United Kingdom
(4) Not required to be audited in accordance with the laws of the country of incorporation

26 Related party transactions

Other than the related party information disclosed elsewhere in the financial statements, the following are significant transactions with related parties at mutually agreed terms and amounts:

	Group	
	2015	2014
	US$'000	US$'000
Fellow subsidiaries and associates of the holding company		
– Corporate support expenses	**2,380**	2,289
– Office rental expenses	**748**	615
– Ship management fees	**–**	113
– Ship management fees income	**184**	137
– Insurance service expenses	**–**	60
– Charter hire expenses	**2,766**	3,596
– Ship repair and maintenance costs	**2,136**	2,365
– Shipbuilding costs	**72,294**	165,275
– Other income	**780**	–
Joint ventures of the group		
– Charter hire expenses	**32,697**	42,457
– Charter hire income	**7,735**	8,229
– Ship management fees	**1,115**	299
– Ship management fees income	**2,701**	2,459
– Management support fees income	**1,995**	1,404
– Project management fees income	**–**	27
– Sale of vessels	**–**	20,500
– Purchase of vessels	**147,283**	–
Compensation of directors and key management personnel		
– Salaries and related costs	**2,346**	4,485
– CPF contribution or equivalents	**42**	47
– Directors fees	**522**	257
	2,910	4,789
Comprise amounts paid to:		
– Directors of the company	**1,390**	1,822
– Other key management personnel	**1,520**	2,967
	2,910	4,789

Commitments with related parties

As at end of the financial year ended 31 December 2015, the group has outstanding commitments with related parties as follows:

(a) shipbuilding contracts for the construction of new vessels and conversion of existing vessels with fellow subsidiaries and associates of the holding company;
(b) office rental lease agreement with associates of the holding company; and
(c) operating lease agreements with joint ventures and associates of the holding company to charter-in vessels

The amounts of outstanding commitments are disclosed in Note 28.

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27 Segment information

For management purposes, the group is organised into business units based on their services and has four reportable segments as follows:

Offshore Supply Vessels

The Offshore Supply Vessels segment supports mid to deepwater operations of rig and oilfield operators. This segment also operates Platform Supply Vessels that transport drilling materials and supplies to drilling rigs, offshore production platforms as well as pipes and other materials for construction of marine structures or pipelines.

Transportation and Installation

The Transportation and Installation segment supports marine contractors in construction and maintenance of oilfield infrastructure and pipelines. This segment includes a joint venture company which operates Anchor Handling Tugs specialising in cross-ocean towing, transporting large marine structures from the builder's yard and installing them in the oilfields. It also includes float-over of launching operations of large marine structure and ballastable tank barges and tugs for transportation of construction materials and subsea pipes.

Offshore Accommodation

The Offshore Accommodation segment owns and operates vessels that are capable of meeting a range of accommodation, transportation and hospitality needs in offshore oilfields for workers carrying out offshore construction and/or maintenance operations.

Harbour Services & Emergency Response

The Harbour Services segment supports the harbour or coastal tugging operations, and heavy lifting operations of shipyards, ports and oil and gas terminals. Through a joint venture company, it also operates a modern fleet of Azimuth Stern Drive harbour tugs. In addition, the group operates a fleet of heavy lift crane barges.

The Emergency Response segment offers a comprehensive range of services, equipment and personnel capable of handling firefighting, rescue and salvage and oil spill events in the Asia Pacific and Indian Ocean regions.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business unit separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

27 Segment information (cont'd)

Group	2015 Offshore supply vessels US$'000	2015 Offshore accommoda-tion US$'000	2015 Trans-portation and installation US$'000	2015 Harbour services and emergency response US$'000	2015 Total US$'000	2014 Offshore supply vessels US$'000	2014 Offshore accommoda-tion US$'000	2014 Trans-portation and installation US$'000	2014 Harbour services and emergency response US$'000	2014 Total US$'000
Revenue	**136,228**	**93,169**	**27,315**	**24,108**	**280,820**	139,480	29,330	41,389	23,838	234,037
Segment results	**6,549**	**28,008**	**2,352**	**2,168**	**39,077**	35,606	2,393	35,101	2,393	75,493
Share of results of joint ventures	**(18,992)**	**–**	**7,319**	**2,147**	**(9,526)**	(15,958)	–	(1,152)	3,553	(13,557)
Impairment of fixed assets	**(15,315)**	**(2,282)**	**(3,840)**	**–**	**(21,437)**	–	–	–	–	–
Impairment of fixed assets classified as held-for-sale	**–**	**–**	**–**	**–**	**–**	–	–	(2,114)	–	(2,114)
Impairment of goodwill	**(81,348)**	**–**	**(38,946)**	**(6,706)**	**(127,000)**	–	–	–	–	–
Interest income					**3,217**					7,063
Interest expense					**(10,357)**					(10,908)
Taxation					**(1,828)**					(2,559)
Unallocated other income, net					**633**					4,020
Unallocated general and administrative expenses					**(3,738)**					(4,195)
(Loss)/profit for the year					**(130,959)**					53,243
Assets:										
Segment assets	**827,733**	**580,673**	**231,253**	**74,049**	**1,713,708**	919,698	531,070	327,380	67,951	1,846,099
Unallocated assets					**19,902**					25,236
Total assets					**1,733,610**					1,871,335
Liabilities:										
Segment liabilities	**48,870**	**13,661**	**35,856**	**9,624**	**108,011**	34,480	6,241	10,763	10,592	62,076
Unallocated liabilities					**564,556**					595,495
Total liabilities					**672,567**					657,571
Other information										
Depreciation	**36,955**	**15,287**	**6,674**	**1,345**	**60,261**	27,209	4,405	6,761	651	39,026
Additions to non-current assets	**179,338**	**60,015**	**9,145**	**9,100**	**257,598**	36,085	136,743	7,010	9,404	189,242

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27 Segment information (cont'd)

Geographical information

Revenues

The group provides a diverse range of offshore support vessels to service the offshore oil and gas exploration and production activities. The group's operations are international and in particular where the major offshore oil and gas activities are located. The group has no specific geographical objective and will deploy its vessels based on the demand and supply of the various international offshore oil and gas activities. The decision in allocating resources and assessing performance is driven by the optimal economic returns a vessel is able to achieve, taking into account demand, vessel specifications, rates, timing and availability of vessels for the different geographical region. The vessels may be deployed to other geographical regions at the end of the contract for the aforesaid criteria. Hence, it is not meaningful to present revenues by countries or geographical locations.

Non-current assets

Non-current assets are based on geographical location of the entities:

	Group	
	2015	2014
	US$'000	US$'000
Singapore	**952,918**	1,468,006
Southeast Asia	**41,055**	85,227
Americas	**563,400**	101,329
	1,557,373	1,654,562

Non-current assets information presented above comprises all non-current assets except deferred tax assets as presented in the consolidated statement of financial position.

Information about a major customer

Revenue from one major customer amounting to US$60,648,000 (2014: Nil) was recorded in the Offshore Accommodation segment. There were no customers that individually contributed 10% or more of the group's revenue for the financial year ended 31 December 2014.

28 Commitments

(a) Capital commitments

	Group and Company	
	2015	2014
	US$'000	US$'000
Capital expenditure in respect of fixed assets contracted with related parties but not provided for in the financial statements	**138,590**	211,299

(b) Rental commitments

The group has entered into commercial leases primarily in relation to its office premises. For the financial years ended 31 December 2015 and 2014, these leases have an average tenure of between 1 to 5 years with renewal option but no contingent rent provision included in the contracts. The group is restricted from subleasing its leased office premises and office equipment to third parties.

28 Commitments (cont'd)

(b) Rental commitments (cont'd)

Minimum lease payments recognised as an expense in consolidated statement of comprehensive income for the financial years ended 31 December 2015 and 2014 amounted to US$1,058,000 and US$1,015,000 respectively.

Future minimum rental payable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group		Company	
	2015	2014	**2015**	2014
	US$'000	US$'000	**US$'000**	US$'000
Due not later than one year	**1,246**	943	**1,150**	575
Due later than one year and not later than five years	**414**	722	**414**	719
	1,660	1,665	**1,564**	1,294

Included in the above office rental lease commitments are commitments with a fellow subsidiary of the holding company. These outstanding operating lease commitments falling due within one year and in the second to fifth year are US$1,150,000 (2014: US$575,000) and US$414,000 (2014: US$719,000) respectively.

(c) Operating lease commitments – as lessee

The group has entered into bareboat leases of vessels from related parties. Future minimum bareboat leases payable under non-cancellable operating leases at the end of the respective reporting periods are as follows:

	Group	
	2015	2014
	US$'000	US$'000
Not later than one year	**20,661**	27,822
Later than one year and not later than five years	**59,756**	44,849
Later than five years	**24,563**	3,889
	104,980	76,560

(d) Operating lease commitments – as lessor

The group has entered into time-charter and bareboat leases on its vessels. Certain leases include a clause to enable upward revision of the leasing charge on an annual basis based on prevailing market conditions.

Future minimum time-charter and bareboat receivable under non-cancellable operating leases at the end of the respective reporting periods are as follows:

	Group	
	2015	2014
	US$'000	US$'000
Not later than one year	**98,094**	147,055
Later than one year and not later than five years	**78,292**	76,054
	176,386	223,109

(e) Financial support

The company has committed to provide continuing financial support to certain of its subsidiaries.

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29 Financial risk management policies and objectives

The group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include currency risk, interest rate risk, credit risk and liquidity risk. The board of directors reviews and agrees policies and procedures for the management of these risks. It is the group policy that no trading in derivatives for speculative purposes will be undertaken.

The following sections provide details regarding the group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks. There has been no change to the group's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The group operates internationally and its assets and revenues are essentially United States Dollar based. Foreign currency denominated assets and liabilities give rise to foreign exchange exposures. The group is exposed to foreign currency risk mainly arising from its operations.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the group's (loss)/profit net of tax to a reasonably possible change in the Singapore Dollar ("SGD") exchange rate against the respective functional currencies of the group entities, with all other variables held constant.

	2015 US$'000	2014 US$'000
	(Decrease)/Increase	
SGD – strengthened 5%	**(231)**	(172)
– weakened 5%	**231**	172

(b) Interest rate risk

Interest risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

The group's primary interest rate risk relates to its interest-bearing debts. The group manages its interest rate exposure by borrowing short term and in tranches at fixed interest rates. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieves a certain level of protection against rate hikes.

Sensitivity analysis for interest rate risk

At the end of the respective reporting periods, if USD interest rates had been 25 basis points lower/higher with all other variables held constant, the group's results net of tax would have been US$1,161,000 (2014: US$1,163,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

29 Financial risk management policies and objectives (cont'd)

(c) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counter party default on its obligations. The group's and the company's exposure to credit risk arises primarily from trade and other receivables.

Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit monitoring procedures. Credit risk is minimised and monitored via strictly limiting business dealings by the group with business partners of high creditworthiness. Trade receivables are monitored on an ongoing basis via the group's management reporting procedures.

Advances are made to subsidiaries in support of their respective principal activities. Surplus cash is placed in a number of reputable banks.

Approximately 29% (2014: 35%) of the group's trade receivables were due from 5 major customers as at 31 December 2015. 18% (2014: 18%) of the group's trade receivables were due from related parties while almost all of the company's receivables were balances with related parties in 2015 and 2014.

The credit risk concentration profile of the group's trade receivables at the end of the reporting period date is as follows:

Credit risk concentration profile

	2015		2014	
	US$'000	**% of total**	US$'000	% of total
By region:				
Asia Pacific	**33,452**	**47.4%**	35,752	64.5%
Americas	**59**	**0.1%**	6,592	11.9%
Africa, Middle East and Europe	**36,982**	**52.5%**	13,065	23.6%
	70,493	**100.0%**	55,409	100.0%

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are due from creditworthy debtors with good payment record with the group.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 10.

Exposure to credit risk

At the end of the reporting period, the group's and the company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position; and
- Corporate guarantees provided by the company as disclosed in Note 35.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2015

29 Financial risk management policies and objectives (cont'd)

(d) Liquidity risk

Liquidity risk is the risk that the group or the company will encounter difficulty in meeting financial obligations due to shortage of funds. The group's and the company's exposure to liquidity risk arises primarily from mismatch of the maturities of financial assets and liabilities. The group's and the company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The group's and the company's exposure to liquidity risk is minimal. The group and the company have available bank facilities at variable interest rates. It is the group's policy for the placing of surplus funds to be managed centrally.

Due to the nature of the group's and the company's underlying businesses, management aims at maintaining flexibility in funding by keeping committed credit lines available.

Subsequent to 31 December 2015, the group has renewed and secured additional financing of US$812,000,000 part of which will be used to refinance the existing loans that are due in July 2016 (Note 16).

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the group's and the company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

Group	1 year or less US$'000	1 to 5 years US$'000	More than 5 years US$'000	Total US$'000
At 31 December 2015				
Financial assets				
Receivables and other assets	92,235	7,515	–	99,750
Due from subsidiaries and joint ventures	66,577	19,914	7,785	94,276
Due from related companies	187	–	–	187
Receivables from a joint venture	–	25,347	–	25,347
Cash and cash equivalents	13,779	–	–	13,779
Total undiscounted financial assets	172,778	52,776	7,785	233,339
Financial liabilities				
Payables and accruals	69,247	–	–	69,247
Due to subsidiaries and joint ventures	29,079	–	–	29,079
Due to related companies	7,051	–	–	7,051
Due to holding company	584	–	–	584
Bank borrowings	569,637	–	–	569,637
Total undiscounted financial liabilities	675,598	–	–	675,598
Total net undiscounted financial (liabilities)/assets	(502,820)	52,776	7,785	(442,259)

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2015

29 Financial risk management policies and objectives (cont'd)

(d) Liquidity risk (cont'd)

Group	1 year or less US$'000	1 to 5 years US$'000	More than 5 years US$'000	Total US$'000
At 31 December 2014				
Financial assets				
Receivables and other current assets	73,585	–	–	73,585
Due from subsidiaries and joint ventures	126,703	152,521	25,240	304,464
Due from related companies	1,894	–	–	1,894
Receivables from a joint venture	–	25,347	–	25,347
Cash and cash equivalents	12,168	–	–	12,168
Total undiscounted financial assets	214,350	177,868	25,240	417,458
Financial liabilities				
Payables and accruals	70,393	–	–	70,393
Due to subsidiaries and joint ventures	14,509	–	–	14,509
Due to related companies	5,201	–	–	5,201
Due to holding company	18	–	–	18
Bank borrowings	265,215	302,715	–	567,930
Total undiscounted financial liabilities	355,336	302,715	–	658,051
Total net undiscounted financial (liabilities)/assets	(140,986)	(124,847)	25,240	(240,593)

Company	1 year or less US$'000	1 to 5 years US$'000	More than 5 years US$'000	Total US$'000
At 31 December 2015				
Financial assets				
Receivables and other current assets	**4,331**	**–**	**–**	**4,331**
Due from subsidiaries and joint ventures	**1,198,298**	**19,914**	**7,785**	**1,225,997**
Receivables from a joint venture	**–**	**25,347**	**–**	**25,347**
Cash and cash equivalents	**2,003**	**–**	**–**	**2,003**
Total undiscounted financial assets	**1,204,632**	**45,261**	**7,785**	**1,257,678**
Financial liabilities				
Payables and accruals	**19,463**	**–**	**–**	**19,463**
Due to subsidiaries and joint ventures	**46,442**	**–**	**–**	**46,442**
Due to related companies	**6,868**	**–**	**–**	**6,868**
Due to holding company	**584**	**–**	**–**	**584**
Bank borrowings	**569,637**	**–**	**–**	**569,637**
Total undiscounted financial liabilities	**642,994**	**–**	**–**	**642,994**
Total net undiscounted financial assets	**561,638**	**45,261**	**7,785**	**614,684**

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2015

29 Financial risk management policies and objectives (cont'd)

(d) Liquidity risk (cont'd)

Company	1 year or less US$'000	1 to 5 years US$'000	More than 5 years US$'000	Total US$'000
At 31 December 2014				
Financial assets				
Receivables and other current assets	190	–	–	190
Due from subsidiaries and joint ventures	1,113,156	152,521	25,240	1,290,917
Receivables from a joint venture	–	25,347	–	25,347
Cash and cash equivalents	1,687	–	–	1,687
Total undiscounted financial assets	1,115,033	177,868	25,240	1,318,141
Financial liabilities				
Payables and accruals	19,962	–	–	19,962
Due to subsidiaries and joint ventures	24,169	–	–	24,169
Due to related companies	4,859	–	–	4,859
Due to holding company	18	–	–	18
Bank borrowings	265,215	302,715	–	567,930
Total undiscounted financial liabilities	314,223	302,715	–	616,938
Total net undiscounted financial assets/ (liabilities)	800,810	(124,847)	25,240	701,203

30 Capital management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. The group manages its capital structure by taking into account its current and projected cash flow, expansion and capital expenditure commitments, and ensuring a prudent debt equity ratio. The group monitors capital using a net gearing ratio, which is borrowings less cash and cash equivalents divided by total equity.

The debt to equity ratio of the group is 0.51 : 1 and 0.45 : 1 for the financial years ended 31 December 2015 and 2014 respectively. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2015 and 2014. The group has complied with externally imposed capital requirements for the financial years ended 31 December 2015 and 2014.

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for the financial year ended 31 December 2015

31 Classification of financial assets and liabilities

	Group		Company	
	2015	2014	**2015**	2014
	US$'000	US$'000	**US$'000**	US$'000
Loans and receivables				
Receivables and other assets	**99,750**	73,585	**4,331**	190
Due from subsidiaries and joint ventures	**88,785**	288,600	**1,220,506**	1,275,053
Due from related companies	**187**	1,894	**–**	–
Receivables from a joint venture	**25,347**	25,347	**25,347**	25,347
Cash and cash equivalents	**13,779**	12,168	**2,003**	1,687
Total loans and receivables	**227,848**	401,594	**1,252,187**	1,302,277
Financial liabilities carried at amortised cost				
Payables and accruals	**69,247**	70,393	**19,463**	19,962
Due to subsidiaries and joint ventures	**29,079**	14,509	**46,442**	24,169
Due to related companies	**7,051**	5,201	**6,868**	4,859
Due to holding company	**584**	18	**584**	18
Bank borrowings	**559,730**	560,500	**559,730**	560,500
Total financial liabilities carried at amortised cost	**665,691**	650,621	**633,087**	609,508

32 Fair values of financial instruments

Fair value hierarchy

The group categories fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

– Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities that the group can access at the measurement date,

– Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

– Level 3: Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The group does not have any financial instruments carried at fair value classified under Level 1, Level 2, and Level 3 for the financial years ended 31 December 2015 and 2014.

Fair values of financial instruments by classes that are not carried at fair values and whose carrying amounts are reasonable approximation of fair value

Management has determined that the carrying amounts of trade and other receivables, amounts owing from/ to subsidiaries, joint ventures and related companies, loans to joint ventures, cash and cash equivalents, trade and other payables, amount owing to holding company and borrowings are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2015

33 Dividends

	Group and Company	
	2015	2014
	US$'000	US$'000
Declared and paid during the financial year:		
Dividends on ordinary shares:		
Final exempt (one-tier) dividend of S$0.015 (US$0.011) per share for 2014	**20,093**	–

Proposed but not recognised as a liability

On 19 February 2016, a final dividend of S$0.005 per ordinary share was proposed for the financial year ended 31 December 2015 and is subject to shareholders approval at the forthcoming annual general meeting.

These financial statements do not reflect this dividend, which will be accounted for as a reduction in equity as a distribution of retained profits in the financial year ending 31 December 2016.

34 Earnings per share

The basic and diluted earnings per ordinary share ("EPS") are calculated by dividing the group's net (loss)/profit attributable to shareholders of the company by the weighted average number of ordinary shares outstanding during the financial year.

In respect of the financial year ended 31 December 2015, the weighted average number of ordinary shares takes into account the weighted average effect of changes in treasury shares transactions during the financial year.

The following tables reflect the (loss)/profit and share data used in the computation of basic and diluted earnings per share for the years ended 31 December:

	Group	
	2015	2014
	US$'000	US$'000
Net (loss)/profit for the year, representing total comprehensive (loss)/income attributable to shareholders	**(130,959)**	53,243

	No. of shares ('000)	No. of shares ('000)
Weighted average number of ordinary shares for basic and diluted earnings per share computation	**1,818,095**	1,715,475

35 Contingent liabilities

(a) The company provided the following guarantees at the end of the reporting period:

- Refund and performance guarantees, on behalf of a joint venture, for the aggregate amount of US$5,930,000 (2014: US$5,930,000) which are outstanding as at 31 December 2015. The joint venture partner has provided an indemnity to the company for its proportionate share in these guarantees.

- Corporate guarantees for its proportionate share for a joint venture's banking facilities amounting to US$14,525,000 (2014: US$14,525,000) which the company is severally liable for in the event of a default by the joint venture.

(b) On 2 September 2015, a writ of summons and statement of claim (the "Claim") was served on the company. The company had in January 2015 entered into a sale and purchase agreement ("SPA") to acquire a property from its owner (the "Claimant"). The acquisition was subject to the Claimant obtaining approval from Jurong Town Corporation ("JTC"). The application by the Claimant for such approval was rejected by JTC and the company had sought a refund of the deposit paid under the SPA from the Claimant.

In the Claim, the Claimant has claimed for, amongst others, a declaration that it is entitled to forfeit the deposit (including goods and services tax). The Claimant has also claimed for damages of approximately S$3,300,000 (US$2,334,000) which it alleges it suffered as a result of the sale of the property not having been completed. The total sum of the deposit S$3,800,000 (US$2,899,000) and the claim for damages (approximately S$3,300,000 (US$2,334,000)) is approximately S$7,100,000 (US$5,233,000). The company is defending the claim. As at the date of these financial statements, the directors are of the view that no material losses will arise in respect of the legal claim.

36 Fees paid to auditors

	Group	
	2015	2014
	US$'000	US$'000
Audit fees paid to auditors	**244**	258
Non-audit fees paid to auditors	**247**	469

Non-audit fees paid to auditors of the group in the financial year ended 31 December 2014 included fees paid in connection with the company's initial public offering.

INFORMATION ON SHAREHOLDINGS

As at 11 March 2016

Number of Issued Shares	:	1,811,985,100 shares (excluding treasury shares)
Class of Shares	:	Ordinary shares
Voting Rights	:	1 vote per share
Number of shares held in treasury	:	8,014,900 shares
Percentage of treasury shares held	:	0.4%

DISTRIBUTION OF SHAREHOLDINGS

Range of shareholdings	No. of shareholders	%	No. of shares (excluding treasury shares)	%
1 – 99	5	0.08	98	0.00
100 – 1,000	462	6.96	454,700	0.03
1,001 – 10,000	3,778	56.92	19,218,752	1.06
10,001 – 1,000,000	2,352	35.44	122,839,000	6.78
1,000,001 and above	40	0.60	1,669,472,550	92.13
Total	**6,637**	**100.00**	**1,811,985,100**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of shares held	%
1	Kuok (Singapore) Limited	1,084,184,065	59.83
2	Lightwell Shipping Inc.	386,385,645	21.32
3	DBS Nominees (Private) Limited	22,680,500	1.25
4	Citibank Nominees Singapore Pte Ltd	15,917,300	0.88
5	HSBC (Singapore) Nominees Pte Ltd	14,477,600	0.80
6	Camsward Pte Ltd	13,240,000	0.73
7	HL Bank Nominees (Singapore) Pte Ltd	12,801,000	0.71
8	DB Nominees (Singapore) Pte Ltd	12,161,500	0.67
9	Raffles Nominees (Pte) Limited	9,434,750	0.52
10	DBS Vickers Securities (Singapore) Pte Ltd	8,189,550	0.45
11	Seow Kang Hoe, Gerald	7,444,043	0.41
12	BNP Paribas Securities Services Singapore Branch	6,380,500	0.35
13	OCBC Securities Private Limited	6,186,600	0.34
14	Teo Joo Kim	6,064,043	0.33
15	CIMB Securities (Singapore) Pte. Ltd.	5,779,150	0.32
16	UOB Kay Hian Private Limited	5,733,700	0.32
17	Wu Long Peng	5,626,542	0.31
18	Kuok Khoon Kuan	4,591,542	0.25
19	Maybank Kim Eng Securities Pte. Ltd.	4,435,000	0.24
20	Bank Of Singapore Nominees Pte. Ltd.	4,185,200	0.23
	Total	**1,635,898,230**	**90.26**

INFORMATION ON SHAREHOLDINGS

As at 11 March 2016

SUBSTANTIAL SHAREHOLDERS

As at 11 March 2016, the substantial shareholders of the Company and their direct and deemed interests, as shown in the Company's Register of Substantial Shareholders, were as follows:

Name of substantial shareholder	Direct Interest	Deemed Interest	Total Interest	%
Kuok (Singapore) Limited	1,084,184,065	399,625,645	1,483,809,710	81.88
Pacific Carriers Limited	–	386,385,645	386,385,645	21.32
Malaysian Bulk Carriers Berhad	–	386,385,645	386,385,645	21.32
Lightwell Shipping Inc	386,385,645	–	386,385,645	21.32

Note:

*(1) Kuok (Singapore) Limited ("**KSL**") holds the entire issued share capital of Pacific Carriers Limited ("**PCL**") and Camsward Pte Ltd ("**Camsward**"). Accordingly, KSL is deemed to have an interest in:*

(i) the 13,240,000 Shares held by Camsward directly; and

(ii) the 386,385,645 Shares that PCL is deemed interested in.

*(2) PCL holds more than 20% of the entire issued share capital of Malaysian Bulk Carriers Berhad ("**MBC**"). Accordingly, PCL is deemed to have an interest in the 386,385,645 Shares held by MBC's subsidiary, Lightwell Shipping Inc.*

(3) MBC owns the entire issued share capital of Lightwell Shipping Inc. Accordingly, MBC is deemed to have an interest in the 386,385,645 Shares held by Lightwell Shipping Inc.

SHAREHOLDINGS HELD BY THE PUBLIC

Based on information available to the Company as at 11 March 2016, approximately 16.41% of the issued ordinary shares of the Company are held by the public (as defined in the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX**")). The Company hence confirms that Rule 723 of the Listing Manual of the SGX-ST has been complied with.

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 10th Annual General Meeting of the Company will be held at Shangri-La Hotel, Tower Ballroom, 22 Orange Grove Road, Singapore 258350 on Wednesday, 27 April 2016 at 10.00 a.m. to transact the following business:

AGENDA

As Ordinary Business

1. To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the year ended 31 December 2015 and the Auditor's Report thereon. **Ordinary Resolution 1**

2. To declare a final one-tier tax exempt dividend of 0.5 Singapore cents per ordinary share for the year ended 31 December 2015. **Ordinary Resolution 2**

3. To re-elect the following directors, each of whom will be retiring by rotation pursuant to Articles 91 and 92 of the Company's Constitution and who, being eligible, offers himself for re-election:

   (i) Mr. Jude Philomen Benny **Ordinary Resolution 3**
   (ii) Mr. Seow Kang Hoe, Gerald **Ordinary Resolution 4**
   (iii) Mr. Kuok Khoon Ean **Ordinary Resolution 5**

4. To approve the sum of S$665,000 as Directors' Fees for the year ended 31 December 2015. **Ordinary Resolution 6**

5. To re-appoint Messrs Ernst & Young LLP as Auditor of the Company and authorise Directors to fix their remuneration. **Ordinary Resolution 7**

As Special Business

To consider and if thought fit, to pass the following resolutions, of which Resolutions 8, 9, 10 and 11 will be proposed as Ordinary Resolutions and Resolution 12 will be proposed as a Special Resolution, with or without any modifications:

6. **Authority to issue shares** **Ordinary Resolution 8**

   That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), the Directors of the Company be authorised and empowered to:

   (a) (i) issue shares of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares of the Company to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such person(s) as the Directors may in their absolute discretion deem fit; and

NOTICE OF
ANNUAL GENERAL MEETING

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including new shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 50 per cent. of the total number of issued shares excluding treasury shares (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including new shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) may not exceed 20 per cent. of the total number of issued shares excluding treasury shares (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares excluding treasury shares shall be based on the total number of issued shares excluding treasury shares at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(ii) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST (the "**Listing Manual**") for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

7. **Authority to Directors to issue shares under the POSH Share Option Plan and/or POSH Performance Share Plan** **Ordinary Resolution 9**

That the Directors of the Company be and are hereby authorised to:

(a) grant options and awards in accordance with the provisions of the POSH Share Option Plan ("**SOP**") and/or the POSH Performance Share Plan ("**PSP**") (collectively the "**Share Plans**"); and

(b) allot and issue from time to time such number of new shares as may be required to be issued pursuant to the exercise of options and the vesting of awards granted under the Share Plans,

NOTICE OF ANNUAL GENERAL MEETING

provided that the total number of shares over which options and awards (as the case may be) may be granted on any date, when added to the total number of shares issued and/or issuable and transferred and/or to be transferred in respect of all options already granted and the total number of shares issued and/or issuable and transferred and/or to be transferred in respect of all awards already granted, shall not exceed 15 per cent. of the total number of issued shares (excluding treasury shares) on the date preceding the date of the relevant option or award (as the case may be).

8. **Proposed Renewal of the Share Purchase Mandate** **Ordinary Resolution 10**

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company (the "**Shares**") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchases (each a "**Market Purchase**") on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"); and/or

(ii) off-market purchases (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next Annual General Meeting of the Company is held;

(ii) the date by which the next Annual General Meeting of the Company is required by law to be held; and

(iii) the date on which purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

NOTICE OF
ANNUAL GENERAL MEETING

(c) in this Resolution:

"**Average Closing Price**" means the average of the last dealt prices of a Share for the five consecutive market days on which the Shares are transacted on the SGX-ST immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action that occurs after the relevant five-day period;

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the basis set out below) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

"**Maximum Limit**" means that number of issued Shares representing 10 per cent. of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares as at that date); and

"**Maximum Price**" in relation to a Share to be purchased or acquired, means the purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) which shall not exceed, in the case of a Market Purchase of a Share, 105 per cent. of the Average Closing Price of the Shares, and an Off-Market Purchase of a Share, 110 per cent. of the Average Closing Price of the Shares; and

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

9. **Proposed Renewal of the General Mandate for Interested Person Transactions** **Ordinary Resolution 11**

That:

(a) approval be and is hereby given for the purposes of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**Chapter 9**"), for the Company, its subsidiaries and associated companies that are considered to be "**entities at risk**" (as that term is used in Chapter 9), or any of them to enter into any of the transactions falling within the types of Mandated Transactions described in the letter to shareholders of the Company dated 5 April 2016 (the "**Letter**") with any party who is of the class of interested persons described in the Letter, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions;

(b) the approval given in sub-paragraph (a) above (the "**IPT Mandate**") shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and

(c) the Directors of the Company and/or any of them be and are and/or is hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

NOTICE OF
ANNUAL GENERAL MEETING

10. **Proposed Adoption of the New Constitution** **Special Resolution 12**

    That the regulations contained in the new Constitution submitted to this meeting and, for the purpose of identification, subscribed to by the Chairman thereof, be approved and adopted as the new Constitution of the Company in substitution for, and to the exclusion of, the existing Constitution.

11. To transact any other business that may be transacted at an Annual General Meeting.

NOTICE OF BOOKS CLOSURE AND DIVIDEND PAYMENT DATES

NOTICE IS HEREBY GIVEN THAT the Share Transfer Books and Register of Members of the Company will be closed on 6 May 2016, 5.00 p.m., for the purpose of determining shareholders' entitlement to the Company's proposed final tax exempt (one-tier) dividend of 0.5 Singapore cents per ordinary share for the financial year ended 31 December 2015 (the "**Proposed Final Dividend**").

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 6 May 2016 will be registered to determine shareholders' entitlement to the Proposed Final Dividend. The Proposed Final Dividend, if approved at the Annual General Meeting to be held on 27 April 2016, will be paid on 18 May 2016.

Depositors whose securities accounts with The Central Depository (Pte) Limited are credited with the Company's shares as at 5.00 p.m. on 6 May 2016 will be entitled to the Proposed Final Dividend.

BY ORDER OF THE BOARD

MS. DAWN TAY
MS. LIM KA BEE
COMPANY SECRETARIES

Date: 5 April 2016

NOTICE OF
ANNUAL GENERAL MEETING

Explanatory Notes

1. (a) In relation to Ordinary Resolution No. 3, Mr. Jude Philomen Benny will be retiring from office at the Annual General Meeting pursuant to Articles 91 and 92 of the Company's Constitution, and will be standing for re-election at the Annual General Meeting. Please refer to the sections on "Board of Directors" and "Corporate Governance" in the Annual Report for FY2015 for more information relating to Mr. Benny. Mr. Benny is the Lead Independent Director of the Company. He is also the Chairman of Nominating Committee and a member of the Audit Committee and Board Risk Committee and will, upon re-election, continue to serve as Lead Independent Director, Chairman of Nominating Committee and a member of the Audit Committee and Board Risk Committee. Mr. Benny will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapoe Exchange Securities Trading Limited.

   (b) In relation to Ordinary Resolution No. 4, Mr. Seow Kang Hoe, Gerald will be retiring from office at the Annual General Meeting pursuant to Articles 91 and 92 of the Company's Constitution, and will be standing for re-election at the Annual General Meeting. Please refer to the sections on "Board of Directors" and "Corporate Governance" in the Annual Report for FY2015 for more information relating to Mr. Seow.

   (c) In relation to Ordinary Resolution No. 5, Mr. Kuok Khoon Ean will be retiring from office at the Annual General Meeting pursuant to Articles 91 and 92 of the Company's Constitution, and will be standing for re-election at the Annual General Meeting. Please refer to the sections on "Board of Directors" and "Corporate Governance" in the Annual Report for FY2015 for more information relating to Mr. Kuok. Mr. Kuok is the Chairman of Board Risk Committee and a member of the Remuneration Committee and will, upon re-election, continue to serve as Chairman of Board Risk Committee and a member of the Remuneration Committee.

2. Ordinary Resolution No. 8, if passed, will authorise the Directors of the Company from the date of the forthcoming Annual General Meeting until the next Annual General Meeting to issue shares and to make or grant instruments (such as warrants or debentures) convertible into shares and issue shares in pursuance of such instruments up to an amount not exceeding 50 per cent. of the total number of issued shares (excluding treasury shares) of the Company, of which up to 20 per cent. may be issued other than on a *pro rata* basis to shareholders. The aggregate number of shares which may be issued shall be based on the total number of issued shares (excluding treasury shares) at the time that Ordinary Resolution No. 8 is passed, after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Ordinary Resolution No. 8 is passed, and any subsequent bonus issue, consolidation or subdivision of shares. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

3. Ordinary Resolution No. 9, if passed, will empower the Directors to grant options and awards under the POSH Share Option Plan ("**SOP**") and/or the POSH Performance Share Plan ("**PSP**") (collectively, the "**Share Plans**"), and to allot and issue from time to time such number of new shares as may be required to be issued pursuant to the exercise of options and the vesting of awards granted under the Share Plans, provided always that the total number of shares over which options and awards (as the case may be) may be granted on any date, when added to the total number of shares issued and/or issuable and transferred and/or to be transferred in respect of all options already granted and the total number of shares issued and/or issuable and transferred and/or to be transferred in respect of all awards already granted, shall not exceed 15 per cent. of the total number of issued shares (excluding treasury shares) on the date preceding the date of the relevant option or award (as the case may be).

NOTICE OF
ANNUAL GENERAL MEETING

4. Ordinary Resolution No. 10 is to renew the mandate to allow the Company to purchase or otherwise acquire its issued shares, on the terms and subject to the conditions set out in the Resolution.

   The Company may use internal resources and/or external borrowings to finance purchases or acquisitions of its shares. The amount of financing required for the Company to purchase or acquire its shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on the number of shares purchased or acquired and the price at which such shares were purchased or acquired and whether the shares purchased or acquired are held in treasury or cancelled.

   Based on the existing issued and paid-up shares as at 18 March 2016 (the "**Latest Practicable Date**") and excluding any shares held in treasury, the purchase or acquisition by the Company of 10 per cent. of its issued shares will result in the purchase or acquisition of 181,198,510 shares.

   Assuming that the Company purchases or acquires 181,198,510 shares at the Maximum Price, in the case of Market Purchases of S$0.380 for one share (being the price equivalent to 105% of the Average Closing Price of the shares), the maximum amount of funds required is approximately S$68.9 million and in the case of Off-Market Purchases of S$0.398 for one share (being the price equivalent to 110% of the Average Closing Price of the shares), the maximum amount of funds required is approximately S$72.1 million.

   The financial effects of the purchase or acquisition of such shares by the Company pursuant to the Share Purchase Mandate on the audited financial statements of the Company and the Company and its subsidiaries for the financial year ended 31 December 2015, based on certain assumptions, are set out in paragraph 2.7 of the letter to shareholders of the Company dated 5 April 2016 (the "**Letter**").

   Please refer to the Letter for further details.

5. Ordinary Resolution No. 11, if passed, will renew, effective until the conclusion of the next Annual General Meeting, the mandate to enable the Company, its subsidiaries and associated companies which are considered "**entities at risk**" to enter in the ordinary course of business into certain types of interested person transactions with specific classes of the Company's interested persons.

   Please refer to the Letter for further details.

6. Special Resolution No. 12 is to adopt a new Constitution following the wide-ranging changes to the Companies Act, Chapter 50 of Singapore (the "**Companies Act**") introduced pursuant to the Companies (Amendment) Act 2014 (the "**Amendment Act**"). The new Constitution will consist of the memorandum and articles of association of the Company which were in force immediately before 3 January 2016, and incorporate amendments to, *inter alia*, take into account the changes to the Companies Act introduced pursuant to the Amendment Act.

   Please refer to the Letter for further details.

NOTICE OF
ANNUAL GENERAL MEETING

Notes:

1. (a) A member of the Company who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act.

2. A proxy need not be a member of the Company.

3. The instrument appointing a proxy or proxies must be deposited at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than 48 hours before the time appointed for the Annual General Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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PACC OFFSHORE SERVICES HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 200603185Z)

PROXY **FORM**

ANNUAL GENERAL MEETING

Important:
1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**") may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. This Proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF/SRS investors who hold shares through their CPF/SRS funds. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 5 April 2016.

*I/We, ______________________________ (Name) ______________ (*NRIC/ Passport/Co. Reg No.)

of ____ (Address)

being a *member/members of PACC Offshore Services Holdings Ltd. (the "**Company**") hereby appoint

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)

and/or (delete as appropriate)

as *my/our *proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the Annual General Meeting (the "**Meeting**") of the Company to be held at Shangri-La Hotel, Tower Ballroom, 22 Orange Grove Road, Singapore 258350 on Wednesday, 27 April 2016 at 10.00 a.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/ proxies to vote for or against the Resolutions to be proposed at the Meeting (of which Resolution Nos. 1 to 11 will be proposed as Ordinary Resolutions and Resolution No. 12 will be proposed as a Special Resolution) as indicated hereunder. If no specific direction as to voting is given, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion, as *he/she/they will on any other matter arising at the Meeting and at any adjournment thereof.

No.	Ordinary Resolutions	**For	**Against
1	To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the year ended 31 December 2015 and the Auditor's Report thereon		
2	To approve the payment of the proposed final dividend		
3	To re-elect Mr. Jude Philomen Benny as a Director		
4	To re-elect Mr. Seow Kang Hoe, Gerald as a Director		
5	To re-elect Mr. Kuok Khoon Ean as a Director		
6	To approve the payment of Directors' fees for the year ended 31 December 2015		
7	To re-appoint Messrs Ernst & Young LLP as auditor and to authorise the Directors to fix their remuneration		
8	To grant authority to the Directors to issue shares and make or grant instruments convertible into shares pursuant to Section 161 of the Companies Act		
9	To authorise Directors to grant options and/or awards and issue shares under the POSH Share Option Plan and/or POSH Performance Share Plan		
10	To renew the Share Purchase Mandate		
11	To renew the General Mandate for Interested Person Transactions		
	Special Resolution		
12	To approve the adoption of the new Constitution		

* *Delete accordingly*
** *Indicate your vote "For" or "Against" with a (√) within the relevant box provided.*
Note: Voting will be conducted by poll.

Dated this ______________ day of ______________ 2016.

Total Number of Shares Held:

____
Signature(s) or Common Seal of member(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes

1. A member of the Company ("**Member**") should insert the total number of ordinary shares in the Company (the "**Shares**") held by him. If the Member has Shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of Shares. If the Member has Shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of Shares. If the Member has Shares entered against his name in the Depository Register and Shares registered in his name in the Register of Members, he should insert the aggregate number of Shares. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by the Member.

2. (a) A Member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Meeting. Where such Member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A Member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at a Meeting of the Company, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Shareholder. Where such Member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act.

3. A proxy need not be a Member.

4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for the holding of the Meeting.

5. The instrument appointing a proxy or proxies must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its officer or attorney duly authorised. Where the original instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the original letter or power of attorney under which the instrument of proxy is signed or a duly certified copy of that letter or power of attorney (failing previous registration with the Company) shall be attached to the original instrument of proxy and must be left at the registered office, not less than 48 hours before the time appointed for the holding of the Meeting or the adjourned Meeting at which it is to be used failing which the instrument may be treated as invalid.

6. A corporation which is a Member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act. The Company shall be entitled to treat an original certificate under the seal of the corporation as conclusive evidence of the appointment or revocation of appointment of a representative.

7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company shall reject any instrument appointing a proxy or proxies lodged if the Member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding of the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Kuok Khoon Ean • Chairman and Non-Executive Director

Seow Kang Hoe, Gerald • Chief Executive Officer and Executive Director

Wu Long Peng • Non-Executive Director

Dato Jude Philomen Benny • Lead Independent Director

Ma Kah Woh • Independent Director

Dato Ahmad Sufian @ Qurnain Bin Abdul Rashid • Independent Director

Wee Joo Yeow • Independent Director

BOARD COMMITTEES

Audit Committee
Ma Kah Woh – Chairman
Dato Jude Philomen Benny
Dato Ahmad Sufian @ Qurnain Bin Abdul Rashid
Wee Joo Yeow

Nominating Committee
Dato Jude Philomen Benny - Chairman
Ma Kah Woh
Dato Ahmad Sufian @ Qurnain Bin Abdul Rashid
Wu Long Peng

Remuneration Committee
Wee Joo Yeow – Chairman
Dato Ahmad Sufian @ Qurnain Bin Abdul Rashid
Kuok Khoon Ean

Board Risk Committee
Kuok Khoon Ean – Chairman
Dato Jude Philomen Benny
Ma Kah Woh
Wee Joo Yeow

COMPANY SECRETARIES

Dawn Tay
Lim Ka Bee

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

AUDITORS

Ernst & Young LLP

Public Accountants and Chartered Accountants
One Raffles Quay
North Tower, Level 18
Singapore 048583

AUDIT PARTNER

Yee Woon Yim
(since the financial year ended 31 December 2013)

REGISTERED OFFICE

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Fax: +65 6839 6508
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