Agility & Adaptability

Swiber Holdings Limited | Annual Report 2015

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Corporate Profile

A LEADING GLOBAL COMPANY IN THE OFFSHORE OIL & GAS INDUSTRY

Swiber Holdings Limited ("Swiber" and together with its subsidiaries, "the Group") is a world-class integrated offshore construction and support services provider for shallow water oil and gas field development.

The Group offers a wide range of Engineering, Procurement, Installation, and Construction ("EPIC") services, complemented by its in-house marine support and engineering capabilities, to support the offshore field development and production activities of its international clientele base across the Asia Pacific, Middle East, Latin America and West Africa regions.

Founded in 1996, Swiber is committed to building the Group into a leader in the offshore oil & gas industry. With its strong technical expertise and dedication to providing high quality services, the Group is highly regarded by established and reputable international oil majors and national oil companies worldwide for services that epitomise excellence, safety, innovation and value. This has enabled Swiber to garner strong support from clients, which is one of the driving forces fueling the Group's growth and success over the past 20 years.

Swiber operates 13 state-of-the-art construction vessels. The Group also has a workforce that consists of close to 2,700 employees of over 35 different nationalities in strategically located offices worldwide.

At Swiber's helm is a strong and experienced corporate management team who is collectively responsible for strategic planning, operations and overall management of the Group. Backed by highly trained and experienced offshore EPIC engineers and offshore support crews, the management team ensures the successful execution of projects of varying scope and complexity, as well as timely delivery of services to clients.

Swiber was featured on Forbes Asia's "Best under a Billion" list, an honour given to the top 200 Asia Pacific companies with consistent growth in both sales and profits. Swiber continues to rank as one of Singapore's top 100 brands in the Brand Finance's Annual Report. Swiber has also been awarded the Singapore Corporate Governance Award by the Securities Investors Association Singapore ("SIAS") in recognition of Swiber's exemplary Corporate Governance and Transparency practices.

The Group is also fully committed to its core values of Trust, Respect, Affirmation, Determination and Excellence. These values will guide Swiber as it continues to capitalise on the world's growing energy demands.

Swiber was listed on the Main Board of the Singapore Exchange Securities Trading Limited on 8 November 2006.

Vision & Mission

To be a Sustainable & Globally Competitive Company (GCC) in the offshore industry.

To deliver to our clients their offshore projects safely on time, before time, all the time by subordinating all processes and personnel from start to finish.

Our TRADEmark Values

TRUST
We are trusted for our integrity, honesty, reliability, fairness and sincerity in our work with our partners, customers and employees.

RESPECT
We respect and value each other's views. We respect the laws of the countries we operate in and the confidentiality of information provided by our clients and employees. We win as a team.

AFFIRMATION
We affirm and recognise the contributions made by our partners, clients and employees to the success of our business. We value our employees, encourage their contributions and develop them to their fullest potential. We practice the 101% principle in affirmation - finding the 1% we can affirm, and giving it 100% of our attention.

DETERMINATION
We are determined to succeed and will always rise up to any challenge. We are known for our resolve in solving any problems faced by us or our clients and partners.

EXCELLENCE
We excel in everything that we do and are committed to delivering jobs of the highest quality, exceeding our customers' expectations.

Core Philosophies

MANAGING FOR PROFIT

Swiber manages our profits by establishing a set of conditions that reduces the risk of incurring losses and optimising our processes to minimise costs, thereby raising the profitability of our operations.

Managing for Profit is pillared with our three core philosophies: Cause No Harm, Emotional Excellence and Flow Management.

Cause No Harm Philosophy

A core philosophy that Swiber embraces unconditionally is the 'Cause No Harm' philosophy. It is a philosophy that is integral to Swiber's corporate DNA. We see it as the linchpin for all aspects of our organisation, encompassing our business conduct, ethics, daily operations and our overall corporate strategy. The essence behind our philosophy is that everything that we do will have, as our first consideration, the idea that it must Cause No Harm.

Cause No Harm to OURSELVES as individuals
Cause No Harm to OTHERS
Cause No Harm to OUR EQUIPMENT AND MATERIALS
Cause No Harm to OTHERS' ASSETS
Cause No Harm to THE ENVIRONMENT
Cause No Harm to THE PLANET as a whole
Cause No Harm to FUTURE GENERATIONS

The 'Cause No Harm' philosophy, together with our TRADEmark core values of 'Trust', 'Respect', 'Affirmation', 'Determination' and 'Excellence', form the basis of our Code of Business Conduct, and Health, Safety, Security and Environment ("HSSE") policies. It defines how we interact with our stakeholders with the highest standards of ethics, integrity and responsibility.

Emotional Excellence Philosophy

Being aware of our Emotional Quotient ("EQ") and taking the necessary steps to develop it to its optimum, leads to **Emotional Excellence ("EE").**

EE enables us to create excellent human relationships and keep ourselves and others highly inspired, engaged and committed in both personal life and work.

Practicing EE at the workplace allows us to deal and support each other in the right way, enabling us to perform at a higher level in order to achieve the goals of the organisation collectively.

Swiber strives to be an Emotionally Excellent organisation, where its leaders and employees exhibit a high level of emotional excellence, which allows the organisation to connect with its most important asset — its people.

Flow Management Philosophy

At the heart of this philosophy is that the first priority of our business is the safe and smooth flow of our projects. This can be achieved through a smooth and optimised flow where all our internal processes are subordinated to the project. Our processes need to flow as we have planned it to be.

Swiber Flow Management is all about unblocking the flow. It's about examining ourselves whether we are causing the flow to slow down or to even causing it to stop. It's about subordinating yourself to the flow for the sake of project completion to be on-time, before time, all the time, without compromising safety.

Core Business

Swiber has capabilities to deliver a complete suite of fully integrated and innovative offshore construction services for a wide and diverse range of projects

A Leading Global Engineering, Procurement, Installation & Construction ("EPIC") Services Provider

With its established position as a leading EPIC services provider for shallow water oil and gas field development, Swiber has capabilities to deliver a complete suite of fully integrated and innovative offshore construction services for a wide and diverse range of projects.

The Group's services include:

- Project management and engineering
- Transportation and installation of fixed offshore platforms
- Transportation and installation of subsea pipelines
- Subsea Completion Works
- Floating Production Systems/CALM Buoys
- Platform Fabrication
- Platform De-commissioning
- Turnkey Subsea Services Solutions
- Installation of Umbilicals, Flexible Pipelines and Power Cables

The Group's offshore construction services have multiple capabilities which are complemented by its in-house marine support and engineering capabilities.

The Group's engineering capability also enables it to perform upstream oil and gas engineering, project management, Front End Engineering Design ("FEED") and detailed design services for major oil and gas companies.

The Group is also equipped with engineering capabilities in the areas of Subsea, Umbilicals, Risers and Flowlines ("SURF"), transportation and installation engineering and naval architecture. This enables Swiber to perform engineering works internally to support its EPIC requirements instead of outsourcing to external engineering companies.

With a team of highly experienced engineers and project managers, coupled with its extensive fleet of modern construction and support vessels, Swiber is confident of delivering turnkey solutions to global offshore oil and gas companies, even in the most challenging offshore environments.

Geographical Presence

Swiber's ability to successfully expand its geographical footprint over the years has been one of the main factors driving the Group's continued growth

GLOBAL FOOTPRINT, LOCAL PRESENCE

The Group's ability to successfully expand its geographical footprint over the years has been one of the main factors driving Swiber's continued growth. With headquarters in Singapore, Swiber has set up offices in India, Mexico, United Kingdom and The Netherlands, as well as established joint ventures with reputable partners in Indonesia, Malaysia and West Africa.

The Group's commitment to establish strong local presence in these countries ensures that it is able to provide fast and effective support to clients as well as to better respond to changing market dynamics and capture business opportunities.

Going forward, Swiber plans to continue expanding its geographical footprint in the Asia Pacific, Latin America and West Africa.

MARKETS WHERE SWIBER HAS
OFFICES AND JOINT VENTURES

1

2

3

Swiber's Fleet

The Group owns and operates a young and extensive fleet of vessels

1 Swiber Kaizen4000
2 Swiber PJW3000
3 Swiber Resolute
4 Swiber Quetzal
5 Swiber Concorde
6 1MAS-300
7 Swiber Conquest
8 Swiber Chateau
9 Swiber Atlantis
10 Holmen Pacific
11 Holmen Atlantic
12 Holmen Artic
13 Sea Horizon

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Extensive Fleet of Young & Modern Vessels

Swiber operates 13 state-of-the-art construction vessels to support the Group's growing business activities worldwide.

Leveraging on the capabilities of its fleet of modern and well-equipped construction and support vessels, Swiber has forged an excellent reputation as a leading global services provider to the Offshore Oil and Gas Industry.

CONSTRUCTION VESSELS

Derrick Crane/Accommodation Work Barge

Vessel Name	Crane Capacity	Dimensions (m)	Year Built
Swiber Kaizen4000	3,800 T	156.00 x 50.00 x 12.00	2012
Swiber PJW3000	3,000 T	169.00 x 46.00 x 13.50	2010
Swiber Resolute	1,100 T	127.40 x 38.90 x 9.00	2009

Pipe-Lay/Accommodation Work Barge

Vessel Name	Crane Capacity	Dimensions (m)	Year Built
Swiber Quetzal	500 T	111.56 x 31.70 x 7.31	2009
Swiber Concorde	60 T	113.08 x 28.50 x 7.30	2008
1MAS-300	300 T	111.56 x 31.70 x 7.31	2010
Swiber Conquest	300 T	101.83 x 30.48 x 6.71	2005

Accommodation Work Barge

Vessel Name	Crane Capacity	Dimensions (m)	Year Built
Swiber Chateau	300T	100.58 x 31.70 x 7.31	2009

Subsea Construction & Diving Support Vessel

Vessel Name	Crane Capacity	Dimensions (m)	Year Built
Swiber Atlantis	100T	78.00 x 20.00 x 6.50	2010

Submersible Launch Barge

Vessel Name	GRT/NRT	Dimensions (m)	Year Built
Holmen Pacific	25,138/ 7,541	160.00 x 40.00 x 12.00	2012
Holmen Atlantic	14,476/ 4,342	142.50 x 36.00 x 8.50	2012
Holmen Arctic	10,850 / 3,255	140.00 x 36.60 x 7.62	2006

Derrick/Lay Combination Barge

Vessel Name	GRT/NRT	Dimensions (ft)	Year Built
Sea Horizon	8,867/2,660	110.00 x 30.00 x 7.80	1977

All specification is correct at time of production but not guaranteed. Owners reserve the right to amend without notifications

Corporate Highlights

FEBRUARY 2015

- Completed a rights issue and raised gross proceeds of S$45.9 million.
- Secured EPIC contract worth approximately US$310.0 million from a National Oil Company ("NOC") in South Asia for the development of a new offshore gas field located in the region.

MARCH 2015

- Clinched a total of US$405.6 million worth of contracts in March 2015, including a US$333.0 million contract for EPIC services for the same NOC in South Asia. In addition, Swiber also clinched a few other smaller contracts for mooring, jack-up installation and offshore pipeline and subsea work, in the Asia Pacific region.

APRIL 2015

- Secured another major award from the same NOC in South Asia, amounting to US$133.0 million. This fast track project is scheduled for completion by second quarter of 2016.

JUNE 2015

- Fully redeemed the S$95,000,000 3-year Fixed Rate Notes due in 2015 under the Company's S$1,000,000,000 Multicurrency Debt Issuance Programme on the scheduled maturity date.

AUGUST 2015

- Completed the consolidation of every two existing issued ordinary shares into one consolidated share in the capital of the Company.

SEPTEMBER 2015

- Fully redeemed all outstanding S$80,000,000 at 9.75 per cent senior perpetual securities.

DECEMBER 2015

- Acquired *Sea Horizon*, a 110.0 metre derrick/lay combination construction barge for a total cash consideration of US$10.0 million.

JANUARY 2016

- Acquired 9,500,000 nil-paid ordinary shares of Deltatek Offshore Limited ("DOL") with nominal value of NGN1.00 each, representing 38% of DOL's entire issued share capital.

FEBRUARY 2016

- Completed the consent solicitation exercise in connection with the existing notes/trust certificates issued under the S$1,000,000,000 Multicurrency Debt Issuance Programme and US$500,000,000 Multicurrency Islamic Trust Certificates Issuance Programme.

MARCH 2016

- Secured a contract award worth about US$100.0 million to provide EPIC services for a NOC in South Asia.

"Our proven ability to provide value-added solutions in integrated construction, marine and engineering services has earned Swiber the trust and recognition of the industry worldwide."

Message from the Executive Chairman

"Swiber is equipped with the right level of agility and adaptability to reposition ourselves efficiently and effectively as we face challenging market conditions. We continue to work hard and focus on expanding our pipeline of projects and filling up our orderbook."

Raymond Kim Goh
Executive Chairman

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present Swiber Holdings Limited's annual report for the 12 months ended 31 December 2015 ("FY2015").

Since the second half of 2014, the oil and gas market has been routed in a manner not seen for decades. The rapid fall in oil prices from a high of US$112 in June 2014 to a low of US$36 in December 2015, was unprecedented. Recent calls for capping of output levels among the bigger oil producers in the hope of stabilising the oil price might slowly see results but the current state of the industry is still volatile. These are indeed difficult times that demand decisive actions by the industry, resulting in cost structures being re-drawn.

Over the past months in quick succession, major oil companies have announced budget cuts and downward revisions in their capital expenditures for 2016 onwards. Most are curtailing investments to protect profits, re-assessing current projects and embarking on a more conservative approach for new projects.

Notwithstanding these strong headwinds, Swiber is equipped with the right level of agility and adaptability to reposition ourselves efficiently and effectively as we face challenging market conditions. We continue to work hard and focus on expanding our pipeline of projects and filling up our orderbook. We believe that our track record of executing projects in a timely, cost-efficient manner will put us in good stead during this difficult period.

FINANCIAL PERFORMANCE

Despite depressed market conditions, the Group continued to see growth particularly in Latin America and South Asia as the Group's financial performance for FY2015 indicated a revenue increase by 14.7% to US$833.0 million. These were driven by higher contributions recognised from these regions. The Group however, reported a net loss of US$18.7 million against a profit of US$31.2 million from FY2014. This is mainly due to impairment charges on an associate and receivables and absence of one-time gains on disposal of subsidiaries and associate.

STRENGTHENING OUR ORDERBOOK FOR LONG-TERM SUSTAINABILITY

Since our inception, Swiber has continually endeavoured to become better as a company. We are constantly seeking innovative ways to better deliver our services with excellence, improve our safety record, and keep within the schedules and budgets of our projects.

Indeed, our proven ability to provide value-added solutions in integrated construction, marine and engineering services has earned Swiber the trust and recognition of the industry worldwide.

In 2015, Swiber's main focus has been on being prudent in managing our operations while working to maximise cost efficiencies. We have made substantial progress in our turnaround efforts, implemented cost optimisation programs, strengthened our capabilities in higher-value EPIC services and improved operational performance.

Message from the Executive Chairman

Despite the turmoil in the oil and gas market in 2015, Swiber won EPIC contracts totalling close to US$850.0 million, US$776.0 million of which were from an NOC in South Asia.

In February 2016, the Group also announced a US$100.0 million contract to provide EPIC services for the same NOC in South Asia. This project, which includes pipelines and subsea installation works, is expected to be completed in the first half of 2017.

These are indeed very important milestones for Swiber – as it is our strategy – that even as we continue to expand our reach to distant markets like Latin America and Africa – we keep on strengthening our foothold in Asia.

I am pleased to report that these contract wins have boosted the Group's orderbook to US$1.35 billion as at 29 February 2016. These contracts were awarded to us by long-time valued clients as well as new clients. This is a testament of the trust that our repeat clients have on us, and our ability to win over new clients resulting from the credibility that we have built over the years. Despite challenging market conditions, we believe that our strategy of establishing long-term relationships with our clients and our track record of completing our projects in a timely, cost-efficient manner, will keep us sustainable.

DELIVERING OUR COMMITMENT

Over the course of 2015, we have successfully delivered two key projects.

We have successfully completed our offshore installation project for PETRONAS Carigali's SK316 Gas Development Project off Sarawak, Malaysia, which involved a 9,500MT jacket launch. This project also involved the floatover of another heavy structure- a 13,500MT topside, installed within four hours. The window for good weather was only 67% yet we were able to accomplish the installation with zero loss time incidents.

We have also successfully completed another project across the globe – a platform and subsea pipeline installation project in South America. This project is considered to be the southern-most platform project in the world. From the onset, this project has been a very eventful and challenging project for the team. The offshore platform structures and pipelines for the project were transported from Spain and France respectively which required meticulous planning, integrated logistics and comprehensive safety management.

The project team and offshore crew were subjected to extreme offshore weather conditions such as high wind speeds of up to 80 knots, maximum wave heights of up to 11 metres, and below zero-degree temperatures. The ability to complete the entire project on time and within budget

is a testament to Swiber's increasing capabilities to deliver projects in more diverse and challenging situations.

The completion of these two projects have proven Swiber's strong capability in delivering our projects to specifications safely and in a timely and cost-efficient manner in various regions of the world.

SWIBER'S RESPONSE: ONGOING ENERGY CRISIS

As we anticipate a challenging year ahead of us, the Group continues to focus on developing strategies and innovative solutions that will be crucial in responding to this market downturn.

We are actively reducing our CAPEX, OPEX and general administrative costs by implementing cost-restructuring measures such as significant reduction of offshore operations costs, procurement and subcontracts costs as well as engineering costs. We are also further strengthening our capabilities in higher-value services and improving our operational performance while maximising cost efficiencies. We will continue to actively bid and develop new projects around the region and drive these projects to success.

The oil crisis will come to pass but the valuable insights and learnings it has given us should remain. More than ever, we are steadfast in our commitment for long-term sustainability – so that when the recovery comes, Swiber will be better equipped to capture the opportunities that will arise.

Looking back to the near 20 years of Swiber's existence, I can say that we have all come a long way in building this company together. The complementary and integrated services within the Group remain our solid proposition to our clients and will continue to be the crucial pillars that will raise Swiber to its next growth phase.

A NOTE OF APPRECIATION

On behalf of the Board, I would like to thank our shareholders and bondholders for their unwavering support of Swiber. To our Board of Directors, I would like to extend my heartfelt thanks for your invaluable counsel and guidance.

To our dear employees, both management and staff, I am grateful for your strong commitment, loyalty and hard work all these years. I would also like to extend my gratitude to our valued clients, business partners and associates for their continued friendship, support and patronage of the Group.

Finally, I want to give the highest glory to God for his grace and favour upon Swiber and to me personally. He has been my source of strength and courage. Through Him, we have been tremendously blessed.

Raymond Kim Goh
Executive Chairman

Message from the Group CEO

Dear Shareholders,

I am pleased to present to you Swiber's performance for the financial year ended 31 December 2015 ("FY2015"). Group revenue rose 14.7% to US$833.0 million in FY2015, with gross profit at US$99.3 million up nearly five times from the year before. Gross profit margin improved to 11.9% during the year under review from 2.4% in FY2014 due mainly to stringent controls over operating costs.

The Group's turnover was boosted by increased contributions from projects that were secured mainly in Latin America and South Asia. Despite depressed market conditions, the Group's strategies to expand our capabilities and geographical footprint have kept us sustainable.

Administrative expenses fell 48.0% to US$28.8 million in FY2015 from US$55.3 million in FY2014, reflecting Swiber's cost optimisation programme, which involved significant reduction of staff-related costs, business development costs and office and administration costs.

Other operating income fell 91.4% to US$8.9 million in FY2015 from US$103.5 million in FY2014 mainly due to the presence of a one-time gain in FY2014 on disposal of a group of subsidiaries and associates amounting to US$101.8 million, as well as lower net foreign exchange gains of US$7.9 million and the absence of write-back receivables in FY2015.

Impairment loss of trade and other receivables amounting to US$8.6 million raised other operating expenses by 100.9% from US$5.9 million to US$11.9 million.

Finance expenses decreased 7.9% from US$65.5 million in FY2014 to US$60.4 million in FY2015.

Share of profit from associates and joint ventures declined 32.8% from US$41.5 million in FY2014 to US$27.8 million in FY2015 as a result of lower contributions from certain associates.

Correspondingly, our earnings before interest, taxes, depreciation and amortisation ("EBITDA") decreased 11.6% from US$133.0 million in FY2014 to US$117.6 million in FY2015. Profit before tax decreased 70.9% to US$10.4 million whilst the Group reported a net loss of US$ 18.7 million.

CORPORATE HIGHLIGHTS

In February 2015, the Group completed a rights issue and raised gross proceeds of S$45.9 million to support our business expansion and for general corporate funding purposes.

Following this, we have fully redeemed the S$95,000,000 3-year Fixed Rate Notes due 2015 under the Company's S$1,000,000,000 Multicurrency Debt Issuance Programme on the scheduled maturity date in June 2015.

Subsequently in September 2015, the Group fully redeemed all outstanding S$80,000,000, 9.75 per cent senior perpetual securities.

In January 2016, the Group's wholly owned subsidiary, Swiber Offshore Construction Pte. Ltd., acquired 9,500,000 nil-paid ordinary shares of Deltatek Offshore Limited ("DOL") with nominal value of NGN1.00 each (the "Shares"), representing 38% of DOL's entire issued share capital (the "Acquisition"). Following the Acquisition, DOL became an associated company of the Company. DOL is a company incorporated in Nigeria and will be principally engaged in providing offshore engineering, procurement, construction, installation and commissioning services in the Sub-Saharan Africa region.

OUR REGIONAL FOOTPRINT

The core business of the Group continued to see growth particularly in Latin America and new projects in South Asia, which highly contributed to the Group's revenue.

Projects executed in Latin America contributed the lion's share of Group Revenue in FY2015, at 53.6% or US$446.8 million. Revenue from South Asia contributed to 29.3% at US$244.1 million,

Message from the Group CEO

while Southeast Asia and other markets added 14.1% at US$117.1 million and 3.0% at US$24.9 million respectively.

Our success in Southeast Asia is a fruition of our corporate strategy towards geographical expansion, which is through strategic alliances and joint ventures with reputable partners that share similar values and vision as Swiber. It also attests to Swiber's technical expertise and asset-strength in fulfilling complex projects' requirements and our partners' strong local expertise in their region.

We continue to refine our corporate strategy to focus on strengthening our foothold in our existing markets while expanding our reach to new markets. Over the years, we have established strong market presence in Southeast Asia, South Asia, Latin America and West Africa.

This spurs the Group to further elevate our position, broaden our horizons and enlarge our market share in these regions, and other parts of the world, where great potential lies.

OUR CONTRACT WINS IN FY2015

Despite the prevailing headwinds caused by the turmoil in oil prices, FY2015 was a remarkable year in terms of contract wins for the Group. We secured our first contract in February 2015 worth approximately US$310.0 million from an NOC in South Asia. The project involves a full suite of EPIC services for eight new platforms and associated pipelines required for the development of a new offshore gas field located in South Asia.

A month later, the Group clinched a total of US$405.6 million for a series of contracts, including a US$333.0 million contract for EPIC services for the same NOC in the previous award. The project, to commence immediately, involved transportation and installation of submarine pipelines and engineering works and modification of existing facilities. In addition, Swiber also clinched a few other smaller contracts for mooring, jack-up installation and offshore pipeline and subsea work, in the Asia Pacific region.

These two awards are two of the largest single contract wins in the Group's corporate history.

In April 2015, Swiber secured yet another major award from the same NOC from South Asia, amounting to US$133.0 million contract, making this its third for the NOC in three months. The project involves EPIC services in South Asia, particularly surveys (pre-engineering, pre-construction/pre-installation and post-installation) design, engineering, procurement, fabrication, installation, and commissioning of six pipelines totaling to 60km, connecting it to existing pipelines, modification and repair of platforms and jackets. This fast track project is scheduled for completion by second quarter of 2016.

Notwithstanding the depressed sentiment in the oil and gas sector, the Group managed to secure a contract worth about US$100 million to provide EPIC services for an NOC in South Asia in March 2016. This latest project, which included pipelines and subsea installation works, commences immediately and is expected to be completed in the first half of 2017.

Overall, we are pleased to have firmed up, amid weak market conditions, our orderbook at approximately US$1.35 billion as of February 2016. Our repeat customers as well as new ones undoubtedly attest to the industry's preference for Swiber's complementary and comprehensive suite of services, which when put together, offer a solid value proposition to our customers. To have the same client come back to us repeatedly demonstrates Swiber's understanding of our client and the market, and our ability to utilise our Group's resources to meet our clients' needs.

OUR WAY AHEAD

To mitigate market pressures, the Group is constantly developing cost structures in order for our operations to become sustainable and viable for the long run. Cost-saving opportunities with productive results are achieved through the combined contributions coming from the business divisions, departments, teams and individuals.

As we remain determined to grow in our capabilities in line with the scale and scope of our current and future projects, the Group continues to commit to raise our standards for operational excellence.

Going into the tender, we exercise stringent cost analysis and take into consideration the in-house and shared resources within the Group. We are confident that our strategy of investing in a suite of marine assets and our ability to integrate our offshore EPIC and offshore marine services, would give us competitive advantage over bidders who do not own their own assets. Our asset-based strategy means that we are able to optimise vessel usage and lower mobilisation costs. In addition, our long-term relationships with suppliers gives the Group greater flexibility and cost efficiency in procurement and logistics.

We are optimistic about prospects in our target markets despite the fall in oil price and the cutbacks in capital expenditure by some of the oil majors. We believe that our strategies have put us in good stead for a time like this.

Francis Wong
Group Chief Executive Officer

Board of Directors

Seated (left to right)
Francis Wong, Raymond Kim Goh, Yeo Jeu Nam
Standing (left to right)
Darren Yeo, Jean Pers, Nitish Gupta, Leonard Tay, Oon Thian Seng, Chia Fook Eng

RAYMOND KIM GOH

Executive Chairman

Date of Appointment: November 12, 2004
Last Re-elected: April 21, 2014

Mr. Raymond Kim Goh is an industry veteran with close to two decades of experience in the offshore oil and gas industry. As Founder and Executive Chairman of the Swiber Group, Mr. Goh is the key figure in leading Swiber's overall business, operations and marketing activities globally. In his role, Mr. Goh sets the long-term growth strategy of the Swiber Group and spearheads growth initiatives to expand the Swiber Group's resources, develop new markets, and invest in new vessel designs and technology. Mr. Goh is also active in grassroot community activities. He serves as a patron of the Punggol North Citizen's Consultative Committee. He also serves as Chairman of the School Advisory Board for Westwood Primary School. Mr. Goh is currently also the Non-Executive Chairman of Vallianz Holdings Limited. Mr. Goh graduated from Murdoch University in Australia with a Bachelor of Commerce (Honours) degree.

FRANCIS WONG

Executive Director
Group CEO

Date of Appointment: November 29, 2005
Last Re-elected: April 20, 2015

Mr. Francis Wong joined Swiber in 2005 and was appointed to the Board in November 2005. Active in his professional field, Mr. Wong is a fellow member of the Institute of Chartered Secretaries and Administrators and a fellow certified practicing accountant of CPA Australia. He is also a chartered accountant certified by the Malaysian Institute of Accountants and the New Zealand Institute of Chartered Accountants. Mr. Wong holds a Bachelor of Commerce degree from Australia's Deakin University in 1988 and a Master of Commerce in Accounting from the University of Auckland in 1990.

DARREN YEO

Executive Director
Deputy Group CEO

Date of Appointment: November 12, 2004
Last Re-elected: April 21, 2013

Mr. Darren Yeo was appointed to the Board of Swiber in 2004 and is the Deputy Group CEO, where he spearheads the Group's growth initiatives alongside Mr. Francis Wong. Mr. Yeo brings with him over 20 years of industry experience under his belt. He graduated from the National University of Singapore with a Bachelor of Engineering degree and holds a diploma in Marketing from the Singapore Institute of Management. Mr. Yeo is also the Non-Executive Vice Chairman of Vallianz Holdings Limited.

LEONARD TAY

Executive Director
Group CFO

Date of Appointment: May 14, 2013
Last Re-elected: April 21, 2014

Mr. Leonard Tay was an Independent Non-Executive Director and Audit Committee Chairman on the Board of Swiber from 2006 to 2009. Mr. Tay took on the role of Group CFO in 2009 and was appointed as Executive Director in 2013. Mr. Tay holds a Bachelor's degree in Business from Monash University and is a member of the Institute of Singapore Chartered Accountants, CPA Australia and the Singapore Institute of Directors.

JEAN PERS

Executive Director

Date of Appointment: November 29, 2005
Last Re-elected: April 21, 2014

Mr. Jean Pers joined Swiber in 2002 and was appointed to the Board of Directors in 2005. Mr. Pers brings to Swiber over 35 illustrious years of engineering and operational experience in the offshore business. Prior to his career at Swiber, Mr. Pers was head of the Marine Department at IKL Indonesia and advisor to Voies Navigables de France and the Navigation Authority, which controls most of French navigable rivers and canals. Mr. Pers graduated from Ecole Nationale Ingenieurs in France in 1974 with a Diploma in Engineering. Mr. Pers has also been a member of CNEDIES, Centre National des Experts since 1988, an organisation that provides expertise to analyse the causes of industrial accidents.

NITISH GUPTA

Executive Director

Date of Appointment: March 19, 2009
Last Re-elected: April 20, 2015

Mr. Nitish Gupta joined Swiber in 2006 and was appointed to the Board of Directors in March 2009. Having worked for a number of established offshore oil and gas construction companies in various countries and regions around the world since 1992, Mr. Gupta brings to Swiber years of extensive industry expertise and experience. Mr. Gupta graduated from Delhi College of Engineering, Delhi University in India with a Bachelor in Civil Engineering (Honours).

YEO JEU NAM

Lead Independent Non-Executive Director

Date of Appointment: September 29, 2006
Last Re-elected: April 21, 2014

Mr. Yeo Jeu Nam was appointed to the Board of Directors of Swiber in 2006. He also sits on the board of Vallianz Holdings Limited and Frencken Group Limited as an Independent Non-Executive Director. He has more than 30 years of consultancy experience. Before founding Radiance Consulting Pte. Ltd., of which Mr. Yeo is currently its Managing Director, he was a Senior Consulting Partner with Ernst & Young Consultants where he headed the Strategy and Transformation practice as well as the HR Consulting practice for more than 12 years. He was also previously a Director at PwC Consulting where he headed their Public Sector Consulting practice. He graduated from the National University of Singapore with a Bachelor of Arts and a Bachelor of Social Sciences (Class ll Upper, Honours). Mr. Yeo is also an alumnus of INSEAD.

OON THIAN SENG

Independent Non-Executive Director

Date of Appointment: September 29, 2006
Last Re-elected: April 20, 2015

Mr. Oon Thian Seng is an advocate and solicitor, being one of the founding partners of Oon & Bazul LLP, Singapore and of T.S. Oon & Partners, Malaysia. He was appointed to the Board of Directors of Swiber in 2006. Mr. Oon holds a Bachelor of Laws (Honours) degree from the University of Warwick and a Master of Laws from the London School of Economics. Mr. Oon was admitted to the Bar of England and Wales in 1991 and as an Advocate and Solicitor of the Supreme Court of Singapore in 1993 and the High Court of Malaya in 2001.

CHIA FOOK ENG

Independent Non-Executive Director

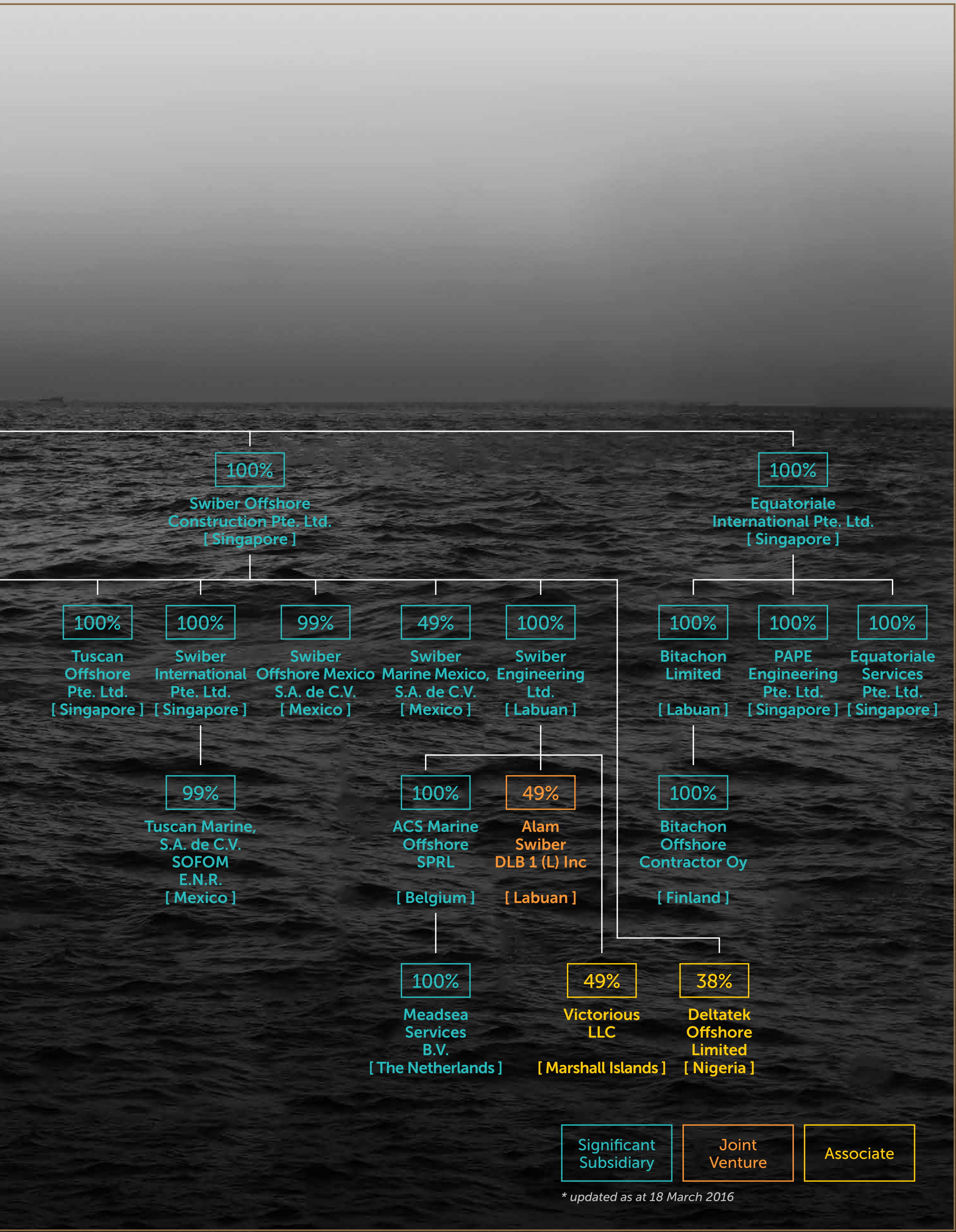
Date of Appointment: June 17, 2009
Last Re-elected: April 21, 2013

Mr. Chia Fook Eng brings to Swiber more than four decades of management experience in the marine and the oil and gas industry. He comes from a strong marine engineering background and has worked at established engineering and construction companies in Singapore and the Asia Pacific region. He was appointed as an Independent Non-Executive Director on Swiber's Board of Directors in 2009. Prior to his appointment, Mr. Chia served as an Advisor to Swiber's Board of Directors on matters relating to the Group's business. Mr. Chia holds a Bachelor of Science Degree in Mechanical Engineering from National Cheng Kung University and a Diploma in Management Studies from Graduate School of Business, University of Chicago.

Swiber Holdings Limited

- 100% Swiber Corporate Pte. Ltd. [Singapore]
  - 100% Swiber UK Limited [United Kingdom]
- 100% Swiber Capital Pte. Ltd. [Singapore]
  - 100% Swiber Atlantis Pte. Ltd. [Singapore]
- 100% Swiber Offshore Marine Pte. Ltd. [Singapore]
  - 100% Swiber Marine Pte. Ltd. [Singapore]
    - 50% Swiwar Offshore Pte. Limited [Singapore]
  - 100% Southsea Marine Pte. Ltd. [Singapore]
- 100% Resolute Offshore Pte. Ltd. [Singapore]
- 100% Whitmer Offshore Pte. Ltd. [Singapore]
- 100% Quetzal Offshore Pte. Ltd. [Singapore]
- 100% Aster Marine Pte. Ltd. [Singapore]
- 50% Alam Swiber Offshore (M) Sdn Bhd [Malaysia]
- 48% Dragados-Swiber Offshore S.A.P.I de C.V. [Mexico]
- 50% Rawabi Swiber Offshore Services Limited [BVI]
- 50% Rawabi Swiber Offshore Marine Pte. Ltd. [Singapore]
- 50% Deltatek Offshore Ltd [Mauritius]
- 49% Resolute Pte. Ltd. [Singapore]
- 26.45% Vallianz Holdings Limited [Singapore]
- 23% PT. Rajawali Swiber Cakrawala [Indonesia]
- 23% Swiber Offshore (India) Private Limited [India]
- 25% Holmen Heavylift Offshore Pte. Ltd. [Singapore]
- 49% Holmen Kaizen Ltd. [BVI]

Corporate Structure


100%
Swiber Offshore Construction Pte. Ltd.
[Singapore]
100%
Equatoriale International Pte. Ltd.
[Singapore]
100%
Tuscan Offshore Pte. Ltd.
[Singapore]
100%
Swiber International Pte. Ltd.
[Singapore]
99%
Swiber Offshore Mexico S.A. de C.V.
[Mexico]
49%
Swiber Marine Mexico, S.A. de C.V.
[Mexico]
100%
Swiber Engineering Ltd.
[Labuan]
100%
Bitachon Limited
[Labuan]
100%
PAPE Engineering Pte. Ltd.
[Singapore]
100%
Equatoriale Services Pte. Ltd.
[Singapore]
99%
Tuscan Marine, S.A. de C.V. SOFOM E.N.R.
[Mexico]
100%
ACS Marine Offshore SPRL
[Belgium]
49%
Alam Swiber DLB 1 (L) Inc
[Labuan]
100%
Bitachon Offshore Contractor Oy
[Finland]
100%
Meadsea Services B.V.
[The Netherlands]
49%
Victorious LLC
[Marshall Islands]
38%
Deltatek Offshore Limited
[Nigeria]
Significant Subsidiary
Joint Venture
Associate
* updated as at 18 March 2016


SG 50
Swiber Gives 50
440 Litres of Paint
15 Weekends
0 LTI
220++ Volunteers
2826 Man Hours

Corporate Social Responsibility

In 2015, the island nation of Singapore celebrated its 50th Anniversary of Independence and launched the SG50 campaign. In honour of this historic event, Swiber also organised its own version of SG50 (Swiber Gives 50) - an organisation-wide programme that aimed to reach out to fifty (50) deserving families in Singapore whose homes are in dire need of clean-up, repainting and refurbishing.

With the solid endorsements of five Members of Parliament ("MPs") from the Grass Roots Community ("GRC") of Sembawang, Marsiling, Jurong, Bishan-Toa Payoh and Punggol, a recipient list of deserving families were provided by their respective grass roots leaders.

The 50 households were then divided among the various Swiber business divisions. To prepare for the weekend work, the volunteers conducted home visits to meet the recipients and assess the needs. After which, one weekend was scheduled for each home for the team to work on.

The weekend works ran from August to November 2015. Weekend after weekend, Swiberites put on their SG50 shirts – ready to clean ,fix, repair and repaint someone else's home. Except that these recipients are not just "someone." These homeowners that we have helped and come to know, are the most vulnerable in society: the lonely elderly, widows, single parents, families with special needs, families under difficult circumstances.

From each happy faces in the group photos – we see a weekend that could have otherwise been spent with loved ones, spent on personal recreational pursuits or just spent on a well-deserved rest from a hectic week of work. Instead, each minute of volunteer work reflected the heart of our Swiber Gives 50 project: to make the connection with strangers in need, who at the end of the campaign, would become friends for life.

The Eagles

With ten homes assigned, the Eagles took their time to lay the groundwork, organise and schedule their builds. Once the weekend work started, the Eagles, like a well-oiled machine came together and finished the job quickly and efficiently, on time and within the allocated budget. The Eagles was the first team to complete their allocated portion of the SG50 Homes.

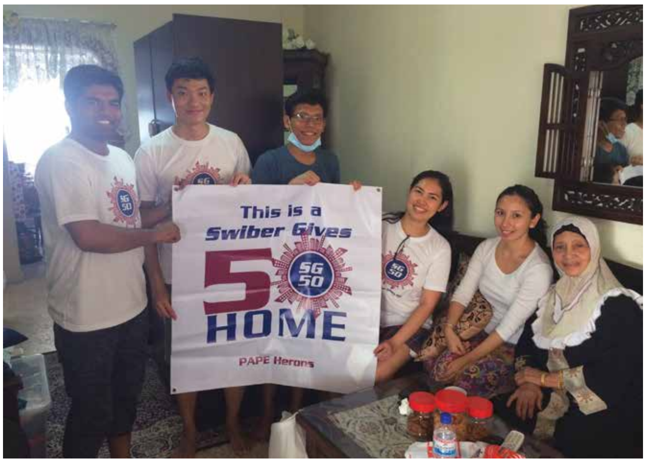
The Cranes

The bigger group among the Swiber entities, the Cranes worked on 15 homes in the SG50 programme. Their quick and decisive actions earned them the distinction of being the first team to kick-start the SG50 programme with their first successful weekend build in Jurong on 1 August 2015.

Renovation of all 15 homes for the Swifts team was a fast-track project! Mobilisation of vessels and crew for our India projects was at its peak so the team's SG50 projects took some time to kick off. But when it did, volunteers across all tiers flocked and rolled up their sleeves. The Swifts, true to their name, managed to work on 6 homes simultaneously in one weekend!

The Swifts

They may be smallest in number, but the Heron volunteers made up for it with the biggest of hearts. Weekend after weekend, the same group of volunteers tirelessly showed up to help in the clean-up, repainting and refurbishing of their ten recipient homes.



The Herons

Corporate Information

BOARD OF DIRECTORS

Mr. Raymond Kim Goh
Executive Chairman

Mr. Francis Wong Chin Sing
Executive Director and
Group CEO

Mr. Yeo Chee Neng
Executive Director and
Deputy Group CEO

Mr. Jean Pers
Executive Director

Mr. Nitish Gupta
Executive Director

Mr. Tay Gim Sin Leonard
Executive Director and
Group Chief Financial Officer

Mr. Yeo Jeu Nam
Lead Independent
Non-Executive Director

Mr. Chia Fook Eng
Independent
Non-Executive Director

Mr. Oon Thian Seng
Independent
Non-Executive Director

COMPANY SECRETARY

Ms. Lee Bee Fong

EXECUTIVE COMMITTEE

Mr. Raymond Kim Goh, Chairman
Mr. Francis Wong Chin Sing
Mr. Yeo Chee Neng
Mr. Jean Pers
Mr. Nitish Gupta
Mr. Tay Gim Sin Leonard

AUDIT COMMITTEE

Mr. Yeo Jeu Nam, Chairman
Mr. Chia Fook Eng
Mr. Oon Thian Seng
Mr. Francis Wong Chin Sing

REMUNERATION COMMITTEE

Mr. Yeo Jeu Nam, Chairman
Mr. Chia Fook Eng
Mr. Oon Thian Seng

NOMINATING COMMITTEE

Mr. Oon Thian Seng, Chairman
Mr. Yeo Jeu Nam
Mr. Chia Fook Eng

REGISTERED OFFICE

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(Registration No.: 200414721N)
12 International Business Park
#01-05 Swiber@IBP
Singapore 609920
T: +65 6505 0800
F: +65 6505 0802
www.swiber.com

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place
Singapore Land Tower #32-01
Singapore 048623

PRINCIPAL BANKERS

Bank of America Merrill Lynch
9 Raffles Place #18-00
Republic Plaza Tower 1
Singapore 048619

Citibank N.A.
3 Temasek Avenue
Centennial Tower
Singapore 039190

DBS Bank Limited
12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Singapore 018982

Deutsche Bank AG
One Raffles Quay
#16-00 South Tower
Singapore 048583

ICICI Bank Limited
9 Raffles Place
#50-01 Republic Plaza
Singapore 048619

Malayan Banking Berhad
2 Battery Road
Maybank Tower
Singapore 049907

RHB Bank Bhd
90 Cecil Street #03-00
RHB Bank Building
Singapore 069531

The Hongkong and Shanghai Banking Corporation Limited
21 Collyer Quay
#04-01 HSBC Building
Singapore 049320

The Siam Commercial Bank Public Company Limited
8th Floor, Zone B
9 Ratchadapisek Road
Chatuchak
Bangkok 10900

United Overseas Bank Limited
80 Raffles Place
UOB Plaza
Singapore 048624

AUDITORS

PricewaterhouseCoopers LLP
8 Cross Street
#17-00 PWC Building
Singapore 048424
Partner-in-charge: Lee Chian Yorn
(Appointed with effect from financial year ended 31 December 2011)

INVESTOR RELATIONS

Catherine Ong Associates Pte. Ltd.
3 Pickering Street
#02-01 China Square Central
Singapore 048660
T: +65 6327 6087

Corporate Governance Report

Swiber Holdings Limited ("**Swiber**" or the "**Company**") and the Board of Directors (the "**Board**") consider good corporate governance to be the trademark of a well-managed organization. The focus of the Company's governance framework, which is formulated on the Company's vision and mission, is to promote accountability and transparency.

The Board and Management are committed to maintaining a high standard of corporate governance within the Group through, where it is applicable and practical to the Group, adopting the Principles of the Code of Corporate Governance 2012 (the "**Code**"). The Company will continually review its corporate governance processes to strive to fully comply with the Code as it recognizes the importance of good governance for continued growth and stakeholders' confidence.

The Board is pleased to report compliance of the Company with the Code and Mainboard Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**Listing Manual**"), where applicable, except where otherwise stated.

BOARD MATTERS

Principle 1: Board's Conduct of Affairs
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's primary role is to protect and enhance long-term shareholder value. Apart from its statutory duties and responsibilities, the Board sets the strategies for the Group and oversees the executive management and affairs of the Group. It reviews and advises on overall strategies, policies and objectives, sets goals, supervises Management, monitors business performance and goals achievement, and assumes responsibility for overall corporate governance of the Group to ensure that the Group's strategies are in the interests of the Company and its stakeholders.

The Board is also responsible for the following corporate matters:

(a) approval of quarterly, half-yearly and year-end results announcements;
(b) approval of the annual report and accounts;
(c) convening of shareholders' meetings;
(d) major investments and funding;
(e) interested person transactions;
(f) material acquisitions and disposal of assets;
(g) corporate strategic direction, strategies and action plans;
(h) issuance of policies and key business initiatives; and
(i) considering sustainability issues such as social and environmental factors as part of its strategic formulation.

The Board meets on a regular basis and as and when necessary to address any specific significant matters that may arise. If a physical meeting is not possible, the Constitution of the Company provides for the Board to conduct meetings by tele-conferencing or video-conferencing. While the Board considers Directors' attendance at Board meetings to be important, it should not be the main criteria to measure their contributions. The Board also takes into account the contributions by Board members in other forms including periodical reviews, provisions of guidance and advice on various matters relating to the Group.

In recognition of the high standard of accountability to our shareholders, the Board has established various Board committees, namely, Audit Committee ("**AC**"), Nominating Committee ("**NC**"), Remuneration Committee ("**RC**") and Executive Committee ("**Exco**"). These committees function within clearly defined terms of references and operating procedures, which will be reviewed on a regular basis by the Board. The effectiveness of each committee will also be constantly reviewed by the Board.

EXECUTIVE COMMITTEE

The Exco was established under the leadership of the Executive Chairman and comprises representatives from the business divisions. The Exco is a formal committee and is charged with supporting the Executive Chairman and the Group Chief Executive Officer ("**CEO**") in delivering the Group's long-term strategic plans, annual business plans and major corporate projects, handling of operating matters that are significant or involve questions of principle, and measuring a good internal flow of information.

The Exco comprises the following members:

Raymond Kim Goh (Chairman)
Francis Wong Chin Sing
Yeo Chee Neng
Nitish Gupta
Jean Pers
Tay Gim Sin Leonard

The Exco meets regularly and exercises its powers and authority, taking into consideration the best interest of the Group. The Exco shall meet at such times and places as the Exco shall deem advisable on the call of the Chairman of the Exco, the Chairman of the Board, the Group CEO, or, in their absence, by any member of the Exco.

The main responsibilities of the Exco include:

(a) to formulate the Group's strategic development initiatives, direct the Group in its widest context and ensure sound operation of general Group management;
(b) to ensure implementation, checking and coordination of the Group's strategic plans in the areas of research and development, operations, financial, administrative, risk and legal issues, human resources and investment;
(c) to review, recommend and confirm presidential appointments to the Group;
(d) to establish policies for the Group and make sure those are followed through with at all times;
(e) to consider cross-business major project issues; identify, manage and mitigate business risks;
(f) to promote and maintain the TRADEmark values of the Group, namely Trust, Respect, Affirmation, Determination and Excellence;
(g) to monitor working capital and cash collection and prioritise the allocation of capital;
(h) to promote the principles inherent in the Group in becoming an integrated Global Enterprise;
(i) to ensure co-ordination across the Group; identify gaps, issues and conflicts and commission appropriate resolutions;
(j) to foster relations with global clients and improve existing client associations;
(k) to consider promotions and succession planning for senior management; and
(l) to undertake other roles and responsibilities as directed by the Group CEO.

The Exco is guided by and practises the following principles:

(a) provide clear vision and a sense of direction;
(b) articulate a strategy;
(c) establish and live the corporate values;
(d) lead by example;
(e) align individual and company goals;
(f) encourage and respond to feedback;
(g) coach and support to deliver peak performance;
(h) behave consistently and in accordance with the Group's TRADEmark values;
(i) promote empowerment;
(j) encourage and stimulate change;
(k) aim to give praise;
(l) work as a team to deliver corporate success; and
(m) become a global business

During the financial year, the number of Board meetings and Board committee meetings held and the attendance of each member of the Board and Board committee are as follows:

	Board	AC	NC	RC
Number of scheduled meetings held	**5**	**4**	**2**	**2**
Directors	**Number of meetings attended**			
Raymond Kim Goh	5/5	NA	NA	NA
Francis Wong Chin Sing	4/5	4/4	NA	NA
Yeo Chee Neng	4/5	NA	NA	NA
Jean Pers	5/5	NA	NA	NA
Nitish Gupta	5/5	NA	NA	NA
Tay Gim Sin Leonard	5/5	NA	NA	NA
Yeo Jeu Nam	5/5	4/4	2/2	2/2
Oon Thian Seng	4/5	3/4	2/2	2/2
Chia Fook Eng	5/5	4/4	2/2	2/2

The Directors of the Company are provided with continuing briefings from time to time and are kept updated on relevant new laws and regulations, including Directors' duties and responsibilities, corporate governance and developing trends and insider trading and financial reporting standards so as to enable them to properly discharge their duties as Board or Board committee members.

As an integral part of the process of appointing new Director(s), the NC ensures an orientation program and furnishing of the Group's corporate information, including but not limited to constitutional and governing documents, terms of reference of Board committees, annual reports, etc, for new Board members to familiarize themselves with the Group's business, their roles and responsibilities. Upon the appointment of the new Director, the Company will provide a formal letter to the said Director setting out the Director's duties and obligations.

The Directors participate in seminars and discussions to keep themselves updated on the latest changes and developments concerning the Group and keep abreast of the latest regulatory changes. The Directors are also provided with updates on the relevant new laws and regulations related to the Group's operating environment through e-mail and regular meetings.

Principle 2: Board Composition and Guidance
There should be a strong and independent element on the board, which is able to exercise objective judgement 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.

As at the date of this Annual Report, the Board comprises nine (9) Directors of whom six (6) are Executive Directors and three (3) are Independent Non-Executive Directors, with the Independent Non-Executive Directors making up of not less than one-third (1/3) of the Board, thus providing a strong and independent element on the Board capable of exercising objective judgement.

The NC determines a Director's independence on an annual basis in accordance with the guidelines of the Code. The NC will also review, assess and determine on the independence of a Director as and when circumstances require.

The NC reviews the size and composition of the Board and Board committees. The Board considers the present Board size and the number of Board committees to be sufficient for effective decision-making. The current Board composition provides diversity with the requisite mix of skills, expertise and experience, and collectively possesses the necessary core competencies such as accounting, finance, business, investment, legal and management experience, industry knowledge and strategic planning experience. Collectively, they provide constructive advice and guidance for effective discharge by the Board of its principal functions over the Group's strategies business and other affairs. The Board does not currently have a female Director, however, it will not discriminate any consideration on the nomination of a suitable female candidate as a Director, as and when there is a need to appoint a new Director to the Board.

Each Director has been appointed based on the strength of his calibre, experience and stature and is expected to bring a valuable range of experience and expertise to contribute to the development of the Group's strategies and the performance of its business.

All Directors are subject to retirement and re-election at least once every three (3) years. The independence of each Independent Non-Executive Director is reviewed and assessed annually by the NC in light of the guidelines provided in the Code. Consideration is given to guideline 2.4 of the Code which states the independence of any Director who has served on the Board beyond nine (9) years from the date of his first appointment be subject to particularly rigorous review by the NC. The NC would provide its views to the Board why any such Director should be considered independent. The NC is of the view that the three (3) Independent Non-Executive Directors (who represent one-third (1/3) of the Board) are independent and none of their tenure has exceeded a cumulative term of nine (9) years.

The NC has conducted its annual review of the independence of Mr. Oon Thian Seng as an Independent Non-Executive Director. The presence of potential conflicts of interests which arised through, inter alia, a shareholding interest in the Company and/or business dealings directly or indirectly with Oon and Bazul LLP, Mr. Oon Thian Seng has made a disclaimer that he is not involved in the contract work directly or indirectly where all the advisory duties performed by another partner of Oon and Bazul LLP. The NC has assessed the independence of Mr. Oon Thian Seng in character and judgement through, inter alia, his contributions to Board discussions and deliberations. Based on this, the NC is satisfied that Mr. Oon Thian Seng has exercised independent judgement and character in the best interests of the Company in discharging his director's duties.

None of the Independent Non-Executive Directors of the Company has been appointed as a Director to the Company's principal subsidiaries. The Board and the Management are of the view that the current Board structures of the principal subsidiaries of the Company are well organized and constituted. The Board will from time to time make the appropriate corporate decisions to consider the appointment of any of the Independent Non-Executive Directors to the Company's principal subsidiaries.

Each Director is responsible for notifying the Chairman and the Company Secretary about any external positions, appointments or arrangements that could result in the Director not being "independent".

As and when required, the Independent Non-Executive Directors will hold a meeting without the presence of Management and Executive Directors, in order to facilitate a more effective check on the Management and/or the Executive Directors.

The profiles of each of the Directors are set out on pages 23 to 25 of this Annual Report.

Principle 3: Chairman and Chief Executive Officer
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.

Mr. Raymond Kim Goh continues to serve as the Executive Chairman of the Group and plays an active role in mapping out the directions for the Group's growth at a strategic level. He promotes culture of openness and debate within the Board and between the Board and Management. He exercises control over the quality and timeliness of information flow between the Board and Management. In addition, he provides close oversight, guidance, advice and leadership to the Group CEO and Management. At annual general meetings ("**AGM**") and other shareholder meetings, the Chairman plays a pivotal role in fostering constructive dialogue between shareholders, the Board and Management.

Mr. Francis Wong Chin Sing, the Group CEO, leads the Management in setting strategies, objectives and missions and is responsible for the day-to-day operations of the Group. He ensures that the Board members are provided with accurate and timely information.

The separation of the roles of Chairman and Group CEO is to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The Chairman and Group CEO are not related. The division of responsibilities and functions between both roles has been demarcated with the concurrence of the Board.

The performance and remuneration of Mr. Raymond Kim Goh and Mr. Francis Wong Chin Sing are reviewed annually by the NC and the RC, whose members also comprised only of Independent Non-Executive Directors of the Company. As such, the strong element of independence of the Board ensures that decisions are not based on a considerable concentration of power in a single individual. With the existence of various Board committees with power and authority to perform key functions, the Board believes that there are adequate safeguards in place against an uneven concentration of power and authority in a single individual.

Mr. Yeo Jeu Nam is the Lead Independent Non-Executive Director of the Company to whom concerns may be conveyed to as and when the need arises. His appointment as the Lead Independent Non-Executive Director is required for the Company where the Chairman is part of the Management team and is not an independent non-executive director.

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

The Board reviews, taking into consideration the NC's recommendations, the composition of the Board and Board committees semi-annually, having regard to the performance and contribution of each individual Director.

The NC comprises Mr. Oon Thian Seng, Mr. Yeo Jeu Nam and Mr. Chia Fook Eng as members who are Independent Non-Executive Directors. Mr. Oon Thian Seng is the Chairman of the NC.

The NC is responsible for:

(a) the review of the size, structure and compositions of the Board;
(b) the review of board succession plans for directors, in particular, the Chairman and for the Group CEO, if any;
(c) the development of a process for evaluation of the performance of the Board, its Board committees and Directors;
(d) the review of training and professional development programs for the Board; and
(e) the appointment and re-appointment of Directors (including alternate directors, if applicable).

In its search and selection process for new Directors, other than through formal search, the NC taps on the resources of Directors' personal contacts and recommendations of potential candidates and appraises the nominees to ensure that the candidates possess relevant experience and have the calibre to contribute to the Group and its businesses, having regard to the attributes of the existing Board and the requirements of the Group. The NC will make recommendation to the Board on each nomination of appointment of a new Director for the Board's consideration and approval.

The NC is responsible for reviewing and recommending all nominations and re-nominations of Directors. All Directors are subject to retirement in accordance with the provisions of the Company's Constitution whereby one-third (1/3) of the Directors are required to retire (or if their number is not a multiple of three (3), the number nearest to but not less than one-third (1/3)) and subject themselves for re-election by shareholders at every AGM. A newly appointed Director is subject to re-election by shareholders at the next AGM following his appointment and, thereafter, shall not be taken into account in determining the number of Directors who are to retire by rotation.

Apart from the requirements by the Company's Constitution, the NC also review the re-election of Directors taking into consideration the Directors' attendances and participation at the Board meetings, personal attributes, contributions towards issues from time to time.

The NC has recommended and the Board has agreed that Mr. Yeo Chee Neng, Mr. Tay Gim Sin Leonard and Mr. Chia Fook Eng, who retire by rotation pursuant to the Company's Constitution and being eligible for re-election, be re-elected as Directors of the Company at the upcoming AGM of the Company.

There are no relationships including immediate family relationships between Mr. Yeo Chee Neng, Mr. Tay Gim Sin Leonard and Mr. Chia Fook Eng and the other Directors, the Company or its 10% shareholders. The key information of Mr. Yeo Chee Neng, Mr. Tay Gim Sin Leonard and Mr. Chia Fook Eng can be found on pages 24 and 25 of this Annual Report.

Each member of the NC abstains from voting on any resolutions and making any recommendation and/or participating in respect of matters in which he has an interest.

All Directors have declared their board representations and principal commitments including their directorships in other listed companies both current and those held over in the preceding three (3) years (from 31 December 2012 to 31 December 2015) are as follows:

Name of Directors	Current directorship in other listed company	Past directorship in other listed company	Other principal commitment
Raymond Kim Goh	Vallianz Holdings Limited	Kreuz Holdings Limited	Patron of Punggol North Citizen's Consultative Committee Chairman of the School Advisory Board for Westwood Primary School
Francis Wong Chin Sing	–	Kreuz Holdings Limited	–
Yeo Chee Neng	Vallianz Holdings Limited	–	–
Jean Pers	–	–	–
Nitish Gupta	–	–	–
Tay Gim Sin Leonard	ISDN Holdings Limited	–	–
Yeo Jeu Nam	Vallianz Holdings Limited Frencken Group Limited	–	Director of Radiance Consulting Pte. Ltd.
Oon Thian Seng	–	–	Partner of Oon & Bazul LLP, Singapore and T.S. Oon & Partners, Malaysia
Chia Fook Eng	–	–	–

The NC is aware that some of the Directors do hold multiple directorships as each of them are required to disclose their other directorships to the Board, upon appointment and cessation. The NC is of the view that the contribution and performance assessment of the Directors should not be restricted to the number of board representations, but should also take into account his time commitments for the Board and participation and attendance at the meetings. Other considerations also include the ability and integrity of Directors to avoid potential conflict of interests while serving on multiple boards. Therefore, the NC will from time to time, evaluate their performance to ensure that each Director has devoted adequate and sufficient time to carry out his duties and responsibilities effectively, taking into consideration such Director's other board representation and/or principal commitments. The NC has reviewed, taking into account the individual performance assessment and their actual conduct on the Board, and is satisfied that the Directors with multiple board representations have given adequate time and attention to the Company's affairs during the year under review.

Principle 5: Board Performance
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 Group implemented the Board-approved evaluation process and performance criteria to assess the performance of the Board as a whole as well as the contributions of each individual Director.

At the date of this Annual Report, the NC has adopted a formal process to assess the effectiveness of the Board and the Board committees as a whole. The qualitative measures include the effectiveness of the Board in its monitoring role and the attainment of the strategic objectives set by the Board. The evaluation exercise is carried out by way of a performance evaluation checklist, which is circulated to the Board members for completion and thereafter for the NC to review and determine the actions required, if any, to improve the corporate governance of the Company and effectiveness of the Board as a whole.

A review of the Board's performance is undertaken collectively by the Board semi-annually and informally on a continuous basis by the NC with input from the other Board members. Renewals or replacement of Board members, when it occurs, do not necessarily reflect their contributions to date, but may be driven by the need to position and the shape the Board in line with the medium term needs of the Company and its business.

The performance of the Board is evaluated using agreed criteria, aligned as far as possible with appropriate corporate objectives. The criteria include board structure, board processes, board roles and responsibilities, conduct and performance of its principle functions and duties.

Assessment of each individual Director's performance is undertaken by the NC. Some factors considered in the individual review are such Director's attendance and participation in and outside meetings, the quality of such Director's intervention and industry and business knowledge made by the Director.

The NC is satisfied that each Director has contributed effectively and demonstrated commitment to their respective role (including commitment of time for the Board and Board committee meetings, and any other duties). The Board as a whole has also met the performance evaluation criteria and objectives during the financial year under review.

Principle 6: Access to Information
In order to fulfill 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.

The Board and the Board committees are furnished with management reports containing complete, adequate and timely information, and papers containing relevant background or explanatory information required to support the decision-making process. The management would also provide additional information on the matters for discussion.

All Directors have separate and independent access to senior management and to the Company Secretary. The Company Secretary administers and prepares minutes of the Board and the Board committees' meetings and assists the Chairman in ensuring that the Board procedures are followed and that applicable statutory and regulatory rules and regulations are complied with.

The appointment and the removal of the Company Secretary are subject to the Board's approval as a whole.

The Directors, in furtherance of their duties, are entitled to take independent professional advice at the expense of the Company when necessary.

REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies
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 RC comprises Mr. Yeo Jeu Nam, Mr. Oon Thian Seng and Mr. Chia Fook Eng who are Independent Non-Executive Directors. Mr. Yeo Jeu Nam is the Chairman of the RC.

The RC is responsible for:

(a) reviewing and recommending to the Board a framework of remuneration for the Directors and key management personnel;
(b) the review and recommendation of specific remuneration package for each Executive Director;
(c) the review of all aspects of remuneration of Directors, including directors' fees, salaries, allowances, bonuses, the options to be issued under the share option scheme, the awards to be granted under the share plan and other benefits-in-kind, where applicable; and
(d) reviewing the remuneration of the key management personnel, covering all aspects of remuneration including salaries, allowances, bonuses, options and benefits-in-kind, where applicable.

The Chairman of the RC reviews, for recommendation to the Board, the specific remuneration package for the Executive Directors and key management personnel. There are appropriate and meaningful measures in place for the purpose of assessing the performance of Executive Directors and key management personnel. The RC will consider, in consultation with the Board, amongst other things, their responsibilities, skills, expertise and contributions to the Company's performance and whether the remuneration packages are competitive and sufficient to ensure that the Company is able to attract and retain the best available executive talent. In determining remuneration packages of Executive Directors and key management personnel, the RC will ensure that Executive Directors and key management personnel are adequately but not excessively rewarded.

In reviewing and recommending the remuneration of Non-Executive Director and Independent Non-Executive Directors, the RC will consider, in consultation with the Board, the level of contribution, taking into account factors such as effort and time spent, and responsibilities of the Non-Executive Directors and Independent Non-Executive Directors. The RC will ensure that Non-Executive Director and Independent Non-Executive Directors are not over compensated to the extent that their independence may be compromised. Each member of the RC does not participate in any decision concerning his own remuneration.

The Independent Non-Executive Directors hold shares in the Company to ensure their interests are aligned with the shareholders' interests.

Principle 8: Level and Mix of Remuneration
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.

Principle 9: Disclosure on Remuneration
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.

The Company sets remuneration packages to ensure that it is competitive and sufficient to attract, retain and motivate Directors and key management personnel of the required experience and expertise to run the Group successfully.

In addition to the above, the Company ensures that the performance-related remuneration were implemented to ensure that the interests of the shareholders are aligned with, in order to promote the long-term success of the Company.

The Company had taken appropriate and meaningful measures in assessing the Executive Directors' and key management personnel's performance. The Company will assess the remuneration and employment conditions within the industry and take into account the Group's and individual's performance. The remuneration package of the Executive Directors and key management personnel is made up of fixed and variable compensation. The fixed compensation comprises annual basic salary and fixed allowances, whereas, variables compensation includes short-term and long-term cash incentives and share-based long-term incentives. The RC reviews and ensures that the remuneration of the Executive Directors and key management personnel commensurate with their performance taking into account the performance of the Group as a whole during the financial year.

Long-term incentive schemes are generally encourage for the Executive Directors and key management personnel. The RC had reviewed the Executive Directors and key management personnel who are eligible for benefits under the long-term incentive schemes. The long-term incentives schemes of the Company include the Swiber Employee Share Option Scheme and Swiber Performance Share Plan. The time-based vesting characteristics of the scheme and share plan help to strengthen the Group's ability to reward and retain the key management.

Other than the above, the Executive and Non-Executive Directors receive directors' fees subject to shareholders' approval at the AGM, in accordance with their level of contributions, taking into account factors such as responsibilities, effort and time spent for serving on the Board and the Board committees. The Directors' fees are recommended by the RC to the Board and upon concurrence, the Board further recommended the same for the shareholders' approval at the AGM.

During the financial year, the performance conditions and criteria used to determine the Executive Directors and key management personnel entitlement under the short-term and long-term incentive schemes have been met.

All the Executive Directors of the Company, Mr. Raymond Kim Goh, Mr. Francis Wong Chin Sing, Mr. Yeo Chee Neng, Mr. Jean Pers, Mr. Nitish Gupta and Mr. Tay Gim Sin Leonard have entered into separate service agreements with the Company which are reviewed annually (unless otherwise terminated by either party giving not less than six (6) months' notice to the other). The service agreements cover the terms of employment and specifically, the salaries and bonuses.

The Independent Non-Executive Directors do not have any service agreements with the Company except for directors' fees, which have to be approved by shareholders at AGMs. The Independent Non-Executive Directors do not receive any other forms of remuneration from the Company.

In view of the competitive nature of the Company's business as well as the sensitivity of information on remuneration, the Company is only disclosing the remuneration of each Director in percentage terms and do not disclose the upper limit of the remuneration band. The Company believes that full disclosure of their remuneration in dollar terms is not to the best interest of the Company. The following table shows a breakdown of the annual remuneration in percentage terms of Directors of the Company for the financial year under review:

Remuneration Band and Name of Director	Salary	Performance Incentives [(1)]/ Bonus [(2)]	Directors' Fees	Others Benefits	Total
S$500,000 and above					
Raymond Kim Goh	5%	91%	1%	3%	100%
Francis Wong Chin Sing	6%	88%	1%	5%	100%
Yeo Chee Neng	23%	73%	1%	3%	100%
Jean Pers	34%	63%	2%	1%	100%
Nitish Gupta	31%	63%	2%	4%	100%
Tay Gim Sin Leonard	40%	56%	2%	2%	100%
Below S$250,000					
Yeo Jeu Nam	0%	0%	100%	0%	100%
Oon Thian Seng	0%	0%	100%	0%	100%
Chia Fook Eng	0%	0%	100%	0%	100%

Notes:
1 Performance incentives refer to long-term cash incentive plan and long-term performance driven award.
2 Bonus is short-term cash incentive plan and is a sum of money or given in addition to usual compensation, normally for outstanding performance and service for certain period.

To maintain confidentiality of staff remuneration matters and for competitive reasons, the names of the key executives of the Group and their total remuneration received during the financial year are not disclosed in this Annual Report. The following table shows the annual remuneration of the top 10 key executives of the Group (who are not Directors or the CEO) for the financial year under review:

a) 8 key executives received remuneration of more than S$450,000.
b) 1 key executive received remuneration of S$350,000 but less than S$450,000.
c) 1 key executive received remuneration of less than S$250,000.

The Company does not have any employee who is immediate family member of a Director or the CEO, whose remuneration exceeded S$50,000 for the financial year ended 31 December 2015.

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Executive Directors owe a fiduciary duty to the Company and key management personnel are expected to carry out their roles as outlined in their letters of employment and therefore, the Company should be able to avail itself to remedies against the Executive Directors and the key management personnel in the event of such breach of (fiduciary) duties.

Details of the share options and awards under the Swiber Employee Share Option Scheme and Swiber Performance Share Plan can be found on pages 50 to 52 of this Annual Report.

ACCOUNTABILITY AND AUDIT

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

The Company provides the shareholders with quarterly and annually financial report which include a detailed and balanced explanation and analysis of the Company's performance, position and prospects on a quarterly basis. The Board is provided with appropriately detailed management reports on a quarterly basis.

For quarterly financial statements, the Board provides a negative assurance confirmation to shareholders, in line with the Listing Manual. For the full-year financial statements, the Board provides an opinion that the Group's internal controls, addressing financial, operational, compliance and information technology risks are adequate. This is based on the internal controls established and maintained by the Company and the Group, work performed by the internal and external auditors, and reviews performed by Management, various Board committees and the Board.

The Board ensures that all relevant regulatory compliances and updates will be highlighted from time to time to ensure adequate compliances with the regulatory and relevant government authorities.

Principle 11: Risk Management and Internal Controls
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.

The Board annually reviews the adequacy and effectiveness of the Group's risk management and internal controls framework, including financial, operational, compliance and information technology controls.

On an annual basis, the Company's internal auditors prepare an audit plan which complements that of the external auditors, so as to review the adequacy and effectiveness of the system of internal controls of the Group. These include operational, financial, compliance and information technology controls. The internal auditors follow up these recommendations to ensure that Management has implemented them on a timely and appropriate manner and reports to the AC periodically. In addition, the external auditors will highlight and report to the AC at the AC meetings, of any material internal control weaknesses which have come to their attention in the course of their statutory audit. All audit findings and recommendations made by the internal and external auditors are reported to the AC.

An annual internal control assessment checklist, which takes into account the significant operational, financial, compliance and information technology risks, were also prepared and reviewed by the Management, Group CEO and Group Chief Financial Officer ("**CFO**") for the financial year under review in order to assist the AC and the Board to assess the adequacy of the risk management and internal control systems of the Group.

With the presence of the Exco which meets regularly, the Board is able to receive the feedback and response on the risks and legal issues which will affect the Group in terms of operational risks, on a timely basis.

For the financial year under review, the Group CEO and the Group CFO have provided their confirmation and assurance to the Board on the integrity of the financial statements for the Company and that they give a true and fair view of the Company's operations, finances and effectiveness of the Company's risk management and internal controls systems.

Based on the internal controls established by and maintained by the Company, the assurance provided by the Group CEO and the Group CFO, the work performed by the internal and external auditors and reviews performed by Management and various Board committees and the Board, the Board, with the concurrence of the AC, is of the opinion that the Company's risk management and internal controls in place in addressing the financial, operational, compliance and information technology risks, are adequate and effective as at 31 December 2015.

The system of internal controls and risk management established by the Company provides reasonable, but not absolute, assurance that the Company will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. The Company is also consistently improving the Company's internal controls and to adopts the recommendations which were highlighted by the internal and external auditors to further safeguard the Company's internal controls.

The Company does not have a risk management committee. The senior management assumes the responsibility of the risk management function. The senior management regularly assesses and reviews the Group's business and operational environment in order to identify areas of significant business and financial risks, such as credit risks, foreign exchange risks, liquidity risks and interest rate risks, as well as appropriate measures to control and mitigate these risks.

Principle 12: Audit Committee
The board should establish an audit committee with written terms of reference which clearly set out its authority and duties.

The AC comprises Mr. Yeo Jeu Nam, Mr. Oon Thian Seng, Mr. Chia Fook Eng and Mr. Francis Wong Chin Sing. Save for Mr. Francis Wong Chin Sing, an Executive Director of the Company, the other three (3) members of the AC are Independent Non-Executive Directors. Mr. Yeo Jeu Nam is the Chairman of the AC.

Areas of review of the AC include:

(a) the audit plans and reports of the Company's external auditors;
(b) co-operation given by the Company's officers to the external auditors;
(c) the financial statements of the Company and its subsidiaries before their submission to the Board;
(d) the quarterly, half-yearly and annual announcements as well as the related press releases on the results and financial positions of the Company and the Group;
(e) the nomination of the Company's internal and external auditors for re-appointment including recommending to the Board their remuneration and terms of engagement;
(f) the Company's internal audit plans and reports;
(g) interested person transaction (if any);
(h) the adequacy and effectiveness of the Company's system of internal controls and regulatory compliance through discussion with Board, Management, internal and external auditors;
(i) the transactions in which there may be potential conflicts of interests between the Group and its interested persons and recommending whether those who are in a position of conflict should abstain from participating in any discussion or deliberations of the Board or voting on resolutions of the Board or the shareholders in relation to such transactions;
(j) the procedures to hedge the exposure to foreign currency fluctuations (if any); and
(k) the findings of internal investigations into matters where there is any suspected fraud or irregularity or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's results of operation and/or financial position, if any.

The AC has the express power to conduct or authorize investigations into any matters within its terms of reference, has full access to and co-operation by Management. The AC has full discretion to invite any other Directors or key management personnel to attend its meetings and to ensure that reasonable resources are available to enable it to discharge its function properly.

As at the date of this Annual Report, the AC has met with the external and internal auditors separately without the presence of Executive Directors/Management to review any area of audit concern. Ad-hoc AC meetings may be carried out from time to time, as circumstances require.

The Company has implemented a whistle blowing policy which will provide well-defined and accessible channels in the Group through which employees may raise concerns about improper conduct within the Group. The AC will review arrangements by which staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The AC's objectives are to ensure that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action. There have been no reported incidents pertaining to whistle-blowing for the financial year ended 31 December 2015.

Statutory audit review and the implementation of the Company's material internal controls are reviewed by the Company's external auditors, Messrs PricewaterhouseCoopers LLP ("**PwC**") to the extent set out in their audit plan. Any material non-compliance and internal control weaknesses noted during their audit, and the external auditors' recommendations to address such non-compliance and weaknesses, will be reported to the AC.

Any material non-compliances and internal control weaknesses will be followed up by the Management as part of Management's role in the review of the Company's internal control systems. For the financial year ended 31 December 2015, the Board is satisfied that the Company's internal controls are adequate.

The AC reviews the scope and results of the audit work, the cost effectiveness of the audit and the independence and objectivity of the external auditors. During the financial year under review, the AC has reviewed the independence of external auditors including the volume of all non-audit services provided to the Group, and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. The AC is pleased to recommend the re-appointment of PwC as external auditors of the Company at the upcoming AGM.

The Group has appointed different auditors for its overseas subsidiaries. The Board and the AC are satisfied that such appointment (including the significant associated companies which are not audited by PwC) would not compromise the standard and effectiveness of the audit of the Group. Accordingly, the Company has complied with Rule 712 and Rule 716 of the Listing Manual in the appointment of its external auditors.

The aggregate amount of agreed fees to be paid to PwC for the financial year under review is US$460,300 which comprises of audit fee of US$376,900 and non-audit fee of US$83,400.

In order to ensure that the AC is able to fulfill its responsibilities, Management provides Board members with management reports and updates of the accounting standards, regulations and issues which have a direct impact on the financial statements. This is to ensure that all relevant information including the material events and transactions are circulated to the AC as and when they arise.

In addition to that, whenever necessary, senior management staff will be invited to attend the AC meetings to answer queries and provide detailed insights into their areas of operations. The AC is kept informed by Management on the status of on-going activities between Board meetings. Where a decision has to be made before a Board meeting, a directors' resolution is done in accordance with the Constitution of the Company and the AC is provided with all necessary information to enable them to make informed decisions.

The AC has full access to and co-operation by the Management and has been given resources to enable the AC to discharge its functions properly. The external and internal auditors have unrestricted access to the AC.

The AC has been provided with the phone numbers and email particulars of the Company's senior management and Company Secretary to facilitate access.

As at the date of this report, none of the former partners or Directors of the Company's external auditors' firm has been appointed as a member of the AC.

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

The Board supports the need of an internal audit function where its primary objective is to maintain a system of internal controls and processes to safeguard shareholders' investment and the Group's assets. The internal auditors' primary role is to assist the Board and Management to review the effectiveness of the key internal controls, including financial, operational, compliance and information technology controls, and risk management on an ongoing basis and to provide an independent and objective evaluation of the adequacy and effectiveness of risk management, controls and governance processes. The internal auditor team is expected to meet the standards set by nationally or internationally recognized professional bodies including the standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors.

The Group has outsourced its internal audit function to Messrs MS Risk Management Pte. Ltd.. The internal auditors carry out their duties as set out in their engagement terms, together with review and audit on the Company's design and implementation of the internal controls to the extent as set out in their annual internal audit plan. Any internal control issues will be highlighted and noted during their audit review and their recommendations will be reported to the AC during the AC quarterly meeting.

The internal auditors' primary line of reporting is to the Chairman of the AC. Procedures are in place for internal auditors to report independently their findings and recommendations to the AC. The AC will review the internal audit plan, the scope and findings of internal audit procedures and reports during the year. For financial year ended 31 December 2015, the AC is satisfied that the internal audit is adequately resourced and has appropriate standing within the Group.

SHAREHOLDER RIGHTS AND COMMUNICATION WITH SHAREHOLDERS

Principle 14: Shareholders' Rights
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.

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

Principle 16: Conduct of Shareholders' Meeting
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 Board is mindful of its obligations to provide its shareholders with timely disclosure of material information presented in a fair and objective manner.

The Company does not practise selective disclosure. In line with the continuing obligations of the Company pursuant to the Listing Manual, the Board's policy is that all shareholders would be equally informed of all major developments and/or transactions impacting the Group. The Company is committed to disclosing as much relevant information as possible, in a timely, fair and transparent manner, to its shareholders.

Quarterly results of the Company will be published through the SGXNET, news releases and the Company's website. All information on the Company's new initiatives will be first disseminated via SGXNET followed by a news release, which will also be available on the website. Price sensitive information is first publicly released, either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Results and annual reports are announced or issued within the period prescribed by the SGX-ST and are available on the Company's website. The Company notifies the date of the release of its quarterly results at least five (5) days prior to the date of the results announcements through the SGXNET. The release of such timely and relevant information is crucial to good corporate governance and enables shareholders to make informed decisions in respect of their investments in the Company.

The Company has an investor relations team and supported by external consultant firm in promoting communication with shareholders and analysts. Contact information of the internal and external investor relations teams are made available on the Company's website.

The AGM of the Company is a principal forum for dialogue and interaction with all shareholders. All shareholders will receive the annual report of the Company and notice of AGM. At the AGM, shareholders will be given the opportunity to voice their views and to direct questions regarding the Group to the Directors. The Chairmen of the AC, NC and RC would be present at the AGMs to answer any question relating to the work of these committees. The external auditors are also present to address shareholders' queries about the conduct of the audit and preparation and content of the auditors' report.

Shareholders are given the right to vote on the resolutions at general meetings. Each item of special business included in the notice of the meeting is accompanied, where appropriate, by an explanation for the proposed resolution. The Company provides for separate resolutions at general meetings on each distinct issue to be carried in a separate resolution. The results of all general meetings of the Company are notified and released through SGXNET after the meetings. Proxy forms are sent with the notice of general meeting to all shareholders so that shareholders who are unable to attend the general meeting in person can appoint a proxy or proxies to attend and vote on their behalf. The Company's Constitution allows a shareholder of the Company to appoint up to two proxies to attend and vote at all general meetings on his/her behalf. As the authentication of shareholder identity and other related security issues still remain a concern, the Company is implementing voting in absentia by mail, e-mail or fax. Minutes of the general meetings which include substantial and relevant comments and queries from shareholders relating to the agenda of the general meetings together with responses from the Board and Management are prepared and made available to the shareholders upon request.

With effect from 3 January 2016, the Companies Act, Chapter 50 was amended, among others, to allow specified intermediaries which provide custodial services and are members of the company to appoint more than two (2) proxies in general meetings.

In line with the new listing rules to promote greater transparency in general meetings and support listed companies in enhancing their shareholders' participation introduced by the SGX-ST on 31 July 2013 which takes effect from 1 August 2015, the Company has conducted the voting of all resolutions at its general meetings by poll at all its AGM and EGM since year 2015 where shareholders are accorded rights proportionate to their shareholdings and all votes are counted. Shareholders are informed of the rules including voting procedures governing such meetings by the appointed scrutineers.

As at the date of this Annual Report, the Company does not have a formal dividend policy in place. However, the Company, in determining the form, frequency and amount of future dividends on the Company's shares in any particular year, will take into account, among other things, the level of cash and retained earnings, the results of operations, the capital expenditure requirements, the expansion and/or investment plans and other factors that the Company's Directors may deem appropriate.

In considering dividend payments for the future financial years, the Directors will take into account the current desire to maintain and potentially increase dividend level subject to the objective of maximising shareholders' value over longer terms and the factors stated in the paragraph above.

INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that the transactions are carried out on an arm's length basis. There were no interested person transactions entered into by the Group during the financial year under review.

MATERIAL CONTRACTS

Save for the service agreements entered into between the Executive Directors there was no material contract entered into by the Company and its subsidiaries involving the interests of any Director or controlling shareholders subsisting at the end of the financial year ended 31 December 2015.

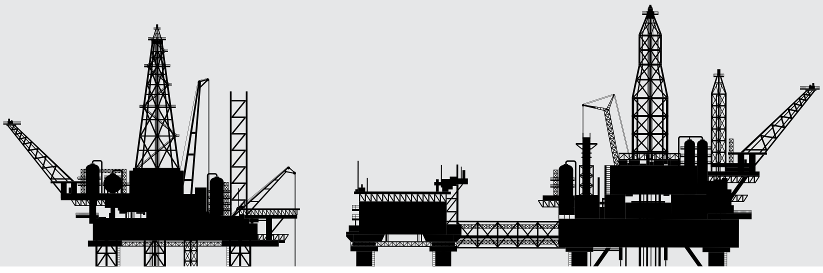
DEALING IN SECURITIES

The Company has adopted an internal code on dealings in securities. Directors, senior management and employees (collectively "**Officers**") of the Group who have access to price-sensitive, financial or confidential information are not permitted to deal in the Company's securities during the periods commencing two (2) weeks before announcement of the Group's quarterly results and one (1) month before the announcement of the Group's yearly results and ending on the date of announcement of such result, or when they are in possession of unpublished price-sensitive information on the Group. In addition, the Officers of the Group are advised not to deal in the Company's securities for a short-term considerations and are expected to observe the insider trading laws at all times even when dealing in securities within the permitted trading periods. Officers are to consult with the Group CFO or Company Secretary before trading in Company's securities and to confirm annually that they have complied with and not in breach of the code. The Board is kept informed when a Director trades in the Company's securities.

OTHER CODES

The Company has a Code of Business Conduct for employees that sets the responsibilities, policies as well as standard and ethical conduct expected of employees. The Code of Business Conduct covers all aspects of the business operations of the Group such as confidentiality of information, insider trading, gifts, gratuities or bribes and dishonest conduct. Employees are required to observe and maintain high standards of integrity, as well as compliance with laws and regulations and company policies.

Financial Contents



Directors' Statement

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2015 and the statement of financial position of the Company as at 31 December 2015.

In the opinion of the directors,

(a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 56 to 125 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) 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 as follows:

Raymond Kim Goh
Francis Wong Chin Sing
Yeo Chee Neng
Jean Pers
Nitish Gupta
Tay Gim Sin Leonard
Yeo Jeu Nam
Oon Thian Seng
Chia Fook Eng

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was 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, other than as disclosed under "Share Options and Awards" in this statement.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interests in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in the name of director or nominee			Holdings in which director is deemed to have an interest		
	At 1.1.2015 or date of appointment if later	At 31.12.2015[1]	At 21.1.2016	At 1.1.2015 or date of appointment if later	At 31.12.2015[1]	At 21.1.2016
The Company						
(No. of ordinary shares)						
Raymond Kim Goh	7,800,000	3,900,000	3,900,000	77,000,000[2]	70,034,083[2]	70,034,083[2]
Francis Wong Chin Sing	333,333	166,666	166,666	–	–	–
Yeo Chee Neng	20,403,000	10,201,500	10,201,500	–	70,034,083[3]	70,034,083[3]
Jean Pers	20,200,000	10,100,000	10,100,000	–	–	–
Nitish Gupta	560,000	280,000	280,000	–	–	–

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (CONTINUED)

	Holdings registered in the name of director or nominee			Holdings in which director is deemed to have an interest		
	At 1.1.2015 or date of appointment if later	At 31.12.2015[1]	At 21.1.2016	At 1.1.2015 or date of appointment if later	At 31.12.2015[1]	At 21.1.2016
The Company						
(No. of ordinary shares)						
Tay Gim Sin Leonard	400,000	300,000	300,000	–	–	–
Yeo Jeu Nam	30,000	22,500	22,500	–	–	–
Oon Thian Seng	30,000	22,500	22,500	–	–	–
Chia Fook Eng	15,000	11,250	11,250	–	–	–

Notes:
(1) Adjustments made following the 2:1 share consolidation (the "Share Consolidation"), which was effected as of 8 September 2015.
(2) Mr. Raymond Kim Goh is deemed to have an interest in the shares held by Newshire Capital Limited by virtue of Section 4 of the Securities and Futures Act (Cap. 289).
(3) Mr. Yeo Chee Neng is deemed to have an interest in the shares held by Newshire Capital Limited by virtue of Section 4 of the Securities and Futures Act (Cap. 289).

SHARE OPTIONS AND AWARDS

(a) Options to take up unissued shares

Swiber Employee Share Option Scheme

On 29 September 2006, the Company adopted the Swiber Employee Share Option Scheme ("Scheme") to grant share options to eligible employees (including executive directors) and non-executive directors (including independent directors) of the Company and its subsidiaries. Under the Scheme, the executive directors who are controlling shareholders and their respective associates shall not be eligible to participate in the Scheme.

The Scheme is administered by the Share Options Committee comprising the following members:

Yeo Jeu Nam
Chia Fook Eng
Oon Thian Seng
Raymond Kim Goh

The Scheme shall continue in operation for a maximum period of 10 years commencing from 29 September 2006, provided always that the Scheme may continue for any further period thereafter with the approval of the shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

SHARE OPTIONS AND AWARDS (CONTINUED)

(a) Options to take up unissued shares (continued)

Swiber Employee Share Option Scheme (continued)

The Share Options Committee has the absolute discretion to grant options with an exercise price at a discount to a price ("Market Price") equal to the average of the last dealt prices for the shares on the Singapore Exchange Securities Trading Limited for the five consecutive market days immediately preceding the relevant date of grant of the options (subject to a maximum limit of 20%) or at Market Price. The options may be exercisable after the first anniversary from the date of grant if offer price is not at a discount or after the second anniversary from the date of grant if offer price is at a discount. The total number of shares over which options may be granted or to be granted under the Scheme on any date, when added to the number of shares issued and issuable in respect of all options granted or to be granted under the Scheme and all awards granted or to be granted under Swiber Performance Share Plan and all shares, options or awards granted or to be granted under any other share option schemes or share plans of the Company shall not exceed 15% of the total number of issued shares, excluding treasury shares of the Company from time to time. The options granted under the Scheme will have a life span of five years. Options granted may lapse or be exercised earlier in circumstances which includes the termination of the employment of the participants in the group, the bankruptcy of the participants, the death of the participants, a take-over or winding up of the Company.

(b) Unissued shares under option

Details of share options are disclosed in Note 21 to the financial statements.

The number of unissued ordinary shares of the Company under option in relation to the Scheme outstanding at the end of the financial year are as follows:

Date of grant	No. of unissued ordinary shares under option at 31 December 2015[1]	Exercise price[1]	Exercise period
26 January 2011	7,500,000	S$1.94	26 January 2012 to 25 January 2016
19 March 2013	7,500,000	S$1.28	19 March 2014 to 18 March 2018

[1] Adjustments made following the Share Consolidation, which was effected as of 8 September 2015.

The details of share options granted under the Scheme to the directors of the Company are as follows:

Name of director	Options granted during the year	Aggregate options granted since commencement of Scheme to 31 December 2015[1]	Aggregate options exercised since commencement of Scheme to 31 December 2015	Aggregate options outstanding as at 31 December 2015[1]
Raymond Kim Goh	–	5,000,000	–	5,000,000
Francis Wong Chin Sing	–	3,000,000	–	3,000,000
Yeo Chee Neng	–	2,000,000	–	2,000,000
Jean Pers	–	2,000,000	–	2,000,000
Nitish Gupta	–	2,000,000	–	2,000,000
Yeo Jeu Nam	–	400,000	–	400,000
Oon Thian Seng	–	300,000	–	300,000
Chia Fook Eng	–	300,000	–	300,000

[1] Adjustments made following the Share Consolidation, which was effected as of 8 September 2015.

Except as disclosed above, no options have been granted to controlling shareholders of the Company or their associates.

During the year under review, no participants to the Scheme has received options which represents 5% or more of the total number of options available under the Scheme and no shares were issued at a discount to the market price.

SHARE OPTIONS AND AWARDS (CONTINUED)

(c) Unissued shares under awards

Swiber Performance Share Plan

The Swiber Performance Share Plan ("Plan") was approved by the shareholders on 29 September 2006. The purpose of the Plan is to provide eligible participants with an opportunity to participate in the equity of the Company and to motivate them towards excellence performance and to maintain high level of contribution to the Group. Full-time employees of the Group (including executive directors) and non-executive directors (including independent directors) are eligible to participate in the Plan. Under the Plan, the executive directors who are controlling shareholders and their respective associates shall not be eligible to participate in the Plan.

The Plan is administered by the Awards Committee comprising of the following members:

Yeo Jeu Nam
Chia Fook Eng
Oon Thian Seng
Raymond Kim Goh

The total number of new shares which may be issued pursuant to the awards granted on any date and total number of existing shares which may be purchased from the market for delivery pursuant to awards granted under the Plan, when added to the number of new shares issued and issuable or existing shares delivered and deliverable in respect of all awards granted or to be granted under the Plan, all options granted or to be granted under the Scheme and all shares, options or awards granted or to be granted under any other share option schemes or share plans of the Company shall not exceed 15% of the total number of issued shares, excluding treasury shares of the Company from time to time. The Plan is designed to reward the participants through the issue of fully-paid shares free of charge according to the extent to which they complete certain time-based service conditions or achieve their performance targets over set performance periods. The Awards Committee has the absolute discretion to determine the eligible participants in the Plan.

Details of share awards are disclosed in Note 21 to the financial statements.

There is no treasury shares re-issued for the financial year 31 December 2015.

The unvested awards under the Plan at the end of the financial year is as follows:

Date of grant	At 1 January 2015	Vested	Cancelled	Subtotal	Share Consolidation	At 31 December 2015
19 March 2013	4,000,000	(1,860,000)	(140,000)	2,000,000	1,000,000	1,000,000

The details of share awards granted under the Plan to a director of the Company are as follows:

Name of director	Awards granted during the year	Awards vested during the year	Aggregate awards granted since commencement of the Plan to 31 December 2015	Aggregate ordinary shares vested since commencement of the Plan to 31 December 2015	Aggregate awards unvested as at 31 December 2015[(1)]
Tay Gim Sin Leonard	–	200,000	900,000	700,000	100,000

(1) Adjustments made following the Share Consolidation, which was effected as of 8 September 2015.

AUDIT COMMITTEE

At the end of financial year, the Audit Committee comprises of three independent non-executive directors and one executive director:

Yeo Jeu Nam (Chairman)
Oon Thian Seng
Chia Fook Eng
Francis Wong Chin Sing

The financial statements, accounting policies and system of internal accounting controls are the responsibility of the Board of Directors acting through the Audit Committee.

The Audit Committee has met four times during the financial year and has reviewed the following, where relevant, with the executive directors and the external and internal auditors of the Company:

(a) the scope and the results of internal audit procedures with the internal auditor;

(b) the Group's financial and operating results and accounting policies;

(c) the financial statements of the Company and the consolidated financial statements of the Group before their submission to the Board of Directors of the Company and external auditors' report on those financial statements;

(d) the quarterly, half-yearly and annual announcements as well as the related press releases on the results and financial position of the Company and the Group;

(e) the co-operation and assistance given by the management to the Group's external auditors;

(f) the re-appointment of the external auditors of the Group; and

(g) the adequacy and effectiveness of the Group's system of internal controls and regulatory compliance.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its functions properly. It also has full discretion to invite any director or key management personnel to attend its meetings. The independent auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the Board that the independent auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

INDEPENDENT AUDITOR

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

RAYMOND KIM GOH
Director

FRANCIS WONG CHIN SING
Director

18 March 2016

Independent Auditor's Report

TO THE MEMBERS OF SWIBER HOLDINGS LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Swiber Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 56 to 125, which comprise the statements of financial position of the Group and of the Company as at 31 December 2015, the consolidated income statement, consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the financial 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 financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (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 auditor's judgement, including the assessment of the risks 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 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 the statement of financial position 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 flows of the Group for the financial 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.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 18 March 2016

Statement of Financial Position

AS AT 31 DECEMBER 2015

	Note	Group		Company	
		2015	2014	**2015**	2014
		US$'000	US$'000	**US$'000**	US$'000
ASSETS					
Current assets					
Cash and cash equivalents	4	**100,514**	176,098	**6,916**	19,416
Trade receivables	5	**442,215**	454,342	**–**	–
Other receivables	6	**210,957**	207,205	**853,619**	910,079
Inventories	7	**39,903**	6,887	**–**	–
Construction contract work-in-progress	8	**169,367**	175,987	**–**	–
		962,956	1,020,519	**860,535**	929,495
Non-current assets					
Investments in associates	10	**158,451**	196,357	**107,022**	141,720
Investments in joint ventures	11	**27,788**	22,559	**–**	–
Investments in subsidiaries	12	**–**	–	**121,805**	121,805
Other receivables	6	**67,843**	157,048	**66,292**	67,578
Property, plant and equipment	13	**787,227**	748,690	**619**	575
Deferred income tax assets	19	**–**	3,819	**–**	–
Goodwill		**309**	309	**–**	–
		1,041,618	1,128,782	**295,738**	331,678
Total assets		**2,004,574**	2,149,301	**1,156,273**	1,261,173

The accompanying notes form an integral part of these financial statements.

Statement of Financial Position

AS AT 31 DECEMBER 2015

	Note	Group 2015 US$'000	Group 2014 US$'000	Company 2015 US$'000	Company 2014 US$'000
LIABILITIES					
Current liabilities					
Trade payables	14	**247,362**	181,699	**–**	–
Other payables	15	**66,493**	89,537	**258,648**	259,776
Income tax liabilities	28	**16,111**	16,221	**–**	–
Bank borrowings	16	**231,687**	251,289	**–**	–
Derivative financial instruments	9	**31,923**	4,376	**31,923**	4,376
Notes payables	17	**213,973**	71,615	**213,973**	71,615
Finance leases	18	**34,848**	26,529	**292**	212
		842,397	641,266	**504,836**	335,979
Non-current liabilities					
Derivative financial instruments	9	**45,837**	38,182	**24,536**	27,974
Bank borrowings	16	**100,481**	101,181	**–**	–
Notes payables	17	**320,540**	566,645	**180,921**	417,802
Finance leases	18	**115,273**	148,702	**244**	305
Deferred income tax liabilities	19	**4,601**	–	**–**	–
		586,732	854,710	**205,701**	446,081
Total liabilities		**1,429,129**	1,495,976	**710,537**	782,060
EQUITY					
Capital, reserves and non-controlling interests					
Share capital	20	**241,333**	208,246	**241,333**	208,246
Perpetual capital securities	22	**–**	63,512	**–**	63,512
Hedging reserve	21	**(16,983)**	(13,428)	**(9,900)**	(8,023)
Translation reserve	21	**(4,080)**	4,514	**–**	–
Equity reserve	21	**178**	(590)	**–**	–
Employees' share options & awards reserve	21	**7,568**	6,643	**7,568**	6,643
Retained earnings		**257,365**	284,740	**206,735**	208,735
Equity attributable to owners of the Company and perpetual capital securities holders		**485,381**	553,637	**445,736**	479,113
Non-controlling interests		**90,064**	99,688	**–**	–
Total equity		**575,445**	653,325	**445,736**	479,113
Total liabilities and equity		**2,004,574**	2,149,301	**1,156,273**	1,261,173

The accompanying notes form an integral part of these financial statements.

Consolidated Income Statement

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

		Group	
	Note	**2015**	2014
		US$'000	US$'000
Revenue	23	**832,995**	726,513
Cost of sales		**(733,652)**	(708,999)
Gross profit		**99,343**	17,514
Other operating income-net	26	**8,866**	103,505
Administrative expenses		**(28,774)**	(55,291)
Other operating expenses		**(11,861)**	(5,904)
Finance expenses	27	**(60,393)**	(65,541)
Share of profits of associates and joint ventures	10,11	**27,838**	41,451
Impairment loss on investment in an associate	10	**(24,636)**	–
Profit before tax		**10,383**	35,734
Income tax expenses	28	**(29,062)**	(4,487)
(Loss)/profit for the year		**(18,679)**	31,247
Attributable to:			
Owners of the Company		**(27,375)**	16,422
Perpetual capital securities holders		**3,990**	6,111
Non-controlling interests		**4,706**	8,714
		(18,679)	31,247
Earnings per share (in US cents):			
Basic (restated)	29	**(6.0)**	5.0
Diluted (restated)	29	**(6.0)**	5.0

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	Group 2015 US$'000	Group 2014 US$'000
(Loss)/profit for the year		**(18,679)**	31,247
Other comprehensive (loss)/income:			
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges			
– Fair value losses		**(3,855)**	(8,306)
– Reclassification		**300**	1,403
Currency translation differences arising from consolidation			
– (Loss)/gain		**(8,594)**	2,640
– Reclassification		**–**	2,391
Share of other comprehensive income/(loss) of			
– Associates		**634**	(500)
– Joint ventures		**–**	(123)
Other comprehensive loss for the year, net of tax	28(b)	**(11,515)**	(2,495)
Total comprehensive (loss)/income for the year		**(30,194)**	28,752
Total comprehensive (loss)/income attributable to:			
Owners of the Company		**(38,890)**	13,927
Perpetual capital securities holders		**3,990**	6,111
Non-controlling interests		**4,706**	8,714
		(30,194)	28,752

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

GROUP

	Share capital	Hedging reserve	Translation reserve	Equity reserve	Employees' share options & awards reserve	Retained earnings	Equity attributable to owners of the Company	Perpetual capital securities	Equity attributable to owners of the Company and perpetual capital securities holders	Non-controlling interests	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
2015											
Beginning of financial year	208,246	(13,428)	4,514	(590)	6,643	284,740	490,125	63,512	553,637	99,688	653,325
(Loss)/profit for the year	–	–	–	–	–	(27,375)	(27,375)	3,990	(23,385)	4,706	(18,679)
Other comprehensive (loss)/income for the year	–	(3,555)	(8,594)	634	–	–	(11,515)	–	(11,515)	–	(11,515)
Total comprehensive (loss)/income for the year	–	(3,555)	(8,594)	634	–	(27,375)	(38,890)	3,990	(34,900)	4,706	(30,194)
Issue of ordinary shares pursuant to rights issuance	33,087	–	–	–	–	–	33,087	–	33,087	–	33,087
Value of employee services received for issue of share options	–	–	–	134	925	–	1,059	–	1,059	–	1,059
Redemption of preference shares issued by a subsidiary	–	–	–	–	–	–	–	–	–	(9,500)	(9,500)
Dividends payable and paid on preference shares issued by a subsidiary	–	–	–	–	–	–	–	–	–	(4,830)	(4,830)
Redemption of perpetual capital securities	–	–	–	–	–	–	–	(67,502)	(67,502)	–	(67,502)
Total transactions with owners recognised directly in equity	33,087	–	–	134	925	–	34,146	(67,502)	(33,356)	(14,330)	(47,686)
End of financial year	241,333	(16,983)	(4,080)	178	7,568	257,365	485,381	–	485,381	90,064	575,445

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

GROUP

	Share capital	Treasury shares	Hedging reserve	Translation reserve	Equity reserve	Employees' share options & awards reserve	Retained earnings	Equity attributable to owners of the Company	Perpetual capital securities	Equity attributable to owners of the Company and perpetual capital securities holders	Non-controlling interests	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
2014												
Beginning of financial year	208,246	(780)	(5,902)	(517)	(7,899)	6,138	282,868	482,154	63,601	545,755	195,809	741,564
Profit for the year	–	–	–	–	–	–	16,422	16,422	6,111	22,533	8,714	31,247
Other comprehensive (loss)/income for the year	–	–	(7,526)	5,031	–	–	–	(2,495)	–	(2,495)	–	(2,495)
Total comprehensive income for the year	–	–	(7,526)	5,031	–	–	16,422	13,927	6,111	20,038	8,714	28,752
Value of employee services received for issue of share options	–	–	–	–	–	1,222	–	1,222	–	1,222	–	1,222
Performance shares awarded using treasury shares	–	780	–	–	(63)	(717)	–	–	–	–	–	–
Disposal of a subsidiary	–	–	–	–	7,372	–	–	7,372	–	7,372	(94,349)	(86,977)
Redemption of preference shares issued by a subsidiary	–	–	–	–	–	–	–	–	–	–	(5,200)	(5,200)
Dividends paid on preference shares issued by a subsidiary	–	–	–	–	–	–	–	–	–	–	(5,286)	(5,286)
Dividends paid	–	–	–	–	–	–	(14,550)	(14,550)	–	(14,550)	–	(14,550)
Perpetual capital securities distribution payable and paid	–	–	–	–	–	–	–	–	(6,200)	(6,200)	–	(6,200)
Total transactions with owners recognised directly in equity	–	780	–	–	7,309	505	(14,550)	(5,956)	(6,200)	(12,156)	(104,835)	(116,991)
End of financial year	208,246	–	(13,428)	4,514	(590)	6,643	284,740	490,125	63,512	553,637	99,688	653,325

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	Group 2015 US$'000	2014 US$'000
Operating activities			
(Loss)/profit for the year		**(18,679)**	31,247
Adjustments for:			
Income tax expense		**29,062**	4,487
Share of profit of associates and joint ventures		**(27,838)**	(41,451)
Impairment loss on trade receivables	5	**7,966**	–
Impairment loss on other receivables	6	**665**	–
Impairment loss on investment in an associate		**24,636**	–
Bad debts written off		**185**	838
Depreciation of property, plant and equipment	13	**43,083**	44,092
Amortisation of capitalised vessel costs		**4,230**	6,050
Amortisation of transaction costs	27	**4,433**	3,297
Employees' share options and awards expense		**925**	1,222
Property, plant and equipment written off		**2,357**	7
Interest income		**(2,364)**	(3,329)
Finance costs		**60,393**	65,541
Fair value loss on financial liabilities designated as fair value through profit or loss		**–**	22,565
Unrealised foreign exchange (gains)/losses		**(5,686)**	3,138
Gain on disposal of property, plant and equipment		**(1,809)**	(1,796)
Gain on disposal of associates, joint ventures and subsidiaries		**(350)**	(101,812)
		121,209	34,096
Change in working capital, net of effects from acquisition and disposal of subsidiaries:			
Trade receivables		**4,161**	(74,730)
Construction contract work-in-progress		**6,620**	29,244
Inventories		**(33,016)**	2,150
Other assets and receivables		**67,988**	118,725
Trade payables		**65,663**	33,906
Other payables		**(67,493)**	(53,282)
Cash generated from operations		**165,132**	90,109
Income taxes paid	28(a)	**(20,752)**	(13,690)
Interest expense paid		**(49,136)**	(43,331)
Net cash generated from operating activities		**95,244**	33,088
Investing activities			
Interest income received		**975**	2,095
Dividends received from associates		**24,521**	3,706
Dividend received from a joint venture		**–**	1,000
Investment in associate		**(25)**	(41,810)
Proceeds on disposal of property, plant and equipment	(Note A)	**3,349**	7,951
Proceeds from disposal of subsidiary		**–**	93,406
Proceeds from disposal of associates		**334**	11,248
Purchases of property, plant and equipment	(Note B)	**(30,718)**	(191,765)
Cash flow from acquisition of subsidiary		**–**	20
Net cash used in investing activities		**(1,564)**	(114,149)

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	Group 2015 US$'000	2014 US$'000
Financing activities			
Pledged deposits		**2,305**	1,253
Proceeds from issuance of ordinary shares pursuant to rights issuance		**33,087**	–
Proceeds from issuance of notes payables		**–**	288,339
Repayment of obligations under finance leases		**(25,419)**	(18,557)
Dividends paid on preference shares issued by a subsidiary		**(3,650)**	(5,286)
Redemption of perpetual capital securities		**(67,502)**	–
Redemption of convertible bonds		**–**	(36,490)
Redemption of notes payables		**(75,962)**	(96,820)
Dividends paid to equity holders of the Company		**–**	(14,550)
Redemption of preference shares issued by a subsidiary		**(9,500)**	(5,200)
Proceeds from bank borrowings		**789,381**	651,370
Repayment of bank borrowings		**(809,683)**	(667,901)
Net cash (used in)/generated from financing activities		**(166,943)**	96,158
Net (decrease)/increase in cash and cash equivalents		**(73,263)**	15,097
Cash and cash equivalents at the beginning of the year		**166,313**	151,375
Effects of currency translation on cash and cash equivalents		**(16)**	(159)
Cash and cash equivalents at the end of the year	4	**93,034**	166,313
Cash and cash equivalents consists of:			
Cash at bank		**85,590**	166,255
Short-term bank deposits		**14,897**	9,785
Cash on hand		**27**	58
	4	**100,514**	176,098
Less: Pledged deposits placed with banks		**(7,480)**	(9,785)
Total		**93,034**	166,313

Note to the consolidated statement of cash flows

(A) During the financial year, the Group disposed property, plant and equipment with net book value of US$8,743,000 (2014: US$6,851,000) of which US$7,203,000 (2014: US$696,000) remains uncollected as at balance sheet date.

(B) During the financial year, the Group acquired property, plant and equipment with an aggregate cost of US$63,064,000 (2014: US$497,993,000) of which US$308,000 (2014: US$191,218,000) and Nil (2014: US$100,010,000) were acquired under finance leases and bank borrowings respectively. An amount of US$32,038,000 (2014: US$15,000,000) remains unpaid as at balance sheet date.

The accompanying notes form an integral part of these financial statements.

1. GENERAL INFORMATION

Swiber Holdings Limited (the "Company") is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is 12 International Business Park, #01-05 Swiber@IBP, Singapore 609920.

The principal activity of the Company is that of an investment holding company. The principal activities of its associates, joint ventures and subsidiaries are disclosed in Notes 10, 11 and 12 respectively.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

The Group has incurred a net loss of US$18,679,000 for the financial year ended 31 December 2015. Furthermore, the Group has US$91,215,000, US$52,781,000 and US$69,977,000 of Notes Payable on which payment is due on 6 June 2016, 6 July 2016 and 7 October 2016 respectively. Notwithstanding these, the accompanying financial statements for the year ended 31 December 2015 have been prepared using the going concern assumption as the directors are confident that the Group and the Company are able to secure new orders to generate adequate profits and cash flows so as to realise assets and discharge liabilities in the normal course of business for the foreseeable future. The appropriateness of the use of the going concern assumption is dependent on the continued support from the suppliers, creditors and financial institutions in relation to the credit facilities made available to the Group and Company.

Interpretations and amendments to published standards effective in 2015

On 1 January 2015, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and Company and had no material effect on the amounts reported for the current or prior financial years.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Revenue recognition

Revenue comprise of the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Revenue is presented, net of value-added tax, rebates and discounts, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

Construction contracts

Please refer to the paragraph "Construction contracts" (Note 2.10) for the accounting policy for revenue from construction contracts.

Charter hire income

Charter hire income from vessels, derived from the offshore marine support business, is recognised on a straight-line basis over the term of the charter agreement.

Rendering of service

Engineering, shipbuilding and repair work income from short-term contracts is recognised as and when service is rendered.

Revenue from engineering and shipbuilding long-term contracts is recognised in accordance with the group's accounting policy on construction contracts (Note 2.10).

Interest income

Interest income is recognised using the effective interest method.

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income statement of changes in equity, and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (i) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (ii) fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to the paragraph "Intangible assets - Goodwill" for the subsequent accounting policy on goodwill.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Group accounting (continued)

(a) Subsidiaries (continued)

(iii) Disposals

When a change in the Group ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries, joint ventures and associates" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(c) Associates and joint ventures

Associates are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investments in associates and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) Acquisitions

Investments in associates and joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associates and joint ventures represents the excess of the cost of acquisition of the associate or joint venture over the Group's share of the fair value of the identifiable net assets of the associate or joint venture and is included in the carrying amount of the investments.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Group accounting (continued)

(a) Associates and joint ventures (continued)

(ii) Equity method of accounting

In applying the equity method of accounting, the Group's share of its associates' or joint ventures' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associates or joint ventures are adjusted against the carrying amount of the investments. When the Group's share of losses in an associate or joint venture equals to or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in the associates or joint ventures. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associates or joint ventures are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Disposals

Investments in associates and joint ventures are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associate or joint venture is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries, associates and joint ventures" for the accounting policy on investments in associates in the separate financial statements of the Company.

2.4 Financial assets

(a) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity, and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and in the case of assets classified as held-to-maturity, re-evaluates this designation at each balance sheet date.

(i) Financial assets at fair value through profit or loss

Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Group investment strategy. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are presented as current assets if they are either held for trading or are expected to be realised within 12 months after the balance sheet date.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Financial assets (continued)

(a) Classification (continued)

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" (Note 5 and 6) and "cash and cash equivalents" (Note 4) on the statement of financial position.

(iii) Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. They are presented as non-current assets, except for those maturing within 12 months after the balance sheet date which are presented as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the balance sheet date.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

Trade receivables that are factored out to banks and other financial institutions with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

(c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expenses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Financial assets (continued)

(d) Subsequent measurement

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity financial assets are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss including the effects of currency translation, interest and dividends, are recognised in profit or loss when the changes arise.

Interest and dividend income on available-for-sale financial assets are recognised separately in income. Changes in the fair values of available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in profit or loss and the other changes are recognised in other comprehensive income and accumulated in the fair value reserve. Changes in the fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income and accumulated in the fair value reserve, together with the related currency translation differences.

(e) Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

(i) Loans and receivables/Held-to-maturity financial assets

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(ii) Available-for-sale financial assets

In addition to the objective evidence of impairment described in Note 2.4(e)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was previously recognised in other comprehensive income is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on equity securities are not reversed through profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.6 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.7 Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates hedge as cash flow hedge.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair value or cash flows of the hedged items.

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

<u>Cash flow hedge</u>

(i) Interest rate swaps

The Group has entered into interest rate swaps that are cash flow hedges for the Group's exposure to interest rate risk on its borrowings. These contracts entitle the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts, thus allowing the Group to raise borrowings at floating rates and swap them into fixed rates.

The fair value changes on the effective portion of interest rate swaps designated as cash flow hedges are recognised in other comprehensive income, accumulated in the fair value reserve and reclassified to profit or loss when the hedged interest expense on the borrowings is recognised in profit or loss. The fair value changes on the ineffective portion of interest rate swaps are recognised immediately in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Derivative financial instruments and hedging activities (continued)

Cash flow hedge (continued)

(ii) Cross currency swaps

The Group has entered into cross currency swaps that qualify as cash flow hedges against highly probable forecasted transactions in foreign currencies. The fair value changes on the effective portion of the cross currency swaps designated as cash flow hedges are recognised in other comprehensive income, accumulated in the hedging reserve and transferred to either the cost of a hedged non-monetary asset upon acquisition or profit or loss when the hedged forecast transactions are recognised.

The fair value changes on the ineffective portion of cross currency swaps are recognised immediately in profit or loss. When a forecasted transaction is no longer expected to occur, the gains and losses that were previously recognised in other comprehensive income are reclassified to profit or loss immediately.

2.8 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange traded and over-the-counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices used for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions that are existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analysis, are also used to determine the fair values of the financial instruments.

The fair values of derivative financial instruments are determined using actively quoted forward exchange rates. The fair values of interest rate swaps are calculated as the present value of the estimated future cash flows discounted at actively quoted interest rates.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.9 Financial guarantees

The Company has issued corporate guarantees to banks for borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantees are initially recognised at their fair values plus transaction costs in the Company's statement of financial position.

Financial guarantees are subsequently amortised to profit or loss over the period of the subsidiaries' borrowings, unless it is probable that the Company will reimburse the banks for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the banks in the Company's statement of financial position.

Intra-group transactions are eliminated on consolidation.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Construction contracts

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the balance sheet date ("percentage-of-completion method"). When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in the contract work and claims that can be measured reliably. A variation or a claim is recognised as contract revenue when it is probable that the customer will approve the variation or negotiations have reached an advanced stage such that it is probable that the customer will accept the claim.

The stage of completion is measured by reference to the physical proportion of contract work completed, or to the proportion of contract costs incurred to date to the estimated total costs for the contract. Costs incurred during the financial year in connection with future activities on a contract are excluded from the costs incurred to date when determining the stage of completion of a contract. Such costs are shown as construction contract work-in-progress on the statement of financial position unless it is not probable that such contract costs are recoverable from the customers, in which case, such costs are recognised as an expense immediately.

At the balance sheet date, the cumulative costs incurred plus recognised profit (less recognised loss) on each contract is compared against the progress billings. Where the cumulative costs incurred plus the recognised profits (less recognised losses) exceed progress billings, the balance is presented as due from customers on construction contracts within "trade receivables". Where progress billings exceed the cumulative costs incurred plus recognised profits (less recognised losses), the balance is presented as due to customers on construction contracts within "trade payables".

Progress billings not yet paid by customers and retentions by customers are included within "trade receivables". Advances received are included within "trade payables".

2.11 Leases

(a) When the Group is the lessee:

The Group leases motor vehicles, certain plant and machinery and vessel under finance leases and vessels, land dormitories and certain plant and machinery under operating leases from non-related parties.

(i) Lessee – Finance leases

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the statement of financial position as plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

(ii) Lessee – Operating leases

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Leases (continued)

(b) When the Group is the lessor:

The Group leases equipment under finance leases and building and certain vessels under operating leases to non-related parties.

(i) Lessor – Finance leases

Leases where the Group has transferred substantially all risks and rewards incidental to ownership of the leased assets to the lessees, are classified as finance leases.

The leased asset is derecognised and the present value of the lease receivable (net of initial direct costs for negotiating and arranging the lease) is recognised on the statement of financial position and included in "other receivables". The difference between the gross receivable and the present value of the lease receivable is recognised as unearned finance income.

Each lease payment received is applied against the gross investment in the finance lease receivable to reduce both the principal and the unearned finance income. The finance income is recognised in profit or loss on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivable.

Initial direct costs incurred by the Group in negotiating and arranging finance leases are added to finance lease receivables and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

(ii) Lessor – Operating leases

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

2.12 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

2.13 Non-current assets held for sale

Non-current assets are classified as assets held-for-sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost for consumables and spare parts are determined using the weighted average method and pipe lines using the first-in, first-out method. Cost of work-in-progress comprises direct materials and, where applicable, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

2.15 Property, plant and equipment

(a) Measurement

(i) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs (refer to Note 2.17 on borrowing costs).

(b) Depreciation

Construction-in-progress is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

		Useful lives
Leasehold property	–	Over the term of the lease
Vessels	–	20-25 years
Furniture and equipment	–	3 to 5 years
Motor vehicles	–	10 years
Drydocking	–	5 years
Cranes and machineries	–	5 years

Drydocking expenses, when incurred, will be deferred and depreciated on a straight line basis over the period to the next drydocking period.

The estimated useful lives, residual values and depreciation method of property, plant and equipment are reviewed at each balance sheet date. The effect of any revision are recognised in profit and loss when the changes arise.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

Depreciation on property, plant and equipment under construction-in-progress, which includes costs for vessels under construction, commences when these assets are ready for its intended use.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Property, plant and equipment (continued)

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when 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. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "gain or loss on disposal of property, plant and equipment".

2.16 Intangible assets

Goodwill on acquisition

Goodwill on acquisitions of subsidiaries and businesses on or after 1 January 2010 represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired.

Goodwill on acquisition of subsidiaries and businesses prior to 1 January 2010 and on acquisition of joint ventures and associates represents the excess of the cost of the acquisition over the fair value of the Group's share of the identifiable net assets acquired.

Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on associates and joint ventures are included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, joint ventures and associates include the carrying amount of goodwill relating to the entity sold, except for goodwill arising from acquisitions prior to 1 January 2001. Such goodwill was adjusted against retained profits in the year of acquisition and is not recognised in profit or loss on disposal.

2.17 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the assets under construction. This includes those costs on borrowings acquired specifically for assets under construction, as well as those in relation to general borrowings used to finance the assets under construction.

Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) Property, plant and equipment
Investments in subsidiaries, associates and joint ventures

Property, plant and equipment and investments in subsidiaries, associates and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset other than goodwill 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. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Other provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.20 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.21 Investments in subsidiaries, joint ventures and associates

Investments in subsidiaries, joint ventures and associates are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.22 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of options and share awards is recognised as an expense with a corresponding increase in the employees' share option and awards reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options and share awards granted on the date of the grant.

Non-market vesting conditions are included in the estimation of the number of shares under options and awards that are expected to become exercisable on the vesting date. At each balance sheet date, the Group revises its estimates of the number of shares under options and awards that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the employees' share option and awards reserve over the remaining vesting period.

When the options/awards are exercised/vested, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to share capital account, when new ordinary shares are issued, or to the "treasury shares" account, when treasury shares are re-issued to the employees.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted by the end of the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.24 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in United States Dollars, which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the date of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the translation reserve.

When a foreign operation is disposed of or any borrowings forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance expenses". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within 'other operating income-net' as disclosed in Note 26.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Currency translation (continued)

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.25 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the statement of financial position. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.26 Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued pursuant to an employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve.

2.27 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Construction contracts

The Group uses the percentage-of-completion method to account for its contract revenue. The stage of completion is measured by reference to the contract costs incurred to date compared to the estimated total costs for the contract.

Significant assumptions are required to estimate the total contract costs that will affect the stage of completion and the contract revenue respectively. In making these estimates, management has relied on past experience and the work of specialists.

Included in the contract revenue are revenue and unbilled receivables arising from variation work performed for customers when it is probable that the customers will approve the variation claims.

Significant judgement is required to estimate the probability of recovery of variation claims submitted to customers, which will affect the revenue and unbilled receivables recognised in relation to these variation claims. In making these estimates, management has relied on the work of external experts as well as past experience and discussions with customers.

If the percentage of completion on uncompleted contracts at the balance sheet date increases/decreases by 1% from management's estimates, the Group's revenue will increase/decrease by US$6,890,000 and US$9,487,000 respectively.

If the estimated total contract costs of uncompleted contracts increases/decreases by 1% from management's estimates, the Group's profit will decrease/increase by US$5,705,000 and US$3,196,000 respectively.

(b) Impairment of investment in and amounts due from associates and joint ventures

The Group assesses whether at each reporting date there is objective evidence that investment in associates and joint ventures are impaired. In considering whether the associates and joint ventures are impaired, the Group has made its assessment based on estimates. It involves the consideration of the performance of the associates and joint ventures and the market conditions in which the associates and joint ventures operate in. This affects the Group's share of net assets of the associates and joint ventures.

Management has evaluated the recoverability of the investments based on such estimates and an impairment loss of US$24,636,000 has been provided.

If the performance of the associates and joint ventures and/or market conditions were to deteriorate which will affect the Group's share of net assets of the associates and joint ventures, impairment may be required. The carrying amounts, of the trade and other receivables due from and investment in associates and joint ventures at the end of the reporting period are disclosed in Notes 5, 6, 10 and 11 respectively.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

(c) Impairment of loans and receivables

Management reviews its loans and receivables for objective evidence of impairment at least quarterly. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, management has made judgements as to whether an impairment loss should be recorded as an expense. In determining this, management uses estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experienced.

The carrying amount of loans and receivables at the end of the reporting period are disclosed in Notes 4, 5 and 6 respectively. Loans and receivables that are past due and not impaired are disclosed in Note 32(b)(ii).

(d) Uncertain tax positions

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is involved in determining the group-wide income tax liabilities. In determining the income tax liabilities, management has estimated the amount of capital allowances and the deductibility of certain expenses ("uncertain tax positions") at each tax jurisdiction.

The Group has significant open tax assessments with a tax authority at the balance sheet date. As management believes that the tax positions are sustainable, the Group has not recognised any additional tax liability on these uncertain tax positions.

The carrying amount of the Group's income tax liabilities at the end of the reporting period are disclosed in Note 28.

(e) Residual values, estimated useful lives and impairment of vessels

Vessels are depreciated on a straight-line basis, net of residual value, over their estimated useful lives. The estimated useful lives reflect the management's estimate of the periods that the Group intends to derive future economic benefits from the use of vessels. Changes in the business plans and strategies, expected level of usage and future technological developments could impact the economic useful lives and the residual values and recoverable values of these assets, therefore future depreciation charges could be revised and impairment loss could be recorded. The carrying amount of the Group's vessels at the end of the reporting period is disclosed in Note 13 to the financial statements.

The Group has revised estimated useful life of vessels from 20 to 25 years, effective from 1 January 2015. The change in accounting estimates has resulted in a decrease to the Group's depreciation charge by approximately US$10,300,000.

4. CASH AND CASH EQUIVALENTS

	Group		Company	
	2015	2014	**2015**	2014
	US$'000	US$'000	**US$'000**	US$'000
Cash at bank and on hand	**85,617**	166,313	**6,916**	19,416
Short-term bank deposits	**14,897**	9,785	**–**	–
	100,514	176,098	**6,916**	19,416

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	2015	2014
	US$'000	US$'000
Cash and bank balances (as above)	**100,514**	176,098
Less: Pledged deposits placed with banks	**(7,480)**	(9,785)
Cash and cash equivalents per consolidated statement of cash flows	**93,034**	166,313

Bank deposits are pledged in relation to the security granted for certain banking facilities such as performance guarantees and letter of credits.

5. TRADE RECEIVABLES

	Group	
	2015	2014
	US$'000	US$'000
Trade receivables		
– Non-related parties	**119,847**	248,661
– Associates	**151,432**	61,918
– Joint ventures	**6,907**	11,403
– Related parties	**–**	11,229
	278,186	333,211
Less: Allowance for impairment of receivables – non-related parties (Note 32(b)(ii))	**(7,966)**	–
	270,220	333,211
Construction contracts		
– Due from customers (Note 8)	**171,995**	121,131
	442,215	454,342

Related parties refer to companies which are controlled or jointly controlled by a member of the key management personnel of the Group.

Certain subsidiaries of the Group have factored trade receivables and amounts due from customers with carrying amounts of US$140,149,000 (2014: US$18,859,000) to a bank in exchange for cash during the financial year ended 31 December 2015. The transaction has been accounted for as a collateralised borrowing as the bank has full recourse to those subsidiaries in the event of default by the debtors (Note 16).

6. OTHER RECEIVABLES

	Group		Company	
	2015	2014	**2015**	2014
	US$'000	US$'000	**US$'000**	US$'000
Non-trade receivables due from:				
– Non-related parties	**34,124**	51,908	**6,802**	8,425
– Associates	**115,459**	173,543	**30,137**	35,340
– Joint ventures	**28,180**	31,572	**2**	–
– Subsidiaries	**–**	–	**862,446**	913,063
	177,763	257,023	**899,387**	956,828
Less: Allowance for impairment of receivables				
– Non-related parties	**(665)**	–	**–**	–
	177,098	257,023	**899,387**	956,828
Deposits	**362**	515	**–**	–
Prepayments	**8,976**	10,176	**24**	6
Capitalised vessel costs	**71,864**	75,716	**–**	–
Loans to associates	**20,500**	20,823	**20,500**	20,823
	278,800	364,253	**919,911**	977,657
Less: Non-current portion	**(67,843)**	(157,048)	**(66,292)**	(67,578)
	210,957	207,205	**853,619**	910,079

Non-trade balances due from associates, joint ventures, related parties and subsidiaries as at balance sheet date are unsecured, interest free and repayable on demand, other than as disclosed below.

Non-current portion of the Group's other receivables mainly relate to:

(i) Capitalised vessel costs amounting to US$4,468,000 (2014: US$28,887,000) which is amortised over the lease term of the underlying vessels;

(ii) Advances to third parties of US$9,000,000 (2014: US$10,000,000) which bear fixed interest rates of 3.5% (2014: 3.5%) per annum and is repayable within two to five years;

(iii) Amounts due from a third party of US$5,792,000 (2014: US$6,755,000) of which the interest rate is repriced at a 3 month interval and is repayable within four to five years;

(iv) Amount due from a third party of US$4,000,000 (2014: US$4,000,000) which is unsecured, interest-free and repayable in full by 2018;

(v) An amount due from an associate of US$5,000,000 (2014: US$5,000,000) which bears a fixed interest rate of 3.5% (2014: 3.5%) per annum and is repayable within two years;

(vi) An amount due from an associate of US$3,500,000 (2014: US$11,000,000) which bears a fixed interest of 6% (2014: 6%) per annum with no fixed terms of repayment;

(vii) An amount due from an associate of US$15,583,000 (2014: US$70,583,000) which is unsecured, interest free, and repayable in full by 2018; and

(viii) Loans to associates of US$20,500,000 (2014: US$20,823,000) which bears a fixed interest of 6% (2014: 6%) per annum with no fixed terms of repayment. The Group does not intend to demand settlement of these amounts within twelve months from the balance sheet date.

6. OTHER RECEIVABLES (CONTINUED)

The fair values of non-current other receivables are computed based on cash flows discounted at market borrowing rates. The fair values are within Level 2 of the fair values hierarchy:

	Group	
	2015	2014
Other receivables (non-current)	**4.82%**	5.20%

	Group		Company	
	2015	2014	**2015**	2014
	US$'000	US$'000	**US$'000**	US$'000
Advances to third parties (Note ii)	**7,581**	9,267	**–**	–
Amounts due from third parties (Note iii and iv)	**5,792**	6,755	**5,792**	6,755
Amounts due from associates (Note v, vi and vii)	**21,949**	70,472	**–**	–
Loans to associates (Note viii)	**21,053**	21,014	**21,053**	21,014

7. INVENTORIES

	Group	
	2015	2014
	US$'000	US$'000
Pipelines	**35,081**	1,553
Consumables and spares	**4,822**	5,334
	39,903	6,887

The cost of inventories recognised as an expense and included in "cost of sales" amounts to US$135,300,000 (2014: US$145,338,000).

8. CONSTRUCTION CONTRACTS

	Group	
	2015	2014
	US$'000	US$'000
Construction contract work-in-progress, at cost	**169,367**	175,987
Aggregate costs incurred and profits recognised (less losses recognised) to date on uncompleted construction contracts	**934,666**	1,611,558
Less: Progress billings	**(764,002)**	(1,510,460)
	170,644	101,098
Presented as:		
Due from customers on construction contracts (Note 5)	**171,995**	121,131
Due to customers on construction contracts (Note 14)	**1,351**	20,033

Due from customers on construction contracts include unbilled receivables arising from variation claims on construction contracts submitted to customers amounting to US$95,070,000 (2014: US$76,447,000).

9. DERIVATIVE FINANCIAL INSTRUMENTS

	Group Fair value Contract notional amount US$'000	Group Liability US$'000	Company Fair value Contract notional amount US$'000	Company Liability US$'000
2015				
Cash-flow hedges:				
Current				
Cross currency swaps	244,720	31,923	244,720	31,923
Total	**244,720**	**31,923**	**244,720**	**31,923**
Non-current				
Cross currency swaps	357,100	45,048	201,023	24,536
Interest rate swaps	14,250	789	–	–
Total	**371,350**	**45,837**	**201,023**	**24,536**
2014				
Cash-flow hedges:				
Current				
Cross currency swaps	75,848	4,376	75,848	4,376
Total	75,848	4,376	75,848	4,376
Non-current				
Cross currency swaps	601,821	35,990	445,744	27,974
Interest rate swaps	18,750	1,472	–	–
Sub-total	620,571	37,462	445,744	27,974
Non-hedging instruments:				
Non-current				
Currency forwards	19,929	720	–	–
Total	640,500	38,182	445,744	27,974

(i) Cross currency swaps

The Group utilises cross currency swaps to hedge semi-annual interest payments and eventual settlement of notes payable and bank borrowings that will mature between June 2016 to August 2018 (2014: July 2015 to August 2018). Fair value gains and losses on the cross currency swaps recognised in other comprehensive income are reclassified to profit or loss over the period of the borrowings.

(ii) Interest rate swaps

The Group utilises interest rate swaps to hedge variable monthly interest payments on borrowings that will mature on 10 October 2017. Fair value gains and losses on the interest rate swaps are reclassified to profit and loss as part of interest expense over the period of the borrowings.

10. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2015	2014	**2015**	2014
	US$'000	US$'000	**US$'000**	US$'000
Quoted equity shares, at cost	**44,939**	44,939	**44,939**	44,939
Unquoted equity shares, at cost	**37,960**	38,148	**19,583**	19,645
Perpetual securities (Note 1)	**22,500**	22,500	**22,500**	22,500
Shareholder's loan (unsecured)	**20,000**	30,000	**20,000**	30,000
	125,399	135,587	**107,022**	117,084
Goodwill on consolidation	**24,636**	24,636	**24,636**	24,636
Share of post-acquisition reserves (net of dividends, share of reserves and amortisation of deferred gain on sale of vessels to associates)	**34,770**	40,155	**–**	–
Translation differences	**(1,718)**	(4,021)	**–**	–
	57,688	60,770	**24,636**	24,636
Less: Allowance for impairment losses	**(24,636)**	–	**(24,636)**	–
	158,451	196,357	**107,022**	141,720

Note 1

The perpetual securities ("Securities") were issued to the Group and the Company on 5 January 2015. The main features of the Securities are as follow:

(a) Subscriber of these Securities are conferred a right to receive distribution on a semi-annual basis from their issue date at the rate of 4% (2014: 4%) per annum, subject to a step-up rate of 4.3% (2014: 4.3%) from 3 January 2018;

(b) The issuer may at its sole discretion, elect to defer any distribution provided that the issuer or any of its subsidiaries will not declare, pay dividends or make similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank;

(c) The Securities have no fixed maturity and are redeemable in whole, but not in part, at the Company's option on or after 3 January 2018 at their principal amount together with any accrued, unpaid or deferred distributions.

10. INVESTMENTS IN ASSOCIATES (CONTINUED)

Details of associates held by the Group as at the balance sheet date are as follows:

Name of associate	Country of incorporation and operation	Equity holding 2015 %	2014 %	Principal activities
Held by the Company				
Vallianz Holdings Limited [1] [a]	Singapore	**27**	27	Investment holding
PT Rajawali Swiber Cakrawala [2]	Indonesia	**23**	23	Offshore marine engineering
Swiber Offshore (India) Private Limited [3][b]	India	**23**	49	Operator and charterer of vessels
Resolute Pte. Ltd. [1]	Singapore	**49**	49	Investment holding
Holmen Heavylift Offshore Pte. Ltd. [4]	Singapore	**25**	25	Investment holding
Holmen Kaizen Ltd [5]	British Virgin Islands	**49**	49	Vessel owning and chartering
Held by the subsidiaries				
Victorious LLC [6]	Marshall Islands	**49**	49	Vessel owning and chartering
Dragados – Swiber Offshore S.A.P.I DE CV [7]	Mexico	**49**	48	Offshore marine engineering
PT. Equitoria Offshore Berjaya (formerly known as PT Kreuz Berjaya) [b]	Indonesia	**–**	49	Offshore marine engineering

(1) Audited by Deloitte & Touche LLP, Singapore.
(2) Audited by Ernst & Young, Indonesia.
(3) Audited by Devesh K Shah & Co, India.
(4) Audited by Baker Tilly TFW LLP, Singapore.
(5) Not required to be audited by law in its country of incorporation and not material to the Group's results and financial position.
(6) Audited by Ernst & Young, New York.
(7) Audited by Deloitte, Mexico

Notes
(a) Listed on Singapore Exchange Securities Trading Limited – Catalist.
(b) Disposed/partial disposal during the year.

10. INVESTMENTS IN ASSOCIATES (CONTINUED)

As at 31 December 2015, the fair value of the Group's interest in Vallianz Holdings Limited, which is listed on Singapore Exchange Limited, was US$28,741,000 (2014: US$42,760,000). The fair value measurement is classified within Level 1 of the fair value hierarchy. The carrying amount of the Group's interest was US$77,042,000 (2014: US$95,955,000).

Contingent liabilities relating to the Group's interest in the associated companies amounted to Nil (2014: US$31,245,000).

Set out below are the summarised financial information for the associated companies of the Group as at 31 December 2015, which, in the opinion of the Directors, are material to the Group.

Summarised statement of financial position

	Vallianz Holdings Limited As at 31 December		Resolute Pte. Ltd. As at 31 December		Holmen Kaizen Ltd As at 31 December		Total As at 31 December	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
	US$'000	US$'000	**US$'000**	US$'000	**US$'000**	US$'000	**US$'000**	US$'000
Current assets	**465,757**	183,001	**1,243**	1,386	**37,991**	34,168	**504,991**	218,555
Includes:								
– Cash and cash equivalents	**41,901**	24,917	**61**	70	**81**	235	**42,043**	25,222
Current liabilities	**(373,161)**	(206,908)	**(22,855)**	(14,861)	**(219,568)**	(210,687)	**(615,584)**	(432,456)
Includes:								
– Financial liabilities (excluding trade payables)	**(336,662)**	(156,560)	**(22,855)**	(14,861)	**(219,568)**	(133,201)	**(579,085)**	(304,622)
Non-current assets	**323,986**	788,713	**90,200**	99,700	**341,848**	344,367	**756,034**	1,232,780
Non-current liabilities	**(148,585)**	(524,058)	**(25,229)**	(38,229)	**(115,200)**	(144,000)	**(289,014)**	(706,287)
Includes:								
– Financial liabilities	**(139,629)**	(510,886)	**(25,229)**	(38,229)	**(115,200)**	(144,000)	**(280,058)**	(693,115)
– Other liabilities	**(8,956)**	(13,172)	**–**	–	**–**	–	**(8,956)**	(13,172)
Net assets	**267,997**	240,748	**43,359**	47,996	**45,071**	23,848	**356,427**	312,592
Less: Non-controlling interest	**(29,551)**	(27,939)	**–**	–	**–**	–	**(29,551)**	(27,939)
Less: Perpetual securities	**(22,500)**	(22,500)	**–**	–	**–**	–	**(22,500)**	(22,500)
Less: Preference shares	**(9,474)**	–	**–**	–	**–**	–	**(9,474)**	–
Net assets attributable to equity holders	**206,472**	190,309	**43,359**	47,996	**45,071**	23,848	**294,902**	262,153

10. INVESTMENTS IN ASSOCIATES (CONTINUED)

	Vallianz Holdings Limited As at 31 December		Resolute Pte. Ltd. As at 31 December		Holmen Kaizen Ltd As at 31 December		Total As at 31 December	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
	US$'000	US$'000	**US$'000**	US$'000	**US$'000**	US$'000	**US$'000**	US$'000
Proportion of the Group's ownership	**27%**	27%	**49%**	49%	**49%**	49%		
Interest in associates	**55,747**	51,383	**21,246**	23,518	**22,085**	11,686	**99,078**	86,587
Investment in perpetual securities	**22,500**	22,500	**–**	–	**–**	–	**22,500**	22,500
Goodwill	**–**	24,636	**–**	–	**–**	–	**–**	24,636
Other adjustments	**(1,205)**	(2,564)	**3,720**	–	**431**	431	**2,946**	(2,133)
Carrying value	**77,042**	95,955	**24,966**	23,518	**22,516**	12,117	**124,524**	131,590
Add:								
Carrying value of individually immaterial associates							**33,927**	64,767
Carrying value of Group's interest in associates							**158,451**	196,357

Summarised statement of comprehensive income

	Vallianz Holdings Limited For year ended 31 December		Resolute Pte. Ltd. For year ended 31 December		Holmen Kaizen Ltd For year ended 31 December		Total For year ended 31 December	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
	US$'000	US$'000	**US$'000**	US$'000	**US$'000**	US$'000	**US$'000**	US$'000
Revenue	**232,554**	153,680	**4,832**	5,286	**50,918**	48,895	**288,304**	207,861
Expenses Includes:								
– Depreciation and amortisation	**(29,715)**	(17,610)	**–**	–	**(11,122)**	(15,029)	**(40,837)**	(32,639)
– Interest expense	**(26,859)**	(22,258)	**(1,838)**	(2,183)	**(9,913)**	(12,898)	**(38,610)**	(37,339)
Profit from continuing operations	**25,508**	21,603	**2,955**	4,625	**24,499**	15,885	**52,962**	42,113
Income tax expense	**(5,396)**	(1,173)	**–**	–	**–**	–	**(5,396)**	(1,173)
Profit after tax	**20,112**	20,430	**2,955**	4,625	**24,499**	15,885	**47,566**	40,940
Other comprehensive loss	**(958)**	(2,409)	**–**	–	**–**	–	**(958)**	(2,409)
Total comprehensive income	**19,154**	18,021	**2,955**	4,625	**24,499**	15,885	**46,608**	38,531
Dividends received from associate	**1,672**	214	**–**	–	**–**	–	**1,672**	214

The share of profit after tax, other comprehensive income and total comprehensive income for other individually immaterial associates are US$3,543,000 (2014: US$26,978,000), Nil (2014: US$127,000), US$3,543,000 (2014: US$27,105,000) respectively.

11. INVESTMENTS IN JOINT VENTURES

	Group	
	2015	2014
	US$'000	US$'000
Unquoted equity shares, at cost	**11,344**	11,344
Shareholder's loan (unsecured)	**10,000**	10,000
	21,344	21,344
Share of post-acquisition reserves (net of dividends, share of reserves and amortisation of deferred gain on sale of vessels to associates)	**9,491**	1,790
Translation differences	**(3,047)**	(575)
	6,444	1,215
	27,788	22,559

The unrecognised share of loss for the financial year and cumulative unrecognised share of loss for a joint venture amounted to US$29,000 and US$4,726,000 respectively.

Details of the Group's joint ventures as at balance sheet date are as follows:

Name of joint venture	**Country of incorporation and operation**	**Equity holding**		**Principal activities**
		2015	2014	
		%	%	
Held by the subsidaries				
Rawabi Swiber Offshore Marine Pte. Ltd. [1]	Singapore	**50**	50	Vessel owning and chartering
Rawabi Swiber Offshore Services Limited [2]	British Virgin Islands	**50**	50	Offshore marine engineering and vessel chartering
Alam Swiber DLB 1 (L) Inc [3]	Malaysia	**50**	50	Operate and manage vessel
Alam Swiber Offshore (M) Sdn Bhd [3]	Malaysia	**50**	50	Engineering and technical support services
Swiwar Offshore Pte. Limited [1]	Singapore	**50**	50	Vessel owning and chartering
Deltatek Offshore Ltd [4]	Mauritius	**50**	–	Investment holding

(1) Audited by PricewaterhouseCoopers LLP, Singapore.
(2) Not required to be audited by law in its country of incorporation and not material to the Group's results and financial position.
(3) Audited by Ernst & Young, Malaysia.
(4) Acquired during the year.

There are no contingent liabilities relating to the Group's interest in the joint venture companies.

11. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Set out below are the summarised financial information for the joint ventures of the Group as at 31 December 2015, which, in the opinion of the directors, are material to the Group.

Summarised statement of financial position

	Alam Swiber DLB 1 (L) Inc As at 31 December		Swiwar Offshore Pte Limited As at 31 December		Total As at 31 December	
	2015 US$'000	2014 US$'000	**2015 US$'000**	2014 US$'000	**2015 US$'000**	2014 US$'000
Current assets	**7,313**	9,000	**2,885**	7,326	**10,198**	16,326
Includes:						
– Cash and cash equivalents	**1,822**	4,379	**1,439**	2,854	**3,261**	7,233
Current liabilities	**(15,751)**	(20,667)	**(3,064)**	(21,323)	**(18,815)**	(41,990)
Includes:						
– Financial liabilities (excluding trade payables)	**(856)**	(14,299)	**(2,957)**	(20,218)	**(3,813)**	(34,517)
– Other current liabilities (including trade payables)	**(14,895)**	(6,368)	**(107)**	(1,105)	**(15,002)**	(7,473)
Non-current assets	**48,490**	60,112	**24,322**	25,903	**72,812**	86,015
Non-current liabilities	**(22,821)**	(28,097)	**(11,875)**	(246)	**(34,696)**	(28,343)
Includes:						
– Financial liabilities	**(22,821)**	(28,097)	**(11,875)**	(246)	**(34,696)**	(28,343)
Net assets	**17,231**	20,348	**12,268**	11,660	**29,499**	32,008
Proportion of the Group's ownership	**50%**	50%	**50%**	50%		
Interest in joint ventures	**8,616**	10,174	**6,134**	5,830	**14,750**	16,004
Foreign currency translation differences	**(72)**	–	**–**	–	**(72)**	–
Carrying value	**8,544**	10,174	**6,134**	5,830	**14,678**	16,004
Add:						
Carrying value of individually immaterial joint ventures					**13,110**	6,555
Carrying value of Group's interest in joint ventures					**27,788**	22,559

11. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Summarised statement of comprehensive income

	Alam Swiber DLB 1 (L) Inc For year ended 31 December		Swiwar Offshore Pte Limited For year ended 31 December		Total For year ended 31 December	
	2015	2014	**2015**	2014	**2015**	2014
	US$'000	US$'000	**US$'000**	US$'000	**US$'000**	US$'000
Revenue	**7,488**	2,250	**5,172**	5,255	**12,660**	7,505
Expenses						
Includes:						
– Depreciation and amortisation	**(2,331)**	(2,081)	**(764)**	(1,507)	**(3,095)**	(3,588)
– Interest expense	**(2,023)**	(1,720)	**(236)**	(473)	**(2,259)**	(2,193)
Profit/(loss) from operations	**617**	(2,649)	**1,726**	566	**2,343**	(2,083)
Income tax expense	**–**	–	**(2)**	13	**(2)**	13
Profit/(loss) after tax	**617**	(2,649)	**1,724**	579	**2,341**	(2,070)
Other comprehensive income/(loss)	**–**	(1,263)	**123**	(246)	**123**	(1,509)
Total comprehensive income/(loss)	**617**	(3,912)	**1,847**	333	**2,464**	(3,579)
Dividends received from joint venture	**–**	–	**–**	1,000	**–**	1,000

The share of profit after tax, other comprehensive income and total comprehensive income for other individually immaterial joint ventures are US$7,094,000 (2014: US$1,266,000), Nil (2014: US$55,000), US$7,094,000 (2014: US$1,321,000) respectively.

12. INVESTMENTS IN SUBSIDIARIES

	Company 2015 US$'000	Company 2014 US$'000
Unquoted equity shares, at cost	**121,805**	121,805

Details of the Company's significant subsidiaries as at the balance sheet date are as follows:

Name of subsidiary	Country of incorporation and operation	Proportion of ordinary shares held by parent 2015 %	Proportion of ordinary shares held by parent 2014 %	Proportion of ordinary shares held by Group 2015 %	Proportion of ordinary shares held by Group 2014 %	Principal activities
Swiber Offshore Construction Pte. Ltd.[(6)]	Singapore	**100**	100	**100**	100	Offshore marine engineering
Swiber Offshore Marine Pte. Ltd.[(6)]	Singapore	**100**	100	**100**	100	Vessel owning and chartering
Swiber Corporate Pte. Ltd.[(6)]	Singapore	**100**	100	**100**	100	Provision of corporate services
Resolute Offshore Pte. Ltd.[(6)]	Singapore	**100**	100	**100**	100	Vessel owning and chartering
Swiber Capital Pte. Ltd.[(6)]	Singapore	**100**	100	**100**	100	Investment holding company
Swiber Offshore Mexico S.A. De C.V.[(1)]	Mexico	**–**	–	**49**	49	Offshore marine engineering
Swiber Engineering Ltd[(2)]	Malaysia	**–**	–	**100**	100	Offshore marine engineering
Swiber Atlantis Pte. Ltd.[(6)]	Singapore	**–**	–	**100**	100	Vessel owning and chartering
Tuscan Marine, S.A. De C.V SOFOM E.N.R.[(1)]	Mexico	**–**	–	**100**	100	Vessel owning and chartering
Swiber Marine Mexico, S.A. De C.V.[(1)]	Mexico	**–**	–	**49**	49	Owning, operating and chartering of vessels
Quetzal Offshore Pte. Ltd. (formerly known as Holmen DLB Pte. Ltd.)[(3)]	Singapore	**–**	–	**100**	100	Vessel owning and chartering
Southsea Marine Pte. Ltd. (formerly known as Newcruz Offshore Marine Pte. Ltd.)[(6)]	Singapore	**–**	–	**100**	100	Vessel owning and chartering
Equatoriale Services Pte. Ltd.[(6)]	Singapore	**–**	–	**100**	100	Provision of drilling and engineering services
PAPE Engineering Pte. Ltd.[(6)]	Singapore	**–**	–	**100**	100	Offshore marine engineering

12. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation and operation	Proportion of ordinary shares held by parent 2015 %	2014 %	Proportion of ordinary shares held by Group 2015 %	2014 %	Principal activities
ACS Marine Offshore SPRL[4]	Belgium	**–**	–	**100**	100	Offshore marine engineering
Bitachon Offshore Contractor Oy[5]	Finland	**–**	–	**100**	100	Offshore marine engineering
Aster Marine Pte. Ltd.[6]	Singapore	**–**	–	**100**	100	Owning, operating and chartering of vessels
Tuscan Offshore Pte. Ltd.[6]	Singapore	**–**	–	**100**	100	Owning, operating and chartering of vessels
Whitmer Offshore Pte. Ltd.[6][a]	Singapore	**–**	–	**100**	–	Owning and leasing of offshore machinery and equipment
Meadsea Services B.V.[a]	The Netherlands	**–**	–	**100**	–	Offshore marine engineering and vessels chartering
Swiber UK Limited[a]	United Kingdom	**–**	–	**100**	–	Providing marketing and business development services

All the subsidiaries were audited by PricewaterhouseCoopers LLP, Singapore unless otherwise indicated as follows:

(1) Audited by PricewaterhouseCoopers, Mexico.
(2) Not required to be audited by law in Labuan, Malaysia.
(3) Audited by Baker Tilly TFW LLP, Singapore.
(4) Audited by PricewaterhouseCoopers, Belgium.
(5) Audited by PricewaterhouseCoopers, Finland.
(6) Audited by PricewaterhouseCoopers, Singapore.

Note

(a) Incorporated during the year

There are no non-controlling interests that are material to the Group as at 31 December 2015 other than preference shares issued by a subsidiary amounting to US$90,200,000 (2014: US$99,700,000).

13. PROPERTY, PLANT AND EQUIPMENT

	Construction-in-progress US$'000	Vessels US$'000	Drydocking US$'000	Cranes and machineries US$'000	Leasehold property US$'000	Motor vehicles US$'000	Furniture and equipment US$'000	Total US$'000
Group								
Cost:								
At 1 January 2014	12,652	351,807	10,106	72,879	40,065	1,893	17,027	506,429
Additions	81,942	403,138	1,176	6,758	29	–	4,950	497,993
Disposals	–	(7,479)	–	(448)	(44)	(465)	(35)	(8,471)
Disposal of subsidiaries	(12,978)	(79,158)	(7,829)	(51,161)	(5,452)	(563)	(2,540)	(159,681)
Written off	–	–	–	–	–	–	(2,084)	(2,084)
Reclassified to asset held for sales	–	771	–	–	–	–	–	771
Exchange differences	(9)	(29)	–	(819)	(235)	(1)	(184)	(1,277)
At 31 December 2014	**81,607**	**669,050**	**3,453**	**27,209**	**34,363**	**864**	**17,134**	**833,680**
Additions	31,475	11,232	3,110	16,193	–	97	957	63,064
Reclassification of capitalised vessel related costs	–	3,071	2,234	24,451	–	–	–	29,756
Disposals	(33)	(5,735)	(1,159)	(976)	(3,199)	(208)	(424)	(11,734)
Written off	–	(3,800)	(1,112)	(323)	(80)	–	(723)	(6,038)
Exchange differences	–	57	–	–	–	–	(242)	(185)
At 31 December 2015	**113,049**	**673,875**	**6,526**	**66,554**	**31,084**	**753**	**16,702**	**908,543**
Accumulated depreciation:								
At 1 January 2014	–	42,909	5,132	19,812	10,737	863	12,674	92,127
Depreciation	–	30,668	737	6,354	2,230	142	3,961	44,092
Disposals	–	(1,122)	–	(121)	(14)	(342)	(21)	(1,620)
Disposal of subsidiaries	–	(19,531)	(4,255)	(15,558)	(4,977)	(205)	(2,279)	(46,805)
Written off	–	–	–	–	–	–	(2,077)	(2,077)
Exchange differences	–	(11)	–	(385)	(214)	–	(117)	(727)
At 31 December 2014	–	52,913	1,614	10,102	7,762	458	12,141	84,990
Depreciation	–	23,843	1,392	12,524	2,144	81	3,099	43,083
Disposals	–	(1,230)	(482)	(901)	–	(48)	(330)	(2,991)
Written off	–	(1,638)	(1,112)	(206)	(79)	–	(646)	(3,681)
Exchange differences	–	–	–	–	–	–	(85)	(85)
At 31 December 2015	**–**	**73,888**	**1,412**	**21,519**	**9,827**	**491**	**14,179**	**121,316**
Carrying amount:								
At 31 December 2015	**113,049**	**599,987**	**5,114**	**45,035**	**21,257**	**262**	**2,523**	**787,227**
At 31 December 2014	81,607	616,137	1,839	17,107	26,601	406	4,993	748,690

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Motor vehicles US$'000	Furniture and office equipment US$'000	Total US$'000
Company			
Cost:			
At 1 January 2014	318	2,769	3,087
Addition	–	594	594
Disposal	(208)	–	(208)
At 31 December 2014	110	3,363	3,473
Additions	97	303	400
Disposals	(97)	–	(97)
At 31 December 2015	**110**	**3,666**	**3,776**
Accumulated depreciation:			
At 1 January 2014	244	2,751	2,995
Depreciation	30	51	81
Disposal	(178)	–	(178)
At 31 December 2014	96	2,802	2,898
Depreciation	13	248	261
Disposals	(2)	–	(2)
At 31 December 2015	**107**	**3,050**	**3,157**
Carrying amount:			
At 31 December 2015	**3**	**616**	**619**
At 31 December 2014	14	561	575

The carrying amounts of the Group's and Company's property, plant and equipment at balance sheet date includes an amount of US$230,549,000 (2014: US$241,356,000) and US$502,000 (2014: US$570,000) respectively in respect of assets held under finance leases (Note 18).

The Group has pledged certain vessels, property and equipment with carrying amounts of approximately US$211,299,000 (2014: US$221,213,000) on bank borrowings granted to the Group (Note 16).

The Group's property, plant and equipment include capitalised borrowing costs of US$6,653,000 (2014: nil) (Note 27).

14. TRADE PAYABLES

	Group 2015 US$'000	Group 2014 US$'000
Trade payables to:		
– Non-related parties	**244,069**	151,374
– Associates	**1,779**	7,475
– Joint ventures	**163**	2,817
	246,011	161,666
Construction contracts:		
– Due to customers (Note 8)	**1,351**	20,033
	247,362	181,699

15. OTHER PAYABLES

	Group		Company	
	2015	2014	**2015**	2014
	US$'000	US$'000	**US$'000**	US$'000
Other payables to:				
– Non-related parties	**9,883**	7,005	**332**	4,285
– Associates	**28,728**	34,063	**2,884**	10,913
– Subsidiaries	**–**	–	**248,260**	237,091
Accruals	**27,882**	48,469	**7,172**	7,487
	66,493	89,537	**258,648**	259,776

Other payables due to associates and subsidiaries as at balance sheet date are unsecured, interest free and repayable on demand.

16. BANK BORROWINGS

	Group	
	2015	2014
	US$'000	US$'000
Current		
Short-term project financing	**203,170**	228,224
Bank borrowings	**28,517**	23,065
	231,687	251,289
Non-current		
Bank borrowings	**100,481**	101,181
	332,168	352,470

The exposure of the bank borrowings of the Group to interest rate changes and the contractual repricing dates at the balance sheet date are as follows:

	Group	
	2015	2014
	US$'000	US$'000
Repricing dates in less than 1 year	**332,168**	352,470

(a) Security granted:

(i) First legal mortgage over certain vessels and equipment;

(ii) Assignment of all marine insurances in respect of the vessels mentioned above;

(iii) Assignment of earnings/charter proceeds in respect of the vessels mentioned above;

(iv) Lessors title to the lease assets; and

(v) Charge on certain trade receivables.

(b) Fair value of non-current bank borrowings

As at balance sheet date, the fair value of non-current bank borrowings approximate its carrying amounts as the bank borrowings is floating rate bank borrowings.

17. NOTES PAYABLES

	Group		Company	
	2015	2014	**2015**	2014
	US$'000	US$'000	**US$'000**	US$'000
Current - Unsecured				
Due within 1 year	**213,973**	71,615	**213,973**	71,615
Non-current - Unsecured				
Due within 2 - 5 years	**320,540**	566,645	**180,921**	417,802
	534,513	638,260	**394,894**	489,417

Notes payables of the Group relates to a S$1 billion Multicurrency Debt Issuance Programme established on 20 July 2007, and a US$500 million Multicurrency Islamic Trust Certificates Issuance Programme established on 26 July 2013 which is structured based on the Islamic principles of Wakalah Bi Al-Istithmar.

The maturity profile of notes payable is as follow:

	Maturity date	Group US$'000	Company US$'000
Current			
Multicurrency medium term notes			
– series 12	6 July 2016	52,781	52,781
– series 15	7 October 2016	69,977	69,977
– series 16	6 June 2016	91,215	91,215
		213,973	213,973
Non-current			
Multicurrency medium term notes			
– series 14	18 April 2017	111,932	111,932
– series 17	18 September 2017	68,989	68,989
		180,921	180,921
Islamic trust certificates			
– series 1	2 August 2018	104,735	–
– series 2	30 October 2017	34,884	–
		139,619	–
		320,540	180,921

Simultaneously, cross currency swap contracts were established in relation to certain issued bonds creating an effective cash flow hedge against the foreign currency movements on the notes issued.

Fair value of non-current notes payables

	Group		Company	
	2015	2014	**2015**	2014
	US$'000	US$'000	**US$'000**	US$'000
Notes payables	**312,456**	549,558	**200,426**	489,416

The fair values above are determined from the cash flow analyses, discounted at market borrowing rates of an equivalent instrument at the balance sheet date which the directors expect to be available to the Group as follows:

	Group and Company	
	2015	2014
Notes payables	**6.47%**	6.38%

The fair values are within Level 2 of the fair values hierarchy.

18. FINANCE LEASES

The Group leases certain vessel, equipment and motor vehicles from non-related parties under finance leases. The lease agreements do not have renewal clauses but provide the Group with options to purchase the leased assets at nominal values at the end of the lease term.

	Minimum lease payments		Present value of minimum lease payments	
	2015	2014	**2015**	2014
	US$'000	US$'000	**US$'000**	US$'000
Group				
Not later than one year	**41,273**	34,920	**34,848**	26,529
Between one and five years	**122,664**	161,955	**115,273**	148,702
	163,937	196,875	**150,121**	175,231
Less: Future finance charges	**(13,816)**	(21,644)	**–**	–
Present value of lease liabilities	**150,121**	175,231	**150,121**	175,231
Company				
Not later than one year	**312**	224	**292**	212
Between one and five years	**263**	320	**244**	305
	575	544	**536**	517
Less: Future finance charges	**(39)**	(27)	**–**	–
Present value of lease obligations	**536**	517	**536**	517

The Group and Company's obligations under finance leases are secured by the lessors' title to the leased assets.

19. DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the statement of financial position as follows:

	Group	
	2015	2014
	US$'000	US$'000
Deferred income tax assets		
–To be settled within one year	**–**	166
–To be settled after one year	**–**	3,653
	–	3,819
Deferred income tax liabilities		
–To be settled within one year	**160**	–
–To be settled after one year	**4,441**	–
	4,601	–

19. DEFERRED INCOME TAX (CONTINUED)

Movement in deferred income taxes is as follows:

	Group	
	2015	2014
	US$'000	US$'000
Beginning of financial year	**3,819**	(16,769)
Disposal of subsidiaries	**–**	15,745
(Credited)/charged to profit or loss (Note 28)	**(8,420)**	4,843
End of financial year	**(4,601)**	3,819

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of US$78,138,000 (2014: US$32,094,000) and capital allowances of US$31,526,000 (2014: US$4,000) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation.

The tax losses and capital allowances have no expiry date.

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

Group
Deferred income tax liabilities

	2015	2014
	Accelerated tax depreciation	Accelerated tax depreciation
	US$'000	US$'000
Beginning of financial year	**(7,588)**	(24,155)
Disposal of subsidiaries	**–**	15,768
(Credited)/charged to profit or loss	**(10,651)**	799
End of financial year	**(18,239)**	(7,588)

Group
Deferred income tax assets

	2015	2014
	Tax losses and allowances	Tax losses and allowances
	US$'000	US$'000
Beginning of financial year	**11,407**	7,386
Disposal of subsidiaries	**–**	(23)
Charged to profit or loss	**2,231**	4,044
End of financial year	**13,638**	11,407

20. SHARE CAPITAL

	Group and Company			
	No. of shares	**US$'000**	No. of shares	US$'000
	2015		2014	
Beginning of financial year	**611,386**	**208,246**	609,421	208,246
Issue of new ordinary shares pursuant to rights issuance	**305,693**	**33,087**	–	–
Issue of new ordinary shares pursuant to share option and awards	**1,860**	**–**	1,965	–
	918,939	**241,333**	611,386	208,246
End of financial year (after the Share Consolidation)	**459,469**	**241,333**	305,693	208,246

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends.

The Company has undertaken a renounceable underwritten rights issue of 305,693,000 new ordinary shares in the share capital of the Company (the "Rights Shares") at an issue price of S$0.15 for each Rights Share on the basis of one (1) Rights Share for every two (2) existing ordinary shares in the share capital of the Company. The Rights Shares has been issued on 7 January 2015, and listed for quotation on the Main Board of the SGX-ST on 8 January 2015.

Pursuant to the Swiber Performance Share Plan (Note 21(b)), the Company issued 1,860,000 (2014: 1,965,000) ordinary shares on 19 March 2015 at nil consideration. The newly issued shares rank pari passu in all respects with the previously issued shares.

The Company undertook a consolidation of all its shares on the basis of every 2 existing shares into 1 consolidated share with effect from 8 September 2015.

21. OTHER RESERVES

Hedging reserve

	Group		Company	
	2015	2014	**2015**	2014
	US$'000	US$'000	**US$'000**	US$'000
Beginning of financial year	**(13,428)**	(5,902)	**(8,023)**	(3,544)
Fair value movement	**(4,031)**	(8,306)	**(2,177)**	(5,882)
Reclassification to profit and loss	**300**	1,403	**300**	1,403
Share of associate's fair value gain/(loss) on cash flow hedge	**53**	(500)	**–**	–
Share of joint venture's fair value gain/(loss) on cash flow hedge	**123**	(123)	**–**	–
End of financial year	**(16,983)**	(13,428)	**(9,900)**	(8,023)

Translation reserve

	Group	
	2015	2014
	US$'000	US$'000
Beginning of financial year	**4,514**	(517)
Disposal of subsidiaries	**–**	2,391
Net currency translation differences of financial statements of foreign subsidiaries, joint ventures and associates	**(8,594)**	2,640
End of financial year	**(4,080)**	4,514

21. OTHER RESERVES (CONTINUED)

Equity reserve

	Group	
	2015	2014
	US$'000	US$'000
Beginning of financial year	**(590)**	(7,899)
Share of associates' other reserve	**634**	–
Disposal of subsidiaries	**–**	7,372
Others	**134**	(63)
End of financial year	**178**	(590)

Employees' share options & awards reserve

	Group and Company	
	2015	2014
	US$'000	US$'000
Beginning of financial year	**6,643**	6,138
Share based compensation expense (Note 25)	**925**	1,222
Issue of treasury shares	**–**	(717)
End of financial year	**7,568**	6,643

(a) Swiber Employee Share Option Scheme ("Scheme")

Share options ("Options") were granted to directors of the Group under the Scheme, which became operative on 29 September 2006.

The terms of the exercise of Options are set out in the Directors' Statement under the caption "Swiber Employee Share Option Scheme".

(i) On 26 January 2011, the Options to subscribe for 15,000,000 ordinary shares of the Company at an exercise price of S$0.97 per ordinary share were granted pursuant to the Scheme. The Options have a one-year vesting period and are exercisable from 26 January 2012 and expire on 25 January 2016.

The fair value of Options granted on 26 January 2011, determined using the Black Scholes Model, was US$3,261,000. The significant inputs into the model were the share price of S$0.965 at the grant date, the exercise price of S$0.97, standard deviation of expected share price returns of 53%, the option life shown above and the annual risk-free interest rate of 1.54%. The volatility measured as the standard deviation of expected share price returns was estimated based on statistical analysis of share prices over the last two years.

(ii) On 19 March 2013, the Options to subscribe for 15,000,000 ordinary shares of the Company at an exercise price of S$0.64 per ordinary share were granted pursuant to the Scheme. The Options have a one-year vesting period and are exercisable from 19 March 2014 and expire on 18 March 2018.

The fair value of Options granted on 19 March 2013, determined using the Black Scholes Model, was US$958,000. The significant inputs into the model were the share price of S$0.64 at the grant date, the exercise price of S$0.64, standard deviation of expected share price returns of 25%, the Option life shown above and the annual risk-free interest rate of 0.25%. The volatility measured as the standard deviation of expected share price returns was estimated based on statistical analysis of share prices over the last two years.

21. OTHER RESERVES (CONTINUED)

Employees' share options & awards reserve (continued)

(a) Swiber Employee Share Option Scheme ("Scheme") (continued)

(iii) The Share Consolidation has the following effect on the Options under the Scheme:

(1) the exercise price of each outstanding Option under the Scheme shall be adjusted, such that it will be two times the original exercise price of each such outstanding Option; and

(2) the number of shares comprised in each 2 outstanding Options under the Scheme will be reduced in the same proportion as the shares under the Share Consolidation from 2 to 1, fractions to be disregarded.

No Options were exercised in the financial year ended 31 December 2015.

(b) Swiber Performance Share Plan ("Plan")

Share awards were granted to eligible employees of the Group under the Plan, which became operative on 29 September 2006.

The terms of the share awards are set out in the Directors' Statement under the caption "Swiber Performance Share Plan".

On 19 March 2013, 6,000,000 share awards were granted pursuant to the Plan. These share awards have a three-year vesting period commencing from the date of grant. The fair value of these share awards was determined based on the share price of S$0.64 at the grant date.

Each two unvested share awards under the Plan will be reduced in the same proportion as the shares under the Share Consolidation from 2 to 1, fractions to be disregarded.

22. PERPETUAL CAPITAL SECURITIES

On 25 September 2012, the Company issued S$80 million 9.75% perpetual capital securities at an issue price of 100 per cent.

Holders of these perpetual capital securities were conferred a right to receive distribution on a semi-annual basis from their issue date at the rate of 9.75% per annum, subject to a step-up rate from 25 September 2015. The Company had a right to defer this distribution under certain conditions.

The perpetual capital securities had no fixed maturity and were redeemable in whole, but not in part, at the Company's option on or after 25 September 2015 at their principal amount together with any accrued, unpaid or deferred distributions. While any distributions were unpaid or deferred, the Company or any of its subsidiaries, will not declare, pay dividends or make similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank.

These perpetual capital securities were issued for the Company's general corporate purposes as well as to acquire certain existing vessels which are under various leasing arrangements.

The Group's perpetual capital securities were fully redeemed as of 25 September 2015.

23. REVENUE

	Group 2015 US$'000	2014 US$'000
Revenue from construction contracts	**749,602**	478,045
Charter hire income	**74,604**	180,568
Diving services	**–**	18,774
Others	**8,789**	49,126
	832,995	726,513

24. EXPENSES BY NATURE

	Group 2015 US$'000	2014 US$'000
Purchases of inventories	**168,316**	141,835
Purchase of spares and consumables	**56,062**	72,356
Ship management fees	**10,461**	18,482
Chartering expenses		
– Non-cancellable operating lease	**52,436**	123,555
– Other operating lease	**116,447**	81,153
Travelling expense	**8,345**	11,319
Labour and subcontractor costs	**204,329**	126,739
Depreciation of property, plant and equipment	**43,083**	44,092
Amortisation of capitalised vessel costs	**4,230**	6,050
Directors' fees	**330**	374
Employee compensation expense (Note 25)	**47,524**	46,262
Impairment loss on trade receivables (Note 5)	**7,966**	–
Impairment loss on other receivables (Note 6)	**655**	–
Impairment loss on investment in an associate	**24,636**	–
Bad debts written off	**185**	838
Rental of equipment	**7,485**	21,836

25. Employee compensation expense

	Group 2015 US$'000	2014 US$'000
Salaries, bonuses and other benefits	**44,302**	41,507
Employer's contribution to defined contribution plans including Central Provident Fund	**1,934**	2,059
Staff welfare	**363**	1,474
Share based compensation expense (Note 21)	**925**	1,222
	47,524	46,262

26. OTHER OPERATING INCOME – NET

	Group 2015 US$'000	2014 US$'000
Gain/(loss) on disposal of:		
– Associates	**350**	6,416
– Subsidiaries	**–**	96,831
Loss on dilution of associate	**–**	(1,435)
	350	101,812
Fair value loss on financial instruments designated as fair value through profit or loss		
– Convertible bonds	**–**	1,900
– Notes payables	**–**	1,351
– Share options	**–**	(25,816)
	–	(22,565)
Interest income charged to:		
– Associates	**835**	1,200
– Joint ventures	**685**	1,519
– Others	**844**	610
	2,364	3,329
Gain on disposal of property, plant and equipment	**1,809**	1,796
Sale of scrap metal	**663**	1,265
Claim received	**468**	1,181
Net foreign exchange gains	**1,988**	9,845
Recovery of bad debts previously written off	**–**	5,067
Others	**1,224**	1,775
	8,866	103,505

27. FINANCE EXPENSES

	Group 2015 US$'000	2014 US$'000
Interest expense on:		
Borrowings	**6,229**	8,102
Bills payable	**9,500**	6,025
Finance leases	**7,674**	9,309
Notes payables	**32,257**	37,405
	55,660	60,841
Amortisation of transaction costs	**4,433**	3,297
Cash flow hedges, reclassified from hedging reserve (Note 21)	**300**	1,403
	60,393	65,541

Interest capitalised during the financial year amounted to US$6,653,000 (2014: Nil) at a fixed interest rate of 6% (2014: Nil).

28. INCOME TAX EXPENSE

(a) Income tax expense

	Group 2015 US$'000	Group 2014 US$'000
Tax expense attributable to profit is made up of:		
Profit for the year:		
– Current income tax	**14,114**	19,345
– Deferred income tax (Note 19)	**3,583**	(8,366)
	17,697	10,979
Under/(over) provision in prior financial years:		
– Current income tax	**6,528**	(10,015)
– Deferred income tax (Note 19)	**4,837**	3,523
	11,365	(6,492)
	29,062	4,487

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group 2015 US$'000	Group 2014 US$'000
Profit before tax	**10,383**	35,734
Share of profits of associates and joint ventures	**(27,838)**	(41,451)
	(17,455)	(5,717)
Tax calculated at tax rate of 17% (2014: 17%)	**(2,967)**	(972)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**1,784**	1,457
Expenses not deductible for tax purposes	**12,883**	22,243
Income not subject to tax	**(9,891)**	(27,363)
Tax incentives	**(235)**	(394)
Deferred tax benefits not recognised	**5,734**	2,720
Utilisation of previously unrecognised tax losses	**(768)**	–
Utilisation of previously unrecognised capital allowances	**–**	(44)
Withholding tax	**11,157**	13,332
Under/(over) provision in prior financial years	**11,365**	(6,492)
	29,062	4,487

Movement in income tax liabilities is as follows:

	Group 2015 US$'000	Group 2014 US$'000
Beginning of financial year	**16,221**	32,338
Currency differences	**–**	12
Disposal of subsidiaries	**–**	(12,910)
Acquisition of subsidiary	**–**	1,141
Income tax paid	**(20,752)**	(13,690)
Income tax expenses	**20,642**	9,330
End of financial year	**16,111**	16,221

28. INCOME TAX EXPENSE (CONTINUED)

(b) The tax credit relating to each component of other comprehensive loss is as follows:

	2015			2014		
	Before tax US$'000	**Tax charged US$'000**	**After tax US$'000**	Before tax US$'000	Tax charged US$'000	After tax US$'000
Fair value loss and reclassification adjustments on cash flow hedges	**(4,283)**	**728**	**(3,555)**	(8,317)	1,414	(6,903)
Currency translation differences on translation of foreign operations	**(8,594)**	**–**	**(8,594)**	5,031	–	5,031
Share of other comprehensive income of associates and joint ventures	**643**	**–**	**634**	(623)	–	(623)
Other comprehensive loss	**(12,243)**	**728**	**(11,515)**	(3,909)	1,414	(2,495)

29. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2015 US$'000	2014 US$'000
(Loss)/profit attributable to equity holders of the Company	**(27,375)**	16,422
Issued ordinary shares at beginning of financial year	**611,386**	609,421
Effect of rights issue	**305,693**	–
Effect of share options/awards exercised	**1,860**	1,965
	918,939	611,386
Weighted average number of ordinary shares outstanding for basic earnings per share ('000) after the Share Consolidation[1]	**453,215**	331,389
Basic earnings per share (in US cents) (restated)	**(6.0)**	5.0

[1] The shares in the Company were consolidated on 8 September 2015. For the purpose of comparison, the weighted average number of shares for the prior year has been adjusted as though the shares consolidation has taken place in prior year.

29. EARNINGS PER SHARE (CONTINUED)

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares.

For share awards, the weighted average number of shares on issue has been adjusted as if all dilutive share awards were exercised. The number of shares that could have been issued upon the exercise of all dilutive share awards less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the net profit.

Diluted earnings per share attributable to equity holders of the Company is calculated as follows:

	Group	
	2015	2014
	US$'000	US$'000
(Loss)/profit attributable to equity holders of the Company	**(27,375)**	16,422
Weighted average number of ordinary shares outstanding for basic earnings per share ('000) after the Share Consolidation[1]	**453,215**	331,389
Adjustment for ('000)		
– Share awards	**1,000**	2,000[1]
	454,215	333,389
Diluted earnings per share (in US cents) (restated)	**(6.0)**	5.0

[1] The shares in the Company were consolidated on 8 September 2015. For the purpose of comparison, the weighted average number of shares for the prior year has been adjusted as though the shares consolidation has taken place in prior year.

Share options granted to directors and employees are considered to be potential ordinary shares and have been excluded in the determination of diluted earnings per share because they are anti-dilutive.

30. CAPITAL COMMITMENTS

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements, are as follows:

	Group	
	2015	2014
	US$'000	US$'000
Commitments to contracts for the acquisition of property, plant and equipment	**12,764**	26,420

31. OPERATING LEASE COMMITMENTS – WHERE THE GROUP IS A LESSEE

The Group leases land, apartments, equipment and vessels from non-related parties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses, and renewal rights.

The future minimum lease payables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities are as follows:

	Group	
	2015	2014
	US$'000	US$'000
Not later than one year	**83,942**	83,294
Between two and five years	**130,588**	202,878
Later than five years	**965**	4,311
	215,495	290,483

32. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group uses financial instruments such as interest rate swaps, cross currency swaps to hedge certain financial risk exposures.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. Financial risk management is carried out by a central treasury department ("Group Treasury") in accordance with the policies set by the Board of Directors.

(a) Market risk

(i) Currency risk

The Group operates in Asia and Latin America with dominant operations in Singapore, Malaysia, Mexico and India. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies").

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as the Singapore Dollar ("SGD"), United States Dollar ("USD"), Mexican Peso ("MXN"), Chinese Yuan ("CNY") and Indian Rupees ("INR"). Group Treasury manages the overall currency exposure mainly by entering into currency forwards with banks.

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure based on the information provided to key management is as follows:

Group

	Singapore Dollars US$'000	United States Dollars US$'000	Mexican Peso US$'000	Chinese Yuan US$'000	Indian Rupees US$'000	Others US$'000	Total US$'000
2015							
Financial assets							
Cash and cash equivalents	3,747	84,952	57	40	9,803	1,915	100,514
Trade receivables	20	440,089	1,082	–	900	124	442,215
Other receivables	2,505	180,655	3,350	2	10,691	757	197,960
Receivables from subsidiaries	–	2,255,935	–	–	–	–	2,255,935
	6,272	2,961,631	4,489	42	21,394	2,796	2,996,624
Financial liabilities							
Borrowings	467,060	480,753	–	68,989	–	–	1,016,802
Trade payables	18,016	219,818	5,495	40	996	1,646	246,011
Other payables	8,523	47,378	1,687	–	7,844	1,061	66,493
Payables from subsidiaries	–	2,255,935	–	–	–	–	2,255,935
	493,599	3,003,884	7,182	69,029	8,840	2,707	3,585,241
Net financial (liabilities)/assets	(487,327)	(42,253)	(2,693)	(68,987)	12,554	89	(588,617)
Effect of derivative financial instruments	465,524	–	–	68,989	–	–	534,513
Currency exposure	(21,803)	(42,253)	(2,693)	2	12,554	89	(54,104)
Currency exposure of financial (liabilities)/assets net of those denominated in the respective entities' functional currencies	(21,803)	(8,886)	6,163	2	12,554	89	(11,881)

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

Group

	Singapore Dollars US$'000	United States Dollars US$'000	Mexican Peso US$'000	Chinese Yuan US$'000	Indian Rupees US$'000	Others US$'000	Total US$'000
2014							
Financial assets							
Cash and cash equivalents	5,210	168,759	80	61	611	1,377	176,098
Trade receivables	272	451,236	2,635	–	164	35	454,342
Other receivables	808	248,079	29,308	–	–	166	278,361
Receivables from subsidiaries	–	2,995,771	–	–	–	–	2,995,771
	6,290	3,863,845	32,023	61	775	1,578	3,904,572
Financial liabilities							
Borrowings	609,691	484,383	–	71,887	–	–	1,165,961
Trade payables	23,196	116,371	14,821	85	3,564	3,629	161,666
Other payables	5,450	46,368	34,131	–	2,979	609	89,537
Payables from subsidiaries	–	2,995,771	–	–	–	–	2,995,771
	638,337	3,642,893	48,952	71,972	6,543	4,238	4,412,935
Net financial (liabilities)/assets	(632,047)	220,952	(16,929)	(71,911)	(5,768)	(2,660)	(508,363)
Effect of derivative financial instruments	585,315	–	–	71,887	–	–	657,202
Currency exposure	(46,732)	220,952	(16,929)	(24)	(5,768)	(2,660)	148,839
Currency exposure of financial (liabilities)/ assets net of those denominated in the respective entities' functional currencies	(46,732)	211,601	(1,974)	(24)	(5,768)	(2,660)	154,443

32. **FINANCIAL RISK MANAGEMENT (CONTINUED)**

(a) Market risk (continued)

(i) Currency risk (continued)

Company

	Singapore Dollars US$'000	United States Dollars US$'000	Chinese Yuan US$'000	Total US$'000
2015				
Financial assets				
Cash and cash equivalents	446	6,430	40	6,916
Other receivables	9	919,878	–	919,887
	455	926,308	40	926,803
Financial liabilities				
Borrowings	326,441	–	68,989	395,430
Other payables	154	258,494	–	258,648
	326,595	258,494	68,989	654,078
Net financial (liabilities)/assets	(326,140)	667,814	(68,949)	272,725
Effect of derivative financial instruments	325,905	–	68,989	394,894
Currency exposure	(235)	667,814	40	667,619
Currency exposure of financial liabilities/ (assets) net of those denominated in the respective entities' functional currencies	(235)	–	40	(195)
2014				
Financial assets				
Cash and cash equivalents	1,799	17,575	42	19,416
Other receivables	60	977,591	–	977,651
	1,859	995,166	42	997,067
Financial liabilities				
Borrowings	418,047	–	71,887	489,934
Other payables	1,463	258,313	–	259,776
	419,510	258,313	71,887	749,710
Net financial (liabilities)/assets	(417,651)	736,853	(71,845)	247,357
Effect of derivative financial instruments	417,530	–	71,887	489,417
Currency exposure	(121)	736,853	42	736,774
Currency exposure of financial liabilities/ (assets) net of those denominated in the respective entities' functional currencies	(121)	–	42	(79)

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

If the SGD, MXN and INR change against the USD by 8% (2014: 1%), 16% (2014: 4%) and 5% (2014: 4%) respectively with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset position will be as follows:

	Increase/(Decrease)			
	2015		2014	
	Profit after tax US$'000	**Other comprehensive income US$'000**	Profit after tax US$'000	Other comprehensive income US$'000
Group				
SGD against USD				
– Strengthened	**(1,448)**		(388)	–
– Weakened	**1,448**		388	–
MXN against USD				
– Strengthened	**818**		(66)	–
– Weakened	**(818)**		66	–
INR against USD				
– Strengthened	**521**		(191)	–
– Weakened	**(521)**		191	–
Company				
SGD against USD				
– Strengthened	**(16)**		(1)	–
– Weakened	**16**		1	–

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group has no significant variable interest-bearing assets, except for amounts due from third parties as disclosed in Note 6.

The Group's and Company's exposure to cash flow interest rate risks arises mainly from variable rate borrowings. The Group manages these cash flow interest rate risks using floating-to-fixed interest rate swaps.

If interest rates had been 50 basis points higher/lower with all other variables including tax rate being held constant, the profit after tax for the year would have been lower/higher by US$1,378,000 (2014: US$1,463,000) as a result of higher/lower interest expense on variable borrowings.

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits and trade receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit standing and history to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position, except as follows:

	Company	
	2015	2014
	US$'000	US$'000
Corporate guarantees provided to banks on subsidaries' banking facilities	**151,662**	175,059

The trade receivables of the Group comprise 1 debtor (2014: 1 debtor) that represented approximately 55% (2014: 50%) of trade receivables.

The credit risk for trade receivables based on the information provided to key management is as follows:

By geographical areas

	Group	
	2015	2014
	US$'000	US$'000
South Asia	**24,800**	20,776
South East Asia	**190,858**	236,164
Latin America	**43,425**	72,921
Others	**11,137**	3,350
	270,220	333,211

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

(i) Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade and other receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade and other receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	Group	
	2015	2014
	US$'000	US$'000
Past due by:		
Less than three months	**156,643**	19,131
Three to six months	**14,503**	11,856
More than six months	**48,119**	79,400
	219,265	110,387

The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment is as follows:

	Group	
	2015	2014
	US$'000	US$'000
Past due more than three months	**17,919**	–
Less : Allowance for impairment of receivables (Note 5)	**(7,966)**	–
	9,953	–
Beginning of financial year	**–**	17,400
Amount written off during the year	**–**	(15,342)
Allowance made during the year	**7,966**	–
Disposal of subsidiaries	**–**	(2,065)
Currency translation difference	**–**	7
End of financial year	**7,966**	–

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At the balance sheet date, assets held by the Group and the Company for managing liquidity risk included cash and short-term deposits as disclosed in Note 4.

Management monitors rolling forecasts of the Group's and the Company's liquidity reserve (comprises undrawn borrowing facility and cash and cash equivalents (Note 4)) on the basis of expected cash flow. This is generally carried out at local level in the operating companies of the Group in accordance with the practice and limits set by the Group. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring liquidity ratios and maintaining debt financing plans.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less than 1 year US$'000	Between 1 and 5 years US$'000	Over 5 years US$'000
Group			
At 31 December 2015			
Trade and other payables	(312,504)	–	–
Borrowings	(496,306)	(574,059)	(13,697)
At 31 December 2014			
Trade and other payables	(251,199)	–	–
Borrowings	(376,428)	(894,837)	(27,016)

	Less than 1 year US$'000	Between 1 and 5 years US$'000	Over 5 years US$'000
Company			
At 31 December 2015			
Other payables	(258,648)	–	–
Borrowings	(221,167)	(200,689)	–
At 31 December 2014			
Other payables	(259,776)	–	–
Borrowings	(73,777)	(472,706)	–

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

The table below analyses the derivative financial instruments of the Group and the Company for which contractual maturities are essential for an understanding of the timing of the cash flows into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year US$'000	Between 1 and 5 years US$'000
Group		
At 31 December 2015		
Gross-settled currency swaps		
– Receipts	**245,058**	**342,943**
– Payments	**(277,389)**	**(377,875)**
At 31 December 2014		
Gross-settled currency swaps		
– Receipts	115,382	650,454
– Payments	(117,048)	(655,237)
Net-settled currency forwards		
– Net cash outflows	(86)	–

	Less than 1 year US$'000	Between 1 and 5 years US$'000
Company		
At 31 December 2015		
Gross-settled currency swaps		
– Receipts	**230,576**	**115,495**
– Payments	**(262,322)**	**(130,641)**
At 31 December 2014		
Gross-settled currency swaps		
– Receipts	99,580	385,779
– Payments	(101,981)	(392,945)

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Capital risk

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. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a net gearing ratio. The Group and the Company are also required by the banks to maintain a net debt-to-equity ratio of not exceeding 2.0 times (2014: 2.0 times). The Group's and Company's strategies, which were unchanged from 2014, are to maintain gearing ratios below 2.0 times.

The net debt-to-equity ratio is calculated as net borrowings divided by total equity.

	Group		Company	
	2015	2014	**2015**	2014
	US$'000	US$'000	**US$'000**	US$'000
Total borrowings	**1,016,802**	1,165,961	**395,430**	489,934
Less: Cash and cash equivalents	**(100,514)**	(176,098)	**(6,916)**	(19,416)
Net borrowings	**916,288**	989,863	**388,514**	470,518
Total equity	**575,445**	653,325	**445,736**	479,113
Net debt-to-equity ratio	**1.59**	1.52	**0.87**	0.98

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2014 and 2015.

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair value measurements

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
<u>Group</u>				
At 31 December 2015				
Liability				
Derivative financial instruments	–	77,760	–	77,760
At 31 December 2014				
Liability				
Derivative financial instruments	–	42,558	–	42,558
<u>Company</u>				
At 31 December 2015				
Liability				
Derivative financial instruments	–	56,459	–	56,459
At 31 December 2014				
Liability				
Derivative financial instrument	–	32,350	–	32,350

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial liabilities held by the Group is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined by dealer quotes provided by third party financial institutions as at balance sheet date. These financial instruments are classified as Level 2.

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statement of financial position and in Note 9 to the financial statements, except for the following:

	Group		Company	
	2015 US$'000	2014 US$'000	**2015 US$'000**	2014 US$'000
Loans and receivables	**740,689**	908,801	**926,803**	997,067
Financial liabilities at amortised cost	**1,329,306**	1,417,160	**654,078**	749,710

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

(g) Offsetting financial assets and financial liabilities

The Group has the following financial instruments subject to enforceable master netting arrangements of similar agreement as follows:

(i) Financial assets

	Gross amount – financial assets (a) US$'000	Gross amount – financial liabilities (b) US$'000	Net amounts – financial assets presented in the balance sheet (c) = (a)–(b) US$'000
At 31 December 2015			
Trade receivables	485,457	(43,242)	442,215
Other receivables	240,650	(42,690)	197,960
Total	726,107	(85,932)	640,175
At 31 December 2014			
Trade receivables	466,185	(11,843)	454,342
Other receivables	304,790	(26,429)	278,361
Total	770,975	(38,272)	732,703

(ii) Financial liabilities

	Gross amount – financial liabilities (a) US$'000	Gross amount – financial assets (b) US$'000	Net amounts – financial liabilities presented in the balance sheet (c) = (a)–(b) US$'000
At 31 December 2015			
Trade payables	312,973	(66,962)	246,011
Other payables	85,463	(18,970)	66,493
Total	398,436	(85,932)	312,504
At 31 December 2014			
Trade payables	173,509	(11,843)	161,666
Other payables	115,966	(26,429)	89,537
Total	289,475	(38,272)	251,203

33. RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

	2015 US$'000	2014 US$'000
Revenue from construction contracts and charter hire		
– Associates	**7,585**	152,540
– Joint ventures	**25,860**	4,944
Revenue from corporate services income		
– Associates	**3,209**	708
– Joint ventures	**60**	86
Management fee income		
– Associates	**–**	119
Dividend income		
– Associates	**24,521**	3,706
– Joint ventures	**–**	1,000
Interest income charged to		
– Associates	**835**	1,200
– Joint ventures	**685**	1,519
Rental and miscellaneous income charged to		
– Associates	**15,770**	4,360
– Joint ventures	**1,223**	7,679
Purchase of services from		
– Associates	**197,001**	205,713
– Joint ventures	**10**	13,212
Purchase of vessels from		
– Associates	**–**	50,000

Related parties refer to companies which are controlled or jointly controlled by a member of the key management personnel of the Group.

Outstanding balances at 31 December 2015, arising from sale/purchase of goods and services, are unsecured and receivable/payable within 12 months from balance sheet date and are disclosed in Notes 5 and 6, and Notes 14 and 15 respectively.

Key management personnel compensation

Key management personnel compensation is as follows:

	Group	
	2015 US$'000	2014 US$'000
Short-term benefits	**8,006**	5,332
Employer's contribution to defined contribution plans, including Central Provident Fund	**96**	97
Share based compensation expense	**984**	1,222
	9,086	6,651

Details on directors' remuneration are disclosed in the Corporate Governance Report.

34. SEGMENT INFORMATION

The Group's chief operating decision maker has been identified as the Executive Chairman of the Group, who reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group.

The Group reports one operating segment – offshore construction services.

The Group provides a full suite of offshore engineering, procurement, installation and construction services ("EPIC") and delivers integrated and innovative solutions to wide and diverse range of offshore projects, including turnkey project management, procurement, transportation and installation of offshore structure, subsea completion works and decommissioning services. The EPIC services are complemented by the Group's marine and engineering division.

Geographical information

	Revenue[1] US$'000	Non-current assets[2] US$'000
2015		
South Asia	244,086	–
South East Asia	117,148	943,086
Latin America	446,824	98,532
Others [3]	24,937	–
	832,995	1,041,618
2014		
South Asia	44,552	–
South East Asia	479,136	825,893
Latin America	193,457	302,889
Others [3]	9,368	–
	726,513	1,128,782

[1] Analysis of the Group's sales is by geographical location of customers, irrespective of the origin of the work/services.
[2] Analysis of the carrying amount of segment assets and additions to the property, plant and equipment analysed by the geographical area in which the assets are located.
[3] Others comprise of operations in Europe, Southern Caribbean, Middle East and East Asia.

During the year, the Group had three (2014: three) customers in the Group that individually contributed 10% or more of the Group's total revenue. Revenue from these customers amounted to US$601,656,000 (2014: US$367,496,000) of the Group's total revenue.

35. CONTINGENT LIABILITIES

The Company has issued corporate guarantees to banks for banking facilities of certain subsidiaries and related companies. These banking facilities amount to US$471,530,000 (2014: US$443,251,000) as at balance sheet date.

Management is of the view that the fair value of corporate guarantees issued by the Company is not significant.

36. COMPARATIVES

Certain comparative figures have been reclassified to conform with the current year's presentation. The revised presentation does not result in a change in the results of the Group.

37. EVENTS AFTER THE REPORTING PERIOD

On 19 January 2016, Swiber Offshore Construction Pte. Ltd., a wholly-owned subsidiary of the Company, acquired for 9,500,000 nil-paid ordinary shares with nominal value of NGN1.00 each representing 38% of the equity interest in the share capital of Deltatek Offshore Limited ("DOL"). Following the acquisition, DOL has become an associate of the Company. The principal activities of DOL is providing offshore engineering, procurement, construction, installation and commissioning services in the Sub-Saharan Africa region.

38. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2016 or later periods and which the Group has not early adopted:

FRS 1 Presentation of financial statements (effective for annual periods beginning on or after 1 January 2016)

This amendment clarifies guidance in FRS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

This amendment is not expected to have any significant impact on the financial statements of the Group.

FRS 115 Revenue from contracts with customers (effective for annual periods beginning on or after 1 January 2017)

This is the converged standard on revenue recognition. It replaces FRS 11 Construction contracts, FRS 18 Revenue, and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of FRS 115 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognizes revenue in accordance with that core principle by applying the following steps:

• Step 1: Identify the contract(s) with a customer

• Step 2: Identify the performance obligations in the contract

• Step 3: Determine the transaction price

• Step 4: Allocate the transaction price to the performance obligations in the contract

• Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

FRS 115 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Group has yet to assess the full impact of FRS 115 and intends to apply the standard from 1 January 2017.

38. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

FRS 110 Consolidated financial statements and FRS 28 Investments in associates and joint ventures (effective for annual periods beginning on or after 1 January 2016)

These amendments address an inconsistency between FRS 110 and FRS 28 in the sale or contribution of assets between an investor and its associate or joint venture. A full gain or loss is recognised when a transaction involves a business. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if those assets are in a subsidiary.

This amendment is not expected to have any significant impact on the financial statements of the Group.

FRS 109 Financial instruments (effective for annual periods beginning on or after 1 January 2018)

The complete version of FRS 109 replaces most of the guidance in FRS 39. FRS 109 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income (OCI) and fair value through Profit or Loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI. There is now a new expected credit losses model that replaces the incurred loss impairment model used in FRS 39.

For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value, through profit or loss. FRS 109 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required by is different to that currently prepared under FRS 39.

The Group has yet to assess the full impact of FRS 109 and intends to apply the standard from 1 January 2018.

FRS 16 Property plant and equipment and FRS 38 Intangible assets (effective for annual periods beginning on or after 1 January 2016)

This amendment clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. This has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.

The presumption may only be rebutted in certain limited circumstances. These are where the intangible asset is expressed as a measure of revenue; or where it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

The amendment is not expected to have any significant impact on the financial statements of the Group.

39. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Swiber Holdings Limited on 18 March 2016.

Statistics of Shareholdings

AS AT 14 MARCH 2016

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	118	1.15	5,291	0.00
100 – 1,000	693	6.76	549,500	0.12
1,001 – 10,000	5,604	54.67	31,143,804	6.78
10,001 – 1,000,000	3,814	37.21	164,292,125	35.76
1,000,001 and above	21	0.21	263,478,766	57.34
TOTAL	10,250	100.00	459,469,486	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	RAFFLES NOMINEES (PTE) LIMITED	113,707,336	24.75
2	DBS NOMINEES (PRIVATE) LIMITED	27,778,241	6.05
3	CITIBANK NOMINEES SINGAPORE PTE LTD	24,650,919	5.37
4	GU JIAN LIN	11,697,000	2.55
5	MAYBANK NOMINEES (SINGAPORE) PRIVATE LIMITED	11,060,000	2.41
6	OCBC SECURITIES PRIVATE LIMITED	9,367,300	2.04
7	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	8,543,239	1.86
8	MAYBANK KIM ENG SECURITIES PTE. LTD.	7,825,212	1.70
9	CIMB SECURITIES (SINGAPORE) PTE. LTD.	7,377,821	1.61
10	DBSN SERVICES PTE. LTD.	6,583,503	1.43
11	UOB KAY HIAN PRIVATE LIMITED	6,454,400	1.40
12	SWISSCO INTERNATIONAL PTE LTD	6,237,000	1.36
13	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	4,953,500	1.08
14	PHILLIP SECURITIES PTE LTD	3,976,559	0.87
15	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	3,567,750	0.78
16	HSBC (SINGAPORE) NOMINEES PTE LTD	2,214,436	0.48
17	CHUA KEE TEE	2,176,300	0.47
18	HONG LEONG FINANCE NOMINEES PTE LTD	1,602,750	0.35
19	CHAN WENG YIP	1,500,000	0.33
20	LEE SOON SENG	1,192,000	0.26
	TOTAL	262,465,266	57.15

Statistics of Shareholdings

AS AT 14 MARCH 2016

Total number of issued shares excluding treasury shares	:	459,469,486
Total number and percentage of treasury shares	:	Nil
Class of shares	:	Ordinary share
Voting rights	:	One vote per share

SUBSTANTIAL SHAREHOLDERS

Substantial shareholders of the Company (as recorded in the Register of Substantial Shareholders) as at 14 March 2016:

	Direct Interest		**Deemed Interest**	
Name	**No. of shares**	**%***	**No. of shares**	**%***
Raymond Kim Goh	3,900,000	0.85	70,034,083	15.24 [1]
Yeo Chee Neng	10,201,500	2.22	70,034,083	15.24 [1]
Pang Yoke Min	–	–	47,271,010	10.29 [2]
Newshire Capital Limited	70,0340,83	15.24	–	–

Notes:

* Computed based on 459,469,486 shares, being the total number of issued voting shares of the Company (excluding treasury shares).

1 Mr. Raymond Kim Goh and Mr. Yeo Chee Neng are deemed to be interested in the shares held by Newshire Capital Limited by virtue of Section 4 of the Securities and Futures Act (Cap.289).

2 The shares are held through nominees accounts.

FREE FLOAT

As at 14 March 2016, the percentage of shareholdings of the Company held in the hands of the public was 68.93 per cent. and therefore Rule 723 of the Listing Manual is complied with.

Notice of Annual General Meeting

SWIBER HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 200414721N)

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of Swiber Holdings Limited (the "**Company**") will be held at 12 International Business Park, #03-02 Swiber@IBP, Singapore 609920, on Friday, 15 April 2016 at 10.00 a.m. for the following purposes:

ORDINARY BUSINESS

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

2. To re-elect the following Directors of the Company retiring pursuant to Article 93 of the Constitution of the Company:

   Mr. Yeo Chee Neng **(Resolution 2)**
   Mr. Tay Gim Sin Leonard **(Resolution 3)**
   Mr. Chia Fook Eng **(Resolution 4)**

   [See Explanatory Note (i)]

3. To approve the payment of Directors' fee of US$297,000 for the financial year ending 31 December 2016 (2015: US$330,000). **(Resolution 5)**

4. To re-appoint Messrs PricewaterhouseCoopers LLP as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 6)**

5. To transact any other ordinary business which may properly be transacted at an AGM.

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

6. Authority to allot and issue shares

   "THAT, pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**"), authority be and is hereby given to the Directors to:

   (a) allot and issue shares in the Company (the "**Shares**"); and

   (b) issue convertible securities and any Shares pursuant to convertible securities

   (whether by way of rights, bonus or otherwise) at any time and upon such term and conditions and for such purposes and to such persons as the Directors shall in their absolute discretion deem fit, provided that the aggregate number of Shares (including any Shares to be issued pursuant to the convertible securities) to be issued pursuant to such authority shall not exceed fifty per cent. (50%) of the total number of issued Shares excluding treasury shares of the Company for the time being and that the aggregate number of Shares to be issued other than on a pro rata basis to the existing shareholders of the Company (including any Shares to be issued pursuant to the convertible securities) will not exceed twenty per cent. (20%) of the total number of issued Shares excluding treasury shares of the Company for the time being. Unless prior shareholders' approval is required under the Listing Manual, an issue of treasury shares will not require further shareholders' approval, and will not be included in the aforementioned limits. Unless revoked or varied by the Company in general meeting, such authority shall continue in full force until the conclusion of the next AGM of the Company or the date by which the next AGM is required by law to be held, whichever is earlier, except that the Directors shall be authorised to allot and issue new Shares pursuant to the convertible securities notwithstanding that such authority has ceased.

For the purposes of this Resolution and Rule 806(3) of the Listing Manual, the total number of issued Shares excluding treasury shares is based on the total number of issued Shares excluding treasury shares of the Company at the time this Resolution is passed after adjusting for:

(i) new Shares arising from the conversion or exercise of convertible securities;

(ii) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with the rules of the Listing Manual; and

(iii) any subsequent bonus issue, consolidation or subdivision of Shares."

[See Explanatory Note (ii)] **(Resolution 7)**

7. The proposed renewal of the Share Buyback Mandate

"THAT,

(a) for the purposes of Sections 76C and 76E of the Companies Act, and such other laws and regulations as may for the time being be applicable, approval be and is hereby given for the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued Shares not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) on-market share purchases ("**Market Purchase**"), transacted on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") through the ready market of the SGX-ST, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(ii) off-market share purchases ("**Off-Market Purchase**") effected pursuant to an equal access scheme in accordance with Section 76C of the Companies Act;

("**Share Buyback Mandate**");

(b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buyback Mandate shall, at the discretion of the Directors, either be cancelled or held in treasury and dealt with in accordance with the Companies Act;

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

(i) the date on which the next AGM of the Company is held or is required by law to be held, whichever is the earlier;

(ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated; and

(iii) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied (in accordance with the Companies Act) by the shareholders in general meeting;

(d) in this Resolution:

"**Maximum Limit**" means ten per cent. (10%) of the total issued ordinary share capital of the Company (excluding any treasury shares held by the Company), ascertained as at the date of the last AGM or (if different) at the date of the general meeting at which the renewal of the Share Buyback Mandate is approved, whichever is higher, unless the Company has effected a reduction of share capital of the Company in accordance with the applicable provisions of the Companies Act at any time during the Relevant Period (as hereafter defined), in which event the total number of issued Shares shall be taken to be the total number of issued Shares altered;

"**Relevant Period**" means the period commencing from the date the resolution relating to the Share Buyback Mandate was passed and expiring on the date the next AGM of the Company is held or is required by law to be held, whichever is earlier;

"**Maximum Price**" in relation to a Share to be purchased, means an amount (excluding the related expenses of the purchase or acquisition) not exceeding:

(i) in the case of a Market Purchase, one hundred and five per cent. (105%) of the Average Closing Price; and

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme in accordance with Section 76C of the Companies Act, one hundred and twenty per cent. (120%) of the Average Closing Price;

"**Average Closing Price**" means the average of the closing market prices of the Shares for the last five Market Days on which transactions in the Shares are recorded 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 which occurs after the relevant five-Market Days period;

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

"**Market Day**" means a day on which the SGX-ST is open for trading in securities; and

(e) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including, without limitation, executing such documents as may be required) as they and/or he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this Resolution."

[See Explanatory Note (iii)] **(Resolution 8)**

8. The proposed adoption of the 2016 Swiber Employee Share Option Scheme

"THAT, the employee share option scheme to be named the "2016 Swiber Employee Share Option Scheme" (the "**Scheme**"), the rules of which have been set out in the circular to shareholders dated 31 March 2016 (the "**Circular**"), be and is hereby approved and adopted, and any and all Directors be and are hereby authorised:

(a) to implement, establish and administer the Scheme;

(b) to modify and/or amend the Scheme from time to time provided that such modification and/or amendment is effected in accordance with the rules of the Scheme and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Scheme; and

(c) to offer and grant share options (the "**Options**") in accordance with the rules of the Scheme and to issue and allot or deliver from time to time such number of new Shares or treasury shares as may be required pursuant to the exercise of the Options under the Scheme provided always that the aggregate number of Shares to be issued pursuant to the Scheme, when added to the number of Shares issued and issuable in respect of all Options granted or to be granted under the Scheme, all awards granted or to be granted under the Plan (as hereafter defined) and all shares, options or awards granted or to be granted under any other share option schemes or share plans of the Company, shall not exceed fifteen per cent. (15%) of the total number of issued Shares (excluding treasury shares) from time to time."

(Resolution 9)

9. The proposed grant of Options at a discount under the Scheme

"THAT, subject to and contingent on the passing of Resolution 9, any and all Directors be and are hereby authorised to grant Options in accordance with the rules of the Scheme with exercise prices set at a discount to the Market Price of the Shares provided that such discount does not exceed twenty per cent. (20%)."

(Resolution 10)

In this Resolution, "**Market Price**" means a price equal to the average of the last dealt prices for Shares determined by reference to the daily Official List published by SGX-ST for a period of five consecutive Market Days immediately prior to the relevant date of grant of an Option provided always that in the case of a Market Day on which Shares were not traded on SGX-ST, the last dealt price for the Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded up to the nearest whole cent in the event of fractional prices.

10. The proposed participation of Mr. Raymond Kim Goh, a Controlling Shareholder, in the Scheme

"THAT, subject to and contingent on the passing of Resolution 9, approval be and is hereby given for the participation of Mr. Raymond Kim Goh, a Controlling Shareholder, in the Scheme."

(Resolution 11)

In this notice, "**Controlling Shareholder**" means a person who holds directly or indirectly fifteen per cent. (15%) or more of the issued Shares (excluding treasury shares) in the Company (subject to SGX-ST determining otherwise) or who in fact exercises control over the Company.

11. The proposed participation of Mr. Yeo Chee Neng, a Controlling Shareholder, in the Scheme

"THAT, subject to and contingent on the passing of Resolution 9, approval be and is hereby given for the participation of Mr. Yeo Chee Neng, a Controlling Shareholder, in the Scheme."

(Resolution 12)

12. The proposed adoption of the 2016 Swiber Performance Share Plan

"THAT, the performance share plan to be named the "2016 Swiber Performance Share Plan" (the "**Plan**"), the rules of which have been set out in the Circular, be and is hereby approved and adopted, and any and all Directors be and are hereby authorised:

(a) to implement, establish and administer the Plan;

(b) to modify and/or amend the Plan from time to time provided that such modification and/or amendment is effected in accordance with the rules of the Plan and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Plan; and

(c) to grant awards in accordance with the rules of the Plan and to issue and allot or deliver from time to time such number of new Shares or treasury shares as may be required pursuant to the vesting of the awards under the Plan provided always that the aggregate number of Shares to be issued pursuant to the Plan, when added to the number of Shares issued and issuable in respect of all awards granted or to be granted under the Plan, all Options granted or to be granted under the Scheme and all shares, options or awards granted or to be granted under any other share option schemes or share plans of the Company, shall not exceed fifteen per cent. (15%) of the total number of issued Shares (excluding treasury shares) from time to time."

(Resolution 13)

13. The proposed participation of Mr. Raymond Kim Goh, a Controlling Shareholder, in the Plan

"THAT, subject to and contingent on the passing of Resolution 13, approval be and is hereby given for the participation of Mr. Raymond Kim Goh, a Controlling Shareholder, in the Plan."

(Resolution 14)

14. The proposed participation of Mr. Yeo Chee Neng, a Controlling Shareholder, in the Plan

"THAT, subject to and contingent on the passing of Resolution 13, approval be and is hereby given for the participation of Mr. Yeo Chee Neng, a Controlling Shareholder, in the Plan."

(Resolution 15)

By Order of the Board

Lee Bee Fong
Company Secretary
Singapore, 31 March 2016

Notice of Annual General Meeting

Explanatory Notes:

(i) With regard to Ordinary Resolutions 2 to 4 proposed in item 2 above, please note the following:

Mr. Yeo Chee Neng will, upon re-election as a Director, remain as an Executive Director and Deputy Group Chief Executive Officer of the Company. There is no relationship including immediate family relationships between himself and the other Directors, the Company, its related corporations, its 10% shareholders or its officers (as defined in the Code of Corporate Governance 2012 (the "**Code**")).

Mr. Tay Gim Sin Leonard will, upon re-election as a Director, remain as Executive Director and Group Chief Financial Officer of the Company. There is no relationship including immediate family relationships between himself and the other Directors, the Company, its related corporations, its 10% shareholders or its officers (as defined in the Code).

Mr. Chia Fook Eng will, upon re-election as a Director, remain as an Independent Non-Executive Director of the Company and a member of the Audit Committee, Remuneration Committee and Nominating Committee. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. There is no relationship including immediate family relationships between himself and the other Directors, the Company, its related corporations, its 10% shareholders or its officers (as defined in the Code).

The detailed information on the abovementioned Directors are set out in their respective profiles as disclosed in pages 24 and 25 of the Annual Report.

(ii) The Ordinary Resolution 7 proposed in item 6 above, if passed, will empower the Directors from the date of the above AGM until the date of the next AGM of the Company, to allot and issue Shares and convertible securities in the Company. The aggregate number of Shares (including any Shares issued pursuant to the convertible securities) which the Directors may allot and issue under this Resolution will not exceed fifty per cent. (50%) of the total number of issued Shares excluding treasury shares of the Company as at the date of the passing of this Resolution. For issues of Shares other than on a pro rata basis to all shareholders, the aggregate number of Shares to be issued will not exceed twenty per cent. (20%) of the total number of issued Shares excluding treasury shares of the Company as at the date of the passing of this Resolution. This authority will, unless previously revoked or varied at a general meeting, expire at the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier. However, notwithstanding the cessation of this authority, the Directors are empowered to issue Shares pursuant to any convertible securities which have been issued under this authority.

(iii) The Ordinary Resolution 8 proposed in item 7 above, if passed, renews the Share Buyback Mandate and will authorise the Directors from the date of the above AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or the date on which such authority is revoked or varied by the shareholders in a general meeting, whichever is the earliest, to purchase up to ten per cent. (10%) of the total number of issued Shares in the capital of the Company. Please refer to the Circular appended to the Annual Report for details.

Notice of Annual General Meeting

Notes:

1. A member entitled to attend and vote at the AGM is entitled to appoint not more than two (2) proxies to attend and vote instead of him. A proxy need not be a member of the Company.

2. If the appointor is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.

3. The instrument appointing a proxy must be deposited at the registered office of the Company at 12 International Business Park, #01-05 Swiber@IBP, Singapore 609920 not less than forty-eight (48) hours before the time for holding the AGM.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM of the Company 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) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing 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), 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) 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.

Proxy Form
Swiber Holdings Limited

(Incorporated in the Republic of Singapore)
(Company Registration No. 200414721N)

IMPORTANT:
1. For investors who have used their CPF monies to buy Swiber Holdings Limited's shares, the Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors who wish to vote should contact their CPF Approved Nominees.

I/We ____ (Name)

of ____ (Address)

being a member/members of Swiber Holdings Limited (the "**Company**") hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

or failing him/her/them, the Chairman of the meeting as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company (the "**Meeting**") to be held at 12 International Business Park, #03-02 Swiber@IBP, Singapore 609920, on Friday, 15 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 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 matter arising at the Meeting:

No.	Resolutions relating to:	For*	Against*
1.	Directors' Statement and Audited Financial Statements for the year ended 31 December 2015		
2.	Re-election of Mr. Yeo Chee Neng		
3.	Re-election of Mr. Tay Gim Sin Leonard		
4.	Re-election of Mr. Chia Fook Eng		
5.	Approval of Directors' fees of US$297,000 for the financial year ending 31 December 2016		
6.	Re-appointment of Messrs PricewaterhouseCoopers LLP as Auditors		
7.	Authority to allot and issue shares		
8.	Proposed renewal of the Share Buyback Mandate		
9.	Proposed adoption of the 2016 Swiber Employee Share Option Scheme (the "**Scheme**")		
10.	Proposed grant of Options at a discount under the Scheme		
11.	Proposed participation of Mr. Raymond Kim Goh, a Controlling Shareholder, in the Scheme		
12.	Proposed participation of Mr. Yeo Chee Neng, a Controlling Shareholder, in the Scheme		
13.	Proposed adoption of the 2016 Swiber Performance Share Plan (the "**Plan**")		
14.	Proposed participation of Mr. Raymond Kim Goh, a Controlling Shareholder, in the Plan		
15.	Proposed participation of Mr. Yeo Chee Neng, a Controlling Shareholder, in the Plan		

* *Please indicate your vote "For" or "Against" with a "✓" within the box provided.*

Dated this ____________ day of ______________ 2016

	Total Number of Shares
In CDP Register	
In Register of Members	

____

Signature(s) of Member(s)
or, Common Seal of Corporate Member

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES:

1. A member entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead.

2. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.

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

4. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in the Securities and Futures Act) (Cap. 289), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and 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 shares held by the member.

5. Intermediaries which provide custodial services and are members of the Company may appoint more than two (2) proxies provided that each proxy is appointed to exercise the rights attached to different shares held by the member. In such event, the relevant intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.

   "Relevant intermediary" means:

   (a) a banking corporation licensed under the Banking Act (Cap. 19) or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;

   (b) a person holding a capital markets services licence to provides custodial services for securities under the Securities and Futures Act (Cap. 289) and holds shares in that capacity; or

   (c) the Central Provident Fund ("**CPF**") Board established by the Central Provident Fund Act (Cap. 36) (the "**Act**"), in respect of shares purchased under the subsidiary legislation made under that Act providing for making of investments from the contributions and interest standing to the credit of members of the CPF, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

6. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at **12 International Business Park, #01-05 Swiber@IBP, Singapore 609920**, not less than forty-eight (48) hours before the time set for the Meeting.

7. The instrument appointing a proxy or proxies must be 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 attorney or a duly authorised officer.

8. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

9. 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.

10. The submission of an instrument or form appointing a proxy by a member does not preclude him from attending and voting in person at the Meeting if he so wishes.

GENERAL:

The Company shall be entitled to reject a proxy form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject a proxy form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy

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 31 March 2016.

SWIBER HOLDINGS LIMITED
(Registration No.: 200414721N)

12 International Business Park
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