EXPANDING OUR HORIZONS

SWISSCO HOLDINGS LIMITED

Annual Report 2014

CONTENTS

CORPORATE PROFILE

Swissco Holdings Limited is one of the leading marine service providers for the shipping and offshore Oil and Gas industries.

Swissco Holdings Limited ("Swissco") is an integrated, international marine company providing rig and vessel chartering, ship repair, maintenance and maritime services for the oil and gas, shipping and marine infrastructure industries. Helmed by industry veterans, Swissco offers a 'one-stop' solution to major clients operating worldwide. Swissco owns a fleet of rigs secured on long-term bareboat contracts to service oil and gas major players. In addition, it owns and operates a diverse fleet of offshore support vessels, tugs and barges. As a fully-integrated offshore and marine support player, Swissco's rigs and vessels are deployed across Southeast Asia, Latin America and the Middle East. The Group provides one of the most comprehensive offshore and marine and shipping solutions in a prompt, reliable and efficient manner. It was listed on SGX Catalist in 2004 and transferred to the Mainboard in 2013.

OUR BUSINESS

Following Swissco's acquisition of Scott and English Energy Pte Ltd ("Scott and English") in July 2014, the businesses of the enlarged Group were subsequently re-organized into three broad divisions beginning 2015: Drilling, Service Assets and Offshore Support Vessels ("OSV").

Drilling Division

The Drilling Division provides efficient and reliable rig-chartering and rig-related services to major players in the oil and gas ("O&G") industry. As at 31 December 2014, the Group's fleet of drilling assets comprise seven drilling rigs which are fully contracted. Five are jointly-controlled and two are wholly-owned.

Service Assets Division

The Service Assets Division provides efficient and reliable service units to major players in the O&G industry. The Group's fleet of service assets comprises two jointly-controlled accommodation rigs and a liftboat under construction which will be delivered in two years.

OSV Division

The Group's OSV Division comprises vessel-chartering, maritime services and ship repair and maintenance.

The **Vessel Chartering** segment owns and operates a young fleet of OSVs, tugs and barges. Its diverse fleet provides a wide range of offshore chartering services for the marine, offshore O&G and civil construction industries. The Group's renewal programme enables it to maintain a young and dynamic fleet that can cater to a fluid operating environment and its customers' ever-evolving needs. As at 31 December 2014, the Group's vessel chartering segment owns and operates a fleet of 37 OSVs.

The **Maritime Services** segment include rendering services such as sourcing for marine and offshore equipment, providing supplies and consumables, and sourcing for vessels for sale to customers' specific needs.

The **Ship Repair and Maintenance** segment operates ship repair and maintenance yards in Singapore which have the capability to carry out both dry docking and afloat repairs. With two slipways and a 3,000 DWT docking yard, the facilities cater to the Group's fleet as well as third party vessels plying the region. Repair works mainly undertaken by this business segment include retrofitting, renewal works, blasting and painting, electrical and electronic works, and mechanical works.

CHAIRMAN'S STATEMENT

> The successful synergies achieved in the acquisition ensure that we can continue to capture opportunities in the offshore oil and gas industry as we penetrate the upstream market and across different geographical regions.

Dear Valued Shareholders,

On behalf of the Board of Directors ("Board") of Swissco Holdings Limited and its subsidiaries ("Swissco" or the "Group"), I am pleased to present to you our annual report for the financial year ended 31 December 2014 ("FY2014").

The year marked a significant milestone for us, in line with our transformation into a fully integrated offshore and marine player. For more than 40 years now we have weathered uncertain times and have emerged stronger, with our business strategies either intact or improved.

In July 2014, we completed the acquisition of mobile offshore drilling units owner Scott and English Energy Pte Ltd ("Scott and English") to move upstream and diversify into rig chartering and rig-related services. The successful acquisition, which received overwhelming shareholder approval, is built on a strong foundation and sustainable growth strategy. This, together with our unique and resilient business model, forms the bedrock that will help us weather a potentially challenging year ahead with declining oil prices and a slowdown in the sector.

Anchored by sound financials

The acquisition of Scott and English has boosted the Group's financial performance. The synergies achieved in the acquisition ensure that we can continue to capture opportunities in the offshore oil and gas industry across different geographical regions as we penetrate the upstream market. The rig business complements our Offshore Support Vessel ("OSV") business, improves visibility of income and enhances shareholder value, as is evident from the results. We are now able to provide a broader suite of services for our clients.

For FY2014, we achieved higher revenue from the OSV division compared to the previous year, due to an increase in the number of vessels we now own and operate. The acquisition of Scott and English, which was completed on 30 July 2014, was accounted for as a reverse acquisition. Hence, the consolidated financial statements for FY2014 was prepared as a continuation of Scott and English's financial statements. As a result of this accounting treatment, directly comparing the Group's reported FY2014 financial performance with results achieved in the previous financial year ("FY2013") may not be meaningful. Nevertheless, FY2014's results continue to reflect a strong performance, as we achieved a net profit after tax of US$15.9 million. Excluding the impairment of goodwill and other one-time costs, our net profit after tax would have been US$38.9 million.

As at 31 December 2014, the Group continued to maintain a healthy balance sheet with a war-chest of US$38.6 million. The net proceeds of US$36.8 million received from the issuance of redeemable exchangeable preference shares in October 2014 reduced the net gearing ratio from 1.04 times as at 30 September 2014 to 0.82 times as at 31 December 2014.

Sustained by resilient strategy

In less than six months after the acquisition, we more than doubled our original fleet of rigs to a total of seven drilling rigs and two service rigs. Collectively, the rigs have a combined contracted value of US$710 million, with contracts up to five years, providing us with revenue visibility in the coming years. Our fleet of well-maintained rigs are deployed in Mexico, Middle East and North Asia. These are regions of high-demand for exploration and production activities, which ensures a high probability of contract renewals. Moreover, the rigs operate in shallow waters, a niche market that has proven more resilient to macroeconomics volatility, especially at the current oil prices.

In September 2014, we made our foray into the liftboat market, strengthening our competitive position by further diversifying our fleet offerings. The liftboat, to be deployed within two years, will enable the Group to tap into rising demand for such services in Southeast Asia. Together with our accommodation rigs, the liftboat will form the Group's third business division - Service Assets - in addition to our Drilling and OSV divisions. This new division will be dedicated to providing oil and gas majors high-quality and reliable repairs and maintenance services. Amid the budget cutbacks for oil exploration and production given weakening oil prices, oil majors may look into servicing and maintaining their assets during periods of low activity. This presents an opportune time for the Group to market the capabilities and offerings of its service and maintenance assets.

Together with our fleet of 37 offshore support vessels (as at 31 December 2014) which provide chartering services to meet the logistical needs of major oil companies, main offshore contractors, shipping companies and their agents, we have positioned ourselves on a strong growth trajectory for the long term.

Steered by industry veterans

One of our core strengths is our deep and long-lasting relationships with major oil and gas players, which has allowed us to source for and secure the best assets to meet our customers' needs. This wide network of connections is a testament to the ability of our top management team, helmed by experienced industry veterans with strong track records and astute business acumen.

I am honoured to have assumed the role of Chairman in December 2014, in line with good corporate governance practices. Having sat on several boards, I look forward to contributing my experience in board matters at the helm of a very distinguished Board of Directors. Mr. Tan Fuh Gih, who initially assumed the chairman role after the acquisition, has stepped down to focus on ramping up the growth of our rig business. He remains on the Board as Senior Executive Director, and will continue to be instrumental in identifying business opportunities for the Group, given his long-standing relationships in the oil and gas industry and his in-depth understanding of the market. I would also like to thank our former directors Mr Robert Chua and Mr Chua Wei Teck, as well as welcome Madam Ho Geok Choo and Mr Kelvin Tang to the Board. The progression of the Board further streamlines and strengthens the Group's management as Swissco expands its global footprint.

Supported by loyal stakeholders

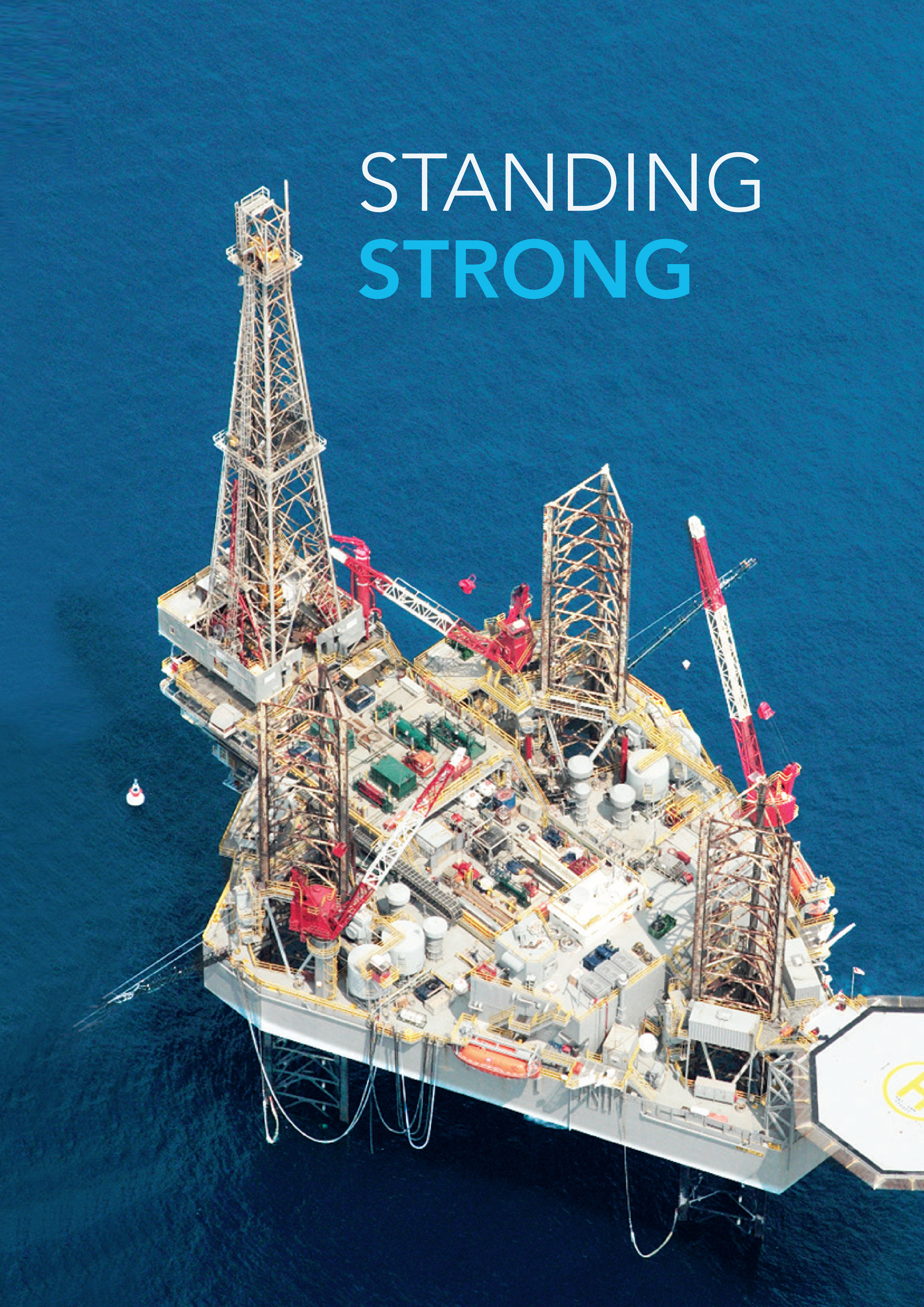
I would like to take this opportunity to thank my fellow board members for their valuable contribution and insights to the Group. In addition, I would like to express on behalf of the Board our gratitude to our dedicated management team and staff for their commitment and hard work, which has contributed to the continued success of the Group. We are also grateful for our partners, suppliers, customers and business associates for their trust in us and we look forward to enjoying many more years of strong partnerships with them.

Last but not least, Swissco would not be where it is today without the support of our loyal shareholders over the years. As a gesture of the Group's appreciation, the Board of Directors is happy to propose a final dividend of 2 Singapore cents per ordinary share for FY2014. This represents a 100% increase, as compared to 1 Singapore cent per ordinary share for FY2013. The proposed dividend will be subject to shareholders' approval at the upcoming Annual General Meeting on 29 April 2015.

With Swissco at the cusp of a new stage of growth, I welcome you to join us in this exciting phase, as the Group strives to become a leading international offshore and marine service provider for the oil and gas and shipping industries.

Lim How Teck
Chairman

STANDING STRONG



The strategic expansion of our rig business and OSV fleet, as well as diversification of risks, strategic deployment of rigs and vessels and the securing of long-term contracts with national oil companies in oil fields that have ample reserves serve as our strong fundamentals, forming a unique business model that will aid us in remaining resilient against market volatility, especially in light of industry concerns over declining oil prices.

CORPORATE MILESTONES

2004

- C2O Holdings Limited was incorporated and was listed on SGX-Sesdaq.

2008

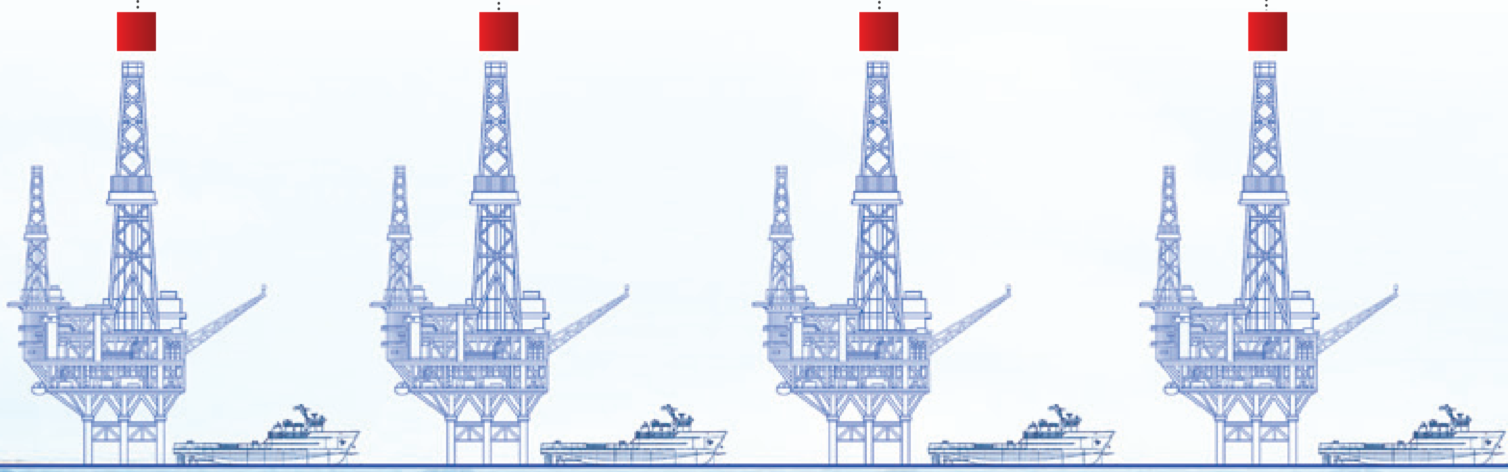
- Ventured into offshore vessel chartering and marine logistics and support services.
- Joint Venture with Hadi H. Al Hammam and TK Rajgopal. Setting up, Hadi International Marine Services Pte Ltd ("HIMS").

2009

- Valueright International Limited acquired two utility cum crew boats.
- Completed disposal of distribution business.

2010

- Expanded fleets with USD13 million order for 2 new vessels.
- Completed acquisition of Swissco International Limited.
- Changed name to Swissco Holdings Limited. Moved to 60 Penjuru Lane.



2011

- Upgraded fleet composition with new building program which included AHTS above 5000BHP.
- Strengthened team for maritime services as well as ship-repair segments.

2012

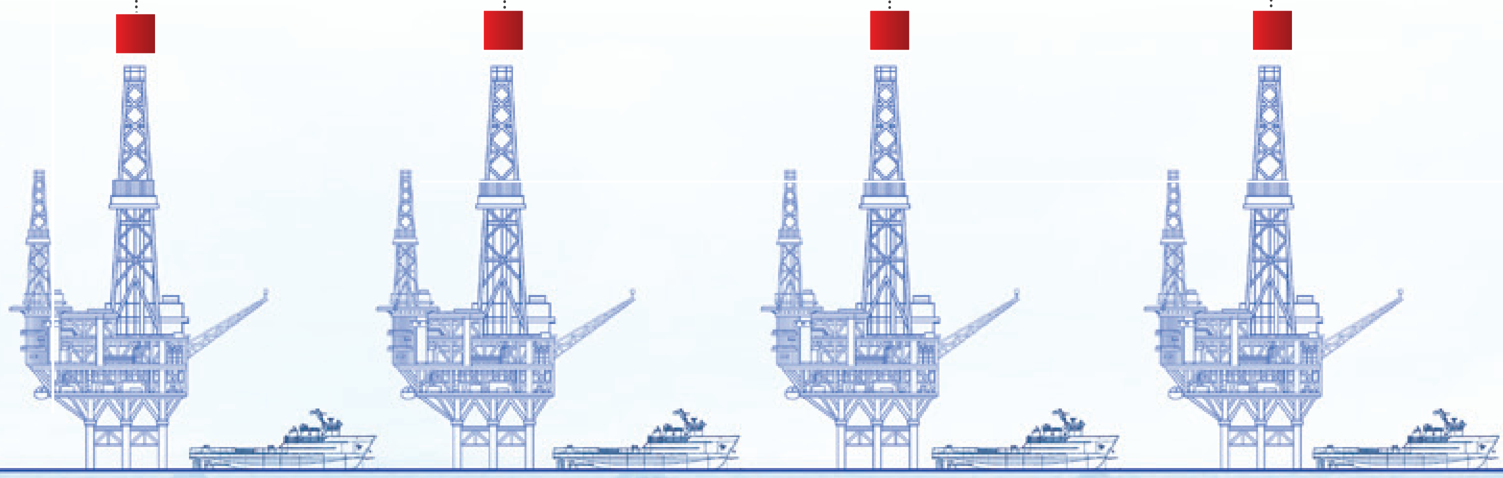
- Took delivery of Anchor Handling Tug, Swissco Jade, a 5150 BHP AHT, in January 2012.
- Upgraded fleet composition with new building program which included AHTS with BHP ranging from 6400 – 7200 with DP.

2013

- Took delivery of Swissco Amber and Swissco Neptune, both DP vessels.
- Delivery of crew boat that accommodates up to 70 pax.

2014

- **Entered the rig business with the acquisition of Scott and English Energy**
- **Acquired five additional rigs, bringing total to nine.**
- **Acquired first liftboat.**



OPERATIONS AND FINANCIAL REVIEW

OPERATIONS REVIEW

The Group's businesses are organized into three broad divisions: Drilling, Service Assets, and Offshore Support Vessels ("OSV").

Drilling Division

The Group's drilling rig chartering segment provides efficient and reliable rig-chartering and rig-related services to major players in the oil and gas industry. They are deployed in the shallow waters of these regions, in oilfields with ample reserves. The Group obtained an initial fleet of three drilling rigs with the Scott and English acquisition, and over the remaining course of 2014 acquired four additional rigs. Five of these rigs are jointly-owned, with the remaining two wholly-owned by the Group. All seven rigs are on long term charter contracts with national oil companies (NOCs).

	DRILLING RIG 1	DRILLING RIG 2	DRILLING RIG 3	DRILLING RIG 4	DRILLING RIG 5	DRILLING RIG 6	DRILLING RIG 7
Rig Type	4 legs, self-elevating, cantilever	4 legs, self-elevating, cantilever	3 legs, self-elevating, cantilever	3 legs, self-elevating, cantilever	3 legs, self-elevating, cantilever	3 legs, self-elevating, cantilever	3 legs, self-elevating, cantilever
Year Built	1985	1983	1985	1979	1982	1982	1977
Year Upgraded	2007	2010	2012	2009	2009	2009	2009
Max Drill Depth	25,000ft	25,000ft	25,000ft	25,000ft	20,000ft	25,000ft	20,000ft
Max Water Depth	300ft	300ft	300ft	250ft	250ft	250ft	250ft
Charter Start Date	January 2013	January 2013	July 2013	September 2014	September 2014	September 2014	September 2014

The Service Assets Division, which only commenced operations in the first quarter of 2015, provides efficient and reliable service units to major players in the oil and gas industry. The Group's fleet of service assets currently comprises two jointly-owned accommodation rigs. The Group also owns a liftboat, which is currently under construction and which will be delivered in 2016.

	SERVICE RIG 1	SERVICE RIG 2	LIFTBOAT
Rig Type	3 legs, self-elevating	3 legs, self-elevating	4 legs, self-elevating
Year Built	1982	1981	2016
Year Upgraded	2015 (in progress)	January 2015	N/A
Max Water Depth	300ft	300ft	320ft (leg length)
Charter Start Date	April 2015	January 2015	N/A

OSV Division

Vessel Chartering

The Group owns and operates a young fleet of OSVs, tugs and barges. The Group's diverse fleet provides a wide range of offshore chartering services for the marine and offshore, oil and gas and civil construction industries. In order to meet the fluid operational environment, the Group reviews its fleet of vessels regularly against market demand and trends as part of its fleet expansion and renewal programme to ensure there are enough advanced marine and offshore support vessels to meet its customers' ever evolving needs. The Group's renewal programme enables it to maintain a young and dynamic fleet, which has been key to its success in this market.

As at 31 December 2014, the Group's vessel chartering segment owns and operates a fleet of 37 OSVs comprised as follows:

	AHT	Barge	Accommodation vessel	Utility Tug	Crew Boats	Total
FY2014	12	5	2	14	4	37
FY2013	10	6	2	12	4	34

Vessels Under Construction

Expected delivery in FY2015	5	-	1	1	1	8

OPERATIONS AND FINANCIAL REVIEW

In FY2014, the Vessel Chartering segment saw its fleet expanding to 37 vessels, up from 34 vessels in the previous year. The Group disposed of 5 vessels and took delivery of 3 anchor handling tugs, 3 utility vessels and 2 crew boats. The Group is committed to keeping its fleet young by diligently reviewing its fleet mix to ensure it stays relevant to market demands. The Group has 8 OSVs under construction to be delivered in 2015.

The average utilisation rate for the Group's fleet of vessels remained healthy at between 60% to 70% in FY2014, reflecting the ability of its diverse fleet to secure more charter contracts.

Maritime Services

This segment's services include:

- Rendering of services, where the Group assists to source for marine and offshore equipment for various offshore projects from the provision of supplies and consumables
- Sale of vessels business, where the Group sources for vessels for sale to its customers.

The Group's maritime service segment delivered 3 vessels in FY2014 (FY2013: 4). This segment complements the Group's chartering and repair segments as customers are offered vessels that are tailored to their specific needs. The Group will continue to focus on building this segment and growing it into a sustainable business.

Ship Repair and Maintenance

The Group's wholly-owned subsidiary, Singapore Marine Logistics Pte Ltd ("SMLog"), operates ship repair and maintenance yards in Singapore which have the capability to carry out both dry docking and afloat repairs. With two slipways and a 3,000 DWT docking yard, the facilities cater to the Group's fleet as well as third party vessels plying the region. Repair works mainly undertaken by this business segment include retrofitting, renewal works, blasting and painting, electrical and electronic works, and mechanical works for third party vessels as well as the Group's own vessels.

REVENUE
US$'000

65,514

TOTAL PROFIT
US$'000

15,891

EARNINGS PER SHARE
(IN US CENTS)

2.91

FINANCIAL REVIEW

As the acquisition of Scott and English completed on 30 July 2014 was accounted for as a reverse acquisition, the consolidated financial statements for the year ended 31 December 2014 were prepared as a continuation of Scott and English's financial statements. The full year results comprised contribution from Scott and English's drilling segment from January to December 2014 and five months' contribution from the OSV-chartering, Ship repair and Maritime services.

The Group's drilling segment currently owns two rigs and jointly owns five rigs. These rigs have secured long term contracts of up to five years. The two wholly-owned rigs commenced charter with effect from 1 October 2014 and registered US$11.4 million in charter revenue for the year ended 31 December 2014.

OSV chartering, ship repair and maritime services segments contributed to the Group's earnings from August to December 2014. Revenue recognized for the reporting period was US$54.1 million. OSV chartering continues to register higher revenue as a result of owning and operating more vessels (2014: 37 vessels; 2013: 34 vessels). The fleet also comprised higher value vessels that earned higher charter rates and margins.

Maritime services delivered a total of three vessels during August to December 2014 to customers.

Cost of sales for FY2014 comprised mainly depreciation for the drilling segment, cost of vessels acquired for sale under the maritime services and crew, depreciation, maintenance and fuel costs for the OSV chartering segment.

Other income comprised mainly interest income earned from loans provided to joint ventures and gain on disposal of vessels.

Administrative expenses comprised mainly staff costs.

Other expenses mainly include impairment of goodwill of US$15.4 million and impairment on available-for-sale financial assets of US$5.3 million.

Finance costs relate mainly to interest on bank borrowings, interest on shareholders' loans and corporate guarantee fees payable to a joint venture partner for the provision of corporate guarantees to the banks.

Share of profits of joint ventures and associated companies - The rigs owned by the Group's joint ventures have long term contracts and contributions have been stable. Two jointly-owned rigs added to the Group's fleet in September 2014 contributed to higher profits from associated companies in FY2014.

OPERATIONS AND FINANCIAL REVIEW

FINANCIAL POSITION

Assets

Current assets include trade and other receivables of US$21.5 million, other current assets of US$10.5 million, available-for-sale financial assets of US$3.9 million and cash of US$38.6 million.

Trade and other receivables of the OSV chartering, ship repair and maritime services segments amounted to US$15.8 million. Drilling segment has trade and other receivables of US$5.7 million.

Available-for-sale financial assets represent quoted shares held.

Other current assets of US$10.5 million mainly represent progress payments to shipyards for vessels under-construction that are contracted for sale with expected delivery within the next twelve months.

Non-current assets include property, plant and equipment which comprise mainly rigs, vessels, and joint ventures.

Liabilities

Total liabilities include trade and other payables of US$40.0 million and bank borrowings of US$248.2 million.

Trade and other payables of the OSV chartering, ship repair and maritime services segments amounted to US$26.9 million of which US$8.6 million are customers' deposits placed for the purchase of vessels. Other payables of US$11.2 million relating to the drilling segment consist of US$10 million of deferred revenue arising from the charter contracts of the two wholly-owned rigs acquired in September 2014.

Total bank borrowings of US$248.2 million comprise US$75.7 million Notes due 2018 issued under the S$300.0 million Multicurrency Medium Term Note Programme, and US$172.5 million in bank borrowings.

Cash Flow

The Group generated US$23.4 million from its operating activities before working capital movement. Working capital movements mainly includes decrease in other assets of US$18.7 million, increase in trade and other payables of US$11.8 million and increase in trade and other receivables of US$1.5 million. After working capital movements and tax payments of US$0.6 million, the Group generated US$50.6 million from its operating activities.

Other assets represent progress payments to shipyards for ship building contracts that are earmarked for sale. The decrease was due to the completion and delivery of vessels in 2014.

Net cash used in investing activities of US$203.6 million mainly comprise cash outflows for the acquisition of property, plant and equipment, investment in associates of US$22.7 million and loans granted to joint ventures of US$24.2 million. Acquisition of property, plant and equipment include the rigs acquisition made on 30 September 2014 as well as progress payments for the construction of vessels.

Loans to associates were for the acquisition of new rigs during the period.

Net cash generated from financing activities for FY2014 of approximately US$189.8 million was due mainly to loans drawn down to fund the acquisition of property, plant and equipment, US$36.8 million in proceeds from the issuance of redeemable exchangeable preference shares and US$75.7 million (S$100 million) in proceeds from Notes issuance during the year.

As a result of the above, there was a net increase in cash and cash equivalents of US$36.8 million for FY2014.

Net gearing as at 31 December 2014 was 0.82 times.

BOOSTING
CAPABILITIES

The Group's operational capabilities have been strengthened through the acquisition of Scott and English Energy. Our combined expertise, sourcing capabilities and industry connections allow us to provide one of the most comprehensive marine and shipping solutions to our customers. Our wider outreach in the global market also bodes well in enabling us to capture more opportunities in the offshore oil and gas industry across various geographical regions.

BOARD OF DIRECTORS

Mr Lim How Teck
Lead Independent Director and Chairman

Mr. Lim How Teck is currently the Group's Chairman (effective 1 December 2014.) Mr Lim is also member of the Audit and Nominating committees and chairs the Remuneration Committee. Mr. Lim was appointed to our Board as Independent Director on 27 April 2010. Prior to joining the Company, Mr Lim was with Neptune Orient Lines Ltd from 1979 to 2005 and its group of companies in various capacities including group deputy chief executive officer, chief operating officer and chief financial officer. Mr Lim has extensive experience and an in-depth knowledge of the shipping industry. Mr Lim holds a Bachelor of Accountancy Degree from the National University of Singapore.

Mr Lim other appointments include being Chairman of Heliconia Capital Management Pte. Ltd and ARA-CWT Trust Management (Cache) Limited. He is also a director of ARA Asset Management Ltd, Rickmers Maritime Trust and PNGSDP (Papua New Guinea Sustainable Development Program Company) and Greenship Holdings, among others. He was awarded the Public Service Medal (PBM) National Day Award in 1999 and the Public Service Star (BBM) National Day Award in 2014.

Mr Tan Fuh Gih
Senior Executive Director

Mr Tan Fuh Gih is currently our Senior Executive Director (effective 1 December 2014) and a member of Nominating Committee. From 1985 to April 2009, he was with Kim Seng Holdings / KS Energy Group and was instrumental in the Group's expansion into the oil & gas industry in the 1980s. He was also the founder of its Projects Division which handles all the projects based procurement and supply to the oil and gas major players. Mr Tan graduated with a Bachelor of Commerce (Honours) degree from Nanyang University and he also holds an MBA from the National University of Singapore. He now heads the Group's rig chartering business.

Mr Alex Yeo Kian Teong
Executive Director and Group Chief Executive Officer

Alex Yeo was appointed as Executive Director on 15 October 2010. He is responsible for the day to day management of the Chartering and Ship Repair and Maintenance business. He assists the Chairman in developing business strategies of our Group, and leads in the effective management of our Group's regional operations and expansion. Mr Yeo began his career as an Operations Executive in Swissco Offshore in 1992. He then assumed the role of an Operations Manager two years later, and oversaw the business marketing for the Group. Mr Yeo was appointed as Chief Executive Officer of Swissco Group with effect from 1 January 2013. He graduated from the University of San Francisco with a Bachelor of Science in Business Administration.

Mr Tang Kheng Guan Kelvin

Executive Director and Group Chief Investment Officer

Mr Kelvin Tang is our Executive Director (effective 1 December 2014.) He is responsible for all investments and financing related activities within the Group. He is also responsible for the Group's investor relations for the Group. He has 15 years of experience in the investment industry. Mr. Tang graduated from the Nanyang Technological University with a Honours degree in Business Studies.

Mr Leslie Yeo Choon Hsien

Independent Non-Executive Director

Mr Leslie Yeo Choon Hsien was appointed as Independent Non-Executive Director on 14 January 2014. Mr Yeo is the Chairman of the Audit Committee and a member of the Nominating and Remuneration Committee. Mr Yeo has been in practice as an advocate and solicitor for 22 years. He set up his own firm in 1999 with another partner and in 2003 commenced practice as a sole proprietor under the name of M/s Leslie Yeo and Associates. Presently he is the principal director in Sterling Law Corporation. His main area of practice is civil and commercial litigation. Presently he serves as the Legal Adviser to the Kim Mui Hoey Kuan, the Yeo Clan, the Singapore Hokkien Yeo See Association, the Xiyao Culture Association and the Pasir Ris-Punggol GRC (Punggol South), Citizens' Consultative Committee. He is also the Chairman of the School Advisory Committee for West Spring Secondary School. He holds a Bachelor of Law degree from the National University of Singapore and is a Fellow of the Singapore Institute of Arbitration (FSIArb).

Mdm Ho Geok Choo Madeleine

Independent Non-Executive Director

Madam Ho Geok Choo was appointed as Independent Non-Executive Director on 1 August 2014. Madam Ho is a member of the Audit and Remuneration Committees. Madam Ho has close to 40 years of experience in GLCs and the private sector. She has also been involved extensively in both public and community service. Her current appointments include, CEO of Human Capital Singapore; Adjunct Professor, SIM University; Independent Director, Select Group; member of Board of Trustees, National Cancer Centre and member of Board of Governors, Raffles Institution. She holds a Bachelor of Arts in Economics and Political Science (University of Singapore) and a Masters in HRM (National University of Singapore).

KEY MANAGEMENT

Ms Lee Kah Hong Jennifer
Group Chief Financial Officer
(appointed on 1 April 2015)

Ms Jennifer Lee oversees the financial, accounting, and treasury matters of the Group. Ms Lee has more than 25 years of experience in various financial positions and was most recently the Deputy Director, Group Finance of KS Drilling Pte Ltd, a subsidiary of KS Energy Limited. She has also been involved in various corporate exercises, including SPV restructuring and M&A due diligence. Ms Lee is a Fellow of the Association of Chartered Certified Accountants since 1991 and is also a Fellow Member of the Institute of Singapore Chartered Accountants.

Mr Mark Steven Gibson
Group Chief Operating Officer
(appointed on 6 March 2015)

Mr Mark Steven Gibson oversees the day-to-day operations of the rig business and has more than 37 years of experience in the offshore drilling industry. Prior to joining Swissco, Mr Gibson was the Director of Operations of Atwood Oceanics, a NYSE-listed company, where he was responsible for overseeing and managing its worldwide jack up fleet and deepwater fleet in the Mediterranean, Southeast Asia and West Africa. He was also Director of Operations Support at Pacific Drilling, where he was in charge of overseeing and ensuring the safety and efficiency delivery of new build ultra-deepwater drill ships. Mr Gibson began his oil and gas career with Transocean and for over 20 years he was employed in various capacities, from being responsible for day to day operations to human resource management.

Mr Tan Wei Min
Head of Marketing (Drilling Division)
(appointed on 6 March 2015)

Mr Tan Wei Min oversees the marketing activities of the Drilling division. Prior to joining Swissco, Mr Tan Wei Min had been with Kim Seng Group since 1994 where he was the Alternate Director to Mr Tan Fuh Gih and was also the President for Valves & Project Division of KS Energy Group, a subsidiary of Kim Seng Group.

From 1999 to 2008, Mr Tan was the Executive Director of KS Energy Group. In year 2000, Mr Tan secured the master stocking distribution agency from Velan Valves for the South East Asian region. Velan Valves is a world's leading manufacturer of industrial valves for petrochemical, oil & gas industry. Additionally, Mr Tan played a key role in overseeing the projects teams from China and Middle East, handling all project based procurement and supply to major oil and gas industry players.

Mr Tan Wei Min holds a Bachelor of Science (Honours) Degree in Information Technology from the Kingston University, United Kingdom.

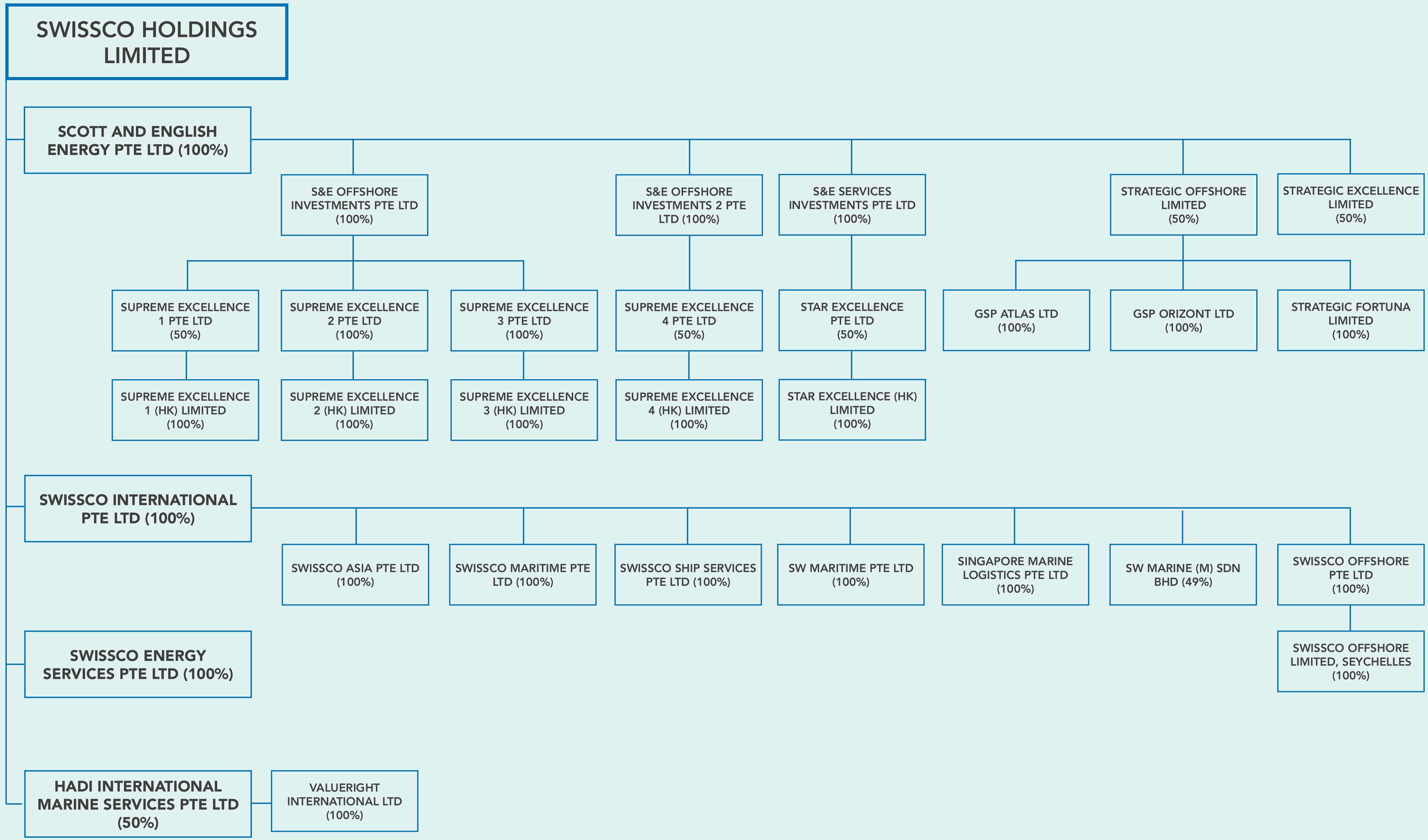
Mr Sam Kwai Hoong
Head of Offshore Support Vessel Division
(appointed on 1 April 2015)

Mr Sam Kwai Hoong is responsible for the day-to-day operations of the Offshore Support Vessel Division. He brings with him 23 years of working experience in accounting, financial and operation management. Mr Sam started his career as an auditor in an international accounting firm, where he was responsible for audits of multi-nationals and local listed companies. He left to join a SESDAQ company in 1993 as Finance and Administration Manager and was later promoted to Executive Director in 2000, where he was responsible for both financial and operational matters. He joined Swissco in 2008 as its Group Chief Financial Officer, and he was responsible for accounting and financial management and assisted in the Group's operational matters as well. Mr. Sam holds a degree in Bachelor of Accountancy from the National University of Singapore and is a Fellow Member of the Institute of Singapore Chartered Accountants.

Mr Derek Koh Bai Yau
Deputy Head of Offshore Support Vessel Division

Mr Derek Koh oversees repair operations in the shipyard. He has more than 19 years of experience in various industries from logistics to ship repair and management of offshore support vessels. Prior to joining Swissco, he was General Manager of Avance Tide Offshore Marine Pte Ltd Singapore where he was responsible for chartering operations. He was also Deputy General Manager of Newcruz Shipbuilding & Engineering Pte Ltd Singapore from 2007 to 2010, where he then led a team of site superintendents and project managers to manage ship building projects. He holds a degree in Bachelor of Business Administration (Marketing) from the La Trobe University Singapore / Melbourne, and a Diploma in Shipbuilding and Offshore Engineering from the Ngee Ann Polytechnic, Singapore.

CORPORATE STRUCTURE



FINANCIAL SUMMARY

Financial Performance (US$'000)	FY2014	FY2013
Revenue	**65,514**	-
Gross Profit Margin	**28.2%**	-
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	**27,608**	15,223
Net Profit Before Taxation	**15,458**	15,352
Total Profit	**15,891**	15,352

Financial Position (US$'000)	FY2014	FY2013
Number of shares in issue ('000)	**671,431**	435,373
Total Shareholders' Equity	**254,307**	42,975
Total Liabilities	**(291,393)**	(2,887)
Total Assets	**545,700**	45,862
Property, Plant and Equipment	**354,218**	4
Net Current Assets/(Liabilities)	**(37,548)**	(768)
Cash & Cash Equivalents	**38,633**	773
Debt to Equity Ratio - Gearing (Times)	**0.82**	N/A

Financial Indicators	FY2014	FY2013
Return on Shareholders' Equity	**6.3%**	35.7%
Return on Total Assets	**2.9%**	33.5%
Net Asset Value per Share (in US Cents)	**32.40**	9.50
Basic Earnings per Share (in US Cents)	**2.91**	3.39
Diluted Earnings per Share (in US Cents)	**2.85**	3.39

The acquisition of Scott and English, which was completed on 30 July 2014, was accounted for as a reverse acquisition. As a result, the consolidated financial statements for FY2014 was prepared as a continuation of Scott and English's financial statements and a direct comparison of the Group's FY2014 financial performance with FY2013 may not be meaningful.

CORPORATE INFORMATION

Board of Directors

Mr Lim How Teck
Lead Independent Director and Chairman

Mr Tan Fuh Gih
Senior Executive Director

Mr Alex Yeo Kian Teong
Executive Director and Group Chief Executive Officer

Mr Tang Kheng Guan Kelvin
Executive Director and Group Chief Investment Officer

Mr Leslie Yeo Choon Hsien
Independent Non-Executive Director

Mdm Ho Geok Choo Madeleine
Independent Non-Executive Director

Company Secretaries

Tan Ching Chek
Anna Teo Ah Hiong

Registered Office

60 Penjuru Lane
Singapore 609214

Principal Place of Business

60 Penjuru Lane Singapore 609214
Telephone: (65) 6265 2855
Facsimile: (65) 6264 1661 / 6264 8948
ir@swisscoholdings.com
website: www.swissco.net

Share Registrar and Share Transfer Office

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

Auditors

PricewaterhouseCoopers LLP
Certified Public Accountants
8 Cross Street
#17-00 PWC Building
Singapore 048424
Partner-in-charge: Tan Bee Nah
(effective from 1 March 2010)

Principal Bankers

DBS Bank Limited
6 Shenton Way
DBS Building Tower One
Singapore 068809

OCBC Bank
63 Chulia Street
OCBC Centre East
Singapore 049514

United Overseas Bank Limited
80 Raffles Place
UOB Plaza 1
Singapore 048624

CAPTURING SYNERGIES

With the acquisition of the rig business, the Group now enjoys greater operational synergies as a fully-integrated offshore and marine services solutions provider through a diversified earnings base and recurring income stream.

FINANCIAL CONTENTS

CORPORATE GOVERNANCE REPORT

Swissco Holdings Limited (the "Company", and together with its subsidiaries, the "Group") is committed to a high standard of corporate governance to ensure effective self-regulation practices are in place to enhance corporate performance and accountability.

This report sets out the corporate governance practices of the Company during the financial year ended 31 December 2014 with specific reference to the principles of the Code of Corporate Governance 2014 (the "Code"). The Code forms part of the continuing obligation of the Singapore Exchange Securities Trading Limited ("SGX-ST")'s Listing Manual.

THE BOARD'S CONDUCT OF AFFAIRS

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

Our Board of Directors (the "Board") comprises the following members, all having the right core competencies and diversity of experience, which enable them to effectively contribute to the Group.

Mr Lim How Teck	Lead Independent Director and Chairman
Mr Tan Fuh Gih	Senior Executive Director
Mr Alex Yeo Kian Teong	Executive Director and Group Chief Executive Officer
Mr Tang Kheng Guan Kelvin	Executive Director and Group Chief Investment Officer
Mr Leslie Yeo Choon Hsien	Independent Non-Executive Director
Mdm Ho Geok Choo Madeleine	Independent Non-Executive Director

Besides carrying out its statutory responsibilities, the principal functions of the Board are as follows:

- overseeing and approving the formulation of the Group's overall long-term strategic objectives and directions; and
- overseeing and reviewing the management of the Group's business affairs and financial controls, performance and resource allocation.

The approval of the Board is required for matters such as corporate restructuring, mergers and acquisitions, major investments and divestments, material acquisitions and disposals of assets, major corporate policies on key areas of operations, the release of the Group's quarterly, half-year and full year results and interested person transactions of a material nature.

Prior to their respective appointments to the Board, all directors were given an orientation on the Group's business strategies and operations. Directors also have the opportunity to visit the Group's operational facilities and meet with Management to gain a better understanding of the Group's business operations. The Board as a whole is updated on changing commercial risks and key changes in the relevant legal and regulatory requirements, and accounting standards.

For new appointments to the Board, the Company provides a formal letter to such new director, setting out the director's duties and obligations.

To assist in the execution of its responsibilities, our Board has established three Board Committees comprising an Audit Committee (the "AC"), a Nominating Committee (the "NC") and a Remuneration Committee (the "RC"). These committees function within clearly defined written terms of reference and operating procedures, which are reviewed on a regular basis. The effectiveness of each committee is also constantly monitored.

The Board meets regularly on a quarterly basis and ad-hoc Board meetings are convened when they are deemed necessary. The number of Board and Board committee meetings held and attended by each of the directors in the financial year ended 31 December 2014 ("FY2014") were, as follows:

		Board Committees		
	Board	**Audit**	**Nominating**	**Remuneration**
Number of meetings held	**5**	**5**	**1**	**2**
	Number of meetings attended			
Mr Lim How Teck (note 1)	5	5	1	2
Mr Tan Fuh Gih (note 2)	5	2(3*)	1*	1(1*)
Mr Alex Yeo Kian Teong	5	5*	NA	NA
Mr Tang Kheng Guan Kelvin (note 3)	1	1*	NA	NA
Mr Leslie Yeo Choon Hsien (note 4)	4	4	1	2
Mdm Ho Geok Choo Madeleine (note 5)	3	3	NA	1
Mr Robert Chua Swee Chong (note 6)	2	2*	1	1*
Mr Chua Wei Teck (note 7)	1	1*	NA	NA

Notes:

(1) Mr Lim How Teck was appointed as the Lead Independent Director and Chairman of the Remuneration Committee on 14 January 2014. He was appointed as Chairman of the Board and the Nominating Committee on 1 December 2014. He stepped down as the Chairman of the Audit Committee and remains as a member of the Audit Committee on 1 December 2014.

(2) Mr Tan Fuh Gih stepped down as a member of the Audit Committee and Remuneration Committee on 30 July 2014. He was appointed as a member of the Nominating Committee on 30 July 2014. He was designated as an Executive Director and Chairman of the Board on 30 July 2014. He stepped down as the Chairman of the Board on 1 December 2014. He remains as Senior Executive Director of the Company.

(3) Mr Tang Kheng Guan Kelvin was appointed as an Executive Director on 1 December 2014.

(4) Mr Leslie Yeo Choon Hsien was appointed as Chairman of the Audit Committee on 1 December 2014. He stepped down as the Chairman of the Nominating Committee and remains a member of the Nominating Committee on 1 December 2014.

(5) Mdm Ho Geok Choo Madeleine was appointed as an Independent Non-Executive Director and a member of the Audit and Remuneration Committees on 1 August 2014.

(6) Mr Robert Chua Swee Chong resigned as the Executive Chairman and stepped down as a member of the Nominating Committee on 30 July 2014.

(7) Mr Chua Wei Teck resigned as an Executive Director on 30 November 2014.

* attendance by invitation

The Articles of Association of the Company provide for meetings of the Board to be held by way of telephonic conference.

Subsequent to FY2014, the Board Meeting, AC Meeting, NC Meeting and RC Meeting were held on 25 February 2015 to, among others, evaluate and assess the performance of the Board and the proposed directors' fees for FY2015.

BOARD COMPOSITION AND GUIDANCE

Principle 2: 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.

The Board comprises six directors of whom three are independent, namely, Messrs Lim How Teck and Leslie Yeo Choon Hsien and Mdm Ho Geok Choo Madeleine. The criterion of independence is based on the definition set out in the Code. The Board considers an "independent" director as one who has no relationship with the Company, its related corporations, its 10% shareholders or its officers who could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view to the best interests of the Company. With three independent directors, the Board is able to exercise independent judgment on corporate affairs and provide Management with a diverse and objective perspective on issues. Therefore, there is no individual or small group of individuals who dominates the Board's decision making.

The independence of each director is reviewed annually by the NC in accordance with the Code's definition of independence. Each director is required to complete a 'Confirmation of Independence' form to confirm his independence. The said form, which was drawn up based on the definitions and guidelines set forth in Guideline 2.1 in the Code and the Guidebook for Audit Committees in Singapore issued by Audit Committee Guidance Committee ("Guidebook"), requires each Director to assess whether he or she considers himself or herself independent despite not having any of the relationships identified in the Code. The Nominating Committee has reviewed the forms completed by each Director and is satisfied that at least one-third of the Board comprises Independent Directors.

The composition of the Board is reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making. The NC is of the view that the current Board size of six members is appropriate taking into account the nature and scope of the Group's operations.

The Board and the Board Committees have an appropriate balance and diversity of expertise and business experience and collectively possess the necessary core competence to lead and govern the Group effectively. Each director has been appointed on the strength of his or her calibre, experience and stature. Each director is expected to bring valuable range of experience and expertise to contribute to the development of the Group strategy and the performance of its business.

The Company appointed Mdm Ho Geok Choo Madeleine in 2014 based on her calibre, experience and stature and also in recognition of the importance and value of gender diversity.

The Board has no dissenting view on the Chairman's statement for the period in review. The profiles of our directors are set out on pages 18 and 19 of this Annual Report.

Principle 3: Chairman and CEO

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

The Independent and Non-Executive Chairman and CEO of the Group are two separate individuals who are not related to each other.

The Group's Lead Independent Director and Chairman is Mr Lim How Teck. The Chairman has the responsibilities of setting the meeting agenda of the Board meetings, leading the other Board members, promoting high standards of corporate governance and maintaining effective communication with shareholders of the Company.

The Group's CEO is Mr Alex Yeo Kian Teong. He is responsible for operational and strategic policies of the Group.

The Board collectively ensures the following:

- in consultation with Management, the scheduling of meetings to enable the Board to perform its duties responsibly, while not interfering with the flow of the Company's operations;

- in consultation with Management, the preparation of the agenda for Board meetings;
- in consultation with Management, the exercise of control over the quality, quantity and timeliness of information between Management and the Board; and
- in compliance with corporate governance best practices.

BOARD MEMBERSHIP AND BOARD PERFORMANCE

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

Principle 5: There should be a formal 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 NC comprises the following members:

Mr Lim How Teck – Chairman
Mr Leslie Yeo Choon Hsien – Member
Mr Tan Fuh Gih – Member

The NC is governed by its written terms of reference. In accordance with the definition in the Code, the Chairman of the NC is not associated with any substantial shareholder of the Company. The NC is responsible for making recommendations on all board appointments and re-nominations having regard to the contribution and performance of the director seeking re-election including the following:

(1) To ensure that all directors submit themselves for re-nomination and re-election at regular intervals and at least once every three years.

(2) To determine the independence of each director in accordance with the paragraph 2.1 of the Code on an annual basis.

(3) To evaluate whether a director is able to and has adequately carried out his duties as a director of the Company, in particular, where the director concerned has multiple board representations.

(4) To assess the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board.

Following its annual review, the NC has confirmed the independence of Messrs. Lim How Teck and Leslie Yeo Choon Hsien, and Mdm Ho Geok Choo Madeleine. The NC is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Group, notwithstanding that some of the Directors have multiple board representations, and there is presently no need to implement internal guidelines to address the competing time commitments. The NC is of the view that whilst it is important for Directors to devote sufficient time and attention to the affairs of the Group, the issue relating to multiple board representations should be left to the judgment and discretion of each Director.

The Company does not have a formal process for the selection and appointment of new directors to the Board. However, if required, the Company has or is able to procure search services, contacts and recommendation for the purposes of identifying suitably qualified and experienced persons for appointment to the Board.

Board appointments are made by way of a board resolution after the NC has, upon reviewing the resume of the proposed director and conducting appropriate interviews, recommended such appointment to the Board. Pursuant to the Articles of Association of the Company, each director is required to retire at least once every three years by rotation and all newly appointed directors who are appointed by the Board are required to retire at the next Annual General Meeting following their appointment. The retiring directors are eligible to offer themselves for re-election. Each member of NC shall abstain from voting on any resolutions in respect of the assessment of his performance, independence or re-nomination as a Director.

The dates of initial appointment and re-election of the directors are set out below:

Director	Position	Date of Initial Appointment	Date of Last Re-election
Mr Lim How Teck	Lead Independent Director and Chairman	27 April 2010	30 April 2013
Mr Tan Fuh Gih	Senior Executive Director	5 May 2011	30 April 2012
Mr Alex Yeo Kian Teong	Executive Director and Group Chief Executive Officer	15 October 2010	29 April 2014
Mr Tang Kheng Guan Kelvin	Executive Director and Group Chief Investment Officer	1 December 2014	NA
Mr Leslie Yeo Choon Hsien	Independent Non-Executive Director	14 January 2014	29 April 2014
Mdm Ho Geok Choo Madeleine	Independent Non-Executive Director	1 August 2014	NA

The key information regarding directors is set out in pages 18 and 19 of the Annual Report.

The NC in determining whether to recommend a director for re-election will take into consideration such director's performance and contribution to the Group which includes qualitative and quantitative factors such as performance of principal functions and fiduciary duties, level of participation at meetings, guidance provided to Management and attendance record.

The NC has reviewed and recommended the re-election of Messrs Tan Fuh Gih, Tang Kheng Guan Kelvin and Mdm Ho Geok Choo, Madeleine who will be retiring as directors at the forthcoming Annual General Meeting. Mr Tan Fuh Gih will be retiring via rotation pursuant to Article 107 of the Company's Articles of Association. Mr Tang Kheng Guan Kelvin and Mdm Ho Geok Choo Madeleine will be retiring pursuant to Article 117 of the Company's Articles of Association. The three directors have offered themselves for re-election. The Board has accepted the recommendations of the NC.

Board performance is linked to the overall performance of the Group. The Board complies with the applicable laws and members of our Board are required to act in good faith, with due diligence and care in the best interests of the Company and its shareholders.

The NC has adopted processes for the evaluation of the Board's performance and effectiveness as a whole. Each Director was requested to complete evaluation forms to assess the overall effectiveness of the Board as a whole. The appraisal process focused on the evaluation of factors such as the size and composition of the Board, the Board's access to information, Board processes and accountability, communication with Senior Management and Directors' standard of conduct. The NC discussed the results of the Board performance evaluation to identify areas where improvements were necessary and made recommendations to the Board for action to be taken.

The Board and the NC have endeavoured to ensure that directors appointed to the Board possess the background, experience, business knowledge, finance and management skills critical to the Group's business. They have also ensured that each director, with his special contributions, brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

ACCESS TO INFORMATION

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

Directors are furnished with detailed information concerning the Group from time to time to support their decision-making process and to fulfil their responsibilities. Management accounts of the Group's performance, position, and prospects are provided to Executive Directors on a monthly basis and to all members of the Board on a quarterly basis.

Prior to each Board meeting, the members of the Board are each provided with the relevant documents and information necessary, including background and explanatory statements, financial statements, budgets, forecasts and progress reports of the Group's business operations for them to comprehensively understand the issues to be deliberated upon and make informed decisions thereon.

As a general rule, notices are sent to the directors one week in advance of Board meetings, followed by the Board papers, in order for the directors to be adequately prepared for the meetings.

The Board (whether individually or as whole) has separate and independent access to Management and the Company Secretary at all times, and may seek independent professional advice if necessary, at the expense of the Company. The Company Secretary attends all Board meetings and ensures that all Board procedures are followed. The Company Secretary ensures that the Company complies with the requirements of the Companies Act, Cap. 50, and the Listing Manual of the SGX-ST.

The Directors may seek professional advice in the furtherance of their duties and the costs will be borne by the Company.

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES, LEVEL AND MIX OF REMUNERATION AND DISCLOSURE OF REMUNERATION

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

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the Company, and should be appropriate to attract, retain and motivate (a) 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: Each 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 RC comprises the following members:

Mr Lim How Teck – Chairman
Mr Leslie Yeo Choon Hsien – Member
Mdm Ho Geok Choo Madeleine – Member

The RC makes recommendations to the Board on the framework of remuneration, and the specific remuneration packages for each director and the CEO.

The RC is governed by its written terms of reference. The duties and powers of the RC are, inter alia, as follows:

1) To recommend to the Board a framework of remuneration for the directors and senior Management which covers all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits-in-kind.

2) To determine specific remuneration packages for each Executive Director.

3) To recommend to the Board the remuneration of non-executive directors, which should be appropriate to the level of their respective contributions, taking into account factors such as effort and time spent, and the responsibilities of our non-executive directors.

4) To determine the targets for any performance-related pay schemes in respect of the executive directors of the Group, and to review and to recommend to the Board the terms of renewal of their service contracts.

5) To administer the Employee Share Option Scheme and the Performance Share Plan of the Company.

The members of the RC are familiar with executive compensation matters as they manage their own businesses and/or are holding other directorships. The RC has full authority to engage any external professional to advise on matters regarding executive compensation matters, if required.

The RC's recommendations will be submitted for endorsement by our Board. No director is involved in deciding his own remuneration.

In setting remuneration packages, the Company takes into account pay and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of individual directors.

At the moment, the Company does not use any contractual provisions to reclaim incentive components of remuneration from Executive Directors and key management executives in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The RC, will consider, if required, whether there is a requirement to institute such contractual provisions to allow the Company to reclaim the incentive components of the remuneration of the Executive Directors and key management executives paid in prior years in such exceptional circumstances.

Our Independent Directors receive directors' fees for their effort and time spent, responsibilities and contribution to the Board, subject to shareholders' approval at Annual General Meetings.

The remuneration for our Executive Directors comprises a basic salary component and a variable component, based on the performance of the Group as a whole and their individual performance.

The Board supports and is aware of the need for transparency. However, after deliberation and debate, the Board is of the view that full disclosure of the specific remuneration of each individual director and the Group's key management executives (who are not directors) is not in the best interests of the Company and therefore shareholders. Inter alia, the Board has taken into account the very sensitive nature of the matter, the relative size of the Group, the highly competitive business environment the Group operates in and the irrevocable negative impact such disclosure may have on the Group.

Details of remuneration and benefits of directors and key management executives for the financial year ended 31 December 2014 which will provide sufficient overview of the remuneration of directors and key management personnel are set out below:-

Remuneration Band and Name of Directors	Salary	Variable Bonus	Fees	Other Benefits	Total
	(%)	(%)	(%)	(%)	(%)
Above S$1,000,000					
Tan Fuh Gih	45	51	4	–	100
Above S$500,000 to S$750,000					
Alex Yeo Kian Teong	58	33	–	9	100
Tang Kheng Guan Kelvin	46	52	–	2	100
Above S$250,000 to S$500,000					
Chua Wei Teck	62	–	–	38	100
S$250,000 and below					
Lim How Teck	–	–	100	–	100
Leslie Yeo Choon Hsien	–	–	100	–	100
Ho Geok Choo Madeleine	–	–	100	–	100
Robert Chua Swee Chong	81	–	–	19	100

Given the highly competitive industry conditions and in the interest of maintaining good morale and a strong spirit of teamwork within the Group, the disclosure relating to the remuneration of the top four key management executives (who are not Directors of the Company) of the Group in bands of S$250,000 is set out below. Their profiles are found on page 20. For the same reason, the Company does not disclose the aggregate remuneration paid to the top four key management executives (who are not directors of the Company) of the Group.

The annual remuneration of the top four key executives of the Group for FY2014 are as follows:

a) 2 key executives received total remuneration of more than S$500,000 each

b) 1 key executive received total remuneration of above S$250,000 to S$500,000

c) 1 key executive received total remuneration of less than S$250,000

There were no employees of the Company or its subsidiaries who were immediate family members of any director or the CEO whose remuneration exceeded $50,000 during FY2014. "Immediate family member" means the spouse, child, adopted child, stepchild, brother, sister and parent.

ACCOUNTABILITY

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

In presenting the quarterly, half-year and full year financial statements to shareholders, the Board aims to provide shareholders with a detailed and balanced analysis and explanation of the Group's financial position and prospects.

Management currently provides the Board with a continual flow of relevant information on a timely basis in order to assist the Board in understanding the financial status and performance of the Group, in order for the Board to effectively discharge its duties.

RISK MANAGEMENT AND INTERNAL CONTROLS AND AUDIT COMMITTEE

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

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

The Risk Management Committee forms part of the Audit Committee in 2014.

The Board, assisted by the AC has oversight of the risk management system in the Group. The practice of risk management is undertaken by the Executive Directors and senior Management under the purview of the AC and the Board. The Group has put in place appropriate risk management processes to evaluate the operating, investment and financial risks of the Group. Management regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks within the Group's policies and strategies. Management reviews all significant control policies and procedures and highlights all significant matters to the Board and the AC.

The Board acknowledges that risk is inherent in business and these are commercial risks to be taken in the course of generating a return on business activities. The Board's policy is that risks should be managed within the Group's overall risk tolerance.

The system of internal controls and risk management established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision-making, human errors, losses, frauds or other irregularities.

The AC comprises Mr Leslie Yeo Choon Hsien as the Chairman, with Mr Lim How Teck and Mdm Ho Geok Choo Madeleine as the Committee members. The members of the AC have sufficient financial management expertise, as interpreted by the Board in its business judgment, to discharge the AC's functions.

The AC functions within its written terms of reference. The main duties and powers of the AC are inter alia, as follows:

1) To review with the external auditor their audit plan, scope and results of the audit.

2) To ensure co-ordination between the external auditor and Management, review the co-operation and assistance given by Management to the external auditor, and discuss issues and concerns, if any, arising from the audit and any other matters which the external auditor may wish to discuss (in the absence of Management where necessary).

3) To ensure that the internal audit function (if any) is adequate and has appropriate standing within the Company, ensure the adequacy of the internal audit function (if any) at least annually, and review the scope and results of the internal audit procedures (if any).

4) To ensure that a review of the effectiveness of the Company's material internal controls, including financial, operational and compliance controls, and risk management, is conducted at least annually by the internal auditors.

5) To review the quarterly, half-year and full year financial statements, including the balance sheet of the Company and the consolidated balance sheet and income statement of the Group before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements.

6) To commission and review and discuss with the external auditor, if necessary, any suspected fraud or irregularity, or suspected failure of internal controls, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results and/or financial position, and Management's response.

7) To review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the external auditor, and where the external auditor also supply a substantial volume of non-audit services to the Company, to keep the nature and extent of such services under review, with a view towards striking a balance between the maintenance of objectivity and value for money.

8) To review the independence of the external auditor annually, and consider the appointment or re-appointment of the external auditor, the audit fee, and matters relating to the resignation or dismissal of the auditor.

9) To approve internal control procedures and arrangements for all interested person transactions.

10) To review transactions falling within the scope of the Listing Manual Section of the SGX- ST, in particular, matters pertaining to Interested Person Transactions and Acquisitions and Realisations as laid down in Chapters 9 and 10, respectively, thereof.

11) Review whistle-blowing investigations within the Group and ensuring appropriate follow-up action, if required;

12) To undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC.

The AC has full authority to investigate any matter within its terms of reference, full access to and co-operation from Management and full discretion to invite any director, executive officer or other employee of the Group to attend its meetings, and is given reasonable resources to enable it to discharge its functions properly and effectively.

In July 2010, the Singapore Exchange Limited and Accounting and Corporate Regulatory Authority has launched the Guidance to Audit Committees on Evaluation of Quality of Work performed by External Auditors which aims to facilitate the AC in evaluating the external auditors. Accordingly, the AC had evaluated the performance of the External Auditor based on the key indicators of audited quality set out in the Guidance.

The AC met the external auditor in February 2015 without the presence of the Company's Management to review any matters that may be raised privately. In addition, updates on changes in accounting standards and treatment are prepared by external auditor and circulated to members of the AC periodically for information.

The AC has reviewed the nature and extent of non-audit services provided by PricewaterhouseCoopers LLP ("PwC LLP") and its member firm (collectively known as the "External Auditor") and the fees paid for their audit services, non-audit services and the aggregate amount of fees paid in respect of the year ended 31 December 2014. The AC has reviewed the nature and amount of non-audit fees paid to the External Auditor and is of the view that the independence of the External Auditor has not been compromised.

The Company will be appointing KPMG LLP in place of PwC LLP as its External Auditor for the year ending 31 December 2015 so that the Group will have the same audit firm. The AC has also reviewed and confirmed that KPMG LLP is a suitable audit firm to meet the Company's audit obligations, having regards to the adequacy of resources and experience of the firm and the assigned audit engagement partner, KPMG LLP's other audit engagements, size and complexity of the Swissco Group, number and experience of supervisory and professional staff to be assigned to the audit. Accordingly, the AC recommended to the Board the appointment of KPMG LLP as External Auditor of the Company for the year ending 31 December 2015.

The change of External Auditor is subject to the approval of the shareholders at the Annual General Meeting to be held on 29 April 2015.

Certain of the Group's Singapore-incorporated subsidiaries and the only Singapore-incorporated associated company are audited by PwC LLP. The Company also engaged KPMG LLP, a suitable audit firm, to audit certain Singapore-incorporated subsidiaries, significant foreign-incorporated subsidiaries and foreign-incorporated associated companies of the Group.

The Board and the AC are satisfied that the appointment of KPMG LLP as auditor for certain Singapore-incorporated subsidiaries, significant foreign-incorporated subsidiaries and foreign-incorporated associated companies of the Group did not compromise the standards and effectiveness of the audit of the Group in respect of FY2014.

Therefore the Group has complied with the Rules 715 and 716 of the Listing Manual.

The AC has reviewed the Company's whistle-blowing policy where the staff of the Company and third parties may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters, with the objective of ensuring that arrangements are in place for the independent investigation of such matters for appropriate follow-up action.

INTERNAL AUDIT

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

The Company has outsourced its internal audit function to a professional service firm, Baker Tilly Consultancy (Singapore) Pte Ltd since 26 August 2013. The internal auditors report to the AC. To ensure the adequacy of the internal audit function, the AC reviews and approves the internal audit plan on an annual basis. The AC is satisfied that the internal auditor is independent and has the appropriate standing to perform its functions effectively.

The AC will also assess the effectiveness of the internal audit, on an annual basis, by examining the scope of the internal audit work and its independence, the internal auditor's report and its relationship with the external auditors.

The Group's internal controls and systems are designed to provide reasonable assurance as to the integrity and reliability of the financial information and to safeguard and maintain accountability of assets. Procedures are in place to identify major business risks and evaluate potential financial effects, as well as for the authorisation of capital expenditure and investments.

Based on the aforesaid and the statutory audit conducted by the External Auditor and the Internal Auditors, the Board, with the concurrence of the AC, is of the opinion that the system of internal controls, including financial, operational, compliance and information technology controls and risk management, are adequate to meet the needs of the Group's existing business objectives, having addressed the critical risks area as at 31 December 2014. While acknowledging their responsibility for the system of internal controls, the Directors are aware that such a system is designed to manage, rather than eliminate risks, and therefore cannot provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors or mis-statements, poor judgment in decision-making, human error, losses, fraud or other irregularities.

The CEO and Group Chief Financial Officer at the financial year-end have provided a letter of assurance (a) that the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances and (b) regarding the effectiveness of the Company's risk management and internal control systems.

COMMUNICATION WITH SHAREHOLDERS AND CONDUCT OF SHAREHOLDERS' MEETINGS

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

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

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

The Company does not practice selective disclosure. Price sensitive information is always released on SGXNET after trading hours. Results and annual reports are announced or issued within the mandatory periods.

Shareholders are encouraged to attend the AGM to ensure a greater level of shareholder participation and for them to be kept up to date as to the strategies and goals of the Group. All shareholders of the Company receive a copy of the Annual Report, the Notice of AGM and circulars and notices pertaining to any Extraordinary General Meetings of the Company. To facilitate participation by the shareholders, the Articles of the Company allow the shareholders to attend and vote at general meetings of the Company by proxies. A shareholder may appoint up to two proxies to attend and vote on his behalf at the general meeting through proxy form deposited 48 hours before the meeting. Notices of general meetings are also advertised in newspapers and available on the SGX-ST's website.

Every matter requiring shareholders' approval is proposed as a separate resolution. Each item of special business included in the notice of meeting is accompanied, where appropriate, by an explanation for the proposed resolution. As authentication of shareholder identity information and other related security issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail, facsimile or email. Participation of shareholders is encouraged at the AGM through the open question and answer session. The Directors, Management and the External Auditor are available to address any queries or concerns on matters relating to the Group and its operations.

While acknowledging that voting by poll is integral in the enhancement of corporate governance and lead to greater transparency of the level of support for each resolution, the Company is concerned over the cost effectiveness and efficiency of the polling procedures which may be logistically and administratively burdensome. Electronic polling may be efficient in terms of speed but may not be cost effective. The Board would adhere to the requirements of the Listing Manual where all resolutions are to be voted by poll at general meetings held on or after 1 August 2015.

DIVIDEND POLICY

While the Company has not formally instituted a dividend policy, it has a good track record of paying annual dividends to shareholders. In proposing any dividend payout and/or determining the form, frequency and/or the amount of such dividend payout, the Board will take into account, inter alia, the Group's financial position, retained earnings, results of operation and cash flow, the Group's expected working capital requirements, the Group's expected capital expenditure and future expansion and investment plans and other funding requirements, general economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group.

DEALINGS IN SECURITIES

The Company has adopted an internal code which prohibits dealings in the securities of the Company by Directors and officers of the Group while in possession of price-sensitive information. Under this code, the Company, Directors and employees of the Group are not permitted to deal with the securities of the Company during the period beginning two weeks and one month before the announcement of the quarterly and annual results respectively, and ending on the date of the announcement. In addition, Directors and officers are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period.

Directors and employees are also discouraged from dealing in the Company's securities on short-term consideration.

DISCLOSURE OF MATERIAL CONTRACTS

Except as disclosed under Interested Person Transactions, there is no material contract entered into by the Company or any of its subsidiaries involving the interests of any Director during FY2014.

INTERESTED PERSON TRANSACTIONS

As a listed company, the Company has taken the following steps to ensure compliance with the requirements of Chapter 9 of the Listing Manual of the SGX-ST on interested person transactions, including ensuring that interested person transactions are properly reviewed, approved, and conducted on an arm's length basis.

The Board meets quarterly to review if the Group will be entering into any interested person transaction. If the Group is intending to enter into an interested person transaction, the Board will ensure that the Group complies with the requisite rules under Chapter 9.

The AC also meets once every three months to review if the Group will be entering into any interested person transaction, and if so, the AC ensures that the relevant rules under Chapter 9 are complied with.

When a potential conflict of interest arises, the director concerned does not participate in discussions and refrains from exercising any influence over other members of the Board.

During FY2014, the following interested person transactions were conducted with the following interested person:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
Kim Seng Holdings Pte Ltd	US$2,700,000	N.A.

Note:-

Kim Seng Holdings Pte Ltd ("KSH"), is a substantial shareholder (5.86%) of Swissco Holdings Limited. KSH is a company in which Mr Tan Fuh Gih, (a director and controlling shareholder of the Company) and his immediate family members are shareholders. Scott and English rents the premise at No. 4 Tuas Avenue 5 from KSH with effect from 15 April 2014. The rental amount for 12 months for FY2014 was US$73,000. KSH granted loan amounted to US$2,627,000 (inclusive of interest) to Scott and English. The loan was fully repaid on 31 October 2014.

The Company does not have a general shareholders' mandate pursuant to Rule 920 of the Listing Manual.

DIRECTORS' REPORT

Year ended 31 December 2014

The directors present their report to the members together with the audited financial statements of the Group for the financial year ended 31 December 2014 and the balance sheet of the Company as at 31 December 2014.

Directors

The directors of the Company in office at the date of this report are as follows:

Lim How Teck
Tan Fuh Gih
Alex Yeo Kian Teong
Tang Kheng Guan Kelvin (appointed on 1 December 2014)
Leslie Yeo Choon Hsien (appointed on 14 January 2014)
Ho Geok Choo Madeleine (appointed on 1 August 2014)

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" in this report.

Directors' interests in shares or debentures

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

	Holdings registered in name of director			Holdings in which director is deemed to have an interest		
	At 1.1.2014 or date of appointment if later	At 31.12.2014*	At 21.1.2015*	At 1.1.2014 or date of appointment if later	At 31.12.2014*	At 21.1.2015*
The Company						
Ordinary shares						
Lim How Teck	–	50,000	200,000	–	–	–
Tan Fuh Gih	3,863,000	96,320,329	96,320,329	78,715,000	39,457,500	39,457,500
Alex Yeo Kian Teong	25,904,801	12,952,401	12,952,401	170,000	85,000	85,000
Ho Geok Choo Madeleine	–	–	–	1,117,000	1,117,000	1,150,000

Mr Tan Fuh Gih is deemed to have an interest in all the related corporations of the Company.

* Adjusted for Share Consolidation. Details of the Share Consolidation are disclosed under "Share options" in this report.

(b) Except as disclosed above, the directors' interests in the ordinary shares of the Company as at 21 January 2015 were the same as those as at 31 December 2014.

Directors' interests in shares or debentures (continued)

(c) According to the register of directors' shareholdings, the directors holding office at the end of the financial year had interests in the options to subscribe for ordinary shares of the Company granted pursuant to the Swissco Holdings Employee Share Option Scheme as set out below:

	Number of unissued ordinary shares under option	
	At 31.12.2014*	At 1.1.2014
Lim How Teck	50,000	200,000
Tan Fuh Gih	100,000	200,000
Alex Yeo Kian Teong	500,000	500,000
Leslie Yeo Choon Hsien	50,000	–

* Adjusted for Share Consolidation. Details of the Share Consolidation are disclosed under "Share options" in this report.

Directors' contractual benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the accompanying financial statements and in this report.

Share options

Swissco Holdings Employee Share Option Scheme

The Swissco Holdings Employee Share Option Scheme (the "Scheme") for employees and directors of the Group was approved by members of the Company at an Extraordinary General Meeting on 1 November 2010. The purpose of the Scheme is to attract, retain and give recognition to employees who have contributed to the success and development of the Group.

The exercise price of the options shall be determined by the Remuneration Committee at:

(i) the average of the last dealt prices of the Company's ordinary shares as quoted on the Singapore Exchange for five consecutive market days immediately preceding the date of the grant ("Market Price"); or

(ii) a discount not exceeding 20% of the Market Price. The quantum of such discount shall be determined by the Remuneration Committee and approved by the shareholders in a general meeting.

Options granted at a discount under the Scheme are subject to a vesting period of 2 years from grant date, while those granted at Market Price are subject to a vesting period of 1 year from grant date. Once the options are vested, they are exercisable for a period of 5 years to 10 years from grant date.

The aggregate number of shares over which options may be granted on any date, when added to the number of shares issued and issuable in respect of all options granted under the Scheme and all the shares awarded under the Swissco Holdings Performance Share Plan, shall not exceed 15% of the issued shares of the Company on the day preceding that date.

The aggregate number of shares over which options may be granted under the Scheme to the controlling shareholders and their associates shall not exceed 25% of the shares available under the Scheme and the number of shares over which options may be granted under the Scheme to a controlling shareholder or an associate of a controlling shareholder shall not exceed 10% of the shares available under the Scheme.

The Company granted options under the Scheme to subscribe for 2,700,000 ordinary shares of the Company on 13 May 2013 ("2013 Options"). Particulars of these options were set out in the Directors' Report for the financial year ended 31 December 2013.

Share options (continued)

Swissco Holdings Employee Share Option Scheme (continued)

On 12 May 2014, the Company granted options to subscribe for 2,650,000 ordinary shares of the Company at exercise price of S$0.417 per share (before Share Consolidation) ("2014 Options"). The 2014 options are exercisable from 12 May 2015 and expire on 11 May 2024 for employees and Executive Directors. Options granted to Independent Directors are exercisable from 12 May 2015 to 11 May 2019.

On 30 July 2014, the Company undertook a consolidation (the "Share Consolidation") of all its shares on the basis of every two existing shares into one consolidated share.

The Share Consolidation has the following effect on the share options under the Scheme:

(a) 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

(b) The number of shares comprised in each 1,000 outstanding options under the Scheme will be reduced in the same proportion as the shares under the Share Consolidation, fractions to be disregarded, from 1,000 to 500.

(i) Details of the options granted to the directors of the Company are as follows:

	No. of unissued ordinary shares of the Company under option				
	Granted in financial year ended 31.12.14	**Aggregate granted since start of scheme to 31.12.14**	**Share consolidation**	**Aggregate exercised since start of scheme to 31.12.14**	**Aggregate outstanding as at 31.12.14**
Lim How Teck	100,000	300,000	(150,000)	(100,000)	50,000
Tan Fuh Gih	–	200,000	(100,000)	–	100,000
Alex Yeo Kian Teong	500,000	1,400,000	(700,000)	(200,000)	500,000
Leslie Yeo Choon Hsien	100,000	100,000	(50,000)	–	50,000
	700,000	2,000,000	(1,000,000)	(300,000)	700,000

(ii) The number of unissued ordinary shares of the Company under option in relation to the Swissco Holdings Employee Share Option Scheme outstanding at the end of the financial year was as follows:

Options granted on	**No. of unissued ordinary shares under option at 31.12.14***	**Exercise Price***	**Exercise Period**
11.5.2012	50,000	S$0.404	11.5.13 – 10.5.22
11.5.2012	50,000	S$0.404	11.5.13 – 10.5.17
13.5.2013	437,000	S$0.538	13.5.14 – 12.5.23
13.5.2013	50,000	S$0.538	13.5.14 – 12.5.18
12.5.2014	850,000	S$0.834	12.5.15 – 11.5.24
12.5.2014	100,000	S$0.834	12.5.15 – 11.5.19
	1,537,000		

* Adjusted for Share Consolidation

Audit Committee

The members of the Audit Committee at the end of the financial year were as follows:

Leslie Yeo Choon Hsien - Chairman
Lim How Teck
Ho Geok Choo Madeleine

All members of the Audit Committee were non-executive and independent directors.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the Committee reviewed:

- the adequacy of the internal audit function and considered the appointment and scope of internal audit procedures;
- the audit plan of the Company's independent auditor and any recommendation on the internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor;
- the interested person transactions in accordance with the Listing Rules of the Singapore Exchange Securities Trading Limited; and
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2014 before their submission to the Board of Directors, as well as the independent auditor's report on the balance sheet of the Company and the consolidated financial statements of the Group.

On behalf of the directors

Tan Fuh Gih
Director

Alex Yeo Kian Teong
Director

STATEMENT BY DIRECTORS

Year ended 31 December 2014

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 44 to 102 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2014 and of the results of the business, changes in equity and cash flows of the Group for the financial year then ended; 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.

On behalf of the directors

Tan Fuh Gih
Director

Alex Yeo Kian Teong
Director

INDEPENDENT AUDITOR'S REPORT

To the Members of Swissco Holdings Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Swissco Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 44 to 102, which comprise the consolidated balance sheet of the Group and balance sheet of the Company as at 31 December 2014, and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of 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 profit and loss accounts and balance sheets 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 balance sheet 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 state of affairs of the Group and of the Company as at 31 December 2014, and of the results, changes in equity and cash flows of the Group for the year ended on that date.

Report on other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries 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, 31 March 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2014

	Note	2014	2013
		US$'000	US$'000
Revenue	4	**65,514**	–
Cost of sales		**(47,014)**	–
Gross profit		**18,500**	–
Other income	4	**2,305**	1,272
Other gains	5	**5,344**	–
Expenses			
- Administrative		**(8,847)**	(533)
- Other		**(21,177)**	–
- Finance	7	**(4,733)**	(1,142)
Share of profits of associated companies	17	**4,937**	–
Share of profits of joint ventures	18	**19,129**	15,755
Profit before income tax		**15,458**	15,352
Income tax credit	9	**433**	–
Total profit		**15,891**	15,352
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss:			
Currency translation gains/(losses) arising on consolidation		**276**	(283)
Available-for-sale financial assets			
- Fair value loss		**(5,300)**	–
- Reclassification		**5,300**	–
Other comprehensive income/(loss), net of tax		**276**	(283)
Total comprehensive income attributable to equity holders of the Company		**16,167**	15,069
Earnings per share for profit attributable to equity holders of the Company (cents per share)			
- Basic	10(a)	**2.91**	3.39
- Diluted	10(b)	**2.85**	3.39

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

BALANCE SHEETS

As at 31 December 2014

	Note	Group 2014	2013	2012	Company 2014	2013	2012
		US$'000	US$'000	US$'000	**US$'000**	US$'000	US$'000
ASSETS							
Current assets							
Cash and cash equivalents	11	**38,633**	773	8,147	**3,800**	196	3,001
Available-for-sale financial assets	12	**3,899**	–	–	**–**	–	–
Trade and other receivables	13	**21,505**	1,346	–	**75,041**	6,838	15,755
Inventories	14	**62**	–	–	**–**	–	–
Other current assets	15	**10,512**	–	–	**73**	43	21
		74,611	2,119	8,147	**78,914**	7,077	18,777
Non-current assets							
Other receivables	13	**–**	–	–	**–**	282	3,390
Subsidiaries	16	**–**	–	–	**437,184**	140,701	145,850
Associated companies	17	**27,600**	–	–	**–**	–	–
Joint ventures	18	**88,439**	43,739	5	**39**	40	41
Property, plant and equipment	19	**354,218**	4	–	**–**	–	–
Intangible assets	20	**832**	–	–	**–**	–	–
		471,089	43,743	5	**437,223**	141,023	149,281
Total assets		**545,700**	45,862	8,152	**516,137**	148,100	168,058
LIABILITIES							
Current liabilities							
Trade and other payables	21	**39,993**	2,887	9	**49,273**	59,290	69,903
Borrowings	22	**71,792**	–	–	**5,028**	5,377	11,397
Derivatives	24	**–**	–	–	**657**	–	–
Current income tax liabilities		**374**	–	–	**–**	–	–
		112,159	2,887	9	**54,958**	64,667	81,300
Non-current liabilities							
Borrowings	22	**176,405**	–	–	**77,843**	1,897	4,943
Deferred income tax liabilities	9	**2,829**	–	–	**–**	–	–
		179,234	–	–	**77,843**	1,897	4,943
Total liabilities		**291,393**	2,887	9	**132,801**	66,564	86,243
NET ASSETS		**254,307**	42,975	8,143	**383,336**	81,536	81,815
EQUITY							
Capital and reserves attributable to equity holders of the Company							
Share capital	23	**188,152**	30,419	10,656	**370,856**	75,941	75,408
Other reserves	26	**658**	(283)	–	**206**	(2,657)	456
Retained earnings	27	**28,747**	12,839	(2,513)	**12,274**	8,252	5,951
		217,557	42,975	8,143	**383,336**	81,536	81,815
Redeemable exchangeable preference shares	25	**36,750**	–	–	**–**	–	–
TOTAL EQUITY		**254,307**	42,975	8,143	**383,336**	81,536	81,815

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2014

	Note	Share capital	Other reserves	Retained earnings	Total attributable to equity holders of the Company	Redeemable exchangeable preference shares	Total equity
		US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
2014							
Balance at 1 January 2014		30,419	(283)	12,839	42,975	–	42,975
Profit for the year		–	–	15,891	15,891	–	15,891
Other comprehensive income for the year		–	276	–	276	–	276
Total comprehensive income for the year		–	276	15,891	16,167	–	16,167
Reverse acquisition of Scott and English Energy Pte. Ltd.	34	158,055	–	–	158,055	–	158,055
Issue of redeemable exchangeable preference shares	25	–	–	–	–	36,750	36,750
Employee share option scheme							
- Issue of new shares		239	(15)	–	224	–	224
- Value of employee services	26(b)(iii)	–	136	–	136	–	136
Total transactions with owners, recognised directly in equity		158,294	121	–	158,415	36,750	195,165
Effects of change in functional currency	36	(561)	544	17	–	–	–
Balance at 31 December 2014		188,152	658	28,747	217,557	36,750	254,307
2013							
Balance at 1 January 2013		10,656	–	(2,513)	8,143	–	8,143
Profit for the year		–	–	15,352	15,352	–	15,352
Other comprehensive income for the year		–	(283)	–	(283)	–	(283)
Total comprehensive income for the year		–	(283)	15,352	15,069	–	15,069
Issue of new shares		19,763	–	–	19,763	–	19,763
Total transactions with owners, recognised directly in equity		19,763	–	–	19,763	–	19,763
Balance at 31 December 2013		**30,419**	**(283)**	**12,839**	**42,975**	**–**	**42,975**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2014

	Note	2014	2013
		US$'000	US$'000
Cash flows from operating activities			
Total profit		**15,891**	15,352
Adjustments for:			
- Income tax credit	9	**(433)**	–
- Share of profits of joint ventures	18	**(19,129)**	(15,755)
- Share of profits of associated companies	17	**(4,937)**	–
- Amortisation of intangible assets	20	**2,154**	–
- Depreciation of property, plant and equipment	19	**7,529**	1
- Finance expenses	7	**4,733**	1,142
- Interest income	4	**(2,266)**	(1,272)
- Impairment of goodwill	20	**15,414**	–
- Share option expense	8	**136**	–
- Impairment loss on available-for-sale financial assets	12	**5,300**	–
- Gain on disposal of property, plant and equipment	5	**(953)**	–
		23,439	(532)
Change in working capital, net of effects of reverse acquisition			
- Trade and other receivables		**(1,531)**	(95)
- Inventories		**130**	–
- Other assets		**18,745**	–
- Restricted cash		**(1,335)**	–
- Trade and other payables		**11,765**	146
Net cash flows generated from/(used in) operations		**51,213**	(481)
Income tax paid		**(605)**	–
Net cash flows generated from/(used in) operating activities		**50,608**	(481)
Cash flows from investing activities			
Interest received		**2,266**	7
Investment in joint venture		**–**	(25)
Loans to joint ventures		**(24,175)**	(27,954)
Amount due from joint ventures		**(3,600)**	–
Amount due from associated companies		**(1,631)**	–
Amount due to associated companies		**428**	–
Investments in associated companies	17	**(22,663)**	–
Proceeds from disposal of property, plant and equipment		**4,810**	–
Purchases and construction of property, plant and equipment		**(168,656)**	(5)
Net cash received from reverse acquisition	34	**9,609**	–
Net cash flows used in investing activities		**(203,612)**	(27,977)
Cash flows from financing activities			
Net proceeds from issue of ordinary shares		**224**	19,763
Net proceeds from issue of redeemable exchangeable preference shares by subsidiaries	25	**36,750**	–
Interest paid		**(4,733)**	–
Proceeds from borrowings		**239,463**	–
Repayment of borrowings		**(81,946)**	–
Loans from non-related parties		**–**	1,596
Net cash flows generated from financing activities		**189,758**	21,359
Net increase/(decrease) in cash and cash equivalents		**36,754**	(7,099)
Cash and cash equivalents at beginning of financial year		**773**	8,147
Effects of currency translation on cash and cash equivalents		**(229)**	(275)
Cash and cash equivalents at end of financial year	11	**37,298**	773

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

1. General information

Swissco Holdings Limited ("Swissco" or the "Company") is listed on the Singapore Exchange and incorporated and domiciled in Singapore. Its registered office and principal place of business is located at No. 60 Penjuru Lane, Singapore 609214.

On 30 July 2014, the Company completed the following transactions that were proposed in the Circular to Shareholders dated 30 June 2014:

(a) Share consolidation

The Company consolidated every two shares into one consolidated share. The total number of shares in the Company after the share consolidation is 218,649,252.

(b) Acquisition of Scott and English Energy Pte. Ltd.

The Company acquired the entire issued and paid-up share capital of Scott and English Energy Pte. Ltd. ("S&E"), satisfied by the allotment and issue of 452,380,952 consideration shares, and the total number of issued shares in the capital of the Company increased from 218,649,252 shares to 671,030,204 shares.

Pursuant to the acquisition, S&E became a wholly-owned subsidiary of the Company.

The principal activities of the Group upon the completion of the reverse acquisition exercise are as follows:

- Drilling rig chartering;
- Vessel chartering;
- Ship repair and maintenance services; and
- Maritime services.

2. Accounting for the S&E acquisition

<u>In the consolidated financial statements of the Group</u>

The S&E acquisition has been accounted for as a reverse acquisition as the shareholders of S&E became the majority shareholders of the Group. The legal subsidiary (i.e. S&E) is therefore considered the acquirer for accounting purposes. Accordingly, the Group's consolidated financial statements for the financial year ended 31 December 2014 have been prepared as a continuation of S&E's financial statements.

Since such consolidated financial statements represent a continuation of the financial statements of S&E,

(a) the assets and liabilities of the legal subsidiary and its subsidiaries, associated companies and joint ventures prior to the reverse acquisition collectively known as "S&E Group" are recognised and measured at their pre-combination carrying amounts.

(b) the assets and liabilities of the legal parent (i.e. the Company) and its subsidiaries and joint ventures prior to the S&E acquisition ("Swissco Group") are recognised and measured at fair value in accordance with FRS103 "Business Combinations".

(c) the retained earnings and other equity balances recognised in the consolidated financial statements at the date of the acquisition are the retained earnings and other equity balances of S&E Group immediately before the business combination.

2. Accounting for the S&E acquisition (continued)

In the consolidated financial statements of the Group (continued)

(d) the amount recognised as issued equity interests in the consolidated financial statements is determined by adding the issued equity interest of the legal subsidiary (i.e. S&E) outstanding immediately before the business combination to the purchase consideration of the reverse acquisition at fair value at the acquisition date amounting to US$158 million (S$201 million). However, the equity structure (i.e. the number and type of equity interests issued) reflects the equity structure of the Company, including the ordinary share of the Company issued to effect the combination. Accordingly, the equity structure of the legal subsidiary (i.e. S&E) is restated using the exchange ratio established in the acquisition agreement in the comparative period to reflect the Company's equivalent number of shares.

(e) the comparative figures presented in these consolidated financial statements are those of S&E Group.

(f) Earnings per share (EPS) has been restated and reflects the results of S&E Group till the date of the acquisition, and the results of the Group from the acquisition date onwards. In addition, the EPS has been retrospectively adjusted to take into account the share consolidation of every two shares in the capital of the Company into one consolidated share.

Consolidated financial statements prepared following a reverse acquisition shall reflect the fair values of the assets, liabilities and contingent liabilities of the Swissco Group. Therefore, the purchase consideration at fair value of the reverse acquisition is allocated to the identifiable assets, liabilities and contingent liabilities of the Swissco Group at their fair values as at 30 July 2014. The excess of the cost of the reverse acquisition over the net fair value of those items amounting to US$15.4 million is recognised as goodwill on the consolidated balance sheet (Note 34).

At the Company level balance sheet

Reverse acquisition accounting applies only in the consolidated financial statements. Therefore, in the legal parent (i.e. the Company)'s separate financial statements, the investment in the legal subsidiary (i.e. S&E) is accounted for at cost, satisfied by the allotment and issuance by the Company of 452,380,952 ordinary shares credited as fully paid-up.

3. Significant accounting policies

3.1 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 35.

Interpretations and amendments to published standards effective in 2014

On 1 January 2014, the Group adopted the new or amended FRS and Interpretations to 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.

3. Significant accounting policies (continued)

3.1 Basis of preparation (continued)

***Interpretations and amendments to published standards effective in 2014* (continued)**

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 the Company and had no material effect on the amounts reported for the current or prior financial years except for the following:

FRS 112 Disclosures of Interests in Other Entities

The Group has adopted the above new FRS on 1 January 2014. The amendment is applicable for annual periods beginning on or after 1 January 2014. It sets out the required disclosures for entities reporting under the new FRS 110 Consolidated Financial Statements and FRS 111 Joint Arrangements, and replaces the disclosure requirements currently found in FRS 27 (revised 2011) Separate Financial Statements and FRS 28 (revised 2011) Investments in Associates and Joint Ventures.

Besides the additional required disclosures in the financial statements, the adoption of these new standards has no material effect on the results and financial position of the Group.

3.2 Revenue recognition

Sales comprise the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Group's activities. Sales are presented, net of goods and services 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:

(a) Chartering income, sale of out-port-limit services and related income

Chartering income of vessels and rigs is recognised in profit or loss on a straight-line basis over the charter hire period.

Sale of out-port-limit services and related income is recognised when the services are rendered.

(b) Ship repair and related services

Revenue from rendering of services for short-term ship repair projects is recognised upon completion of the job as certified by the service engineers. Provision is made in full where applicable for anticipated losses on project in progress.

(c) Sale of vessels

Revenue from the sales of vessels is recognised when significant risks and rewards of ownership are transferred to the buyer, there is neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the vessels sold, and the amount of revenue and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(d) Sale of equipment and consumables

Sale of bunker fuel and equipment is recognised when the Group delivers the bunker fuel and equipment to its customers.

3. Significant accounting policies (continued)

3.2 Revenue recognition (continued)

(e) Interest income

Interest income is recognised using the effective interest method.

(f) Dividend income

Dividend income is recognised when the right to receive payment is established.

3.3 Group accounting

(a) Subsidiaries

(i) *Consolidation*

Subsidiaries are all entities (including structured 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 deconsolidated 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 balance sheet. 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) *Acquisition*

The acquisition method of accounting is used to account for business combinations 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 the fair value of 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 net identifiable assets.

The excess 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 the fair value of the net identifiable net assets acquired is recorded as goodwill. Please refer to the paragraph "Intangible assets - Goodwill" for the subsequent accounting policy on goodwill.

3. Significant accounting policies (continued)

3.3 Group accounting (continued)

(a) Subsidiaries (continued)

(iii) *Disposals*

When a change in the Group's 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 interest in the entity is re-measured 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, associated companies and joint ventures" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(iv) *Reverse acquisition*

Consolidated financial statements prepared following a reverse acquisition are issued under the name of the legal parent (accounting acquiree) but described in the notes as a continuation of the financial statements of the legal subsidiary (accounting acquirer), with one adjustment, which is to adjust retroactively the accounting acquirer's legal capital to reflect the legal capital of the accounting acquiree.

Refer to Note 2 for the impact on the consolidated financial statements.

(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 in a separate reserve within equity attributable to the equity holders of the Company.

(c) Associated companies and joint ventures

Associated companies 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 associated companies 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 associated companies 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 associated companies or 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 associated company or joint venture and is included in the carrying amount of the investments.

3. Significant accounting policies (continued)

3.3 Group accounting (continued)

(c) *Associated companies and joint ventures* (continued)

(ii) *Equity method of accounting*

In applying the equity method of accounting, the Group's share of its associated companies' and 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 associated companies and joint ventures are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company or joint venture equals or exceeds its interest in the associated company or joint venture, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations to make or has made payments on behalf of the associated company or joint venture.

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

(iii) *Disposals*

Investments in associated companies and joint ventures are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated company or joint venture is a financial asset, the retained equity interest in the entity is remeasured at its 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.

Gains and losses arising from partial disposals or dilutions in investments in associated companies and joint ventures in which significant influence or joint control is retained are recognised in profit or loss.

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

3.4 Intangible assets

(a) Goodwill on acquisitions

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

Goodwill on associated companies and joint ventures is included in the carrying amount of the investments.

Gain and losses on the disposal of subsidiaries, associated companies and joint ventures include the carrying amount of goodwill relating to the entity sold.

3. Significant accounting policies (continued)

3.4 Intangible assets (continued)

(b) Acquired order backlog

Order backlogs acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 1 to 2 years, which is the periods of the vessel chartering and sale contracts.

3.5 Property, plant and equipment

(a) Measurement

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

(b) 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 that are directly attributable to the acquisition, construction or production of a qualifying asset.

(c) Depreciation

Depreciation on property, plant and equipment items is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Vessels/barges	15 - 25 years
Rigs	15 years
Leasehold building	30 years
Leasehold improvements	5 years
Motor vehicles	5 years
Furniture, fittings and computers	3 - 10 years
Plant and equipment	5 years

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

The vessels/barges and rigs are subject to overhauls at regular intervals. The inherent components of the initial dry docking are determined based on the estimated costs of the next dry docking and are separately depreciated over a period of 5 years in order to reflect the estimated interval between two dry dockings. The costs of the dry dockings subsequently incurred are capitalised as additions and the carrying amounts of replaced components of the vessels and rigs are written off to profit or loss.

(d) Vessels-under-construction

Vessels-under-construction are stated at cost, which include the progress billings paid in accordance with the construction contracts and other directly attributable costs incurred during the construction period.

No depreciation is provided on vessels-under-construction.

3. Significant accounting policies (continued)

3.5 Property, plant and equipment (continued)

(e) 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.

(f) 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 'Other gains'.

3.6 Investments in subsidiaries, associated companies and joint ventures

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

3.7 Impairment of non-financial assets

(a) Goodwill on acquisition

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) Intangible assets
Property, plant and equipment
Investments in subsidiaries, associated companies and joint ventures

Intangible assets, property, plant and equipment and investments in subsidiaries, associated companies 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 cash-generating-unit ("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.

3. Significant accounting policies (continued)

3.7 Impairment of non-financial assets (continued)

(b) *Intangible assets*
Property, plant and equipment
Investments in subsidiaries, associated companies and joint ventures (continued)

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 if, and 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.

3.8 Financial assets

(a) *Classification*

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale financial assets. 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.

(i) 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" and "cash and cash equivalents" on the balance sheet, except for certain loans to joint ventures which have been accounted for in accordance with Note 3.6.

(ii) 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 de-recognition*

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 in other comprehensive income relating to that asset is reclassified to profit or loss.

(c) *Initial measurement*

Financial assets are initially recognised at fair value plus transaction costs.

3. Significant accounting policies (continued)

3.8 Financial assets (continued)

(d) Subsequent measurement

Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Interest and dividend income on available-for-sale financial assets are recognised separately in income. Changes in 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

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 3.8(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.

3.9 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.

3. Significant accounting policies (continued)

3.10 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 measured at fair value, and subsequently carried at amortised cost using the effective interest method.

3.11 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 construction or production of a qualifying asset. This includes those costs on borrowings acquired specifically for the construction of property, plant and equipment, as well as those in relation to general borrowings used to finance the construction of property, plant and equipment. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction expenditures that are financed by general borrowings.

3.12 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 for financial liabilities are the current asking prices.

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

3.13 Leases

(a) When the Group is the lessee:

The Group leases office premises under operating leases from non-related parties.

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.

(b) When the Group is the lessor:

The Group leases certain property, plant and equipment under operating leases to non-related parties.

Operating leases

Leases of property, plant and equipment 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.

3. Significant accounting policies (continued)

3.14 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. The cost of inventories comprises the purchase price and other costs directly attributable to the acquisition of the inventory. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

3.15 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, associated companies 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 profit 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 tax rates and tax laws that have been enacted or substantively enacted by 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 amounts 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.

3.16 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 equity-settled, share-based compensation plans. The value of the employee services received in exchange for the grant of options and performance shares is recognised as an expense with a corresponding increase in reserves over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair values of the options and performance shares granted on the respective dates of grant.

3. Significant accounting policies (continued)

3.16 Employee compensation (continued)

(b) Share-based compensation (continued)

At each balance sheet date, the Group revises its estimates of the number of shares under options that are expected to become excisable and performance share plan awards that are expected to vest on the vesting dates, and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to reserves over the remaining vesting period.

When the options are exercised, 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 performance share plan awards are released, the corresponding reserve is transferred to share capital account if new shares are issued.

3.17 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 ("USD"), which is the functional currency of the Company with effect from 1 October 2014.

Prior to 1 October 2014, the Company's and certain subsidiaries' functional currency is the Singapore Dollar ("SGD") (see Note 36).

(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 dates of the transactions. Currency translation differences 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 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 currency translation reserve.

When a foreign operation is disposed of or any loan 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 impacting profit or loss are presented in the income statement within "Other gains".

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.

(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;

3. Significant accounting policies (continued)

3.17 Currency translation (continued)

(c) *Translation of Group entities' financial statements* (continued)

(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.

3.18 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.

3.19 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, net of bank overdrafts and bank balances pledged with banks. Bank overdrafts are presented as current borrowings on the balance sheet. 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.

3.20 Share capital

(a) *Ordinary 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.

(b) *Preference share capital*

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary.

Preference share capital is classified as a financial liability if it is redeemable on a specific date or at the option of the shareholder.

3.21 Dividends to Company's shareholders

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

3.22 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 borrowing entities 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 (if material) plus transaction costs in the Company's balance sheet.

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

Intra-group transactions are eliminated on consolidation.

3. Significant accounting policies (continued)

3.23 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.

3.24 Derivative financial instrument

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 derivative is not designated for hedge accounting and the fair value changes are recognised in profit or loss when the changes arise.

4. Revenue and other income

	Group	
	2014	2013
	US$'000	US$'000
Revenue		
Rig chartering income	**11,380**	–
Vessel chartering income, sale of out-port-limit services and related income	**16,750**	–
Ship repair and related services	**461**	–
Sale of vessels, equipment and consumables	**36,923**	–
	65,514	–
Other income		
Interest income	**2,266**	1,272
Others	**39**	–
	2,305	1,272

5. Other gains

	Group	
	2014	2013
	US$'000	US$'000
Gain on disposal of property, plant and equipment	**953**	–
Currency exchange gains - net	**4,023**	–
Others	**368**	–
	5,344	–

6. Expenses by nature

	Group	
	2014	2013
	US$'000	US$'000
Purchase of vessels, equipment and consumables for sale	**32,225**	–
Materials and supplies used	**1,556**	–
Hire of vessels/barges	**303**	–
Depreciation of property, plant and equipment (Note 19)	**7,529**	1
Amortisation of intangible assets [Note 20(b)]	**2,154**	–
Impairment of goodwill [Note 20(a)]	***15,414**	–
Impairment loss on available-for-sale financial assets (Note 12)	***5,300**	–
Employee compensation (Note 8)	**8,041**	439
Rental expense of office premises	**163**	–
Write-back of allowance for impairment loss on trade and other receivables	**(400)**	–
Upkeep of vessels/barges	**789**	–
Insurance	**487**	–
Professional fees	**841**	49
Fees on audit services paid/payable to auditors of the Company	**182**	12
Fees on non-audit services paid/payable to auditors of the Company	**20**	–
Others	**2,434**	32
Total cost of sales, administrative and other expenses	**77,038**	533

* Included in "Other expenses" in the Consolidated Statement of Comprehensive Income.

7. Finance expenses

	Group	
	2014	2013
	US$'000	US$'000
Interest expense		
- Bank borrowings	**3,448**	–
- Amortisation of facility fee	**100**	–
- Corporate guarantee fees payable to a joint venturer	**1,185**	1,142
	4,733	1,142

Corporate guarantee fees comprise fees for guarantees given to a bank by a joint venturer on behalf of the Group relating to outstanding term loans granted to certain joint ventures.

8. Employee compensation

	Group	
	2014	2013
	US$'000	US$'000
Wages and salaries	**7,389**	418
Employer's contribution to defined contribution plans including Central Provident Fund	**130**	21
Share option expense (Note 26)	**136**	–
Other staff benefits	**386**	–
	8,041	439

9. Income taxes

(a) Income tax credit

	Group	
	2014	2013
	US$'000	US$'000
Tax (credit)/expense attributable to profit is made up of:		
- Current income tax	**(118)**	–
- Deferred tax	**(468)**	–
	(586)	–
Under provision in prior financial years	**153**	–
Total	**(433)**	–

(b) The tax credit on profit differs from the amount that would arise using the Singapore standard rate of income tax as explained below:

	Group	
	2014	2013
	US$'000	US$'000
Profit before tax	**15,458**	15,352
Share of profits of associated companies and joint ventures	**(24,066)**	(15,755)
Loss before tax and share of profits of associated companies and joint ventures	**(8,608)**	(403)
Tax calculated at a tax rate of 17% (2013: 17%)	**(1,463)**	(69)
Effects of		
- Singapore statutory stepped income exemption	**(40)**	–
- Income not subjected to tax	**(2,719)**	–
- Expenses not deductible for tax purposes	**3,636**	69
- Under provision in prior financial years	**153**	–
Tax credit	**(433)**	–

9. Income taxes (continued)

(c) Deferred income taxes

Movement in deferred income tax liabilities is as follows:

	Group	
	2014	2013
	US$'000	US$'000
Beginning of financial year	**–**	–
Arising from reverse acquisition (Note 34)	**3,297**	–
Tax credit	**(468)**	–
End of financial year	**2,829**	–

Deferred tax liabilities arise primarily from accelerated tax depreciation and are mainly expected to be settled after one year.

The tax charge to other comprehensive income is Nil (2013: Nil).

10. 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.

Due to the reverse acquisition during the financial year, the number of ordinary shares outstanding from the beginning of the year to the reverse acquisition date for purpose of calculating the weighted average number of ordinary shares is deemed to be the number of ordinary shares issued by the Company to the owners of S&E, and the number of ordinary shares outstanding from the reverse acquisition date to the end of the year is the actual number of ordinary shares of the Company outstanding during the financial year.

	Group	
	2014	2013
Net profit attributable to equity holders of the Company (US$'000)	**15,891**	15,352
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**545,386**	452,381
Basic earnings per share (US cents per share)	**2.91**	3.39

10. 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. The dilutive potential ordinary shares of the Company are the redeemable exchangeable preference shares ("REPS") and share options.

REPS are assumed to have been converted into ordinary shares at issuance. For share options, the weighted average number of shares on issue has been adjusted as if all dilutive share options were exercised. The number of shares that could have been issued upon the exercise of all dilutive share options 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	
	2014	2013
Net profit attributable to equity holders of the Company (US$'000)	**15,891**	15,352
Weighted average number of ordinary shares outstanding ('000)	**545,386**	452,381
Adjustment for share options granted ('000)	**445**	–
Adjustment for redeemable exchangeable preference shares ('000)	**11,636**	–
	557,467	452,381
Diluted earnings per share (US cents per share)	**2.85**	3.39

11. Cash and cash equivalents

	Group		Company	
	2014	2013	**2014**	2013
	US$'000	US$'000	**US$'000**	US$'000
Cash at bank and on hand	**38,633**	612	**3,800**	196
Fixed deposits with bank	**–**	161	**–**	–
	38,633	773	**3,800**	196

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

	Group	
	2014	2013
	US$'000	US$'000
Cash and bank balances (as above)	**38,633**	773
Less: Restricted cash	**(1,335)**	–
Cash and cash equivalents per consolidated statement of cash flows	**37,298**	773

Bank deposits are pledged as security for a bank guarantee issued to a customer in relation to an advance received for sale of a vessel.

12. Available-for-sale financial assets

	Group	
	2014	2013
	US$'000	US$'000
Beginning of financial year	**–**	–
Arising from reverse acquisition (Note 34)	**9,240**	–
Impairment loss recognised in other comprehensive income	**(5,300)**	–
Currency translation differences	**(41)**	–
End of financial year	**3,899**	–

Available-for-sale financial assets are analysed as follows:

	Group	
	2014	2013
	US$'000	US$'000
Listed security		
- Equity security – Singapore	**3,899**	–

During the financial year, the Group reclassified the cumulative impairment loss of US$5,300,000 on its listed equity security from the fair value reserve to profit and loss as there was a significant decline in its fair value [Note 35(c)]

13. Trade and other receivables

	Group		Company	
	2014	2013	**2014**	2013
	US$'000	US$'000	**US$'000**	US$'000
Current				
Trade receivables:				
- Non-related parties	**14,763**	–	**–**	–
- Joint ventures	**1,789**	–	**–**	–
	16,552	–	**–**	–
Less: Allowance for impairment of trade receivables				
- Non-related parties	**(992)**	–	**–**	–
	15,560	–	**–**	–
Other receivables:				
- Non-related parties	**1,361**	81	**–**	–
- Subsidiaries	**–**	–	**75,041**	6,838
- Associated companies	**1,631**	–	**–**	–
- Joint ventures	**3,600**	1,265	**–**	–
	6,592	1,346	**75,041**	6,838
Less: Allowance for impairment of other receivables				
- Non-related parties	**(647)**	–	**–**	–
	5,945	–	**75,041**	6,838
Total trade and other receivables	**21,505**	1,346	**75,041**	6,838

13. Trade and other receivables (continued)

	Group		Company	
	2014	2013	**2014**	2013
	US$'000	US$'000	**US$'000**	US$'000
Non-current				
Other receivable:				
- Joint venture	**–**	–	**–**	282
Total trade and other receivables	**21,505**	1,346	**75,041**	7,120

Included in other receivables from subsidiaries is an amount of US$45,925,000 which is unsecured and repayable on demand, with interest fixed at 2.2% per annum. The remaining receivables from subsidiaries, associated companies and joint ventures are unsecured, interest free and repayable on demand.

14. Inventories

	Group	
	2014	2013
	US$'000	US$'000
Steel plates for repair works	**1**	–
Fuel	**61**	–
	62	–

The cost of inventories relating to steel plates and fuel recognised as an expense and included in "cost of sales" amounted to US$1,556,000 (31 December 2013: Nil).

The cost of inventories relating to vessels is disclosed in Note 6.

15. Other assets

	Group		Company	
	2014	2013	**2014**	2013
	US$'000	US$'000	**US$'000**	US$'000
Current				
Prepayments	**587**	–	**73**	21
Advances to shipbuilders	**8,021**	–	**–**	–
Deposits	**1,751**	–	**–**	2
Others	**153**	–	**–**	20
	10,512	–	**73**	43

16. Subsidiaries

	Company	
	2014	2013
	US$'000	US$'000
Unquoted equity shares, at cost	**437,184**	140,701

Details of subsidiaries are as follows:

Name of companies	Principal activities	Country of incorporation/ business	% of ownership interest	
			2014	2013
			%	%
Held by the Company				
Swissco Energy Services Pte Ltd [(a)]	Ship trader and provision of maritime support services	Singapore	**100**	100
Swissco International Pte Ltd [(a)]	Investment holding	Singapore	**100**	100
Seawell Drilling Pte Ltd [(b)]	Dormant	Singapore	**100**	100
Scott and English Energy Pte Ltd [(c)]	Investment holding	Singapore	**100**	–
Subsidiaries of Swissco International Pte Ltd				
Swissco Offshore Pte Ltd [(a)]	Operator of offshore support vessels, ship chartering, provision of marine logistics services and related business	Singapore	**100**	100
Singapore Marine Logistics Pte Ltd [(a)]	Ship repair and maintenance and related services	Singapore	**100**	100
Swissco Asia Pte Ltd [(a)]	Ship owner and ship operator	Singapore	**100**	100
Swissco Offshore Limited [(b)]	Holding the Seychelles-flagged vessels in trust for Swissco Offshore Pte Ltd	Republic of Seychelles	**100**	100
Swissco Maritime Pte Ltd [(a)]	Ship owner and ship operator	Singapore	**100**	100
Swissco Ship Services Pte Ltd [(a)]	Ship owner and ship operator	Singapore	**100**	100
SW Maritime Pte Ltd [(a)]	Ship owner and ship operator	Singapore	**100**	100

16. Subsidiaries (continued)

Name of companies	Principal activities	Country of incorporation/ business	% of ownership interest	
			2014	2013
			%	%
Subsidiaries of Scott and English Energy Pte Ltd				
S&E Offshore Investments Pte Ltd [c]	Investment holding	Singapore	**100**	–
S&E Offshore Investments 2 Pte Ltd [c]	Investment holding	Singapore	**100**	–
S&E Services Investments Pte Ltd [c]	Investment holding	Singapore	**100**	–
Subsidiaries of S&E Offshore Investments Pte Ltd				
Supreme Excellence 2 Pte Ltd [c]	Investment holding	Singapore	**100**	–
Supreme Excellence 3 Pte Ltd [c]	Investment holding	Singapore	**100**	–
Subsidiary of Supreme Excellence 2 Pte Ltd				
Supreme Excellence 2 (HK) Limited [d]	Rig owning and chartering	Hong Kong	**100**	–
Subsidiary of Supreme Excellence 3 Pte Ltd				
Supreme Excellence 3 (HK) Limited [d]	Rig owning and chartering	Hong Kong	**100**	–

(a) Audited by PricewaterhouseCoopers LLP, Singapore.

(b) Not required to be audited under the laws of the country of incorporation.

(c) Audited by KPMG LLP, Singapore.

(d) Audited by KPMG network firm.

In accordance to Rule 716 of The Singapore Exchange Securities Trading Limited – Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its subsidiaries would not compromise the standard and effectiveness of the audit of the Company.

17. Associated companies

	Group	
	2014	2013
	US$'000	US$'000
Ordinary shares, at cost	*	–
Preference shares, at cost	**22,663**	–
Share of profits	**4,937**	–
Total	**27,600**	–

* Less than US$1,000.

17. Associated companies (continued)

Details of associated companies are as follows:

Name of companies	Principal activities	Country of incorporation/ business	% of ownership interest	
			2014	2013
			%	%
Supreme Excellence 1 Pte Ltd [(a)]	Investment holding company	Singapore	**50**	–
Supreme Excellence 4 Pte Ltd [(a)]	Investment holding company	Singapore	**50**	–
Subsidiary of Supreme Excellence 1 Pte Ltd				
Supreme Excellence 1 (HK) Limited [(b)]	Rig owning and chartering	Hong Kong	**50**	–
Subsidiary of Supreme Excellence 4 Pte Ltd				
Supreme Excellence 4 (HK) Limited [(b)]	Rig owning and chartering	Hong Kong	**50**	–

(a) Audited by KPMG LLP, Singapore.
(b) Audited by KPMG network firm.

In addition to the above proportion of ordinary shares held, the Group also holds 100% of the preference shares issued by Supreme Excellence 1 Pte Ltd and Supreme Excellence 4 Pte Ltd.

Set out below is the summarised financial information of the associated companies of the Group as at 31 December 2014.

Summarised balance sheet

	Supreme Excellence 1 Pte Ltd and its subsidiary	Supreme Excellence 4 Pte Ltd and its subsidiary	Total
	2014	**2014**	**2014**
	US$'000	**US$'000**	**US$'000**
Current assets	4,504	4,504	**9,008**
Includes:			
- Cash and cash equivalents	2,978	2,978	**5,956**
Non-current assets	59,074	59,074	**118,148**
Current liabilities	(12,824)	(14,377)	**(27,201)**
Includes:			
- Trade and other payables	(29)	(29)	**(58)**
- Other current financial liabilities	(8,575)	(8,575)	**(17,150)**
Non-current liabilities	(36,571)	(33,800)	**(70,371)**
Includes:			
- Other non-current financial liabilities	(33,800)	(33,800)	**(67,600)**
Net assets	14,183	15,401	**29,584**

17. Associated companies (continued)

Summarised statement of comprehensive income

	Supreme Excellence 1 Pte Ltd and its subsidiary 2014	Supreme Excellence 4 Pte Ltd and its subsidiary 2014	Total 2014
	US$'000	US$'000	US$'000
Revenue	3,599	3,599	**7,198**
Expenses			
Includes:			
- Depreciation and amortisation	(1,001)	(1,001)	**(2,002)**
- Interest expense	(432)	(432)	**(864)**
Net profit and total comprehensive income	2,852	4,069	**6,921**

The information above reflects the amounts presented in the financial statements of the associated companies (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and the associated companies.

Reconciliation of summarised financial information

Reconciliation of summarised financial information presented, to the carrying amount of the Group's interest in associated companies, is as follows:

	Supreme Excellence 1 Pte Ltd and its subsidiary 2014	Supreme Excellence 4 Pte Ltd and its subsidiary 2014	Total 2014
	US$'000	US$'000	US$'000
Net assets			
At 1 January	–	–	**–**
Shares issued	11,331	11,332	**22,663**
Net profit and total comprehensive income	2,852	4,069	**6,921**
At 31 December	14,183	15,401	**29,584**
Group's interest in the above associated companies (50%)	7,092	7,700	**14,792**
Add:			
Preference shares held*			**11,332**
Others			**1,476**
Total carrying value			**27,600**

* Preference shares which carry no voting right and no entitlement to any dividends were issued solely to the Group.

18. Joint ventures

	Group		Company	
	2014	2013	**2014**	2013
	US$'000	US$'000	**US$'000**	US$'000
Equity shares, at cost	**30**	30	**39**	40
Share of profits of joint ventures	**36,280**	15,755	**–**	–
	36,310	15,785	**39**	40
Loans to joint ventures	**52,129**	27,954	**–**	–
	88,439	43,739	**39**	40
Beginning of financial year	**43,739**	5		
Arising from reverse acquisition (Note 34)	**921**	–		
Interest in joint venture	**–**	25		
Loan to joint ventures	**24,175**	27,954		
Share of profits	**19,129**	15,755		
Currency translation differences	**475**	–		
End of financial year	**88,439**	43,739		

Loans to joint ventures are unsecured and bears interest of 6% to 8% per annum. The amounts are intended to be a long-term source of additional capital for the joint ventures. Settlement of the loans is neither planned nor likely to occur in the foreseeable future. As a result, management considers the loans to be in substance part of the Group's net interest in the joint ventures, and are stated at cost in accordance with Note 3.6.

Details of joint ventures are as follows:

Name of companies	Principal activities	Country of incorporation/ business	% of ownership interest	
			2014	2013
			%	%
Hadi International Marine Services Pte Ltd [(a)]	Investment holding	Singapore	**50**	–
SW Marine (M) Sdn Bhd [(c) (d)]	Ship chartering and related logistics services	Malaysia	**49**	–
Strategic Offshore Limited [(e)]	Investment holding	Malta	**50**	50
Strategic Excellence Limited [(e)]	Rig owning and chartering	Bahamas	**50**	50
Star Excellence Pte Ltd [(e)]	Investment Holding	Singapore	**50**	–
Subsidiary of Hadi International Marine Services Pte Ltd				
Valueright International Ltd [(b)]	Shipowners, managers, charterers	British Virgin Islands	**50**	–
Subsidiaries of Strategic Offshore Limited				
GSP Atlas Ltd [(f)]	Rig owning and chartering	Malta	**50**	50
GSP Orizont Ltd [(f)]	Rig owning and chartering	Malta	**50**	50
Strategic Fortuna Limited [(f)]	Rig owning and chartering	Malta	**50**	50
Subsidiary of Star Excellence Pte Ltd				
Star Excellence (HK) Limited [(f)]	Rig owning and chartering	Hong Kong	**50**	–

18. Joint ventures (continued)

(a) Audited by PricewaterhouseCoopers LLP, Singapore.

(b) Not required to be audited under the laws of the country of incorporation.

(c) Audited by JB Lau & Khoo.

(d) SW Marine (M) Sdn Bhd is deemed to be a joint venture of the Group as the appointment of its directors and the allocation of voting rights for key business decisions require the unanimous approval of its venturers.

(e) Audited by KPMG LLP, Singapore.

(f) Audited by KPMG network firms.

In accordance to Rule 716 of The Singapore Exchange Securities Trading Limited – Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its significant joint ventures would not compromise the standard and effectiveness of the audit of the Company.

Set out below is the summarised financial information of the joint ventures of the Group as at 31 December 2014, which is material to the Group.

Summarised balance sheet

	Strategic Offshore Limited and its subsidiaries	
	2014	2013
	US$'000	US$'000
Current assets	**54,241**	27,949
Includes:		
- Cash and cash equivalents	**12,607**	4,793
Non-current assets	**207,670**	221,067
Current liabilities	**(63,355)**	(48,446)
Includes:		
- Trade and other payables	**(1,043)**	(1,853)
- Other current financial liabilities	**39,889**	37,274
Non-current liabilities	**(128,843)**	(169,029)
Includes:		
- Other non-current financial liabilities	**(124,717)**	(107,532)
Net assets	**69,713**	31,541

18. Joint ventures (continued)

Summarised statement of comprehensive income

	Strategic Offshore Limited and its subsidiaries	
	2014	2013
	US$'000	US$'000
Revenue	**63,884**	53,306
Interest income	**469**	–
Expenses		
Includes:		
- Depreciation and amortisation	**(12,933)**	16,533
- Interest expense	**(6,687)**	(6,011)
Tax expense	**(2,396)**	(1,836)
Net profit and total comprehensive income	**38,172**	31,529

The information above reflects the amounts presented in the financial statements of the joint ventures (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and the joint ventures.

Reconciliation of summarised financial information

Reconciliation of summarised financial information presented, to the carrying amount of the Group's interest in joint ventures, is as follows:

	Strategic Offshore Limited and its subsidiaries	
	2014	2013
	US$'000	US$'000
Net assets		
At 1 January	**31,541**	12
Total comprehensive income	**38,172**	31,529
At 31 December	**69,713**	31,541

	Group	
	2014	2013
	US$'000	US$'000
Group's interest in the above joint ventures (50%)	**34,857**	15,770
Add:		
Group's interest in other individually immaterial joint ventures	**1,453**	15
Loans to joint ventures	**52,129**	27,954
Total carrying value	**88,439**	43,739

19. Property, plant and equipment

	Vessels/ barges	Rigs	Leasehold building and improvements	Motor vehicles	Furniture, fittings and computers	Plant and equipment	Vessels under construction	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Group								
Cost								
At 1 January 2014	–	–	–	–	5	–	–	5
Arising from reverse acquisition (Note 34)	156,326	–	8,002	39	114	82	24,657	189,220
Additions	23,036	120,151	18	247	18	3	25,183	168,656
Disposals	(5,568)	–	–	–	–	–	(14)	(5,582)
Transfer from vessels under construction	8,780	–	–	–	–	–	(8,780)	–
Transfer from other asset	–	–	–	–	–	–	7,754	7,754
Currency translation differences	(32)	(12)	–	(2)	(2)	(5)	–	(53)
At 31 December 2014	182,542	120,139	8,020	284	135	80	48,800	360,000
Accumulated depreciation								
At 1 January 2014	–	–	–	–	1	–	–	1
Depreciation	5,462	2,002	17	16	23	9	–	7,529
Disposals	(1,725)	–	–	–	–	–	–	(1,725)
Currency translation differences	(3)	(12)	–	(2)	(1)	(5)	–	(23)
At 31 December 2014	3,734	1,990	17	14	23	4	–	5,782
Net book value								
At 31 December 2014	178,808	118,149	8,003	270	112	76	48,800	354,218
Cost								
At 1 January 2013	–	–	–	–	–	–	–	–
Additions	–	–	–	–	5	–	–	5
At 31 December 2013	–	–	–	–	5	–	–	5
Accumulated depreciation								
At 1 January 2013	–	–	–	–	–	–	–	–
Depreciation	–	–	–	–	1	–	–	1
At 31 December 2013	–	–	–	–	1	–	–	1
Net book value								
At 31 December 2013	–	–	–	–	4	–	–	4

The leasehold building and vessels of the Group with a total carrying amount of US$171,592,000 (31 December 2013: Nil) are pledged as securities for bank borrowings [Note 22(a)] of the Group and Company.

20. Intangible assets

	Group		Company	
	2014	2013	**2014**	2013
	US$'000	US$'000	**US$'000**	US$'000
Composition:				
Goodwill on consolidation (Note (a))	**–**	–	**–**	–
Order backlog (Note (b))	**832**	–	**–**	–
	832	–	**–**	–

(a) Goodwill on consolidation

	Group	
	2014	2013
	US$'000	US$'000
Cost		
Beginning of financial year	**–**	–
Arising from reverse acquisition (Note 34)	**15,414**	–
End of financial year	**15,414**	–
Accumulated impairment		
Beginning of financial year	**–**	–
Impairment charge	**15,414**	–
End of financial year	**15,414**	–
Net book value	**–**	–

Impairment test for goodwill

An impairment assessment was undertaken in respect of the Group's goodwill which is allocated to the vessel chartering cash-generating unit ("CGU"). The recoverable amount of the CGU was determined based on value-in-use. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management covering a five-year period.

Key assumptions used for value-in-use calculations:

2014	**Vessel chartering**
Gross margin	45%
Growth rate	4%
Discount rate	11%

Management determined budgeted gross margin based on past performance and its expectations of market developments. The growth rates used were consistent with forecasts included in industry reports. The discount rates used were pre-tax and reflected specific risks relating to the relevant segments.

Based on the assessment, the recoverable amount of the CGU was lower than its carrying amount. Accordingly, an impairment loss of US$15,414,000 was recognised against goodwill and included within "Other expenses" in the consolidated statement of comprehensive income.

20. Intangible assets (continued)

(b) *Order backlog*

An order backlog, arising from vessel chartering and sale contracts, was acquired from the reverse acquisition (Note 34).

	Group		Company	
	2014	2013	**2014**	2013
	US$'000	US$'000	**US$'000**	US$'000
Cost				
Beginning of financial year	**–**	–	**–**	–
Arising from reverse acquisition (Note 34)	**2,986**	–	**–**	–
End of financial year	**2,986**	–	**–**	–
Accumulated amortisation				
Beginning of financial year	**–**	–	**–**	–
Amortisation charge	**2,154**	–	**–**	–
End of financial year	**2,154**	–	**–**	–
Net book value	**832**	–	**–**	–

The above amortisation charge is included within "Cost of sales" in the consolidated statement of comprehensive income.

21. Trade and other payables

	Group		Company	
	2014	2013	**2014**	2013
	US$'000	US$'000	**US$'000**	US$'000
Trade payables				
- Non-related parties	**8,793**	–	**–**	–
Other payables				
- Non-related parties	**6,046**	1,741	**1**	101
- Joint venturer	**94**	1,000	**–**	–
- Joint ventures	**465**	–	**–**	–
- Subsidiaries	**–**	–	**46,677**	56,340
	6,605	2,741	**46,678**	56,441
Accruals for operating expenses	**12,021**	146	**2,595**	2,849
Advances received for sale of vessels	**2,670**	–	**–**	–
Deferred revenue	**9,904**	–	**–**	–
	39,993	2,887	**49,273**	59,290

The other payables to joint ventures and subsidiaries are unsecured, interest-free and repayable on demand.

22. Borrowings

	Group		Company	
	2014	2013	**2014**	2013
	US$'000	US$'000	**US$'000**	US$'000
Bank borrowings				
- Current	**71,792**	–	**5,028**	5,377
- Non-current	**176,405**	–	**77,843**	1,897
	248,197	–	**82,871**	7,274

(a) *Security granted*

As at the balance sheet date, bank borrowings of the Group amounting to US$164,412,000 (2013: Nil) are secured over certain vessels and leasehold building (Note 19) of its subsidiaries. Bank borrowings of the Company amounting to US$8,691,000 (2013: US$6,645,000) are secured over certain vessels (Note 19) of its subsidiaries.

(b) *Fair value of non-current borrowings*

	Group		Company	
	2014	2013	**2014**	2013
	US$'000	US$'000	**US$'000**	US$'000
Bank borrowings	**168,648**	–	**70,086**	1,897

(c) *Borrowing covenants*

The Company's borrowings are subject to covenant clauses, both financial and non-financial. The Group and Company were in compliance with externally imposed capital requirements for the financial years ended 31 December 2014 and 31 December 2013.

23. Share capital

	No. of shares Issued share capital	Amount Issued share capital
	'000	US$'000
Company		
2014		
At 1 January 2014	435,373	75,941
Effects of change in functional currency	–	(3,126)
Issue of shares – share options	1,925	468
Share consolidation	(218,649)	–
	218,649	73,283
Issuance of new shares pursuant to the reverse acquisition (Note 34)	452,381	297,334
	671,030	370,617
Issue of shares – share options	401	239
At 31 December 2014	671,431	370,856
2013		
At 1 January 2013	432,898	75,408
Issue of shares – performance shares	1,075	251
Issue of shares – share options	1,400	282
At 31 December 2013	435,373	75,941

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

The Group's share capital amount differs from that of the Company as the result of reverse acquisition accounting as described in Note 2(d).

Share options

The Swissco Holdings Employee Share Option Scheme (the "Scheme") for employees and directors of the Group was approved by members of the Company at an Extraordinary General Meeting on 1 November 2010. The purpose of the Scheme is to attract, retain and give recognition to employees who have contributed to the success and development of the Group.

The exercise price of the options shall be determined by the Remuneration Committee at:

(i) the average of the last dealt prices of the Company's ordinary shares as quoted on the Singapore Exchange for five consecutive market days immediately preceding the date of the grant ("Market Price"); or

(ii) a discount not exceeding 20% of the Market Price. The quantum of such discount shall be determined by the Remuneration Committee and approved by the shareholders in a general meeting.

Options granted at a discount under the Scheme are subject to a vesting period of 2 years from grant date, while those granted at Market Price are subject to a vesting period of 1 year from grant date. Once the options are vested, they are exercisable for a period of 5 years to 10 years from grant date.

On 12 May 2014, the Company granted options to subscribe 2,650,000 ordinary shares of the Company at an exercise price of S$0.417 per share (before Share Consolidation). The options are exercisable from 12 May 2015 and expire on 11 May 2024 for employees and Executive Directors. Options granted to Independent Directors are exercisable from 12 May 2015 to 11 May 2019.

On 30 July 2014, the Company undertook a consolidation (the "Share Consolidation") of all its shares on the basis of every two existing shares into one consolidated share.

23. Share capital (continued)

The Share Consolidation has the following effect on the share options under the Scheme:

(a) 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

(b) the number of shares comprised in each 1,000 outstanding options under the Scheme will be reduced in the same proportion as the shares under the Share Consolidation, fractions to be disregarded, from 1,000 to 500.

Movement in the number of unissued ordinary shares under option and their exercise price are as follows:

Group and Company

	No. of ordinary shares under option								
Date of grant	**Beginning of financial year**	**Granted during financial year**	**Exercised during financial year**	**Shares consolidation**	**Exercised during financial year***	**Forfeited during financial year***	**End of financial year***	**Exercise price***	**Exercise period**
	'000	'000	'000	'000	'000	'000	'000	'000	'000
2014									
12.5.2014	–	2,450	–	(1,225)	(250)	(125)	850	S$0.834	12.5.15 – 11.5.24
12.5.2014	–	200	–	(100)	–	–	100	S$0.834	12.5.15 – 11.5.19
13.5.2013	2,300	–	(1,200)	(550)	(113)	–	437	S$0.538	13.5.14 – 12.5.23
13.5.2013	200	–	(100)	(50)	–	–	50	S$0.538	13.5.14 – 12.5.18
11.5.2012	700	–	(525)	(87)	(38)	–	50	S$0.404	11.5.13 – 10.5.22
11.5.2012	200	–	(100)	(50)	–	–	50	S$0.404	11.5.13 – 10.5.17
	3,400	2,650	(1,925)	(2,062)	(401)	(125)	1,537		
2013									
13.5.2013	–	2,400	–	–	–	(100)	2,300	S$0.269	13.5.14 – 12.5.23
13.5.2013	–	300	–	–	–	(100)	200	S$0.269	13.5.14 – 12.5.18
11.5.2012	2,100	–	(1,400)	–	–	–	700	S$0.202	11.5.13 – 10.5.22
11.5.2012	200	–	–	–	–	–	200	S$0.202	11.5.13 – 10.5.17
	2,300	2,700	(1,400)	–	–	(200)	3,400		

* Adjusted for Share Consolidation.

Out of the unexercised options for 1,537,000 (2013: 3,400,000) shares, options for 587,000 (2013: 900,000) shares are exercisable at the balance sheet date. For options exercised in 2014, the weighted average share price at the time of exercise was S$0.53 per share.

The fair value of options granted on 12 May 2014 (2013: 13 May 2013), determined using the Black Scholes Option Pricing Model, was US$216,691 (2013: US$145,247). The significant inputs into the model were the share price of S$0.415 (2013: S$0.285) at the grant date, the exercise price of S$0.417 (2013: S$0.269), standard deviation of expected share price returns of 46% (2013: 49%), the option life shown above and the annual risk-free interest rate of 0.51% (2013: 0.26%). The volatility measured as the standard deviation of expected share price returns was estimated based on statistical analysis of share prices over the last one year.

24. Derivatives

The derivative financial instrument refers to the exchange option written by the Company which allows the option holders to exchange the redeemable exchangeable preference shares of certain subsidiaries (Note 25) into ordinary shares of the Company based on a specified exchange ratio (Note 25). In accordance with an agreement signed with all these subsidiaries, all fair value gains and losses on the derivative will be fully borne by them.

25. Redeemable exchangeable preference shares ("REPS")

	Group	
	2014	2013
	US$'000	US$'000
At 1 January	**–**	–
Issuance of REPS	**36,750**	–
At 31 December	**36,750**	–

On 10 October 2014 ("Issue Date"), a total of 36,750,000 REPS were issued by certain subsidiaries of the Company. All issued shares are fully paid. The details of the share issuance are as follows:

(a) 18,375,000 First Tranche Class A Preference Shares were issued by S&E Offshore Investments Pte Ltd ("SEOI") at an issue price of US$1 per share; and

(b) 18,375,000 First Tranche Class A Preference Shares were issued by S&E Offshore Investments 2 Pte Ltd ("SEOI2") at an issue price of US$1 per share.

The holders of the REPS may also subscribe for additional tranches of preference shares to be issued by SEOI and SEOI2, as set out below:

(i) Second Tranche Class B Preference Shares of up to 4,800,000 REPS at an issue price of US$1 per share at any time beginning from the first anniversary of the Issue Date and up to Maturity Date; and

(ii) Third Tranche Class B Preference Shares of up to 2,400,000 REPS at an issue price of US$1 per share at any time beginning from the second anniversary of the Issue Date and up to Maturity Date.

The main terms and conditions of the agreements are as follows:

(a) The REPS are convertible into certain number of ordinary shares in the share capital of the Company ("Exchange Shares") based on exchange ratio of 1.4268 ("Exchange Ratio"). The Exchange Ratio will be subject to the usual anti-dilution adjustments.

(b) The holders of REPS shall have the right to convert:

   (i) the first 50% of their holdings of First Tranche Class A Preference Shares into Exchange Shares at the Exchange Ratio at any time beginning from the first anniversary of the Issue Date and up to the third anniversary of the Issue Date ("Maturity Date");

   (ii) all of its holdings of Second Tranche Class B Preference Shares into Exchange Shares at the Exchange Ratio at any time beginning from the first anniversary of the Issue Date and up to Maturity Date;

   (iii) the remaining 50% of their holdings of First Tranche Class A Preference Shares into Exchange Shares at the Exchange Ratio at any time beginning from the second anniversary of the Issue Date and up to the Maturity Date; and

   (iv) all of its holdings of Third Tranche Class B Preference Shares into Exchange Shares at the Exchange Ratio at any time beginning from the second anniversary of the Issue Date and up to the Maturity Date.

25. Redeemable exchangeable preference shares ("REPS") (continued)

(c) Within five business days immediately after the Maturity Date, the subsidiaries have the option (but not the obligation) to redeem such number of REPS not exchanged into Exchange Shares as at the Maturity Date at a redemption price per REPS equivalent to:

(i) in the case of Class A Preference Shares, 1.8 times of the REPS issue price plus any accrued earnings attributable to the investors, less dividends declared and paid to the investors; and

(ii) in the case of Class B Preference Shares, the REPS issue price.

26. Other reserves

	Group		Company	
	2014	2013	**2014**	2013
	US$'000	US$'000	**US$'000**	US$'000
(a) Composition:				
Currency translation reserve	**537**	(283)	**–**	(2,817)
Share option reserve	**121**	–	**206**	160
	658	(283)	**206**	(2,657)

Other reserves are non-distributable.

	Group		Company	
	2014	2013	**2014**	2013
	US$'000	US$'000	**US$'000**	US$'000
(b) Movements:				
(i) Currency translation reserve				
Beginning of financial year	**(283)**	–	**(2,817)**	161
Net currency translation gains/ (losses)	**276**	(283)	**(493)**	(2,978)
Effects of change in functional currency (Note 36)	**544**	–	**3,310**	–
End of financial year	**537**	(283)	**–**	(2,817)
(ii) Performance share reserve				
Beginning of financial year	**–**	–	**–**	220
Performance share plan				
- Issue of new shares	**–**	–	**–**	(251)
- Value of employee service	**–**	–	**–**	31
End of financial year	**–**	–	**–**	–
(iii) Share option reserve				
Beginning of financial year	**–**	–	**160**	75
Employee share option scheme:				
- Issue of new shares	**(15)**	–	**(110)**	(59)
- Value of employee service	**136**	–	**167**	
Effects of changes in functional currency (Note 36)	**–**	–	**(11)**	144
End of financial year	**121**	–	**206**	160

27. Retained earnings

Movement in retained earnings of the Company is as follows:

	Company	
	2014	2013
	US$'000	US$'000
Beginning of financial year	**8,252**	5,951
Effects of change in functional currency (Note 36)	**(173)**	–
Net profit for the financial year	**7,620**	5,046
Dividend paid (Note 28)	**(3,425)**	(2,745)
End of financial year	**12,274**	8,252

The retained earnings of the Company are distributable.

Movements in retained earnings for the Group are shown in the Consolidated Statement of Changes in Equity.

28. Dividends

	Company	
	2014	2013
	US$'000	US$'000
Ordinary dividends paid		
Final dividend paid in respect of the previous financial year of 0.5 Singapore cents per share (2013: 0.5 Singapore cents)	**1,712**	1,716
Special dividend paid in respect of the previous financial year of 0.5 Singapore cents (2013: 0.3 Singapore cents) per share	**1,713**	1,029
	3,425	2,745

At the Annual General Meeting on 29 April 2015, a final dividend of S$0.01 per share and a special dividend of S$0.01 per share amounting to a total of US$10,162,000 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2015.

29. Commitments

(a) Operating lease commitments - where the Group is a lessee

The Group leases office premises under non-cancellable operating lease agreements. The leases have varying terms 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	
	2014	2013
	US$'000	US$'000
Not later than one year	**317**	–
Between one and five years	**844**	–
More than five years	**3,521**	–
	4,682	–

(b) Operating lease commitments - where the Group is a lessor

The Group has entered into charter hire leases on its fleet of vessels and rigs. The leases have varying terms, renewal rights and purchase options.

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

	Group	
	2014	2013
	US$'000	US$'000
Not later than one year	**31,549**	–
Between one and five years	**16,962**	–
	48,511	–

(c) Capital commitments

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

	Group	
	2014	2013
	US$'000	US$'000
Property, plant and equipment	**119,827**	6,500

30. Contingent liabilities

Corporate guarantees

	Company	
	2014	2013
	US$'000	US$'000
Unsecured corporate guarantees given to banks for borrowings of subsidiaries	**14,549**	22,365

31. Financial risk management

Financial risk factors

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management team then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement and risk exposure limits such as customer credit limits, in accordance with the objectives and underlying principles approved by the Board of Directors.

Financial risk management is carried out by the Finance Department in accordance with policies set by management team. The Finance Department measures the actual exposures against the limits set and prepares regular reports for review by the management team and the Board of Directors.

(a) Market risk

(i) Currency risk

The Group and Company are exposed to foreign exchange risk primarily with respect to Singapore Dollar ("SGD") as certain transactions are denominated in SGD. The Group does not undertake any foreign exchange contracts to hedge its SGD exposure as the management matches financial assets and liabilities denominated in SGD whenever possible.

31. 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:

	USD	SGD	Others	Total
	$'000	$'000	$'000	**$'000**
At 31 December 2014				
Financial assets				
Cash and cash equivalents	26,205	12,424	4	**38,633**
Available-for-sale financial assets	–	3,899	–	**3,899**
Trade and other receivables	20,317	975	213	**21,505**
	46,522	17,298	217	**64,037**
Financial liabilities				
Trade and other payables	19,211	8,208	–	**27,419**
Borrowings	131,288	116,909	–	**248,197**
	150,499	125,117	–	**275,616**
Net financial (liabilities)/assets	(103,977)	(107,819)	217	**(211,579)**
Add: Net financial liabilities denominated in the respective entities' functional currencies	103,977	–	–	**103,977**
Less: Firm commitments in foreign currency*	–	(11,034)	–	**(11,034)**
Currency exposure on financial liabilities	–	(118,853)	217	**(118,636)**

	USD	SGD	Total
	$'000	$'000	**$'000**
At 31 December 2013			
Financial assets			
Cash and cash equivalents	196	577	**773**
Trade and other receivables	1,264	82	**1,346**
	1,460	659	**2,119**
Financial liabilities			
Trade and other payables	2,340	547	**2,887**
	2,340	547	**2,887**
Net financial (liabilities)/assets	(880)	112	**(768)**
Add: Net financial liabilities denominated in the respective entities' functional currencies	880	–	**880**
Currency exposure on financial liabilities	–	112	**112**

* Net expenditure contracted for the purchase of property.

31. Financial risk management (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

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

	USD	SGD	Others	Total
	$'000	$'000	$'000	**$'000**
At 31 December 2014				
Financial assets				
Cash and cash equivalents	85	3,715	–	**3,800**
Trade and other receivables	67,293	7,748	–	**75,041**
	67,378	11,463	–	**78,841**
Financial liabilities				
Trade and other payables	49,273	–	–	**49,273**
Borrowings	7,614	75,257	–	**82,871**
	56,887	75,257	–	**132,144**
Net financial assets/(liabilities)	10,491	(63,794)	–	**(53,303)**
Add: Net financial liabilities denominated in the respective entities' functional currencies	(10,491)	–	–	**(10,491)**
Currency exposure on financial liabilities	–	(63,794)	–	**(63,794)**

	USD	SGD	Total
	$'000	$'000	**$'000**
At 31 December 2013			
Financial assets			
Cash and cash equivalents	25	171	**196**
Trade and other receivables	5,508	1,612	**7,120**
	5,533	1,783	**7,316**
Financial liabilities			
Trade and other payables	59,290	–	**59,290**
Borrowings	3,097	4,177	**7,274**
	62,387	4,177	**66,564**
Net financial (liabilities)/assets	(56,854)	(2,394)	**(59,248)**
Add: Net financial liabilities denominated in the respective entities' functional currencies	56,854	–	**56,854**
Currency exposure on financial liabilities	–	(2,394)	**(2,394)**

31. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

At 31 December 2014, if the SGD had strengthened/weakened by 5% (2013: 5%) against the USD with all other variable including tax rate being held constant, the Group's and the Company's profit after tax for the financial period would have been US$5,391,000 (2013: US$5,600) and US$3,190,000 (2013: US$120,000) lower/higher respectively as a result of net currency translation effects on the net financial liability position of the Group denominated in SGD.

(ii) Price risk

The Group is exposed to equity securities price risk on investments classified as available-for-sale financial assets. These securities are listed in Singapore. The Group monitors closely the performance of the investee company, including its trading price. The Group is not exposed to commodity price risk.

If prices for the equity securities listed in Singapore had changed by 10% (2013: 10%) respectively with all other variables including tax rate being held constant, the Group's equity would have been US$390,000 (31 December 2013: Nil) higher/lower.

The Company is not exposed to commodity price risks.

(iii) Cash flow 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. As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group and Company are exposed to cash flow interest rate risk arising mainly from its variable-rate borrowings. The Group and Company may enter into derivative contracts to hedge its interest rate risks.

If the interest rates had increased/decreased by 1% (31 December 2013: 1%) with all other variables including tax rate being held constant, the profit after tax of the Group and the Company will be lower/higher by US$1,725,000 and US$72,000 respectively (31 December 2013: Nil and US$73,000 respectively) as a result of higher/lower interest expense on these borrowings.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties. The Group regularly monitors the counterparty's payment profile and credit exposure at the entity level.

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 balance sheet, except for the corporate guarantees of the Company disclosed in Note 30.

The Group's and Company's major classes of financial assets are cash and cash equivalents, available-for-sale financial assets and trade and other receivables.

31. Financial risk management (continued)

(b) Credit risk (continued)

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

	Group	
	2014	2013
	US$'000	US$'000
By operating segments		
Drilling rig chartering	**464**	–
Vessel chartering	**11,418**	–
Ship repair and maintenance services	**673**	–
Maritime services	**3,005**	–
	15,560	–

The trade receivables of the Group comprise 5 (2013: Nil) debtors that individually represented 6% - 14% (2013: Nil) of trade receivables.

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

Bank deposits are neither past due nor impaired as these are mainly deposits with reputable banks. Trade 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 receivables and available-for-sale financial assets (Note 12).

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

	Group	
	2014	2013
	US$'000	US$'000
Past due 0 to 3 months	**8,149**	–
Past due 3 to 6 months	**2,888**	–
Past due over 6 months	**1,575**	–
	12,612	–

31. Financial risk management (continued)

(b) Credit risk (continued)

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

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

	Group	
	2014	2013
	US$'000	US$'000
Past due 0 to 3 months	**–**	–
Past due 3 to 6 months	**187**	–
Past due over 6 months	**805**	–
	992	–
Less: Allowance for impairment	**(992)**	–
	–	–
Beginning of financial year	**–**	–
Arising from reverse acquisition (Note 34)	**1,392**	–
Allowance written back	**(400)**	–
End of financial year	**992**	–

The individually impaired receivables mainly relate to customers that are in financial difficulties and whose payments are not forthcoming.

(c) Liquidity risk

The table below analyses the maturity profile of the Group's and Company's financial liabilities based on contractual undiscounted cash flows.

	Less than 1 year	**Between 1 and 2 years**	**Between 2 and 5 years**
	US$'000	US$'000	US$'000
Group			
At 31 December 2014			
Trade and other payables	27,419	–	–
Borrowings	76,464	40,839	148,832
	103,883	40,839	148,832
At 31 December 2013			
Trade and other payables	2,887	–	–
	2,887	–	–

31. Financial risk management (continued)

(c) Liquidity risk (continued)

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years
	US$'000	US$'000	US$'000
Company			
At 31 December 2014			
Trade and other payables	49,273	–	–
Borrowings	5,200	1,588	82,206
Corporate guarantees provided to banks for borrowings of subsidiaries	14,549	–	–
	69,022	1,588	82,206
At 31 December 2013			
Trade and other payables	59,290	–	–
Borrowings	5,440	1,932	–
Corporate guarantees provided to banks for borrowings of subsidiaries	9,885	10,978	1,502
	74,615	12,910	1,502

The Group and Company manage the liquidity risk by maintaining sufficient cash and available-for-sale financial assets, and available funding through an adequate amount of credit facilities to enable them to meet their normal operating commitments.

(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 or obtain new borrowings.

Management monitors capital based on a gearing ratio. The gearing ratio is calculated as net borrowings divided by total equity (including redeemable exchangeable preference shares). Net borrowings are calculated as borrowings less cash and cash equivalents (including restricted cash).

	Group	
	2014	2013
	US$'000	US$'000
Net borrowings	**209,564**	–
Total equity	**254,307**	42,975
Gearing ratio	**0.82**	–

The Group and Company were in compliance with externally imposed capital requirements for the financial years ended 31 December 2014 and 31 December 2013.

31. 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	Level 2	Level 3	Total
	US$'000	US$'000	US$'000	US$'000
Group				
31 December 2014				
Asset				
Available-for-sale financial assets				
- Equity securities	3,899	–	–	3,899
31 December 2013				
Asset				
Available-for-sale financial assets				
- Equity securities	–	–	–	–
Company				
31 December 2014				
Liability				
Derivative financial instruments	–	–	657	657
31 December 2013				
Liability				
Derivative financial instruments	–	–	–	–

The fair value of the available-for-sale financial assets securities is based on quoted market prices at the balance sheet date. The quoted market price used for these financial assets held by the Group is the current bid price. These instruments are included in Level 1.

The fair value of the derivative financial instrument is determined by using valuation techniques that are not based on market observable inputs. The derivative is classified as Level 3.

The carrying value less impairment provision of trade and other receivables and trade and other payables are assumed to approximate their fair values. The fair value of borrowings approximates their carrying amount as these borrowings are at variable rates with repricing within 6 months of the balance sheet date and they are classified as Level 2 in the fair value measurement hierarchy.

31. Financial risk management (continued)

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as follows:

	Group		Company	
	2014	2013	**2014**	2013
	US$'000	US$'000	**US$'000**	US$'000
Available-for-sale financial assets	**3,899**	–	**–**	–
Loans and receivables	**60,138**	2,119	**78,841**	7,316
Derivative financial instruments	**–**	–	**657**	–
Financial liabilities at amortised cost	**275,616**	2,887	**132,144**	66,564

32. Related party transactions

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

(a) Sales and purchases of goods and services

	Group	
	2014	2013
	US$'000	US$'000
Chartering income earned from the joint venture	**3,311**	–

Outstanding balances at 31 December 2014, arising from sale/purchase of services, are set out in Notes 13 and 21.

(b) Key management personnel compensation

The key management personnel compensation is as follows:

	Group	
	2014	2013
	US$'000	US$'000
Salaries and other short-term employee benefits	**3,198**	338
Employer's contribution to defined contribution plans, including Central Provident Fund	**56**	11
Directors' fees	**76**	–
Share based expense	**68**	–
	3,398	349

Included in the above is total compensation to directors of the Company amounting to US$2,168,000 (31 December 2013: US$349,000).

33. Segment information

Management has determined the operating segments based on the organisation of the Group. The results of these operating segments are reviewed by the Executive Committee ("Exco") to make strategic decisions. The Exco comprises the Chairman, Chief Executive Officer, Executive Director and Chief Financial Officer.

The Group is organised into four main operating segments:

- Drilling rig chartering
- Vessel chartering (including sale of out-port-limit services and related income)
- Ship repair and maintenance services
- Maritime related services (including sales of vessel)

Others include investment holding activities.

The Exco assesses the performance of these operating segments based on profit after tax. Sales between segments are carried out at arm's length. The revenue from external parties and total assets reported to the Exco is measured in a manner consistent with that of the financial statements.

The segment information provided to the Exco for the reportable segments for the financial year ended 31 December 2014 is as follows:

	Drilling rig chartering	**Vessel chartering**	**Ship repair and maintenance services**	**Maritime services**	**Others**	**Total**
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Group						
Revenue						
Segment revenue	11,380	21,299	1,533	36,923	9,064	80,199
Inter-segment revenue	–	(4,549)	(1,072)	–	(9,064)	(14,685)
Revenue from external parties	11,380	16,750	461	36,923	–	65,514
Profit/(loss) after tax	28,878	(6,128)	(913)	5,324	(11,270)	15,891
Interest income	–	23	–	–	2,243	2,266
Finance costs	(445)	(735)	–	(348)	(3,205)	(4,733)
Depreciation	(2,002)	(5,473)	(33)	(2)	(19)	(7,529)
Amortisation of intangibles	–	(808)	–	(1,346)	–	(2,154)
Impairment of goodwill	–	(15,414)	–	–	–	(15,414)
Impairment loss on available-for-sale financial assets	–	–	–	–	(5,300)	(5,300)
Income tax credit/(expense)	–	580	(1)	(146)	–	433
Share of profit of associated companies	4,937	–	–	–	–	4,937
Share of profit of joint ventures	19,383	(254)	–	–	–	19,129
Segment assets	254,170	250,242	4,409	27,679	9,200	545,700
Segment assets include:						
Joint ventures	87,296	1,104	–	–	39	88,439
Associated companies	27,600	–	–	–	–	27,600
Additions to property, plant and equipment	120,151	48,287	24	–	194	168,656

33. Segment information (continued)

The segment information provided to the Exco for the reportable segments for the financial year ended 31 December 2013 is as follows:

	Drilling rig chartering	Vessel chartering	Ship repair and maintenance services	Maritime services	Others	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Group						
Revenue						
Segment revenue	–	–	–	–	–	–
Inter-segment revenue	–	–	–	–	–	–
Revenue from external parties	–	–	–	–	–	–
Profit after tax	15,352	–	–	–	–	15,352
Interest income	1,272	–	–	–	–	1,272
Finance costs	(1,142)	–	–	–	–	(1,142)
Share of profit of joint ventures	15,755	–	–	–	–	15,755
Segment assets	45,862	–	–	–	–	45,862
Segment assets include:						
Joint ventures	43,739	–	–	–	–	43,739
Additions to property, plant and equipment	5	–	–	–	–	5

Revenue

Revenue from external customers are derived primarily from the provision of chartering, ship repair services and maritime services. The breakdown of revenue is disclosed in Note 4.

Geographical information

Revenue from external customers are attributed to countries from which the entity derives revenue. Non-current assets are analysed by the geographical area in which the assets are located. Revenue of approximately US$42,829,000 (2013: Nil) is derived from 2 (2013: Nil) external customers. These revenues are attributable to the provision of drilling rig chartering services and maritime services segment.

33. Segment information (continued)

The following table provides an analysis of revenue and non-current assets by geographical area:

	Group	
	2014	2013
	US$'000	US$'000
Revenue		
Singapore	**4,360**	–
Malaysia	**3,565**	–
Indonesia	**5,373**	–
Australia	**2,371**	–
Saudi Arabia	**33,620**	–
Mexico	**11,380**	–
Others	**4,845**	–
Total	**65,514**	–

	Group	
	2014	2013
	US$'000	US$'000
Non-current assets		
Singapore	**236,888**	4
China	**30**	–
Mexico	**233,044**	43,739
Saudi Arabia	**1,127**	–
Total	**471,089**	43,743

34. Reverse acquisition

On 30 July 2014, the Company acquired the entire issued and paid-up share capital of S&E, satisfied by the allotment and issue of 452,380,952 ordinary shares of the Company. The total number of issued ordinary shares in the Company increased from 218,649,252 shares to 671,030,204 shares.

The S&E acquisition has been accounted for as a reverse acquisition as the shareholders of S&E became the majority shareholders of the Company. The legal subsidiary (i.e. S&E) is therefore considered the acquirer for accounting purposes (Note 2). Accordingly, the cost of the reverse acquisition is allocated to the identifiable assets, liabilities and contingent liabilities of Swissco Holdings Limited Group prior to the reverse acquisition ("acquired group") at their fair values as at the date of acquisition. The excess of the cost of the reverse acquisition over the net fair value of those items amounting to US$15.4 million is recognised as goodwill on the consolidated balance sheet.

Details of the consideration paid, the assets acquired and liabilities assumed and the effects on the cash flows of the Group, at the acquisition date, are as follows:

(a) Purchase consideration

	US$'000
Fair value of purchase consideration	158,055

34. Reverse acquisition (continued)

(b) Effect on cash flows of the Group

	US$'000
Cash paid	–
Less: cash and cash equivalents in subsidiary acquired	9.609
Net cash received from reverse acquisition	9,609

(c) Identifiable assets acquired and liabilities assumed of Swissco Holdings Limited and its subsidiaries

	At fair value
	US$'000
Cash and cash equivalents	9,609
Trade and other receivables (Note (e) below)	13,025
Inventories	192
Other current assets	38,546
Investment in joint ventures (Note 18)	921
Property, plant and equipment (Note 19)	189,220
Available-for-sale financial assets (Note 12)	9,240
Other non-current assets	1,307
Order backlog (included in intangible assets) [Note 20(b)]	2,986
Total assets	265,046
Trade and other payables	(23,605)
Income tax liabilities	(944)
Borrowings	(93,149)
Deferred tax liabilities (Note 9)	(3,297)
Other payables	(1,410)
Total liabilities	(122,405)
Total identifiable net assets	142,641
Add: Goodwill [Note 20(a)]	15,414
Consideration transferred for the business	158,055

Goodwill arose as a result of the increase in share price of the Company between the date of signing of the Sale and Purchase agreement and the completion date of the reverse aquisition.

(d) Acquisition-related costs

Total acquisition-related costs amounted to US$2,275,000. Out of which, US$443,000 were incurred post-acquisition and included in professional fees in the consolidated statement of comprehensive income.

(e) Acquired trade and other receivables

The fair value of trade and other receivables is US$13,025,000 and includes trade receivables with a fair value of US$12,835,000. The gross contractual amount for trade receivables due is US$14,062,000, of which US$1,392,000 is expected to be uncollectible.

(f) Revenue and profit contribution

The acquired group contributed revenue of US$54,134,000 and net profit of US$10,528,000 to the Group for the period from 1 August 2014 to 31 December 2014.

34. Reverse acquisition (continued)

(f) Revenue and profit contribution (continued)

Had the acquired group been consolidated from 1 January 2014, the consolidated revenue and consolidated profit after tax for the year ended 31 December 2014 would have been US$89,031,000 and US$20,610,000 respectively.

35. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgments 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. The critical areas for the Group are as follows:

(a) Useful lives and residual values

The Group reviews the useful lives and residual values of its vessels and rigs at each financial year-end and any adjustments are made on a prospective basis. If estimates of the residual values are revised, the amount of depreciation expenses in the future periods will be changed.

The useful lives of the vessels and rigs are assessed periodically based on the condition of the vessels and rigs, market conditions and other regulatory requirements. If the estimates of useful lives for the vessels and rigs are revised or there is a change in useful lives, the amount of depreciation expense recorded in future periods will be changed. The net book value of rigs and vessels at 31 December 2014 is US$296,957,000 (2013: Nil) and the depreciation charge in the consolidated statement of comprehensive income for the year ended 31 December 2014 is US$7,464,000 (2013: Nil) (Note 19).

(b) Income taxes

The Group has exposure to income taxes primarily in Singapore. Significant judgment is involved in determining the provision for income taxes.

The Group recognises liabilities for expected tax matters based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences may impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's current tax and deferred tax liabilities at 31 December 2014 were US$374,000 (2013: Nil) and US$2,829,000 (2013: Nil) respectively.

(c) Impairment of available-for-sale financial assets

At the balance sheet date, the fair values of equity securities classified as available-for-sale financial assets amounting to US$3,899,000 (2013: Nil) have declined below cost by US$5,300,000 (2013: Nil). The Group has made a judgment that this decline in fair value below cost was considered significant. Accordingly, the Group has recorded an impairment loss of US$5,300,000 for the financial year ended 31 December 2014, being the reclassification of the fair value loss included in the fair value reserve to profit or loss.

36. Effects of change in functional currency and presentation currency

Prior to 1 October 2014, the functional currency of the Company and certain subsidiaries was SGD. The balance sheet of the Company and the consolidated financial statements of the Group were presented also in SGD.

From 1 October 2014, the Company and certain subsidiaries of the Group changed their functional currency to USD as USD better reflects the current transactions and circumstances involving the drilling rig business of the Group. Consequently, the balance sheet of the Company and consolidated financial statements of the Group are presented in USD.

The change in functional currency of the Company and the affected subsidiaries was applied prospectively from date of change in accordance with FRS 21 "The Effect of Changes in Foreign Exchange Rate". On the date of the change of functional currency, all assets, liabilities, issued capital and other components of equity and profit or loss account items were translated into USD at the exchange rate on that date. As a result, the cumulative currency translation differences which arose up to the date of the change of functional currency were reallocated to other components within equity.

36. Effects of change in functional currency and presentation currency (continued)

In conjunction with the change in functional currency, the presentation currency was changed for the balance sheet of the Company and consolidated financial statements of the Group. The change in presentation currency of the Group has been applied retrospectively in accordance with FRS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". In presenting the comparative figures (i.e. the financial statements for the years ended 31 December 2013 and 2012) in USD,

(a) assets and liabilities are translated at the year-end exchange rates;

(b) income and expenses are translated at the average exchange rates;

(c) equity balances are translated at historical rates prevailing at the dates of the transaction; and

(d) resultant exchange differences are recognised in the other comprehensive income and accumulated in the currency translation reserve.

37. New or revised 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 2015 or later periods and which the Group has not early adopted:

- FRS 102 *Share-based Payment* (effective for annual periods beginning on or after 1 July 2014)

  The amendment clarifies the definition of vesting condition and separately defines 'performance condition' and 'service condition'. The Group will apply this amendment from 1 January 2015, but this is not expected to have any significant impact on the financial statements of the Group.

- FRS 103 *Business Combinations* (effective for annual periods beginning on or after 1 July 2014)

  The standard is amended to clarify that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in FRS 32 Financial instruments: Presentation. The standard is further amended to clarify that all non-equity contingent consideration, both financial and non-financial, is measured at fair value at each reporting date, with changes in fair value recognised in profit and loss.

  The standard is also amended to clarify that FRS 103 does not apply to the accounting for the formation of any joint arrangement under FRS 111. The amendment also clarifies that the scope exemption only applies in the financial statements of the joint arrangement itself.

  The Group will apply this amendment for business combinations taking place on/after 1 January 2015.

- FRS 108 *Operating Segment*s (effective for annual periods beginning on or after 1 July 2014)

  The standard is amended to require disclosure of the judgements made by management in aggregating operating segments. This includes a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics.

  The standard is further amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported.

  This amendment will not result in any changes to the Group's accounting policies but will require more disclosures in the financial statements for the financial year ending 31 December 2015.

- FRS 16 *Property, Plant and Equipment* (effective for annual periods beginning on or after 1 July 2014)

  The standard is amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

37. New or revised standards and interpretations (continued)

- FRS 16 *Property, Plant and Equipment* (effective for annual periods beginning on or after 1 July 2014) (continued)

  The carrying amount of the asset is restated to the revalued amount. The split between gross carrying amount and accumulated depreciation is treated in one of the following ways:

  - either the gross carrying amount is restated in a manner consistent with the revaluation of the carrying amount, and the accumulated depreciation is adjusted to equal the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses; or

  - the accumulated depreciation is eliminated against the gross carrying amount of the asset.

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

- FRS 24 *Related Party Disclosures* (effective for annual periods beginning on or after 1 July 2014)

  The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity ('the management entity').

  The reporting entity is not required to disclose the compensation paid by the management entity to the management entity's employees or directors, but it is required to disclose the amounts charged to the reporting entity by the management entity for services provided.

  This amendment will not result in any changes to the Group's accounting policies but will require more disclosures in the financial statements for the financial year ending 31 December 2015.

- FRS 113 *Fair Value Measurement* (effective for annual periods beginning on or after 1 July 2014)

  The amendment clarifies that the portfolio exception in FRS 113, which allows an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts (including non-financial contracts) within the scope of FRS 39.

  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 standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainly of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces FRS 18 Revenue and FRS 11 Construction contracts and related interpretations.

  The Group is in the process of assessing the impact of FRS 115 on the financial statements of the Group.

37. New or revised standards and interpretations (continued)

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

  This standard addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in FRS 39 that relates to the classification and measurement of financial instruments.

  This standard retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income 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 options at inception to present changes in fair value in other comprehensive income not recycling. 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.

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

38. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of directors of Swissco Holdings Limited on 31 March 2015.

STATISTICS OF SHAREHOLDINGS

As at 18 March 2015

Number of issued shares	:	671,430,704
Class of shares	:	Ordinary
Voting rights	:	One vote per share
Treasury Shares	:	Nil

Distribution of Shareholdings

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	5	0.24	241	0.00
100 - 1,000	77	3.66	58,023	0.01
1,001 - 10,000	988	47.00	6,282,143	0.94
10,001 - 1,000,000	999	47.53	62,143,545	9.25
1,000,001 and above	33	1.57	602,946,752	89.80
TOTAL	2,102	100.00	671,430,704	100.00

Twenty Largest Shareholders

No.	Name	No. of Shares	%
1	Tan Fuh Gih	96,320,329	14.35
2	Citibank Nominees Singapore Pte Ltd	85,381,800	12.72
3	Tan Wei Min	83,238,146	12.40
4	Tan Kim Seng	63,696,627	9.49
5	Raffles Nominees (Pte) Limited	55,827,129	8.31
6	Kim Seng Holdings Pte Ltd	39,357,500	5.86
7	Robert Chua Swee Chong	36,572,163	5.45
8	Loh Sok Beng	20,809,603	3.10
9	Tan Ah Ling	20,809,603	3.10
10	Yeo Kian Teong Alex	12,952,400	1.93
11	DBS Vickers Securities (Singapore) Pte Ltd	11,726,591	1.75
12	UOB Kay Hian Private Limited	11,065,268	1.65
13	Tan Ah Moy	8,323,948	1.24
14	Maybank Kim Eng Securities Pte. Ltd.	6,316,700	0.94
15	Cheong Choong Kong	5,753,469	0.86
16	CIMB Securities (Singapore) Pte. Ltd.	5,252,789	0.78
17	DBS Nominees (Private) Limited	5,243,009	0.78
18	HSBC (Singapore) Nominees Pte Ltd	4,975,800	0.74
19	OCBC Securities Private Limited	4,759,371	0.71
20	Skyven Growth Opportunities Fund Pte Ltd	4,025,000	0.60
	Total	582,407,245	86.76

STATISTICS OF SHAREHOLDINGS

As at 18 March 2015

Substantial Shareholders

(As recorded in the Register of Substantial Shareholders as at 18 March 2015)

Name	Direct Interest	%[1]	Deemed Interest	%
Director				
Tan Fuh Gih[(2)(i)(ii)]	96,320,329	14.35	39,557,500	5.89
Substantial Shareholders (other than Directors)				
Tan Wei Min	83,238,146	12.40	–	–
Tan Hoo Lang[(2)(i)(iii)]	–	–	135,319,329	20.15
Tan Kim Seng[(2)(i)]	63,696,627	9.49	39,357,500	5.86
Kim Seng Holdings Pte Ltd	39,357,500	5.86	–	–
Ang Boon Cheow Edward	36,804,418	5.48	–	–
Robert Chua Swee Chong	36,322,163	5.41	–	–

Notes:

(1) The percentage of issued share capital of the Company is calculated based on 671,430,704 ordinary shares (excluding treasury shares) as at 18 March 2015.

(2) (i) By virtue of Section 4 of the Securities and Futures Act, each of Tan Fuh Gih, Tan Kim Seng and Tan Hoo Lang holds more than 20% of the shares of Kim Seng Holdings Pte Ltd and they are deemed to be interested in the 39,357,500 shares of Swissco Holdings Limited held by Kim Seng Holdings Pte. Ltd.

(ii) Tan Fuh Gih is deemed to be interested in the 200,000 shares of Swissco Holdings Limited held through DBS Nominees Pte. Ltd.

(iii) Tan Hoo Lang is deemed to be interested in the shares of Swissco Holdings Limited held through the following nominee accounts:

a) 80,000,000 shares held through UBS AG (Citibank Nominee) Pte. Ltd.; and

b) 15,961,829 shares held through Credit Suisse (Singapore) Nominees Pte. Ltd.

Shareholdings held in the hands of public

Based on the information available to the Company as at 18 March 2015, approximately 23.14% of the Company's shares listed on the Singapore Exchange Securities Trading Limited were held in the hands of the public. Accordingly, the Company had complied with Rule 723 of the Listing Manual.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of **SWISSCO HOLDINGS LIMITED** (the "**Company**") will be held on Wednesday, 29 April 2015 at 10.00 a.m. at Republic of Singapore Yacht Club, 52 West Coast Ferry Road, Singapore 126887 for the purpose of transacting the following business:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and Audited Financial Statements for the financial year ended 31 December 2014 and the Independent Auditor's Report thereon. **Resolution 1**

2. To declare a first & final tax exempt (one-tier) dividend of S$0.01 per ordinary share for the financial year ended 31 December 2014. **Resolution 2**

3. To declare a special tax exempt (one-tier) dividend of S$0.01 per ordinary share for the financial year ended 31 December 2014. **Resolution 3**

4. To approve the payment of additional Directors' fees of S$243,927 for the financial year ended 31 December 2014. [See Explanatory Note (i)] **Resolution 4**

5. To approve the payment of Directors' fees of S$460,000 for the financial year ending 31 December 2015, to be paid quarterly in arrears (2014: S$245,000). **Resolution 5**

6. To re-elect Mr. Tan Fuh Gih, a Director retiring pursuant to Article 107 of the Articles of Association of the Company. **Resolution 6**

7. To re-elect Mdm. Ho Geok Choo Madeleine, a Director retiring pursuant to Article 117 of the Articles of Association of the Company. [See Explanatory Note (ii)] **Resolution 7**

8. To re-elect Mr. Tang Kheng Guan Kelvin, a Director retiring pursuant to Article 117 of the Articles of Association of the Company. **Resolution 8**

SPECIAL BUSINESS

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

9. **Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act, Cap. 50** **Resolution 9**

   That pursuant to Section 161 of the Companies Act, Cap. 50 (the "**Companies Act**") the Directors of the Company be and are hereby authorised and empowered to:

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

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

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

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

   (the "**Share Issue Mandate**")

provided that :

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

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

(a) new shares arising from the conversion or exercise of any convertible securities;

(b) new shares arising from exercising share options or vesting of share awards outstanding and subsisting at the time of the passing of this Resolution; and

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

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

(4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. [See Explanatory Note (iii)]

10. **The Proposed Adoption of Share Buyback Mandate** **Resolution 10**

That:

(1) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire shares not exceeding in aggregate the Prescribed Limit (as defined hereinafter), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined hereinafter), whether by way of:

(a) on-market purchases ("**Market Purchases**"), transacted on the SGX-ST through the ready market or, as the case may be, any other stock exchange on which the shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(b) off-market purchases ("**Off-Market Purchases**") (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme as may be determined or formulated by the Directors as they may consider fit, which scheme shall satisfy all the conditions prescribed by the Companies Act and the Listing Rules;

and otherwise in accordance with all other laws and regulations and the Listing Rules as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buyback Mandate**");

(2) any share that is purchased or otherwise acquired by the Company pursuant to the proposed 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;

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

   (a) the date on which the next annual general meeting of the Company is held or required by law to be held;

   (b) the date on which the share buybacks are carried out to the full extent mandated; and

   (c) the date on which the authority contained in the Share Buyback Mandate is varied or revoked by the Company in a general meeting; and

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

In this Resolution:

"**Prescribed Limit**" means not more than 10% of the issued ordinary share capital (excluding treasury shares) of the Company as at the date of passing of this resolution (unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as defined below), in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding treasury shares that may be held by the Company from time to time));

"**Relevant Period**" means the period commencing from the date on which the last annual general meeting was held and expiring on the date the next annual general meeting is held or is required to be held, whichever is the earlier, after the date of this Resolution; and

"**Maximum Price**", in relation to a share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) which shall not exceed:

(a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined below) of the shares; and

(b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Highest Last Dealt Price (as defined below); where

"**Average Closing Price**" means the average of the closing market prices of a share over the last five (5) market days, on which transactions in the shares were recorded, immediately preceding the date of the Market Purchase and deemed to be adjusted for any corporate action that occurs after the relevant five-day period;

"**Highest Last Dealt Price**" means the highest price transacted for a share as recorded on the market day on which there were trades in the shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase; and "**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase of shares from shareholders of the Company, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase (Please refer to the appendix of this Notice for details).

11. **The Proposed Alterations to the Swissco Holdings Performance Share Plan** **Resolution 11**

That:

(1) the Rules of the Swissco Holdings Performance Share Plan (the "**Plan**") be altered in the manner as set out in Annex A to the appendix of this Notice be approved; and

(2) the Directors of the Company be and are hereby authorised to offer and grant an award of shares ("**Award**") in accordance with the provisions of the Plan (as proposed to be altered) and to allot and issue from time to time such number of fully-paid new ordinary shares as may be required to be allotted and issued pursuant to the vesting of the Awards under the Plan (as proposed to be altered) provided always that the aggregate number of shares which may be issued or transferred pursuant to Awards granted under the Plan, when added to (i) the number of shares issued and issuable and/or transferred and transferable in respect of all Awards granted thereunder; and (ii) all shares issued and issuable and/or transferred and transferable in respect of all options granted or awards granted under any other share incentive schemes or share plans adopted by the Company and for the time being in force shall not exceed 15% of the total issued share capital (excluding treasury shares) of the Company on the day preceding the relevant date of Award, and provided also that it is subject to such adjustments as may be made to the Plan (as proposed to be altered) as a result of any variation in the capital structure of the Company.

12. **The Proposed Participation of Mr. Tan Fuh Gih, a Controlling Shareholder and Executive Director of the Company, in the Plan** **Resolution 12**

That approval be and is hereby given for the participation in the Plan by Mr. Tan Fuh Gih, a Controlling Shareholder (as defined below) and Executive Director.

In this notice, "**Controlling Shareholder**" means a person who (a) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares in the Company (the SGX-ST may determine that such a person is not a controlling shareholder); or (b) in fact exercises control over the Company. (Please refer to Annex A to the appendix of this Notice for details).

13. **The Proposed Grant of an Award under the Plan to Mr. Tan Fuh Gih, a Controlling Shareholder and Executive Director of the Company** **Resolution 13**

That, approval be and is hereby given for the grant of an Award of 200,000 Shares to Mr. Tan Fuh Gih, a Controlling Shareholder and Executive Director, under the Plan. (Please refer to Annex A to the appendix of this Notice for details).

14. **The Proposed Change of Auditors from PricewaterhouseCoopers LLP to KPMG LLP** **Resolution 14**

(a) That KPMG LLP be and is hereby appointed as auditor of the Company in place of PricewaterhouseCoopers LLP to hold office until the conclusion of the next annual general meeting of the Company at a fee and on such terms to be agreed between the Directors and KPMG LLP (the "**Proposed Change of Auditors**"); and

(b) the Directors of the Company and each of them be and are hereby authorised to do all such acts and things (including, without limitation, executing all such documents as may be required) as they or he may consider expedient or necessary or in the interests of the Company to give effect to the Proposed Change of Auditors. (Please refer to the appendix of this Notice for details).

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 11 May 2015 for the purpose of determining members' entitlements to the proposed first & final tax exempt (one-tier) dividend and the special tax exempt (one-tier) dividend for the financial year ended 31 December 2014 (the "**Proposed Dividends**"). Duly completed transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, up to 5.00 p.m. on 8 May 2015 will be registered to determine the Proposed Dividends entitlements.

Members (being depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares as at 5.00 p.m. on 8 May 2015 will rank for the Proposed Dividends.

The Proposed Dividends, if approved at the Annual General Meeting of the Company to be held on 29 April 2015, will be paid on 18 May 2015.

By Order of the Board
Tan Ching Chek
Company Secretary
Singapore, 13 April 2015

Explanatory Notes:

(i) The proposed Directors' Fees of S$243,927 for the financial year ended 31 December 2014 relates to the additional directors' duties and responsibilities arising from several corporate actions undertaken by the Company during the financial year ended 31 December 2014.

(ii) Mdm. Ho Geok Choo Madeleine, upon re-election as a Director of the Company, remains as a member of the Audit Committee and the Remuneration Committee. Mdm. Ho Geok Choo Madeleine is considered an Independent Director pursuant to Rule 704(8) of the Listing Manual of the SGX-ST.

(iii) (a) The Resolution 9, if passed, will empower the Directors of the Company from the date of this Annual General Meeting until the date of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to 20% may be issued other than on a pro rata basis to existing members of the Company.

(b) For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share option or the vesting of share awards outstanding or subsisting at the time when this Resolution is passed and any subsequent consolidation or subdivision of shares.

Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint up to two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

2. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 60, Penjuru Lane, Singapore 609214, not less than 48 hours before the time appointed for holding of the Annual General Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) 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.

Swissco Holdings Limited

Company Registration Number: 200404711D
(Incorporated in the Republic of Singapore)

Important

1. For investors who have used their CPF monies to buy Swissco Holdings Limited's shares, this Annual Report is sent to them at the request of their CPF Agent Banks and is sent solely 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 attend the Annual General Meeting as OBSERVERS must submit their requests through their respective Agent Banks so that their Agent Banks may register, in the required format with the Company Secretary, by the time frame specified. (Agent Banks: Please see Note 9 on required format) Any voting instructions must also be submitted to their Agent Banks within the time frame specified to enable them to vote on the CPF investor's behalf.

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 13 April 2015.

ANNUAL GENERAL MEETING

PROXY FORM

I/We ______________________ (Name), ____________ (NRIC/Passport No./Co. Regn. No.)

of ____ (Address)

being a member/members of Swissco 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 the person, or either or both of the persons, referred to above, the Chairman of the Meeting, as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll, at the Annual General Meeting of the Company (the "**Meeting**") to be held on Wednesday, 29 April 2015 at 10.00 a.m. at Republic of Singapore Yacht Club, 52 West Coast Ferry Road, Singapore 126887 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/their discretion, as he/they will on any other matter arising at the Meeting.

No.	ORDINARY RESOLUTIONS	For	Against
	ORDINARY BUSINESS		
1.	Adoption of Reports and Audited Financial Statements.		
2.	Declaration of a First & Final Dividend.		
3.	Declaration of a Special Dividend.		
4.	Approval of additional Directors' Fees for the financial year ended 31 December 2014.		
5.	Approval of Directors' Fees for the financial year ending 31 December 2015.		
6.	Re-election of Mr. Tan Fuh Gih pursuant to Article 107.		
7.	Re-election of Mdm. Ho Geok Choo Madeleine pursuant to Article 117.		
8.	Re-election of Mr. Tang Kheng Guan Kelvin pursuant to Article 117.		
	SPECIAL BUSINESS		
9.	Authority to issue shares under Section 161 of the Companies Act.		
10.	The Proposed Adoption of Share Buyback Mandate.		
11.	The Proposed Alterations to the Swissco Holdings Performance Share Plan.		
12.	The Proposed Participation of Mr. Tan Fuh Gih, a Controlling Shareholder and Executive Director of the Company, in the Swissco Holdings Performance Share Plan.		
13.	The Proposed Grant of an Award under the Swissco Holdings Performance Share Plan to Mr. Tan Fuh Gih, a Controlling Shareholder and Executive Director of the Company.		
14.	The Proposed Change of Auditors from PricewaterhouseCoopers LLP to KPMG LLP.		

Dated this __________ day of ______________ 2015.

Total No. of Shares Held	

____
Signature(s) of Member(s)/Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES

1. 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 Section 130A of the Companies Act, Cap. 50 of Singapore), 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 instrument appointing a proxy or proxies will be deemed to relate to all shares held by the member.

2. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint one (1) or two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company.

3. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the Meeting.

5. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 60 Penjuru Lane, Singapore 609214 not less than 48 hours before the time appointed for the Meeting.

6. 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.

7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or 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.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with section 179 of the Companies Act, Chapter 50 of Singapore.

9. Agent Banks acting on the request of CPF Investors who wish to attend the Meeting as observers are requested to submit in writing, a list of details of the Investors' names, NRIC/Passport numbers, addresses and numbers of shares held. The list, signed by an authorised signatory of the Agent Bank, should reach the Company Secretary, at the registered office of the Company not later than 48 hours before the time appointed for the Meeting.

GENERAL

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

SWISSCO HOLDINGS LIMITED

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Website: www.swissco.net