IMPORTANT NOTICE

NOT FOR DISTRIBUTION IN THE UNITED STATES OR TO U.S. PERSONS

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Confirmation of Your Representation: In order to be eligible to view the attached information memorandum or make an investment decision with respect to the securities, investors must not be a U.S. person (as defined in Regulation S under the Securities Act (as defined below)). The attached information memorandum is being sent at your request and by accepting the e-mail and accessing the attached information memorandum, you shall be deemed to have represented to us (1) that you are not resident in the United States ("**U.S.**") nor a U.S. person, as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") nor are you acting on behalf of a U.S. person, the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the U.S. and, to the extent you purchase the securities described in the attached information memorandum, you will be doing so pursuant to Regulation S under the Securities Act, and (2) that you consent to delivery of the attached information memorandum and any amendments or supplements thereto by electronic transmission. By accepting this e-mail and accessing the attached information memorandum, if you are an investor in Singapore, you (A) represent and warrant that you are either an institutional investor as defined under Section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), a relevant person as defined under Section 275(2) of the SFA or a person to whom an offer, as referred to in Section 275(1A) of the SFA, is being made and (B) agree to be bound by the limitations and restrictions described herein.

The attached information memorandum has been made available to you in electronic form. You are reminded that documents or information transmitted via this medium may be altered or changed during the process of transmission and consequently none of Swissco Holdings Limited, Oversea-Chinese Banking Corporation Limited or any person who controls any of them nor any of their respective directors, officers, employees, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the information memorandum distributed to you in electronic format and the hard copy version. A hard copy version will be provided to you upon request.

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Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of Swissco Holdings Limited or Oversea-Chinese Banking Corporation Limited to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (as defined in Regulation S under the Securities Act).

The attached information memorandum or any materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the dealers or any affiliate of the dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the dealers or such affiliate on behalf of Swissco Holdings Limited in such jurisdiction. The attached information memorandum may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply.

You are reminded that you have accessed the attached information memorandum on the basis that you are a person into whose possession this information memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this information memorandum, electronically or otherwise, to any other person. **If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.**

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Information Memorandum dated 24 September 2014

SWISSCO

SWISSCO HOLDINGS LIMITED

(Incorporated in the Republic of Singapore on 20 April 2004)
(UEN/Company Registration No. 200404711D)

S$300,000,000
Multicurrency Medium Term Note Programme
(the "Programme")

Swissco Holdings Limited (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue notes under the Programme (the "**Notes**"). The aggregate principal amount of Notes outstanding will not at any time exceed S$300,000,000 (or the equivalent in other currencies) or such higher amount as may be agreed between the Issuer and Oversea-Chinese Banking Corporation Limited, as arranger of the Programme (the "**Arranger**").

Notes may be issued in series having one or more issue dates and the same maturity date, and on identical terms (including as to listing) except (in the case of Notes other than variable rate notes (as described under the section "*Summary of the Programme*")) for the issue dates, issue prices and/or the dates of the first payment of interest, or (in the case of variable rate notes) for the issue prices and rates of interest. Each series may be issued in one or more tranches on the same or different issue dates. The Notes will be issued in bearer form and may be listed on a stock exchange. The Notes will initially be represented by either a Temporary Global Note (as defined herein) or a Permanent Global Note (as defined herein) which will be deposited on the issue date with either The Central Depository (Pte) Limited ("**CDP**") or a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") or otherwise delivered as agreed between the Issuer and the relevant Dealer(s) (as defined herein). Subject to compliance with all relevant laws, regulations and directives, the Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s) and may be subject to redemption or purchase in whole or in part. The Notes will bear interest at a fixed, floating, variable or hybrid rate or may not bear interest or may be such other notes as may be agreed between the Issuer and the relevant Dealer(s). The Notes will be repayable at par, at a specified amount above or below par or at an amount determined by reference to a formula, in each case with terms as specified in the Pricing Supplement (as defined herein) issued in relation to each series or tranche of Notes. Details applicable to each series or tranche of Notes will be specified in the applicable Pricing Supplement which is to be read in conjunction with this Information Memorandum.

This Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes to be issued from time to time by the Issuer pursuant to the Programme may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and the Notes are subject to U.S. tax law requirements and restrictions. Accordingly, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons. See the section "*Subscription, Purchase and Distribution*" for further details.

Application has been made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to deal in and the listing and quotation of any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, its subsidiaries, its associated companies (if any), the Programme or such Notes. Unlisted Notes may also be issued under the Programme.

Sole Arranger

OCBC Bank

CONTENTS

NOTICE

The Arranger has been authorised by the Issuer to arrange the Programme described herein. Under the Programme, the Issuer may, subject to compliance with all relevant laws, regulations and directives, from time to time issue Notes denominated in Singapore dollars and/or any other currencies.

This Information Memorandum contains information with regard to the Issuer, its subsidiaries and its associated companies (if any), the Programme and the Notes. The Issuer accepts responsibility for the information contained in this Information Memorandum and confirms that this Information Memorandum contains all information which is or may be material in the context of the Programme or the issue and offering of the Notes, that the information contained in this Information Memorandum is true and accurate in all material respects, that the opinions, expectations and intentions of the Issuer expressed in this Information Memorandum have been carefully considered, are based on all relevant considerations and facts existing at the date of this Information Memorandum and are fairly, reasonably and honestly held by the Directors of the Issuer, and that there are no other material facts the omission of which in the context of the Programme or the issue and offering of the Notes would or might make any such information or expressions of opinion, expectation or intention misleading in any respect.

No person has been authorised to give any information or to make any representation other than those contained in this Information Memorandum and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger or any of the Dealers. Save as expressly stated in this Information Memorandum, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Issuer or any of its subsidiaries or associated companies (if any) or joint venture companies (if any). Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme may be used for the purpose of, and does not constitute an offer of, or solicitation or invitation by or on behalf of the Issuer, the Arranger or any of the Dealers to subscribe for or purchase, the Notes in any jurisdiction or under any circumstances in which such offer, solicitation or invitation is unlawful, or not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. The distribution and publication of this Information Memorandum or any such other document or information and the offer of the Notes in certain jurisdictions may be restricted by law. Persons who distribute or publish this Information Memorandum or any such other document or information or into whose possession this Information Memorandum or any such other document or information comes are required to inform themselves about and to observe any such restrictions and all applicable laws, orders, rules and regulations.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme shall be deemed to constitute an offer of, or an invitation by or on behalf of the Issuer, the Arranger or any of the Dealers to subscribe for or purchase, any of the Notes.

This Information Memorandum and any other document or material in relation to the issue, offering or sale of the Notes have been prepared solely for the purpose of the initial sale by the relevant Dealers of the Notes from time to time to be issued pursuant to the Programme. This Information Memorandum and such other documents or materials are made available to the recipients thereof solely on the basis that they are persons falling within the ambit of Section 274 and/or Section 275 of the SFA and may not be relied upon by any person other than persons to whom the Notes are sold or with whom they are placed by the relevant Dealers as aforesaid or for any other purpose. Recipients of this Information Memorandum must not reissue, circulate or distribute this Information Memorandum or any part thereof in any manner whatsoever.

Neither the delivery of this Information Memorandum (or any part thereof) nor the issue, offering, purchase or sale of the Notes shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no change in the prospects, results of operations or general affairs of the Issuer or any of its subsidiaries or associated companies (if any) or joint venture companies (if any) or in the information herein since the date hereof or the date on which this Information Memorandum has been most recently amended or supplemented.

The Arranger and the Dealers have not separately verified the information contained in this Information Memorandum. None of the Arranger, the Dealers or any of their respective officers, employees or agents is making any representation or warranty expressed or implied as to the merits of the Notes or the subscription for, purchase or acquisition thereof, or the creditworthiness or financial condition or otherwise of the Issuer or its subsidiaries or associated companies (if any) or joint venture companies (if any). Further, neither the Arranger nor any of the Dealers makes any representation or warranty as to the Issuer, its subsidiaries or associated companies (if any) or joint venture companies (if any) or as to the accuracy, reliability or completeness of the information set out herein (including the legal and regulatory requirements pertaining to Sections 274, 275 and 276 or any other provisions of the SFA) and the documents which are incorporated by reference in, and form part of, this Information Memorandum.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the issue of the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Arranger or any of the Dealers that any recipient of this Information Memorandum or such other document or information (or such part thereof) should subscribe for or purchase any of the Notes. A prospective purchaser must make its own assessment of the foregoing and other relevant matters including the financial condition and affairs and the creditworthiness of the Issuer and its subsidiaries, associated companies (if any) and joint venture companies (if any), and obtain its own independent legal or other advice thereon, and its investment shall be deemed to be based on its own independent investigation of the financial condition and affairs and its appraisal of the creditworthiness of the Issuer and its subsidiaries, associated companies (if any) and joint venture companies (if any). Accordingly, notwithstanding anything herein, none of the Arranger, the Dealers or any of their respective officers, employees or agents shall be held responsible for any loss or damage suffered or incurred by the recipients of this Information Memorandum or such other document or information (or such part thereof) as a result of or arising from anything expressly or implicitly contained in or referred to in this Information Memorandum or such other document or information (or such part thereof) and the same shall not constitute a ground for rescission of any purchase or acquisition of any of the Notes by a recipient of this Information Memorandum or such other document or information (or such part thereof).

To the fullest extent permitted by law, neither the Arranger nor any of the Dealers accept any responsibility for the contents of this Information Memorandum or for any other statement, made or purported to be made by the Arranger or any of the Dealers or on its behalf in connection with the Issuer, the Group (as defined herein), the Programme or the issue and offering of the Notes. The Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Information Memorandum or any such statement.

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated by reference in, and to form part of, this Information Memorandum: (1) any annual reports, audited consolidated accounts and/or unaudited financial statements of the Issuer and its subsidiaries and associated companies (if any) and (2) any supplement or amendment to this Information Memorandum issued by the Issuer. This Information Memorandum must be read in conjunction with all such documents which are incorporated by reference herein and, with respect to any series or tranche of Notes, any Pricing Supplement in respect of such series or tranche. Any statement contained in this Information Memorandum or in a document deemed to be incorporated by reference herein is deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in this Information Memorandum or in such subsequent document that is also deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum.

Copies of all documents deemed incorporated by reference herein are available for inspection at the specified office of the Principal Paying Agent (as defined herein) or, as the case may be, the Non-CDP Paying Agent (as defined herein).

Any purchase or acquisition of the Notes is in all respects conditional on the satisfaction of certain conditions set out in the Programme Agreement (as defined herein) and the issue of the Notes by the Issuer pursuant to the Programme Agreement. Any offer, invitation to offer or agreement made in connection with the purchase or acquisition of the Notes or pursuant to this Information Memorandum will (without any liability or responsibility on the part of the Issuer, the Arranger or any of the Dealers) lapse and cease to have any effect if (for any other reason whatsoever) the Notes are not issued by the Issuer pursuant to the Programme Agreement.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

The distribution of this Information Memorandum and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Information Memorandum comes are required by the Issuer, the Arranger and the Dealers to inform themselves about and to observe any such restrictions. The attention of recipients of this Information Memorandum is drawn to the restrictions on resale of the Notes set out in the section "*Subscription, Purchase and Distribution*".

Any person(s) who is invited to purchase or subscribe for the Notes or to whom this Information Memorandum is sent must not make any offer or sale, directly or indirectly, of any Notes or distribute or cause to be distributed any document or other material in connection therewith in any country or jurisdiction except in such manner and in such circumstances as will result in compliance with any applicable laws and regulations.

Persons proposing to subscribe for or purchase any of the Notes are advised to consult their own legal and other advisers before purchasing or acquiring the Notes.

FORWARD-LOOKING STATEMENTS

All statements contained in this Information Memorandum that are not statements of historical fact constitute "forward-looking statements". Some of these statements can be identified by forward-looking terms such as "expect", "believe", "plan", "intend", "estimate", "anticipate", "may", "will", "would" and "could" or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the expected financial position, business strategy, plans and prospects of the Issuer and/or the Group (including statements as to the Issuer's and/or the Group's revenue and profitability, prospects, future plans and other matters discussed in this Information Memorandum regarding matters that are not historical fact and including the financial forecasts, profit projections, statements as to the expansion plans of the Issuer and/or the Group, expected growth in the Issuer and/or the Group and other related matters), if any, are forward-looking statements and accordingly, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Issuer and/or the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The following list includes some, but not necessarily all, of the factors that may cause actual results to differ from those anticipated or predicted:

- conditions of and changes in the social, economic and political condition and regulatory environment in the countries/territories that the Group operates in;
- changes in the competitive conditions in the Group's industry and the Group's ability to compete under those conditions;
- changes in the future capital needs of the Group and the availability of financing and capital to fund those needs;
- risk of not being able to implement the new strategies outlined by the Group;
- risk of being unable to realise the anticipated growth opportunities;
- changes in the availability and effectiveness of futures contracts or other derivative instruments as hedging instruments, and the risks associated with such instruments;
- changes in currency exchange rates;
- changes in short-term and long-term interest rates;
- changes in customer preferences and needs; and
- other factors beyond the control of the Issuer and the Group.

These factors are discussed in greater detail under, in particular, but not limited to, the section *"Risk Factors".*

Given the risks and uncertainties that may cause the actual future results, performance or achievements of the Issuer or the Group to be materially different from the results, performance or achievements expected, expressed or implied by the financial forecasts, profit projections and forward-looking statements in this Information Memorandum, undue reliance must not be placed on those forecasts, projections and statements. The Issuer, the Arranger and the Dealers do not represent or warrant that the actual future results, performance or achievements of the Issuer or the Group will be as discussed in those statements.

Neither the delivery of this Information Memorandum nor the issue of any Notes by the Issuer under any circumstances constitutes a continuing representation or creates any suggestion or implication that there has been no change in the affairs of the Issuer or the Group or any statement of fact or information contained in this Information Memorandum since the date of this Information Memorandum or the date on which this Information Memorandum has been most recently amended or supplemented.

Further, the Issuer, the Arranger and the Dealers disclaim any responsibility, and undertake no obligation, to update or revise any forward-looking statements contained herein to reflect any changes in the expectations with respect thereto after the date of this Information Memorandum or to reflect any change in events, conditions or circumstances on which any such statements are based.

DEFINITIONS

The following definitions have, where appropriate, been used in this Information Memorandum:

"1H"	:	First half of the financial year ended or ending 30 June.
"2H"	:	Second half of the financial year ended or ending 31 December.
"Agency Agreement"	:	The Agency Agreement dated 24 September 2014 between (1) the Issuer, as issuer, (2) Deutsche Bank AG, Singapore Branch, as principal paying agent, (3) Deutsche Bank AG, Hong Kong Branch as non-CDP paying agent, and (4) the Trustee, as trustee for holders of the Notes, as amended, varied or supplemented from time to time.
"Agent Bank"	:	In relation to any Series of Notes, the person appointed as agent bank for that Series and as specified in the applicable Pricing Supplement.
"Agent Bank Agreement"	:	An agent bank agreement between the Issuer, the Trustee and the relevant Agent Bank made pursuant to Clause 2.5 of the Programme Agreement, substantially in the form set out in Appendix 6 to the Programme Agreement.
"AHT"	:	Anchor handling tug.
"AHTS"	:	Anchor handling tug supply vessel.
"Arranger"	:	Oversea-Chinese Banking Corporation Limited.
"Bearer Notes"	:	Notes in bearer form.
"bhp"	:	Brake horsepower.
"CDP" or the **"Depository"**	:	The Central Depository (Pte) Limited.
"Companies Act"	:	The Companies Act, Chapter 50 of Singapore.
"Conditions"	:	In relation to the Notes of any Series, the terms and conditions applicable thereto, which is substantially in the form set out in Part II of Schedule 1 to the Trust Deed, as modified, with respect to any Notes represented by a Global Note, by the provisions of such Global Note, shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the Notes of such Series and shall be endorsed on the Definitive Notes subject to amendment and completion as referred to in the first paragraph appearing after the heading "Terms and Conditions of the Notes" as set out in Part II of Schedule 1 to the Trust Deed, and any reference to a particularly numbered Condition shall be construed accordingly.
"Couponholders"	:	The holders of the Coupons.
"Coupons"	:	The interest coupons appertaining to an interest bearing Definitive Note.
"Dealers"	:	Persons appointed as dealers under the Programme.

"Definitive Note"	:	A definitive Note, in bearer form, being substantially in the form set out in Part I of Schedule 1 to the Trust Deed and having, where appropriate, Coupons attached on issue.
"Directors"	:	The directors (including alternate directors, if any) of the Issuer as at the date of this Information Memorandum.
"FY"	:	Financial year ended or ending 31 December.
"Global Note"	:	A global Note representing Notes of one or more Tranches of the same Series, being a Temporary Global Note and/or, as the context may require, a Permanent Global Note, in each case without Coupons.
"Group"	:	The Issuer and its subsidiaries.
"IACS"	:	International Association of Classification Societies Ltd.
"ISM Code"	:	International Safety Management Code.
"Issuer"	:	Swissco Holdings Limited.
"ITA"	:	The Income Tax Act, Chapter 134 of Singapore.
"Latest Practicable Date"	:	15 September 2014.
"MAS"	:	The Monetary Authority of Singapore.
"Non-CDP Paying Agent"	:	Deutsche Bank AG, Hong Kong Branch.
"Noteholders"	:	The holders of the Notes.
"Notes"	:	The multicurrency medium term notes of the Issuer issued or to be issued pursuant to the Programme Agreement and constituted by the Trust Deed (and shall, where the context so admits, include the Global Notes and the Definitive Notes).
"OPL"	:	Out-Port Limit.
"OSV"	:	Offshore Support Vessels.
"Paying Agent"	:	The Principal Paying Agent and the Non-CDP Paying Agent, or such other or further institutions as may from time to time be appointed by the Issuer as paying agent for the Notes and Coupons.
"Permanent Global Note"	:	A Global Note representing Notes of one or more Tranches of the same Series, either on issue or upon exchange of interests in a Temporary Global Note, being substantially in the form set out in Schedule 3 to the Trust Deed.
"Pricing Supplement"	:	In relation to any Tranche or Series, a pricing supplement, supplemental to this Information Memorandum, specifying the relevant issue details in relation to such Tranche or, as the case may be, Series, substantially in the form of Appendix 2 to the Programme Agreement.
"Principal Paying Agent"	:	Deutsche Bank AG, Singapore Branch.
"Programme"	:	The S$300,000,000 Multicurrency Medium Term Note Programme established by the Issuer pursuant to the Programme Agreement.

"Programme Agreement"	:	The Programme Agreement dated 24 September 2014 made between (1) the Issuer, as issuer, (2) the Arranger, as arranger, and (3) Oversea-Chinese Banking Corporation Limited, as dealer, as amended, varied or supplemented from time to time.
"Scott and English"	:	Scott and English Energy Pte. Ltd.
"Scott and English Group"	:	Scott and English and its subsidiaries.
"Securities Act"	:	Securities Act of 1933 of the United States, as amended.
"Series"	:	(1) (In relation to Notes other than variable rate notes) a Tranche, together with any further Tranche or Tranches, which are (a) expressed to be consolidated and forming a single series and (b) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (2) (in relation to variable rate notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest.
"SFA"	:	Securities and Futures Act, Chapter 289 of Singapore.
"SGX-ST"	:	Singapore Exchange Securities Trading Limited.
"Shares"	:	Ordinary shares in the capital of the Issuer.
"subsidiary"	:	Any company which is for the time being a subsidiary (within the meaning of Section 5 of the Companies Act).
"Temporary Global Note"	:	A Global Note representing Notes of one or more Tranches of the same Series on issue, being substantially in the form set out in Schedule 2 to the Trust Deed.
"Tranche"	:	Notes which are identical in all respects (including as to listing).
"Trust Deed"	:	The Trust Deed dated 24 September 2014 made between (1) the Issuer, as issuer, and (2) the Trustee, as trustee, as amended, varied or supplemented from time to time.
"Trustee"	:	DB International Trust (Singapore) Limited.
"S$"** or **"$" or **"Singapore dollars"**	:	Singapore dollars, the lawful currency of Singapore.
"US$" or **"U.S. dollars"**	:	United States dollars, the lawful currency of the United States of America.
"%"	:	Per cent.

Words importing the singular, where applicable, include the plural and *vice versa*, and words importing the masculine gender, where applicable, include the feminine and neuter genders. References to persons, where applicable, include corporations. Any reference to a time of day in this Information Memorandum is a reference to Singapore time unless otherwise stated. Any reference in this Information Memorandum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the SFA or any statutory modification thereof and used in this Information Memorandum, where applicable, has the meaning ascribed to it under the Companies Act or, as the case may be, the SFA.

CORPORATE INFORMATION

Board of Directors	:	Tan Fuh Gih Alex Yeo Kian Teong Chua Wei Teck Lim How Teck Leslie Yeo Choon Hsien Madeleine Ho Geok Choo
Company Secretaries	:	Tan Ching Chek Teo Ah Hiong
Registered Office	:	60 Penjuru Lane Singapore 609214
Auditors to the Issuer	:	PricewaterhouseCoopers LLP 8 Cross Street #17-00 PwC Building Singapore 048424
Auditors to Scott and English Energy Pte. Ltd.	:	KPMG LLP 16 Raffles Quay #22-00 Hong Leong Building Singapore 048581
Arranger of the Programme	:	Oversea-Chinese Banking Corporation Limited 63 Chulia Street #03-05 OCBC Centre East Singapore 049514
Legal Advisers to the Arranger	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Advisers to the Trustee	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Advisers to the Issuer	:	Stamford Law Corporation 10 Collyer Quay #27-00 Ocean Financial Centre Singapore 049315
Principal Paying Agent	:	Deutsche Bank AG, Singapore Branch One Raffles Quay #16-00 South Tower Singapore 048583
Non-CDP Paying Agent	:	Deutsche Bank AG, Hong Kong Branch Level 52, International Commerce Centre 1 Austin Road West, Kowloon Hong Kong
Trustee for the Noteholders	:	DB International Trust (Singapore) Limited One Raffles Quay #16-00 South Tower Singapore 048583

SUMMARY OF THE PROGRAMME

The following summary is derived from, and should be read in conjunction with, the full text of this Information Memorandum (and any relevant supplement to this Information Memorandum), the Trust Deed, the Agency Agreement and the relevant Pricing Supplement.

Issuer	:	Swissco Holdings Limited.
Arranger	:	Oversea-Chinese Banking Corporation Limited.
Dealers	:	Oversea-Chinese Banking Corporation Limited and/or such other Dealers as may be appointed by the Issuer in accordance with the Programme Agreement.
Trustee	:	DB International Trust (Singapore) Limited.
Principal Paying Agent	:	Deutsche Bank AG, Singapore Branch.
Non-CDP Paying Agent	:	Deutsche Bank AG, Hong Kong Branch.
Description	:	S$300,000,000 Multicurrency Medium Term Note Programme.
Programme Size	:	The maximum aggregate principal amount of the Notes outstanding at any time is S$300,000,000 (or its equivalent in other currencies) or such increased amount in accordance with the terms of the Programme Agreement.
Currency	:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Singapore dollars or any other currency agreed between the Issuer and the relevant Dealer(s).
Method of Issue	:	Notes may be issued from time to time under the Programme on a syndicated or non-syndicated basis. Each Series may be issued in one or more Tranches, on the same or different issue dates. The minimum issue size for each Series shall be agreed between the Issuer and the relevant Dealer(s). The specific terms of each Series or Tranche will be specified in the relevant Pricing Supplement.
Issue Price	:	Notes may be issued at par or at a discount, or premium, to par.
Maturities	:	Subject to compliance with all relevant laws, regulations and directives, Notes shall have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s).
Mandatory Redemption	:	Unless previously redeemed or purchased and cancelled, each Note will be redeemed at its redemption amount on the maturity date shown on its face.
Interest Basis	:	Notes may bear interest at fixed, floating, variable or hybrid rates or such other rates as may be agreed between the Issuer and the relevant Dealer(s) or may not bear interest.
Fixed Rate Notes	:	Fixed Rate Notes will bear a fixed rate of interest which will be payable in arrear on specified dates and at maturity.

Floating Rate Notes	:	Floating Rate Notes which are denominated in Singapore dollars will bear interest to be determined separately for each Series by reference to S$ SIBOR or S$ SWAP RATE (or in any other case such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin. Interest periods in relation to the Floating Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue. Floating Rate Notes which are denominated in other currencies will bear interest to be determined separately for each Series by reference to such other benchmark as may be agreed between the Issuer and the relevant Dealer(s).
Variable Rate Notes	:	Variable Rate Notes will bear interest at a variable rate determined in accordance with the Conditions of the Notes. Interest periods in relation to the Variable Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue.
Hybrid Notes	:	Hybrid Notes will bear interest, during the fixed rate period to be agreed between the Issuer and the relevant Dealer(s), at a fixed rate of interest which will be payable in arrear on specified dates and, during the floating rate period to be agreed between the Issuer and the relevant Dealer(s), at the rate of interest to be determined by reference to S$ SIBOR or S$ SWAP RATE (or such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin (provided that if the Hybrid Notes are denominated in a currency other than Singapore dollars, such Hybrid Notes will bear interest to be determined separately by reference to such benchmark as may be agreed between the Issuer and the relevant Dealer(s)), in each case payable at the end of each interest period to be agreed between the Issuer and the relevant Dealer(s).
Zero Coupon Notes	:	Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest other than in the case of late payment.
Form and Denomination of Notes	:	The Notes will be issued in bearer form only and in such denominations as may be agreed between the Issuer and the relevant Dealer(s). Each Tranche or Series of Notes may initially be represented by a Temporary Global Note or a Permanent Global Note. Each Temporary Global Note may be deposited on the relevant issue date with CDP, a common depositary for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system and will be exchangeable, upon request as described therein, either for a Permanent Global Note or Definitive Notes (as indicated in the applicable Pricing Supplement). Each Permanent Global Note may be exchanged, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole (but not in part) for Definitive Notes upon the terms therein.
Custody of the Notes	:	Notes which are to be listed on the SGX-ST may be cleared through CDP. Notes which are to be cleared through CDP are required to be kept with CDP as authorised depositary. Notes which are cleared through Euroclear and/or Clearstream, Luxembourg are required to be kept with a common depositary on behalf of Euroclear and Clearstream, Luxembourg.

Status of the Notes	:	The Notes and Coupons of all Series will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.
Redemption and Purchase	:	If so provided on the face of the Note and the relevant Pricing Supplement, Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes. Further, if so provided on the face of the Note and the relevant Pricing Supplement, Notes may be purchased by the Issuer (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes.
Redemption upon Cessation or Suspension of Trading of Shares	:	In the event that (i) the shares of the Issuer cease to be traded on the SGX-ST or (ii) trading in the shares of the Issuer on the SGX-ST is suspended for a continuous period of more than 10 market days, the Issuer shall, at the option of the holder of any Note, redeem such Note at its redemption amount, together with interest accrued to the date fixed for redemption on any date on which interest is due to be paid on such Notes or, if earlier, the date falling 45 days after (where the shares of the Issuer cease to be traded on the SGX-ST) the date of cessation of trading or (where trading in the shares of the Issuer on the SGX-ST is suspended for a continuous period of more than 10 market days) the business day immediately following the expiry of such continuous period of 10 market days.
Negative Pledge	:	The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will ensure that none of its subsidiaries will, create or permit to be created or have outstanding any security on or over the whole or any part of their respective undertakings, assets, property or revenues, present or future, save for: (i) any security existing on the date of the Trust Deed which has been disclosed to the Trustee in writing on or prior to the date of the Trust Deed and any subsequent security to be created for the purpose of the extension or refinancing of the original indebtedness relating to such existing security, provided that the amount secured may not be increased; (ii) any liens or rights of set-off arising solely by operation of law, in either case, in respect of indebtedness which either (1) has been due for less than 21 days or (2) is being contested in good faith and by appropriate means; (iii) any security over any assets (other than vessels) of any of the Issuer and its subsidiaries whether such assets are acquired before or after the date of the Trust Deed for the sole purpose of financing or refinancing the acquisition and/or development of such assets (including the acquisition by way of acquisition of the shares in the company or entity owning (whether directly or indirectly) such assets) and, in each case, securing a principal amount not exceeding the cost of that acquisition and/or development;

(iv) any security on or over any vessels of any of the Issuer and its subsidiaries, in each case, securing a principal amount not exceeding 75 per cent. of the market value of such vessel (as determined based on the valuation report prepared by an independent professional valuer appointed by the Issuer) at the time such security is granted;

(v) pledges of cash and/or rights of set-off in favour of banks for the purpose of the issuance by such banks of any performance guarantees, letters of credit or bank guarantees or the provision by such banks of any working capital facilities, in each case which are required in the ordinary course of its business;

(vi) any security over its accounts receivables created to secure working capital facilities granted in the ordinary course of its business;

(vii) any security created by a subsidiary before it became a subsidiary (by way of acquisition or merger) and the renewal of such security provided that the principal amount secured thereby shall not be increased without the prior approval of the Noteholders by way of an Extraordinary Resolution; and

(viii) any other security created or permitted to subsist, the terms of which have been approved by the Noteholders by way of an Extraordinary Resolution.

Financial Covenants : The Issuer has covenanted with the Trustee in the Trust Deed that for so long as any of the Notes remains outstanding, it will ensure that:

(i) the Consolidated Tangible Net Worth shall not at any time be less than S$200,000,000;

(ii) the ratio of Consolidated Net Borrowings to Consolidated Tangible Net Worth shall not at any time be more than 2.5:1;

(iii) the ratio of Consolidated EBITDA to Consolidated Interest Expense shall not at any time be less than 2.5:1; and

(iv) the ratio of Consolidated Secured Debt to Consolidated Total Assets shall not at any time be more than 0.7:1.

Events of Default : See Condition 9 of the Notes.

Taxation : All payments in respect of the Notes and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, save for certain exceptions. For further details, please see the section "*Singapore Taxation*" herein.

Listing	:	Each Series of the Notes may, if so agreed between the Issuer and the relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s), subject to all necessary approvals having been obtained. If the application to the SGX-ST to list a particular Series of Notes is approved, for so long as such Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of at least S$200,000 (or its equivalent in foreign currencies).
Selling Restrictions	:	For a description of certain restrictions on offers, sales and deliveries of Notes and the distribution of offering material relating to the Notes, see the section "*Subscription, Purchase and Distribution*" herein. Further restrictions may apply in connection with any particular Series or Tranche of Notes as set forth in the relevant Pricing Supplement.
Governing Law	:	The Programme and any Notes issued under the Programme will be governed by, and construed in accordance with, the laws of Singapore.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Notes in definitive form issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on the definitive Notes. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Notes and in the relevant Pricing Supplement.

The Notes are constituted by a trust deed (as amended, supplemented and/or restated from time to time, the "**Trust Deed**") dated 24 September 2014 made between (1) Swissco Holdings Limited (the "**Issuer**") and (2) DB International Trust (Singapore) Limited (the "**Trustee**", which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee for the Noteholders (as defined below), and (where applicable) the Notes are issued with the benefit of a deed of covenant (as amended, supplemented and/or restated from time to time, the "**Deed of Covenant**") dated 24 September 2014, relating to the Notes executed by the Issuer. These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Notes and Coupons referred to below. The Issuer has entered into an agency agreement (as amended, supplemented and/or restated from time to time, the "**Agency Agreement**") dated 24 September 2014 made between (1) the Issuer, (2) Deutsche Bank AG, Singapore Branch, as principal paying agent (in such capacity, the "**Principal Paying Agent**"), (3) Deutsche Bank AG, Hong Kong Branch, as non-CDP paying agent (in such capacity, the "**Non-CDP Paying Agent**" and, together with the Principal Paying Agent, the "**Paying Agents**" and each a "**Paying Agent**"), and (4) the Trustee, as trustee. The Noteholders and the holders of the coupons (the "**Coupons**") appertaining to the interest-bearing Notes (the "**Couponholders**") are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement and the Deed of Covenant. For the purposes of these Conditions, all references to the Principal Paying Agent shall, with respect to a Series of Notes to be cleared through a clearing system other than the CDP System (as defined in the Trust Deed), be deemed to be a reference to the Non-CDP Paying Agent and all such references shall be construed accordingly.

Copies of the Trust Deed, the Agency Agreement and the Deed of Covenant are available for inspection at the principal office of the Trustee for the time being and at the respective specified offices of the Paying Agents for the time being.

1. Form, Denomination and Title

(a) Form and Denomination

(i) The Notes of the Series of which this Note forms part (in these Conditions, the "**Notes**") are issued in bearer form in each case in the Denomination Amount shown hereon.

(ii) This Note is a Fixed Rate Note, a Floating Rate Note, a Variable Rate Note, a Hybrid Note or a Zero Coupon Note (depending upon the Interest Basis shown on its face).

(iii) Notes are serially numbered and issued with Coupons attached, save in the case of Notes that do not bear interest in which case references to interest (other than in relation to default interest referred to in Condition 6(f)) in these Conditions are not applicable.

(b) Title

(i) Title to the Notes and the Coupons appertaining thereto shall pass by delivery.

(ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note or Coupon shall be deemed to be and may be treated as the absolute owner of such Note or of such Coupon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note or Coupon shall be overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof or any writing thereon made by anyone, and no person shall be liable for so treating the holder.

(iii) For so long as any of the Notes is represented by a Global Note and such Global Note is held by a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**") and/or The Central Depository (Pte) Limited (the "**Depository**"), each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg and/or the Depository as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg and/or the Depository as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Principal Paying Agent, the Non-CDP Paying Agent, the Agent Bank, all other agents of the Issuer and the Trustee as the holder of such principal amount of Notes other than with respect to the payment of principal, premium, interest, distribution, redemption, purchase and/or any other amounts in respect of the Notes, for which purpose the bearer of the Global Note shall be treated by the Issuer, the Principal Paying Agent, the Non-CDP Paying Agent, the Agent Bank, all other agents of the Issuer and the Trustee as the holder of such Notes in accordance with and subject to the terms of the Global Note (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly). Notes which are represented by the Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or the Depository.

(iv) In these Conditions, "**Global Note**" means the relevant Temporary Global Note representing each Series or the relevant Permanent Global Note representing each Series, "**Noteholder**" means the bearer of any Definitive Note (as defined in the Trust Deed) and "**holder**" (in relation to a Definitive Note or Coupon) means the bearer of any Definitive Note or Coupon, "**Series**" means (1) (in relation to Notes other than Variable Rate Notes) a Tranche, together with any further Tranche or Tranches, which are (A) expressed to be consolidated and forming a single series and (B) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (2) (in relation to Variable Rate Notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest and "**Tranche**" means Notes which are identical in all respects (including as to listing).

(v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2. Status

The Notes and Coupons of all Series constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

3. Negative Pledge and Financial Covenants

(a) Negative Pledge

The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will ensure that none of its subsidiaries will, create or permit to be created or have outstanding any security on or over the whole or any part of their respective undertakings, assets, property or revenues, present or future, save for:

(i) any security existing on the date of the Trust Deed which has been disclosed to the Trustee in writing on or prior to the date of the Trust Deed and any subsequent security to be created for the purpose of the extension or refinancing of the original indebtedness relating to such existing security, provided that the amount secured may not be increased;

(ii) any liens or rights of set-off arising solely by operation of law, in either case, in respect of indebtedness which either (1) has been due for less than 21 days or (2) is being contested in good faith and by appropriate means;

(iii) any security over any assets (other than vessels) of any of the Issuer and its subsidiaries whether such assets are acquired before or after the date of the Trust Deed for the sole purpose of financing or refinancing the acquisition and/or development of such assets (including the acquisition by way of acquisition of the shares in the company or entity owning (whether directly or indirectly) such assets) and, in each case, securing a principal amount not exceeding the cost of that acquisition and/or development;

(iv) any security on or over any vessels of any of the Issuer and its subsidiaries, in each case, securing a principal amount not exceeding 75 per cent. of the market value of such vessel (as determined based on the valuation report prepared by an independent professional valuer appointed by the Issuer) at the time such security is granted;

(v) pledges of cash and/or rights of set-off in favour of banks for the purpose of the issuance by such banks of any performance guarantees, letters of credit or bank guarantees or the provision by such banks of any working capital facilities, in each case which are required in the ordinary course of its business;

(vi) any security over its accounts receivables created to secure working capital facilities granted in the ordinary course of its business;

(vii) any security created by a subsidiary before it became a subsidiary (by way of acquisition or merger) and the renewal of such security provided that the principal amount secured thereby shall not be increased without the prior approval of the Noteholders by way of an Extraordinary Resolution; and

(viii) any other security created or permitted to subsist, the terms of which have been approved by the Noteholders by way of an Extraordinary Resolution.

(b) Financial Covenants

The Issuer has further covenanted with the Trustee in the Trust Deed that for so long as any of the Notes remains outstanding, it will ensure that:

(i) the Consolidated Tangible Net Worth shall not at any time be less than S$200,000,000;

(ii) the ratio of Consolidated Net Borrowings to Consolidated Tangible Net Worth shall not at any time be more than 2.5:1;

(iii) the ratio of Consolidated EBITDA to Consolidated Interest Expense shall not at any time be less than 2.5:1; and

(iv) the ratio of Consolidated Secured Debt to Consolidated Total Assets shall not at any time be more than 0.7:1.

For the purposes of these Conditions:

(1) "**Consolidated EBITDA**" means, in relation to any Test Period, the aggregate of the net earnings of the Group (as defined in the Trust Deed) on its ordinary activities during such Test Period before taking into account Consolidated Interest Expense and income tax expense but making adjustments thereto by adding back depreciation charged and amount attributable to amortisation of goodwill and other intangibles to the extent deducted in arriving at such earnings on ordinary activities during such Test Period;

(2) "**Consolidated Interest Expense**" means, in relation to any Test Period, the consolidated aggregate amount of interest and other financing charges accrued, paid or payable (including any capitalised interest, commissions and fees paid or payable) in connection with all indebtedness incurred by the Group during that Test Period;

(3) **"Consolidated Net Borrowings**" means Consolidated Total Borrowings less cash and cash equivalents (as determined in accordance with generally accepted accounting principles in Singapore);

(4) **"Consolidated Secured Debt**" means, at any particular time, the portion of Consolidated Total Liabilities secured by any security interest over any asset of the Group;

(5) **"Consolidated Tangible Net Worth**" means the amount (expressed in Singapore dollars) for the time being, determined in accordance with generally accepted accounting principles in Singapore, equal to the aggregate of:

    (a) the amount paid up or credited as paid up on the issued share capital of the Issuer; and

    (b) the amounts standing to the credit of the capital and revenue reserves (including capital redemption reserve fund, revaluation reserves and profit and loss account) of the Group on a consolidated basis,

    all as shown in the then latest audited or unaudited consolidated balance sheet of the Group but after:

    (1) making such adjustments as may be appropriate in respect of any variation in the issued and paid up share capital and the capital and revenue reserves set out in paragraph (b) above of the Group since the date of the latest audited or unaudited consolidated balance sheet of the Group;

    (2) excluding any sums set aside for future taxation;

    (3) deducting:

        (A) an amount equal to any distribution by any member of the Group out of profits earned prior to the date of the latest audited or unaudited consolidated balance sheet of the Group and which have been declared, recommended or made since that date except so far as provided for in such balance sheet and/or paid or due to be paid to members of the Group;

        (B) all goodwill and other intangible assets; and

        (C) any debit balances on consolidated profit and loss account;

(6) "**Consolidated Total Assets**" means, at any particular time, the consolidated amount of the book values of all the assets of the Group, determined as assets in accordance with generally accepted accounting principles in Singapore;

(7) "**Consolidated Total Borrowings**" means, in relation to the Group, an amount (expressed in Singapore dollars) for the time being, calculated on a consolidated basis, in accordance with generally accepted accounting principles in Singapore, equal to the aggregate of:

(a) bank overdrafts and all other indebtedness in respect of any borrowings;

(b) the principal amount of the Notes or any bonds or debentures of any member of the Group whether issued for cash or a consideration other than cash;

(c) the liabilities of the Issuer under the Trust Deed or the Notes;

(d) all other indebtedness whatsoever of the Group for borrowed moneys; and

(e) any redeemable preference shares which are not accounted for as "equity" under generally accepted accounting principles in Singapore issued by any member of the Group,

and, where such aggregate amount falls to be calculated, no amount shall be taken into account more than once in the same calculation;

(8) "**Consolidated Total Liabilities**" means the aggregate of Consolidated Total Borrowings plus, insofar as not already taken into account, all other liabilities of the Group calculated in accordance with generally accepted accounting principles in Singapore, including:

(a) current creditors, proposed dividends and taxation payable within 12 months;

(b) the principal amount raised by acceptances under any acceptance credit in favour of any member of the Group;

(c) the face amount of any bills of exchange (other than cheques) or other instruments upon which any member of the Group is liable as drawer, acceptor or endorser;

(d) all actual and contingent liabilities of whatsoever nature of any member of the Group including, without limitation, the maximum premium payable on a redemption of any debenture or other indebtedness of any member of the Group and all actual and contingent liabilities of any other person (including the value of any shares and the principal amount of any debentures of any person) to the extent that such liabilities, shares or debentures are directly or indirectly guaranteed or secured by or are, directly or indirectly, the subject of an indemnity given by, or with a right of recourse against, any member of the Group;

(e) the aggregate of the principal amounts outstanding under all agreements or transactions entered into by any member of the Group for leasing, hire purchase, conditional sale or purchase on deferred terms, or provision of funds in support of obligations of third parties and similar transactions in relation to any property, and any other amounts due to creditors other than current creditors;

(f) amounts standing to the credit of any deferred tax account or tax equalisation reserve; and

(g) any amount proposed to be distributed to shareholders,

provided that no liabilities shall be included in a calculation of Consolidated Total Liabilities more than once; and

(9) "**Test Period**" means (a) each period of three months, ending on the last day of each financial quarter of the Group or (b) in the event that the Issuer is not required to publish quarterly accounts under the listing rules of the SGX-ST (as defined in the Trust Deed), each period of six months, ending on the last day of each financial half-year and each financial year of the Group.

4. (I) Interest on Fixed Rate Notes

(a) Interest Rate and Accrual

Each Fixed Rate Note bears interest on its Calculation Amount (as defined in Condition 4(II)(d)) from the Interest Commencement Date in respect thereof and as shown on the face of such Note at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of such Note in each year and on the Maturity Date shown on the face of such Note if that date does not fall on an Interest Payment Date.

The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date (and if the Interest Commencement Date is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the Maturity Date falls before the date on which the first payment of interest would otherwise be due. If the Maturity Date is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the Interest Commencement Date, as the case may be) to the Maturity Date will amount to the Final Broken Amount shown on the face of the Note.

Interest will cease to accrue on each Fixed Rate Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount shown on the face of the Note is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(I) and the Agency Agreement to the Relevant Date (as defined in Condition 7).

(b) Calculations

In the case of a Fixed Rate Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of the Note.

(II) Interest on Floating Rate Notes or Variable Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note or Variable Rate Note bears interest on its Calculation Amount from the Interest Commencement Date in respect thereof and as shown on the face of such Note, and such interest will be payable in arrear on each interest payment date ("**Interest Payment Date**"). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note (the "**Specified Number of Months**") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date (and which corresponds numerically with such preceding Interest Payment Date or the Interest Commencement Date, as the case may be), provided that the Agreed Yield (as defined in Condition 4(II)(c)) in respect of any Variable Rate Note for any Interest Period (as defined below) relating to that Variable Rate Note shall be payable on the first day of that Interest Period. If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day (as defined below), then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

The period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is herein called an "**Interest Period**".

Interest will cease to accrue on each Floating Rate Note or Variable Rate Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(II) and the Agency Agreement to the Relevant Date.

(b) Rate of Interest - Floating Rate Notes

(i) Each Floating Rate Note bears interest at a floating rate determined by reference to a Benchmark as stated on the face of such Floating Rate Note, being (in the case of Notes which are denominated in Singapore dollars) SIBOR (in which case such Note will be a SIBOR Note) or Swap Rate (in which case such Note will be a Swap Rate Note) or in any other case (or in the case of Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Note.

Such floating rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Note. The "**Spread**" is the percentage rate per annum specified on the face of such Note as being applicable to the rate of interest for such Note. The rate of interest so calculated shall be subject to Condition 4(V)(a) below.

The rate of interest payable in respect of a Floating Rate Note from time to time is referred to in these Conditions as the "**Rate of Interest**".

(ii) The Rate of Interest payable from time to time in respect of each Floating Rate Note will be determined by the Agent Bank on the basis of the following provisions:

(1) in the case of Floating Rate Notes which are SIBOR Notes:

(A) the Agent Bank will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ABS SIBOR FIX - SIBOR AND SWAP OFFER RATES - RATES AT 11:00 HRS SINGAPORE TIME" and under the column headed "SGD SIBOR" (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page as may be provided hereon) and as adjusted by the Spread (if any);

(B) if no such rate appears on the Reuters Screen ABSIRFIX01 Page under the column headed "SGD SIBOR" (or such other replacement page as aforesaid or if no rate appears on such other Screen Page as may be provided hereon) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page as aforesaid or such other Screen Page as may be provided hereon) is unavailable for any reason, the Agent Bank will request the principal Singapore offices of each of the Reference Banks to provide the Agent Bank with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to four decimal places) of such offered quotations and as adjusted by the Spread (if any), as determined by the Agent Bank;

(C) if on any Interest Determination Date two but not all the Reference Banks provide the Agent Bank with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with (B) above on the basis of the quotations of those Reference Banks providing such quotations; and

(D) if on any Interest Determination Date one only or none of the Reference Banks provides the Agent Bank with such quotations, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Agent Bank at or about the Relevant Time on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any) or if on such Interest Determination Date one only or none of the Reference Banks provides the Agent Bank with such quotation, the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date and as adjusted by the Spread (if any);

(2) in the case of Floating Rate Notes which are Swap Rate Notes:

(A) the Agent Bank will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period as being the rate which appears on the Reuters Screen ABSFIX01 Page under the caption "SGD SOR rates as of 11:00hrs London Time" under the column headed "SGD SOR" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period and as adjusted by the Spread (if any);

(B) if on any Interest Determination Date no such rate is quoted on Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) or Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Agent Bank will determine the Rate of Interest for such Interest Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to four decimal places)) for a period equal to the duration of such Interest Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as the Agent Bank may select; and

(C) if on any Interest Determination Date the Agent Bank is otherwise unable to determine the Rate of Interest under paragraphs (b)(ii)(2)(A) and (b)(ii)(2)(B) above, the Rate of Interest shall be determined by the Agent Bank to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates quoted by the Singapore offices of the Reference Banks or those of them (being at least two in number) to the Agent Bank at or about 11.00 a.m. (Singapore time) on the first business day following such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any), or if on such day one only or none of the Singapore offices of the Reference Banks provides the Agent Bank with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the prime lending rates for Singapore dollars quoted by the Singapore offices of the Reference Banks at or about 11.00 a.m. (Singapore time) on such Interest Determination Date and as adjusted by the Spread (if any);

(3) in the case of Floating Rate Notes which are not SIBOR Notes or Swap Rate Notes or which are denominated in a currency other than Singapore dollars, the Agent Bank will determine the Rate of Interest in respect of any Interest Period at or about the Relevant Time on the Interest Determination Date in respect of such Interest Period as follows:

(A) if the Primary Source (as defined below) for the Floating Rate is a Screen Page (as defined below), subject as provided below, the Rate of Interest in respect of such Interest Period shall be:

(aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or

(bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Interest Determination Date,

and as adjusted by the Spread (if any);

(B) if the Primary Source for the Floating Rate is Reference Banks or if paragraph (b)(ii)(3)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Interest Determination Date or if paragraph (b)(ii)(3)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to four decimal places) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Interest Determination Date and as adjusted by the Spread (if any); and

(C) if paragraph (b)(ii)(3)(B) applies and the Agent Bank determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date.

(iii) On the last day of each Interest Period, the Issuer will pay interest on each Floating Rate Note to which such Interest Period relates at the Rate of Interest for such Interest Period.

(iv) For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

(c) Rate of Interest - Variable Rate Notes

(i) Each Variable Rate Note bears interest at a variable rate determined in accordance with the provisions of this paragraph (c). The interest payable in respect of a Variable Rate Note on the first day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the "**Agreed Yield**" and the rate of interest payable in respect of a Variable Rate Note on the last day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the **"Rate of Interest**".

(ii) The Agreed Yield or, as the case may be, the Rate of Interest payable from time to time in respect of each Variable Rate Note for each Interest Period shall, subject as referred to in paragraph (c)(iv) below, be determined as follows:

(1) not earlier than 9.00 a.m. (Singapore time) on the ninth business day nor later than 3.00 p.m. (Singapore time) on the third business day prior to the commencement of each Interest Period, the Issuer and the Relevant Dealer (as defined below) shall endeavour to agree on the following:

(A) whether interest in respect of such Variable Rate Note is to be paid on the first day or the last day of such Interest Period;

(B) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the first day of such Interest Period, an Agreed Yield in respect of such Variable Rate Note for such Interest Period (and, in the event of the Issuer and the Relevant Dealer so agreeing on such Agreed Yield, the Interest Amount (as defined below) for such Variable Rate Note for such Interest Period shall be zero); and

(C) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the last day of such Interest Period, a Rate of Interest in respect of such Variable Rate Note for such Interest Period (an "**Agreed Rate**") and, in the event of the Issuer and the Relevant Dealer so agreeing on an Agreed Rate, such Agreed Rate shall be the Rate of Interest for such Variable Rate Note for such Interest Period; and

(2) if the Issuer and the Relevant Dealer shall not have agreed either an Agreed Yield or an Agreed Rate in respect of such Variable Rate Note for such Interest Period by 3.00 p.m. (Singapore time) on the third business day prior to the commencement of such Interest Period, or if there shall be no Relevant Dealer during the period for agreement referred to in (1) above, the Rate of Interest for such Variable Rate Note for such Interest Period shall automatically be the rate per annum equal to the Fall Back Rate (as defined below) for such Interest Period.

(iii) The Issuer has undertaken to the Principal Paying Agent and the Agent Bank that it will as soon as possible after the Agreed Yield or, as the case may be, the Agreed Rate in respect of any Variable Rate Note is determined but not later than 10.30 a.m. (Singapore time) on the next following business day:

(1) notify or cause the Relevant Dealer to notify the Principal Paying Agent and the Agent Bank of the Agreed Yield or, as the case may be, the Agreed Rate for such Variable Rate Note for such Interest Period; and

(2) cause such Agreed Yield or, as the case may be, Agreed Rate for such Variable Rate Note to be notified by the Principal Paying Agent to the relevant Noteholder at its request.

(iv) For the purposes of sub-paragraph (ii) above, the Rate of Interest for each Interest Period for which there is neither an Agreed Yield nor Agreed Rate in respect of any Variable Rate Note or no Relevant Dealer in respect of the Variable Rate Note(s) shall be the rate (the "**Fall Back Rate**") determined by reference to a Benchmark as stated on the face of such Variable Rate Note(s), being (in the case of Variable Rate Notes which are denominated in Singapore dollars) SIBOR (in which case such Variable Rate Note(s) will be SIBOR Note(s)) or Swap Rate (in which case such Variable Rate Note(s) will be Swap Rate Note(s)) or (in any other case or in the case of Variable Rate Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Variable Rate Note(s).

Such rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Variable Rate Note. The "**Spread**" is the percentage rate per annum specified on the face of such Variable Rate Note as being applicable to the rate of interest for such Variable Rate Note. The rate of interest so calculated shall be subject to Condition 4(V)(a) below.

The Fall Back Rate payable from time to time in respect of each Variable Rate Note will be determined by the Agent Bank in accordance with the provisions of Condition 4(**II**)(b)(ii) above (*mutatis mutandis*) and references therein to "**Rate of Interest**" shall mean "**Fall Back Rate**".

(v) If interest is payable in respect of a Variable Rate Note on the first day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Agreed Yield applicable to such Variable Rate Note for such Interest Period on the first day of such Interest Period. If interest is payable in respect of a Variable Rate Note on the last day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Interest Amount for such Variable Rate Note for such Interest Period on the last day of such Interest Period.

(vi) For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

(d) Definitions

As used in these Conditions:

"**Agent Bank**" means in relation to any Series of Notes, the person appointed as the agent bank as specified in the applicable Pricing Supplement;

"**Benchmark**" means the rate specified as such in the applicable Pricing Supplement;

"**business day**" means, in respect of each Note, (a) a day (other than a Saturday, Sunday or gazetted public holiday) on which Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating, (b) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in the country of the Principal Paying Agent's and (in the case of Non-CDP Notes) the Non-CDP Paying Agent's specified office(s) and (c) (if a payment is to be made on that day) (i) (in the case of Notes denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore, (ii) (in the case of Notes denominated in Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore and the TARGET System is open for settlement in Euros and (iii) (in the case of Notes denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency;

"**Calculation Amount**" means the amount specified as such on the face of any Note, or if no such amount is so specified, the Denomination Amount of such Note as shown on the face thereof;

"**Euro**" means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time;

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified as the Interest Commencement Date on the face of such Note;

"**Interest Determination Date**" means, in respect of any Interest Period, that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Note;

"**Primary Source**" means the Screen Page specified as such in the applicable Pricing Supplement and (in the case of any Screen Page provided by any information service other than the Reuters Monitor Money Rates Service ("**Reuters**")) agreed to by the Agent Bank;

"**Reference Banks**" means the institutions specified as such hereon or, if none, three major banks selected by the Agent Bank in the interbank market that is most closely connected with the Benchmark;

"**Relevant Currency**" means the currency in which the Notes are denominated;

"**Relevant Dealer**" means, in respect of any Variable Rate Note, the Dealer party to the Programme Agreement referred to in the Agency Agreement with whom the Issuer has concluded or is negotiating an agreement for the issue of such Variable Rate Note pursuant to the Programme Agreement;

"**Relevant Financial Centre**" means, in the case of interest to be determined on an Interest Determination Date with respect to any Floating Rate Note or Variable Rate Note, the financial centre specified in the applicable Pricing Supplement or on the face of the relevant Note or, if none is so specified, Singapore;

"**Relevant Rate**" means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Interest Period;

"**Relevant Time**" means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre;

"**Screen Page**" means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters) as may be specified hereon for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark; and

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) system which was launched on 19 November 2007 or any successor thereto.

(III) Interest on Hybrid Notes

(a) Interest Rate and Accrual

Each Hybrid Note bears interest on its Calculation Amount from the Interest Commencement Date in respect thereof and as shown on the face of such Note.

(b) Fixed Rate Period

(i) In respect of the Fixed Rate Period shown on the face of such Note, each Hybrid Note bears interest on its Calculation Amount from the first day of the Fixed Rate Period at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of the Note in each year and on the last day of the Fixed Rate Period if that date does not fall on an Interest Payment Date.

(ii) The first payment of interest will be made on the Interest Payment Date next following the first day of the Fixed Rate Period (and if the first day of the Fixed Rate Period is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the last day of the Fixed Rate Period falls before the date on which the first payment of interest would otherwise be due. If the last day of the Fixed Rate Period is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the first day of the Fixed Rate Period, as the case may be) to the last day of the Fixed Rate Period will amount to the Final Broken Amount shown on the face of the Note.

(iii) Where the due date of redemption of any Hybrid Note falls within the Fixed Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of principal (or Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(III) to the Relevant Date.

(iv) In the case of a Hybrid Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of the Note during the Fixed Rate Period.

(c) Floating Rate Period

(i) In respect of the Floating Rate Period shown on the face of such Note, each Hybrid Note bears interest on its Calculation Amount from the first day of the Floating Rate Period, and such interest will be payable in arrear on each interest payment date ("**Interest Payment Date**"). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note (the "**Specified Number of Months**") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the first day of the Floating Rate Period (and which corresponds numerically with such preceding Interest Payment Date or the first day of the Floating Rate Period, as the case may be). If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day, then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

(ii) The period beginning on (and including) the first day of the Floating Rate Period and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is herein called an "**Interest Period**".

(iii) Where the due date of redemption of any Hybrid Note falls within the Floating Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation thereof, payment of principal (or Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(III) to the Relevant Date.

(iv) The provisions of Condition 4(II)(b) shall apply to each Hybrid Note during the Floating Rate Period as though references therein to Floating Rate Notes are references to Hybrid Notes.

(IV) Zero Coupon Notes

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note (determined in accordance with Condition 5(h)). As from the Maturity Date, the rate of interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 5(h)).

(V) Calculations

(a) Determination of Rate of Interest and Calculation of Interest Amounts

The Agent Bank will, as soon as practicable after the Relevant Time on each Interest Determination Date determine the Rate of Interest and calculate the amount of interest payable (the "**Interest Amounts**") in respect of each Calculation Amount of the relevant Floating Rate Notes, Variable Rate Notes or (where applicable) Hybrid Notes for the relevant Interest Period. The Interest Amounts in respect of any Floating Rate Note, Variable Rate Note or (where applicable) Hybrid Note shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Agent Bank shall (in the absence of manifest error) be final and binding upon all parties.

(b) Notification

The Agent Bank will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the relevant Paying Agent, the Trustee and the Issuer as soon as possible after their determination but in no event later than the fourth business day thereafter. In the case of Floating Rate Notes, the Issuer will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to Noteholders in accordance with Condition 15 as soon as possible after their determination. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period by reason of any Interest Payment Date not being a business day. If the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes become due and payable under Condition 9, the Rate of Interest and Interest Amounts payable in respect of the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest and Interest Amounts need to be made unless the Trustee requires otherwise.

(c) Determination or Calculation by the Trustee

If the Agent Bank does not at any material time determine or calculate the Rate of Interest for an Interest Period or any Interest Amount, the Trustee shall do so. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(d) Agent Bank and Reference Banks

The Issuer will procure that, so long as any Floating Rate Note, Variable Rate Note or Hybrid Note remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, so long as any Floating Rate Note, Variable Rate Note, Hybrid Note or Zero Coupon Note remains outstanding, there shall at all times be an Agent Bank. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Agent Bank is unable or unwilling to act as such or if the Agent Bank fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amounts, the Issuer will appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Agent Bank may not resign from its duties without a successor having been appointed as aforesaid.

5. Redemption and Purchase

(a) Final Redemption

Unless previously redeemed or purchased and cancelled as provided below, this Note will be redeemed at its Redemption Amount on the Maturity Date shown on its face (if this Note is shown on its face to be a Fixed Rate Note, Hybrid Note (during the Fixed Rate Period) or Zero Coupon Note) or on the Interest Payment Date falling in the Redemption Month shown on its face (if this Note is shown on its face to be a Floating Rate Note, Variable Rate Note or Hybrid Note (during the Floating Rate Period)).

(b) Purchase at the Option of Issuer

If so provided hereon, the Issuer shall have the option to purchase all or any of the Fixed Rate Notes, Floating Rate Notes, Variable Rate Notes or Hybrid Notes at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Noteholders shall be bound to sell such Notes to the Issuer accordingly. To exercise such option, the Issuer shall give irrevocable notice to the Noteholders within the Issuer's Purchase Option Period shown on the face hereof. Such Notes may be held, resold or surrendered to the Principal Paying Agent for cancellation. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9, 10 and 11.

In the case of a purchase of some only of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Notes to be purchased, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange (as defined in the Trust Deed), the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any purchase of such Notes.

(c) Purchase at the Option of Noteholders

(i) Each Noteholder shall have the option to have all or any of his Variable Rate Notes purchased by the Issuer at their Redemption Amount on any Interest Payment Date and the Issuer will purchase such Variable Rate Notes accordingly. To exercise such option, a Noteholder shall deposit any Variable Rate Notes to be purchased with the Principal Paying Agent at its specified office together with all Coupons relating to such Variable Rate Notes which mature after the date fixed for purchase, together with a duly completed option exercise notice in the form obtainable from the Principal Paying Agent within the Noteholders' VRN Purchase Option Period shown on the face hereof. Any Variable Rate Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Variable Rate Notes may be held, resold or surrendered to the Principal Paying Agent for cancellation. The Variable Rate Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9, 10 and 11.

(ii) If so provided hereon, each Noteholder shall have the option to have all or any of his Fixed Rate Notes, Floating Rate Notes or Hybrid Notes purchased by the Issuer at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Issuer will purchase such Notes accordingly. To exercise such option, a Noteholder shall deposit any Notes to be purchased with the Principal Paying Agent at its specified office together with all Coupons relating to such Notes which mature after the date fixed for purchase, together with a duly completed option exercise notice in the form obtainable from the Principal Paying Agent within the Noteholders' Purchase Option Period shown on the face hereof. Any Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Notes may be held, resold or surrendered to the Principal Paying Agent for cancellation. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9, 10 and 11.

(d) Redemption at the Option of the Issuer

If so provided hereon, the Issuer may, on giving irrevocable notice to the Noteholders falling within the Issuer's Redemption Option Period shown on the face hereof, redeem all or, if so provided, some of the Notes at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount, together with interest accrued to the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Notes to be redeemed, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange, the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any redemption of such Notes.

(e) Redemption at the Option of Noteholders

(i) If so provided hereon, the Issuer shall, at the option of the holder of any Note, redeem such Note on the date or dates so provided at its Redemption Amount, together with interest accrued to the date fixed for redemption. To exercise such option, the holder must deposit such Note (together with all unmatured Coupons) with the Principal Paying Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Principal Paying Agent or the Issuer (as applicable) within the Noteholders' Redemption Option Period shown on the face hereof. Any Note so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(ii) In the event that (1) the shares of the Issuer cease to be traded on the SGX-ST or (2) trading in the shares of the Issuer on the SGX-ST is suspended for a continuous period of more than 10 market days, the Issuer shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount, together with interest accrued to the date fixed for redemption on any date on which interest is due to be paid on such Notes or, if earlier, the date falling 45 days after the Effective Date. The Issuer shall within seven days after the Effective Date, give notice to the Trustee, the Principal Paying Agent and the Noteholders of the occurrence of the event specified in this paragraph (e)(ii) (provided that any failure by the Issuer to give such notice shall not prejudice any Noteholder of such option). To exercise such option, the holder must deposit such Note (together with all unmatured Coupons) with the Principal Paying Agent at its specified office, together with a duly completed exercise notice in the form obtainable from the Principal Paying Agent or the Issuer (as applicable), no later than 21 days after the Effective Date. Any Note so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

In this Condition 5(e)(ii),

(1) "**Effective Date**" means (where the shares of the Issuer cease to be traded on the SGX-ST) the date of cessation of trading or (where trading in the shares of the Issuer on the SGX-ST is suspended for a continuous period of more than 10 market days) the business day immediately following the expiry of such continuous period of 10 market days; and

(2) "**market day**" means a day on which the SGX-ST is open for securities trading.

(f) Redemption for Taxation Reasons

If so provided hereon, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition 6(f), the Issuer shall deliver to the Trustee (1) a certificate signed by a duly authorised signatory of the Issuer setting forth a statement of facts and stating that the obligation referred to in (i) above cannot be avoided by the Issuer taking reasonable measures available to it and (2) an opinion of independent legal, tax or any other professional advisers of recognised standing to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such change or amendment and the Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the condition precedent to the right of the Issuer so to redeem have occurred, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

(g) Purchases

The Issuer or any of its related corporations may at any time purchase Notes at any price (provided that they are purchased together with all unmatured Coupons relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives.

Notes purchased by the Issuer or any of its related corporations may be surrendered by the purchaser through the Issuer to the Principal Paying Agent for cancellation or may at the option of the Issuer or relevant subsidiary be held or resold.

For the purposes of these Conditions, "**directive**" includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

(h) Early Redemption of Zero Coupon Notes

(i) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or formula, upon redemption of such Note pursuant to Condition 5(f) or upon it becoming due and payable as provided in Condition 9, shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(ii) Subject to the provisions of sub-paragraph (iii) below, the Amortised Face Amount of any such Note shall be the scheduled Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(f) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 4(IV).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown on the face of the Note.

(i) Cancellation

All Notes purchased by or on behalf of the Issuer or any of its related corporations may be surrendered for cancellation by surrendering each such Note together with all unmatured Coupons to the Principal Paying Agent at its specified office and, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold.

6. Payments

(a) Principal and Interest

Payments of principal and interest in respect of the Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Notes or Coupons, as the case may be, at the specified office of the Principal Paying Agent by a cheque drawn in the currency in which payment is due on, or, at the option of the holders, by transfer to an account maintained by the holder in that currency with, a bank in the principal financial centre for that currency or, in relation to the Euro, a bank in the principal financial centre of any member state of the European Union.

(b) Payments subject to law etc.

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(c) Appointment of Agents

The Principal Paying Agent and the Non-CDP Paying Agent and their respective specified offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of the Principal Paying Agent, the Non-CDP Paying Agent or the Agent Bank and to appoint additional or other paying agents or non-CDP paying agents, provided that it will at all times maintain (i) a Paying Agent having a specified office in Singapore, (ii) a Non-CDP Paying Agent where the Conditions so require and (iii) an Agent Bank where the Conditions so require.

Notice of any such change or any change of any specified office will promptly be given to the Noteholders in accordance with Condition 15.

The Agency Agreement may be amended by the Issuer, the Paying Agents and the Trustee, without the consent of any Noteholder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer, the Paying Agents and the Trustee may mutually deem necessary or desirable and which does not, in the opinion of the Issuer, the Paying Agents and the Trustee, adversely affect the interests of the Noteholders.

(d) Unmatured Coupons

(i) Fixed Rate Notes and Hybrid Notes should be surrendered for payment together with all unmatured Coupons (if any) relating to such Notes (and, in the case of Hybrid Notes, relating to interest payable during the Fixed Rate Period), failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of five years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).

(ii) Subject to the provisions of the relevant Pricing Supplement upon the due date for redemption of any Floating Rate Note, Variable Rate Note or Hybrid Note, unmatured Coupons relating to such Note (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period) (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Where any Floating Rate Note, Variable Rate Note or Hybrid Note is presented for redemption without all unmatured Coupons relating to it (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period), redemption shall be made only against the provision of such indemnity as the Issuer may require.

(iv) If the due date for redemption or repayment of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Note.

(e) Non-business days

Subject as provided in the relevant Pricing Supplement or subject as otherwise provided in these Conditions, if any date for the payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further interest or other payment in respect of any such delay.

(f) Default Interest

If on or after the due date for payment of any sum in respect of the Notes, payment of all or any part of such sum is not made against due presentation of the Notes or, as the case may be, the Coupons, the Issuer shall pay interest on the amount so unpaid from such due date up to the day of actual receipt by the relevant Noteholders or, as the case may be, Couponholders (as well after as before judgment) at a rate per annum determined by the Principal Paying Agent to be equal to two per cent. per annum above (in the case of a Fixed Rate Note or a Hybrid Note during the Fixed Rate Period) the Interest Rate applicable to such Note, (in the case of a Floating Rate Note or a Hybrid Note during the Floating Rate Period) the Rate of Interest applicable to such Note or (in the case of a Variable Rate Note) the variable rate by which the Agreed Yield applicable to such Note is determined or, as the case may be, the Rate of Interest applicable to such Note, or in the case of a Zero Coupon Note, as provided for in the relevant Pricing Supplement. So long as the default continues then such rate shall be re-calculated on the same basis at intervals of such duration as the Principal Paying Agent may select, save that the amount of unpaid interest at the above rate accruing during the preceding such period shall be added to the amount in respect of which the Issuer is in default and itself bear interest accordingly. Interest at the rate(s) determined in accordance with this paragraph shall be calculated on the Day Count Fraction shown on the face of the Note and the actual number of days elapsed, shall accrue on a daily basis and shall be immediately due and payable by the Issuer.

7. Taxation

All payments in respect of the Notes and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:

(a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with Singapore otherwise than by reason only of the holding of such Note or Coupon or the receipt of any sums due in respect of such Note or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore);

(b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or

(c) by or on behalf of a holder who would be able to lawfully avoid (but has not so avoided) such deduction or withholding by making a declaration or any other statement including, but not limited to, a declaration of residence or non-residence, but fails to do so.

As used in these Conditions, "**Relevant Date**" in respect of any Note or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Noteholders in accordance with Condition 15 that, upon further presentation of the Note or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Redemption Amounts, Early Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 5, "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 and any reference to "**principal**" and/or "**premium**" and/or "**Redemption Amounts**" and/or "**interest**" and/or "**Early Redemption Amounts**" shall be deemed to include any additional amounts which may be payable under these Conditions.

8. Prescription

The Notes and Coupons shall become void unless presented for payment within five years from the appropriate Relevant Date for payment.

9. Events of Default

If any of the following events ("**Events of Default**") occurs the Trustee at its discretion may, and if so requested by holders of at least 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, give notice to the Issuer that the Notes are immediately repayable, whereupon the Redemption Amount of such Notes or (in the case of Zero Coupon Notes) the Early Redemption Amount of such Notes together with accrued interest to the date of payment shall become immediately due and payable:

(a) the Issuer does not pay any principal payable by it under any of the Notes when due or any interest payable by it under any of the Notes within five business days of its due date, in each case at the place at and in the currency in which it is expressed to be payable;

(b) the Issuer does not perform or comply with any one or more of its obligations (other than the payment obligation of the Issuer referred to in paragraph (a)) under any of the Issue Documents (as defined in the Trust Deed) or any of the Notes and, if that default is capable of remedy, it is not remedied within 21 days after notice of such default shall have been given by the Trustee to the Issuer;

(c) any representation, warranty or statement by the Issuer in any of the Issue Documents or any of the Notes or in any document delivered under any of the Issue Documents or any of the Notes is not complied with in any respect or is or proves to have been incorrect in any respect when made or deemed repeated and, if the event resulting in such non-compliance or incorrectness is capable of remedy, it is not remedied within 21 days after notice of such non-compliance or incorrectness shall have been given by the Trustee to the Issuer;

(d) (i) any other indebtedness of the Issuer or any of its Principal Subsidiaries in respect of borrowed moneys is or is declared to be or is capable of being rendered due and payable prior to its stated maturity by reason of any actual default, event of default or the like (however described) or is not paid when due within any originally applicable grace period in any agreement in relation to that indebtedness or, as a result of any actual default, event of default or the like (however described), any facility relating to any such indebtedness is or is declared to be or is capable of being cancelled or terminated before its normal expiry date or any person otherwise entitled to use any such facility is not so entitled; or

(ii) the Issuer or any of its Principal Subsidiaries fails to pay when properly called upon to do so any guarantee of indebtedness for borrowed moneys;

provided however that no Event of Default will occur under this paragraph (d) unless and until the aggregate amount of the indebtedness in respect of which one or more of the events mentioned above in this paragraph (d) has/have occurred equals or exceeds S$10,000,000 (or its equivalent in other currency or currencies);

(e) the Issuer or any of its Principal Subsidiaries (i) is (or is deemed by law or a court to be) insolvent or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or any part of (or of a particular type of) its indebtedness, (ii) (by reason of actual or anticipated financial difficulty) begins negotiations or takes any other step with a view to the deferral, rescheduling or other readjustment of all or any material part of (or of a particular type of) its indebtedness (or of any part which it will or might otherwise be unable to pay when due) or (iii) proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors or a moratorium is agreed or declared in respect of all or any material part of (or of a particular type of) the indebtedness of the Issuer or any of its Principal Subsidiaries;

(f) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any part of the property, assets or revenues of the Issuer or any of its Principal Subsidiaries and is not discharged or stayed within 21 days and, in the case of a Principal Subsidiary only, where such event has or is likely to have a material adverse effect on the Issuer;

(g) any security on or over the whole or any material part of the assets of the Issuer or any of its Principal Subsidiaries becomes enforceable or any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) and, in the case of a Principal Subsidiary only, where such event has or is likely to have a material adverse effect on the Issuer;

(h) any application is made, meeting is convened, order is made or effective resolution is passed for the winding-up or dissolution of the Issuer or any of its Principal Subsidiaries (except (i) for the purpose of and followed by a reconstruction, amalgamation, merger, consolidation or reorganisation on terms approved by an Extraordinary Resolution of the Noteholders before that event occurs or (ii) in the case of a Principal Subsidiary only, where such winding-up or dissolution does not involve insolvency and does not have a material adverse effect on the Issuer) or for the appointment of a liquidator (including a provisional liquidator), receiver, judicial manager, trustee, administrator, agent or similar officer of the Issuer or any of its Principal Subsidiaries or over the whole or any material part of the property or assets of the Issuer or any of its Principal Subsidiaries;

(i) the Issuer or any of its Principal Subsidiaries ceases or threatens to cease to carry on all or any material part of its business (except (i) for the purposes of any reconstruction, amalgamation, merger, consolidation or reorganisation on terms approved by an Extraordinary Resolution of the Noteholders before that event occurs or (ii) (in the case of a Principal Subsidiary only) where such winding up does not involve insolvency, such Principal Subsidiary is able to pay all of its creditors in full and such event does not have a material adverse effect on the Issuer) or, save as permitted by Clause 15.26 of the Trust Deed, disposes or threatens to dispose of the whole or any material part of its property or assets;

(j) any step is taken by any person acting under the authority of any national, regional or local government with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or any material part of the assets of the Issuer or any of its Principal Subsidiaries;

(k) any action, condition or thing (including the obtaining of any necessary consent) at any time required to be taken, fulfilled or done for any of the purposes stated in Clause 14.3 of the Trust Deed is not taken, fulfilled or done, or any such consent ceases to be in full force and effect without modification or any condition in or relating to any such consent is not complied with (unless that consent or condition is no longer required or applicable);

(l) it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Issue Documents or any of the Notes;

(m) any of the Issue Documents or any of the Notes ceases for any reason (or is claimed by the Issuer not) to be the legal and valid obligations of the Issuer, binding upon it in accordance with its terms;

(n) any litigation, arbitration or administrative proceeding (other than those of a frivolous or vexatious nature or those which are being contested in good faith and by appropriate proceedings) is current or pending against the Issuer or any of its Principal Subsidiaries (i) to restrain the exercise of any of the rights and/or the performance or enforcement of or compliance with any of the obligations of the Issuer under any of the Issue Documents or any of the Notes or (ii) which has or could have a material adverse effect on the Issuer;

(o) any event occurs which, under the law of any relevant jurisdiction, has an analogous or equivalent effect to any of the events mentioned in paragraph (e), (f), (g), (h) or (j); and

(p) the Issuer or any of its subsidiaries is declared by the Minister of Finance to be a declared company under the provisions of Part IX of the Companies Act, Chapter 50 of Singapore.

In these Conditions,

(1) "**Principal Subsidiary**" means any subsidiary of the Issuer:

(A) whose profits before tax, as shown by the accounts (consolidated in the case of a subsidiary which itself has subsidiaries) of such subsidiary, based upon which the latest audited consolidated accounts of the Group have been prepared, are at least 5 per cent. of the consolidated profits before tax of the Group as shown by such audited consolidated accounts; or

(B) whose total assets, as shown by the accounts of such subsidiary (consolidated in the case of a subsidiary which itself has subsidiaries) of such subsidiary, based upon which the latest audited consolidated accounts of the Group have been prepared, are at least 5 per cent. of the total assets of the Group as shown by such audited consolidated accounts,

provided that if any such subsidiary (the "**transferor**") shall at any time transfer the whole or any part of its business, undertaking or assets to another subsidiary or the Issuer (the "**transferee**") then:

(aa) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary; and

(bb) if part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary.

Any subsidiary which becomes a Principal Subsidiary by virtue of (aa) above or which remains or becomes a Principal Subsidiary by virtue of (bb) above shall continue to be a Principal Subsidiary until the date of issue of the first audited consolidated accounts of the Group prepared as at a date later than the date of the relevant transfer which show the profits before tax or (as the case may be) total assets as shown by the accounts (consolidated in the case of a subsidiary which itself has subsidiaries) of such subsidiary, based upon which such audited consolidated accounts have been prepared, to be less than 5 per cent. of the consolidated profits before tax or (as the case may be) total assets of the Group, as shown by such audited consolidated accounts. A report by the Auditors (as defined in the Trust Deed), who shall also be responsible for producing any pro-forma accounts required for the above purposes, that in their opinion a subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive; and

(2) "**subsidiary**" has the meaning ascribed to it in Section 5 of the Companies Act, Chapter 50 of Singapore.

10. Enforcement of Rights

At any time after an Event of Default has occurred or after the Notes shall have become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce repayment of the Notes, together with accrued interest, and to enforce the provisions of the Issue Documents but it shall not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by Noteholders holding not less than 25 per cent. in principal amount of the Notes outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing.

11. Meeting of Noteholders and Modifications

The Trust Deed contains provisions for convening meetings of Noteholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Notes of such Series (including these Conditions insofar as the same may apply to such Notes) or any of the provisions of the Trust Deed.

The Trustee or the Issuer at any time may, and the Trustee upon the request in writing by Noteholders holding not less than one-tenth of the principal amount of the Notes of any Series for the time being outstanding and after being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses shall, convene a meeting of the Noteholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of maturity or redemption of the Notes of the relevant Series or any date for payment of interest or Interest Amounts on the Notes of the relevant Series, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Notes of the relevant Series, (c) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates of interest or the basis for calculating any Interest Amount in respect of the Notes of the relevant Series, (d) to vary any method of, or basis for, calculating the Redemption Amount or the Early Redemption Amount including the method of calculating the Amortised Face Amount of the Notes of the relevant Series, (e) to vary the currency or currencies of payment or denomination of the Notes, (f) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (g) to modify the provisions concerning the quorum required at any meeting of Noteholders of the relevant Series or the majority required to pass the Extraordinary Resolution, will only be binding if passed at a meeting of the Noteholders of the relevant Series (or at any adjournment thereof) at which a special quorum (as provided for in the Trust Deed) is present.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed which in the opinion of the Trustee is of a formal, minor or technical nature, is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear, Clearstream, Luxembourg, the Depository and/or any other clearing system in which the Notes may be held and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification, authorisation or waiver shall be notified to the Noteholders as soon as practicable.

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders.

These Conditions may be amended, modified, or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

12. Replacement of Notes and Coupons

If a Note or Coupon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations at the specified office of the Principal Paying Agent, or at the specified office of such other Principal Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 15, on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, undertaking, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note or Coupon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note or Coupon) and otherwise as the Issuer may require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

13. Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes of any Series and so that the same shall be consolidated and form a single Series with such Notes, and references in these Conditions to "**Notes**" shall be construed accordingly.

14. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling the Trustee or any corporation related to it to enter into business transactions with the Issuer or any of its related corporations without accounting to the Noteholders or Couponholders for any profit resulting from such transactions.

Each Noteholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility for the same and each Noteholder shall not rely on the Trustee in respect thereof.

15. Notices

Notices to the holders will be valid if published in a daily newspaper of general circulation in Singapore (or, if the holders of any Series of Notes can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication will be made in The Business Times. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders in accordance with this Condition 15.

Until such time as any Definitive Notes are issued, there may, so long as the Global Note(s) is or are held in its or their entirety on behalf of Euroclear, Clearstream, Luxembourg and/or the Depository, be substituted for such publication in such newspapers the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and/or (subject to the agreement of the Depository) the Depository for communication by it to the Noteholders, except that if the Notes are listed on the SGX-ST and the rules of such exchange so require, notice will in any event be published in accordance with the previous paragraph. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg and/or the Depository.

Notices to be given by any Noteholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Principal Paying Agent or Non-CDP Paying Agent. Whilst the Notes are represented by a Global Note, such notice may be given by any Noteholder to the Principal Paying Agent or, as the case may be, the Non-CDP Paying Agent through Euroclear, Clearstream, Luxembourg and/or the Depository in such manner as the Principal Paying Agent or, as the case may be, the Non-CDP Paying Agent and Euroclear, Clearstream, Luxembourg and/or the Depository may approve for this purpose.

Notwithstanding the other provisions of this Condition, in any case where the identity and addresses of all the Noteholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.

16. Governing Law and Jurisdiction

(a) Governing Law

The Trust Deed, the Notes and the Coupons are governed by, and shall be construed in accordance with, the laws of Singapore.

(b) Jurisdiction

The courts of Singapore are to have jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed, the Notes or the Coupons and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, the Notes or the Coupons may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

(c) No Immunity

The Issuer agrees that in any legal action or proceedings arising out of or in connection with the Trust Deed, the Notes and the Coupons against it or any of its assets, no immunity from such legal action or proceedings (which shall include, without limitation, suit, attachment prior to award, other attachment, the obtaining of an award, judgment, execution or other enforcement) shall be claimed by or on behalf of the Issuer or with respect to any of its assets and irrevocably waives any such right of immunity which it or any of its assets now have or may hereafter acquire or which may be attributed to it or any of its assets and consent generally in respect of any such legal action or proceedings to the giving of any relief or the issue of any process in connection with such action or proceedings including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order, award or judgment which may be made or given in such action or proceedings.

17. Contracts (Rights of Third Parties) Act

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

RISK FACTORS

Prior to making an investment or divestment decision, prospective investors in or existing Noteholders should carefully consider all the information set forth in this Information Memorandum including the risk factors set out below. The risk factors set out below do not purport to be complete or comprehensive of all the risk factors that may be involved in the business, financial condition, results of operations or prospects of the Issuer and its subsidiaries or the properties owned by the Group or any decision to purchase, own or dispose of the Notes. Additional risk factors which the Issuer is currently unaware of may also impair its and/or the Group's business, financial condition, results of operations or prospects. If any of the following risk factors develops into actual events, the business, financial condition, results of operations or prospects of the Issuer and/or the Group could be materially and adversely affected. In such cases, the ability of the Issuer to comply with its obligations under the Trust Deed and the Notes may be adversely affected. Further, the market price of the Notes could decline, and investors may lose all or part of their investments in the Notes. The risk factors discussed below also include forward-looking statements and the Issuer's and the Group's actual results may differ substantially from those discussed in these forward-looking statements. Sub-headings are for convenience only and risk factors that appear under a particular sub-heading may also apply to one or more other sub-headings.

Limitations of this Information Memorandum

This Information Memorandum does not purport to nor does it contain all information that a prospective investor in or existing holder of the Notes may require in investigating the Issuer or the Group.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the Notes (or any part thereof) is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Arranger or any of the Dealers that any recipient of this Information Memorandum or any such other document or information (or such part thereof) should subscribe for or purchase or sell any of the Notes.

This Information Memorandum is not, and does not purport to be, investment advice. A prospective investor should make an investment in the Notes only after it has determined that such investment is suitable for its investment objectives. Determining whether an investment in the Notes is suitable is a prospective investor's responsibility, even if the investor has received information to assist it in making such a determination. Each person receiving this Information Memorandum acknowledges that such person has not relied on the Issuer, its subsidiaries or associated companies (if any) or joint venture companies (if any), the Arranger, any of the Dealers or any person affiliated with each of them in connection with its investigation of the accuracy or completeness of the information contained herein or of any additional information considered by it to be necessary in connection with its investment or divestment decision. Any recipient of this Information Memorandum contemplating subscribing for or purchasing or selling any of the Notes should determine for itself the relevance of the information contained in this Information Memorandum and any such other document or information (or any part thereof) and its investment or divestment should be, and will be deemed to be, based solely upon its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer, its subsidiaries, associated companies (if any) and joint venture companies (if any), the terms and conditions of the Notes and any other factors relevant to its decision, including the merits and risks involved. A prospective investor should consult with its legal, tax and financial advisers prior to deciding to make an investment in the Notes.

Risks Relating to the Group's Business and Operations

The Issuer's charter rates and its ability to charter its vessels and rigs are dependent on the supply and demand for various marine offshore services or oil and gas services in the markets in which it operates.

Charter rates for offshore support vessels or rigs in the markets in which the Issuer operates is a function of the supply of and demand for vessels or rigs in such markets. Charter rates may also be affected by conditions such as trade, environmental and weather conditions as well as political situations in the countries where the operations of the Group's customers are located.

Excess vessel supply or rigs in the marine offshore services industry or the oil and gas industry may be caused by, among other factors, an increased order book for new vessels or rigs, the completion and delivery of newly built vessels or rigs, the mobilisation of existing vessels or rigs from one market to other markets and the use of vessels or rigs specialised for one activity in another activity. There may be a large number of vessels or rigs currently under construction and industry participants may have placed a large number of orders for new vessels or rigs to be delivered over the next few years. The Issuer may be subject to increased competition from new vessels or rigs mobilising into regions in which it operates. Any increase in the availability or the supply of offshore support vessels or rigs in the markets in which the Issuer operates would increase competition for charters and result in lower charter rates and vessel or rig utilisation ratios, and may also affect the Issuer's ability to charter out its vessels or rigs. This would adversely affect its operating margins and, in turn, its business, financial conditions, results of operation and prospects.

The Group's rigs are subject to long-term fixed-rate bareboat charters of up to seven years. Due to the volatility of charter hire rates, the Group cannot be certain that it will be able to re-charter its rigs at the same or higher rates, or at all, when its existing charters expire. Further, due to the long-term nature of the Group's rig charters, the Group may be faced with having to re-charter its rigs at the bottom of the pricing cycle as the price that the Group may charge on the chartering of its rigs will be subject to the demand and supply of similar assets in the market, and the Group cannot be certain that it will be able to charter its rigs at suitable rates, or at all. Demand for rigs is directly related to the regional and worldwide levels of exploration and development spending by oil and gas companies, which is beyond the control of the Group. Exploration and development spending may fluctuate substantially from year to year and from region to region. It is time consuming to move rigs between geographical areas. Accordingly, as demand changes in a particular market, the supply of rigs may not adjust quickly, and therefore the utilisation of rigs could fluctuate significantly. Certain events, such as the limited availability of insurance for certain perils in some geographical areas, rig loss or damage due to accidents or weather conditions, and other operational events may impact the supply of rigs in a particular market and cause rapid fluctuations in demand and utilisation. Periods of decreased demand and excess rig supply may require the Group to idle rigs or to enter into lower rate contracts or contracts with less favourable terms. Correspondingly, the Group may not be able to take advantage of charter rates at the peak of the pricing cycle.

The Issuer's business, financial condition, results of operations and prospects may be adversely affected by its inability to select or negotiate favourable charter contract terms and the failure to utilise its fleet at profitable levels.

The Issuer's charter contracts with its customers are non-exclusive and cease upon the expiry dates of the initial charter term, although in some instances, charterers may have sole discretion as to whether they wish to extend the charter contracts following expiration of the initial charter term on the same rates and conditions. The Issuer's customers may not renew their charter contracts with it or continue to engage its services. In addition, the Issuer's customers may terminate its services prematurely by giving it notice in accordance with the terms of the contract or upon the occurrence or non-occurrence of certain events. There is no assurance that the Issuer will be successful in entering into new charter contracts for its vessels in the future. The Issuer's ability to charter out vessels or rigs and re-charter vessels or rigs, and the charter rate under any renewal or replacement charter, depend upon, among other things, the prevailing availability of charters and economic conditions in the market at that time.

Although the Issuer generally endeavours to obtain favourable terms in contracts for its vessels or rigs, demand and market conditions at the time of negotiating contracts for use of its vessels or rigs may result in it having to accept less favourable terms. In addition, most of the Issuer's contracts are awarded through a competitive bidding process, which limits its ability to negotiate contractual terms with its customers. In some instances, the Issuer may also be required to use customer-specific standard forms of charter which may further affect its ability to negotiate such contractual terms.

The Group's charter contracts may be terminated upon the occurrence of certain events.

Typical terms for the Group's charter contracts may vary from less than one month to a few years. However, these charter contracts may be prematurely terminated upon the occurrence of certain events. Events of termination vary for each charter contract and include poor or non-performance by the Group, events of force majeure, war, loss or seizure of the vessels or rigs, unavailability of the vessels or rigs due to any reason whatsoever for specified periods of time (including but not limited to compulsory acquisition of its vessels or rigs or requisition for title by any governmental or competent authority), cessation or abandonment of drilling operations by the charterer or upon notice of termination being given by the charterer for any reason whatsoever. Further, the charter rates payable under the charter contracts may be reduced or suspended due to various reasons that vary with each charter contract. Such reasons include poor or non-performance by the Group, the lay-up of the vessels at the charterer's option, request for suspension by the charterer, loss or seizure of the vessels or rigs, events of force majeure or any other reasons which render the vessels or rigs unavailable for deployment for specified periods of time.

In the event of any improvement, structural changes or new equipment becoming necessary for the continued operation of its vessels or rigs by reason of new class requirements or by compulsory legislation costings, the charter may be varied in accordance with the terms of the charter agreement. Further, the charter rates payable under the charter contracts may be reduced or suspended due to various reasons such as work stoppage by the officers or crew members of the vessels or rigs, breakdown of machinery, breakdown of hull or other accidents to the vessels or rigs or any other reasons which render the vessels or rigs unavailable for deployment for specified periods of time. If any such events were to occur, the Group's revenue would be reduced and its business, financial condition, results of operations and prospects would be materially and adversely affected.

In addition, if for any reason the Group is not able to re-deploy its offshore support vessels for a period of time upon expiry or early termination of the existing charter contracts, or if negotiations over the terms of the charter contracts are protracted, or if the charter contracts are renewed at less favourable terms, or if it is unable to secure any charter contracts for its new vessels, the Group's business, financial condition, results of operations and prospects would be materially and adversely affected.

The Group's operations will be materially and adversely affected if there is any significant downtime of vessels or equipment.

Any prolonged and significant downtime of the Group's vessels or equipment may cause major disruptions to its operations. This may be so when the Group operates at or close to maximum capacity and such vessels or equipment have to be sent for extensive servicing or repair instead of being used for operations. If the Group is affected by such prolonged and significant downtime of its vessels or equipment, the Group's business, financial condition, results of operations and prospects will be materially and adversely affected. Further, any major disruption to the Group's operations due to uncontrollable external factors such as fire or other calamity could materially and adversely affect its business, financial condition, results of operations and prospects.

The Group's future growth may be limited by its vessel capacity.

The Group's growth may be constrained by the capacity of its vessels in terms of engine horsepower, type of equipment on board the vessels and its ability to perform certain tasks and the physical dimensions of barges. If the Group's vessel capacity is not able to meet the requirements of its existing and potential customers, some of them may charter vessels from the Group's competitors with a fleet of vessels having a wider range of capacities, and this may cause the Group to lose some customers and have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group depends on its key personnel for its business, continued growth and success.

The Group's continued success is dependent on its ability to retain the services of its key management and operational personnel. The loss of their services without adequate replacement or the Group's inability to attract and retain qualified personnel will adversely affect its operations. The loss of any of the Group's key executives will have a material adverse effect on the Group's business, financial condition, results of operations and prospects as such executives are instrumental in formulating its corporate strategies, managing the business including marketing and overseeing the daily operations. The Group has not purchased any key-man insurance on its key executives.

The Group's growth plans also require it to hire new and experienced personnel to sustain its growth. If the Group is unable to hire and/or retain the services of suitable personnel, its growth may be hindered.

Foreign exchange rate fluctuations may have a significant adverse impact on the Group's business, financial condition, results of operations and prospects.

A significant portion of the Group's revenue and costs of sale is, and will continue to be, denominated in foreign currencies, primarily the U.S. dollar. In 2013, 93.4% of the Group's revenue was denominated in U.S. dollars.

The Group's foreign exchange risk arises mainly from the mismatch between the currency of its receipts and payments. To the extent that the Group's receipts and payments are not matched in the same currency, it may be susceptible to foreign exchange exposure. For example, any significant depreciation in the foreign exchange rate of the U.S. dollar against the Singapore dollar could result in the Group incurring net foreign exchange losses. The Group currently does not have any formal policy to hedge its foreign currency exchange exposure although it may enter into foreign currency forward contracts, where necessary, to hedge its exposure to foreign currency fluctuations. However, there is no assurance that the Group will be able to successfully hedge all foreign currency exposures.

In addition, the Group has various financial assets and liabilities denominated in foreign currencies, principally U.S. dollars. As of 31 December 2013, the Group had outstanding U.S. dollar-denominated trade and other receivables amounting to $28.2 million and U.S. dollar-denominated other assets (principally advances to shipbuilders) amounting to $37.6 million. In addition, as of 31 December 2013, the Group had outstanding U.S. dollar-denominated trade and other payables of $26.9 million and U.S. dollar-denominated borrowings of $32.0 million. Therefore, any depreciation in the Singapore dollar against the U.S. dollar would decrease the value of the Group's assets and increase the Group's liabilities in Singapore dollar terms.

In 2013, a 5% increase or decrease in the value of the U.S. dollar against the Singapore dollar would have had a $0.5 million increase or decrease, respectively, in the Group's profit after tax.

The Group may change the functional and reporting currency of its financial statements.

In addition, the functional currency and reporting currency of the Group may be changed from Singapore dollars to U.S. dollars with effect from current or future accounting periods. Accordingly, the consolidated financial statements of the Group for the applicable comparable period will need to be restated and presented in U.S. dollars. See the section "*Selected Consolidated Financial Information—Potential Change in Functional and Reporting Currency*" for further details. As a result, the Group's financial statements following the change in functional and reporting currency may not be fully comparable with the Group's historical financial statements.

The capital intensive nature of the Group's business exposes it to liquidity risks.

Vessels

The Issuer operates in a capital intensive industry, which requires substantial levels of funding. The Issuer continually renews and expands its fleet to optimise the number and mix of vessels within its fleet in response to changes in the market as well as to maintain or improve the average age of its existing fleet. As of 30 June 2014, the Issuer has a fleet of 33 offshore support vessels. See the section entitled "*Business—Vessel Chartering Business*" for further details. These require significant capital expenditure (being capital expenditure incurred mainly with respect to the acquisition of new vessels and maintenance of existing vessels). The Issuer's long-term capital requirements may increase significantly in the future, which may require it to raise more capital or incur additional indebtedness, which it may not be able to obtain. See the section "*—The Group may face limited availability of funds and may be subject to financing and other related risks*" for further details. Any increase in the Issuer's indebtedness may also result in increased interest costs.

The Issuer's maintenance-related expenditure includes the cost of repairs, surveys, dry-docking and modifying existing vessels to the extent that such expenditure is incurred to maintain or upgrade the operating capacity or capability of its fleet. The Issuer's vessels are docked periodically for repairs and renewals of class certifications. Vessels may also need to be docked in the event of accidents or other unforeseen damage. The Issuer's maintenance-related expenditure may increase as a result of a variety of factors, including:

- increases in the cost of labour, materials and spare parts;
- changes in customer requirements;
- an increase in the size of its fleet;
- technical developments for equipment;
- defects and deficiencies of the vessels;
- changes in governmental regulations and maritime self-regulatory organisation standards relating to safety, security or the environment; and
- changes in competitive standards.

There is no assurance that the Issuer will have sufficient capital resources, including, among others, cash on hand, cash flow from operations and available borrowings under its credit facilities, to build, acquire, modify and repair its vessels and equipment required to expand or to maintain its current fleet size and configuration. See the section "*—The Group may face limited availability of funds and may be subject to financing and other related risks*" for further details. If the Issuer is unable to raise adequate capital in a timely manner and on acceptable terms, or at all, its business, financial condition and results of operations and prospects could be adversely affected.

Rigs

The expansion and development of the Group's rig chartering business may require significant additional capital. In particular, substantial additional funds are required if the Group wishes to expand its fleet of rigs through building new rigs or by acquiring new or used rigs. Failure to raise the required capital in the future on acceptable terms, or at all, will limit the Group's expansion and growth which, in turn, may affect its ability to compete. In addition, the Group's rigs are dry docked periodically for regulatory compliance and provide for repairs and maintenance services. The dry dockings are subject to the risks of delay and cost overruns inherent in any project, due to a number of factors:

- increases in the cost of labour, materials and spare parts;
- shortages or delays in the provision of equipment, material or skilled labour;
- the shipyard's refusal to fulfil its contractual obligations;
- quality or engineering problems;
- lack of raw materials;
- weather interference or catastrophic events, such as a major earthquake or fire;
- requests for changes to the original rig specifications;
- difficulties in fulfilling necessary classification society requirements;
- changes in technical developments for chartered rigs;
- defects and deficiencies of the rigs; and

- changes in governmental regulations and maritime self-regulatory organisation standards relating to safety, security or the environment.

The Group cannot provide any assurance that it will have sufficient capital resources, including, among others, cash on hand, cash flow from operations and available borrowings under its credit facilities, to build, acquire, modify and repair its rigs and equipment required to expand or to maintain its current fleet size and configuration. See the section "*—The Group may face limited availability of funds and may be subject to financing and other related risks*" for further details.

The Group may face limited availability of funds and may be subject to financing and other related risks.

Globally, the financial markets and economic conditions have been volatile and have faced disruption in recent years. It has generally been difficult to obtain financing and the cost of any available financing has increased significantly due to the exceedingly distressed debt and equity markets. If there is significant deterioration of global financial markets and economic conditions in the future, the Group may be unable to obtain adequate funding under its present credit facilities due to the reluctance or the inability of lenders to meet funding obligations, market disruption events or increased costs, which may lead to an inability to obtain funds at the interest rate agreed in its credit facilities. Such deterioration may also cause lenders to be unwilling to provide the Group with new financing to the extent required to fund its ongoing operations and growth. Moreover, it is possible that the Group's ability to access the capital and credit markets may be limited at a time when it would like or need to do so, which could have a material adverse effect on the Group's ability to grow its business, refinance maturing debt, pay distributions, secure or maintain credit ratings, or react to changing economic and business conditions. In addition, the terms of any other indebtedness incurred by the Group may restrict its ability to incur additional debt. These factors may hinder the Group's ability to access financing or result in increased financing costs.

The Group may not have sufficient capital resources, including, among others, cash on hand, cash flow from operations and available borrowings under its credit facilities, to build, acquire, modify and repair its vessels, rigs and equipment required to expand or to maintain its current fleet size and configuration. If financing or refinancing is not available when needed, or is available only on unfavourable or more expensive terms, the Group may be unable to meet its obligations as they come due, or be unable to undertake or complete its fleet renewal programme, implement growth strategies, complete acquisitions or otherwise take advantage of business opportunities or respond to competitive pressures, any of which could harm its business, financial condition, results of operations and prospects. See the section "*—The capital intensive nature of the Group's business exposes it to liquidity risks*" for further details.

Any market slowdown may adversely and significantly increase the costs of such borrowing.

It is anticipated that the Group's working capital requirements may be met, *inter alia*, by the Group incurring additional bank borrowings. As such, any significant increase in interest rates would adversely affect the Group's business, financial condition, results of operations and prospects. The Group's bank borrowings typically incur interest at floating interest rates which are generally pegged to SIBOR or LIBOR (as the case may be). The interest rates which the Group will be charged may vary according to prevailing market interest rates. If the Group fails to provide adequately for increasing interest expense, its business, financial condition, results of operations and prospects may be materially and adversely affected.

Moreover, such financing may also be accompanied by conditions. These conditions may limit the Group's ability to pay dividends or require it to seek the relevant lender's consent for payment of dividends, or restrict the Group's freedom to operate by requiring the relevant lender's consent for certain corporate actions.

In addition, the Group cannot ensure that its profitability will increase significantly or that it will not incur losses after its capital investment due to a potential increase in its operating and financing costs incurred to finance the Group's growth and expansion or a lower than expected increase in turnover. This increase in operating and financing costs without a corresponding increase in turnover will have a negative impact on the Group's results of operations. If any of the above events materialises, the Group's business, financial condition, results of operations and prospects would be materially and adversely affected.

The Group may incur significant capital expenditures in connection with its future plans, but may not achieve a corresponding increase in revenue.

The acquisition of additional vessels and rigs is capital intensive. In order to be competitive, the Group may have to continually expand and review its fleet, which involves substantial capital expenditures. The Group's ability to fund capital expenditures in the future will depend upon its future operating performance, which is subject to prevailing economic conditions, levels of interest rates and financial, business and other factors, many of which are beyond the Group's control, and upon its ability to obtain additional external financing. In addition, there can be no assurance that the Group's profitability will increase significantly or that the Group will not incur losses after its capital investment due to a potential increase in its operating and financing costs incurred to finance the business' growth and expansion or a lower than expected increase in revenue. This increase in operating and financing costs without a corresponding increase in turnover will have a negative impact on the Group's results or operations. Also, if any additional vessels or rigs are ordered directly from shipyards, any pre-delivery instalment payments would have to be made in advance of increased revenue. However, no assurance can be given that the Group's revenue will increase after the delivery of these vessels. The Group's failure to increase its revenue after such capital expenditures could reduce its profitability and adversely impact its business, financial condition, results of operations and prospects.

The Group's business is sensitive to rises and falls in fuel prices.

The Group's fuel costs in 2011, 2012 and 2013, and in the six months ended 30 June 2014, accounted for 16.8%, 12.5%, 11.0% and 13.9% respectively, of the Group's cost of sales of the vessel chartering business. There is no assurance that the Group will be able to fully pass on any increase in the fuel costs to its customers except for its vessels on time-charter. Thus, the Group may have to absorb any such increase in fuel costs to maintain its competitiveness. In such a case, the Group's operational expenses will increase and its profitability will be adversely affected.

The Group is dependent on third parties for the supply of materials and equipment.

In undertaking ship repair projects, the Group procures materials and equipment for its customers from third-party suppliers. Depending on the specifications of the Group's customers, it is at times required to acquire specialised materials and equipment. Some of these specialised materials and equipment may be sourced only from a single or a limited number of suppliers. If such suppliers are unable to supply the required materials and equipment on time and the Group is unable to obtain such materials and equipment from alternate suppliers, the Group's operations and delivery to its customers may be delayed and result in the Group having to pay financial penalties, which may have a material adverse effect on the Group's business, financial condition, results of operations and prospects. The Group also bears the risk of price increases associated with factors such as potential shortages in the availability of materials and equipment and increases in operational costs of such materials and equipment. If the Group is not able to pass on any significant price increases to its customers or source for alternate supplies, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

The Group depends on the performance by its suppliers and contractors of their contractual obligations.

As part of its business, the Group may depend on its suppliers and contractors for timely delivery of materials, equipment and services. In its ship repair and maintenance business, the Group may outsource jobs such as fabrication works, blasting, painting, electrical and piping works to contractors. In its vessel chartering business, the Group also outsources jobs such as equipment servicing to contractors. Therefore, the Group may face the risk of its suppliers or contractors not being able to deliver on time and/or non-delivery of materials, equipment and services. If the Group is unable to find an alternative supplier or contractor, this may affect its obligations to its customers. In addition, if the Group's contractors default on their contractual obligations and work specifications, the Group may not be able to perform its services to its customers in accordance with quality and/or timing specifications. In such circumstances, the Group's business, financial condition, results of operations and prospects may be adversely affected.

The Group may be exposed to liabilities for accidents occurring to workers hired by its contractors.

The Group's contractors are required to provide insurance coverage for all their workers deployed in the Group's yards and vessels. However, if a contractor fails and/or neglects to provide such insurance, or if such insurance cover is inadequate to cover the Group's liabilities, the Group may be liable for claims arising from any accidents occurring to these workers. Consequently, the Group's business, financial condition, results of operations and prospects financial performance will be adversely affected.

The Group's results of operations may vary throughout the year as a result of seasonality including changing weather conditions.

Certain offshore markets are affected by seasonal weather conditions. For example, business in the South China Sea is adversely affected by the northeast monsoon from November to March and business in the Indian Ocean by the southwest monsoon from July to September. The vessel utilisation ratios of the Group's vessels operating in the affected areas are generally at their lowest during the monsoon season. Operations in any market may, however, be affected by unusually long or short offshore construction seasons due to, among other things, abnormal weather conditions, as well as market demand associated with increased development activities. Accordingly, the Group's business, financial condition, and results of operation for any given period are not necessarily indicative of annual results or continuing trends and/or prospects.

The Group is subject to fixed costs regardless of its level of business activity and any downtime or reduced demand, weather interruptions or other causes may have a material and adverse effect on its business, financial condition, results of operation and prospects.

The Group is subject to fixed costs such as administrative overheads, personnel costs, interest costs and maintenance costs which will not necessarily fluctuate in proportion to changes in operating revenues. Costs for operating the Group's vessels such as crew costs and fuel costs while its vessels wait for commercial deployment and/or are between contracts are generally fixed or only semi-variable regardless of the charter rates being earned. If lower charter rates, downtime, reduced demand, weather interruptions or other causes lead to a decrease in revenue, the Group's fixed costs may have a material and adverse effect on its business, financial condition, results of operation and prospects.

The Group faces risks associated with the service life and maintenance of its fleet.

As of 30 June 2014, the average age of the Group's OSVs is just over four years. The service life of the Group's fleet is dependent of factors which include the efficiency of the particular vessel, the demand for the equipment the vessels carry, the services the vessels can perform, the quality of construction of the vessels and whether they have been properly maintained. There is no assurance that the Group's vessels will have a long service life.

In general, expenditure and other costs required in order to maintain a vessel in good operating condition increase with the age of the vessel. Older vessels are typically more costly to maintain than more recently constructed vessels and are subject to lower vessel utilisation ratios due to their higher maintenance requirements. In addition, as cost efficiency decreases with the age of vessels, older vessels are less desirable to charterers. As a result, some customers may set age restrictions for vessels which they will charter.

Governmental regulations, safety or equipment standards relating to the age of vessels and new environmental requirements may require the Issuer to incur significant capital expenditure for alterations or the addition of new equipment to its vessels. This may, in turn, restrict the types of activities which the Group's vessels may engage in. New technical solutions that are more advanced than those used by the Issuer for its vessels may also be introduced and adopted by the Issuer's competitors, resulting in less demand for the Issuer's fleet, lower charter rates, and potentially costly upgrades. There is no assurance that the age of the Group's fleet and market conditions will justify such expenditures or enable the Group to operate its vessels profitably during the remainder of such vessels' useful lives. If the Group sells its vessels, it cannot be certain that the price for which such vessels are sold will be equal to, or greater than, their carrying amounts on the Issuer's financial statements at that time.

Further, when the Group's vessels are taken out of service at regular intervals for routine inspections and maintenance, they may require more extensive repairs than those which were anticipated, and there may be delays in bringing them back into service. Such delays may have a material adverse effect upon the Group's business, financial condition, results of operations and prospects. In addition, when the Group's vessels are docked, they are not available for hire and, as a result, do not generate any revenue and could also adversely affect the Group's vessel utilisation ratios.

There can be no assurance that the Group has or can maintain sufficient insurance to cover losses that may occur to its fleet or result from its operations due to the inherent operational risks of the industry in which it operates.

The operation of sea-going vessels involves the inherent risks of sinking, grounding, collision and other catastrophic maritime disasters, environmental pollution, leaks or spills, personal injury and loss of life, losses due to mechanical failure, human error, political action, labour strikes, adverse weather conditions, fire and other factors, which could result in the loss of charter revenue, increased costs or reputational damage. The Group procures insurance for its fleet against risks commonly insured against by vessel owners and operators. The current insurance includes hull and machinery insurance, war risks insurance and protection and indemnity insurance. However, no insurance can compensate for all potential losses and there can be no assurance that the insurance coverage the Group has will be adequate or that its insurers will pay out on a particular claim. Even if the insurance coverage is adequate to cover all losses, the Group may not be able to provide its charterers with a replacement vessel in a timely manner in the event of a loss, which could, in certain circumstances lead to the termination of the relevant charter. In addition, under the terms of its loan agreements, the Group will be subject to restrictions on the use of any proceeds it may receive from claims under its insurance policies.

Furthermore, in the future, the Group may not be able to obtain adequate insurance coverage at reasonable rates for the fleet, if at all. The Group may also be subject to calls or premiums in amounts based not only on its own claim records but also the claim records of all other members of the protection and indemnity associations through which the Group's companies receive indemnity insurance coverage. Its insurance policies also contain deductibles, limitations and exclusions which may increase its costs or which may result in the Group's claims not being honoured to the extent of losses or damages suffered by the Group.

The Group's insurance policies also do not cover risks arising from the damage caused by wear and tear, or the damage caused by wilful misconduct of a ship's crew or officers. Accordingly, any loss or damage to a vessel or extended vessel off-hire, due to any reason, could have a material adverse effect on its business, financial condition, results of operations and prospects.

The Group's vessels and rigs are subject to appraisal and certification standards issued by independent certification authorities and classification societies.

Vessels

The hull and machinery of every vessel must be classed by a classification society authorised by the flag state (being the state under whose laws a vessel is registered or licensed). In addition, every vessel is required by the laws and regulations of its flag state to undergo regular inspection and certification by the relevant flag state authority or duly authorised organisation. The Group's vessels are also sometimes subject to other surveys and inspections pursuant to the particular laws and regulations of the port states in which they operate. These port state control inspections are undertaken by officers duly authorised by the port state to verify that the condition of the vessel and its equipment comply with the requirements of international regulations and that the vessel is manned and operated in compliance with international regulations. If any vessel does not maintain its class, or fails any survey or inspection, that vessel may be unable to operate or may even be detained in port until its deficiencies have been rectified. The failure to maintain a vessel's class or the failure of a survey or inspection could also cause the Group to be in violation of its insurance policies, and may lead to an insurer declining coverage. Such vessel class maintenance requirement is standard in shipping insurance policies and present in all of the Group's insurance policies. Such inability to operate, detentions, or violations of its insurance policies may have a negative impact upon its business, financial condition, results of operation and prospects.

Rigs

Pursuant to the ISM Code, companies which have complied with the requirements of the ISM Code are issued with a document of compliance by the relevant government authorities of the jurisdictions in which their rigs are registered. The rigs are also subject to assessment by independent certification organisations for compliance with the requirements of international conventions for the prevention of pollution from ships.

The relevant authorities and certification organisations have the right to conduct inspections of the Group's rigs to ensure that the Group continues to comply with the relevant standards. The Group needs to ensure its charterers comply with such certifications at all times. Any material failure by the charterer to comply with the standards or any changes in the standards which are implemented from time to time may cause the Group's certifications to be withdrawn. If the certifications are withdrawn, the charterer will not be able to meet its customer's requirements which will affect the charterer's obligations on the charter contract with the Group. This will adversely affect the Group's business, financial condition, results of operations and prospects.

In addition, the Group's rigs are also required to be classed and are subject to periodical classifications by a member classification society of IACS. Such classification society is subject to approval by the relevant authorities of the respective flag state, and such classification will certify that the rig has been built and is being maintained in accordance with the rules and regulations of the IACS and the classification society, and that it complies with the rules and regulations of the flag state and with international conventions of which that state is a signatory.

If its rigs are unable to meet the requirements of a classification society and are not able to be classed, or if its rigs are not able to be classed by a particular classification society required by a charterer as a condition of the charter contract, the Group may not be able to charter out its rigs, or may need to incur substantial capital expenditure to refurbish its rigs in order for them to meet the requirements of the classification society. This will adversely affect the Group's business, financial condition, results of operations and prospects.

The Group is subject to various international and local environmental protection laws and regulations.

The Group is subject to various environmental protection laws and regulations in the jurisdictions in which it operates. Such laws and regulations are complex, subject to frequent changes and tend to become more stringent over time. Therefore, compliance may become increasingly difficult and costly.

Like most countries, Singapore has laws and regulations regarding environmental matters including disturbance, rehabilitation and the discharge of hazardous waste and materials. Such laws and regulations can increase the cost of planning, designing, installing and operating industrial facilities for use by operators. Some of these laws and regulations may expose the Group to liability for the conduct of or conditions caused by others, or for the Group's acts, even if such acts had complied with all applicable laws at the time of performance, and the Group may be required to pay significant fines and penalties for non-compliance. Some environmental laws impose joint and several "strict liability" for cleaning up spills and releases of oil and hazardous substances, regardless of whether the Group was negligent or at fault.

Environmental protection laws and regulations may also have the effect of curtailing exploration, development and production activities by the Group's customers. This may reduce the demand for the Group's services, which would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

In addition, environmental laws and regulations, and their interpretations, are constantly evolving and it is impossible to predict accurately the effect that changes in these laws and regulations, or their interpretations, may have upon the Group's business, financial condition, results of operations or prospects. If environmental laws and regulations, or interpretation of such laws and regulations, become more stringent, the costs of compliance could increase. If the Group cannot pass along future costs to its customers, any increases could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Future acquisitions, joint ventures or investments may expose the Group to increased risks.

The Group may, as a matter of business strategy, invest in or acquire other entities in its business, including the rig chartering business. Acquisitions that the Group may undertake, along with potential joint ventures and other investments, may expose the Group to additional business and operating risks and uncertainties, including but not limited to the following:

- the direct and indirect costs in connection with such transactions;
- the inability to effectively integrate and manage the acquired businesses;
- the inability of the Group to exert control over the actions of its joint venture partners, including any non-performance, default or bankruptcy of such joint venture partners;
- the time and resources expended to coordinate internal systems, controls, procedures and policies;
- the disruption to its ongoing business and diversion of management's time and attention from other business concerns;
- the risk of entering markets in which the Group may have no or limited prior experience;
- the potential loss of key employees and customers of the acquired businesses;
- the risk that an investment or acquisition may reduce the enlarged Group's future earnings; and
- exposure to unknown liabilities.

If the Group is unable to successfully implement the Group's acquisition or expansion strategy or address the risks associated with such acquisitions or expansions, or if the Group encounters unforeseen expenses, difficulties, complications or delays frequently encountered in connection with the integration of acquired entities and the expansion of operations, the Group's growth and ability to compete may be impaired, and the Group may fail to achieve acquisition synergies and be required to focus resources on integration of operations, rather than on its primary businesses.

The Group may be affected by changes to taxation regulations.

The Group's shipping income derived from the operation of its Singapore-flagged vessels in international waters is exempted from Singapore income tax under Section 13A of the Income Tax Act, Chapter 134. This exemption applies to income derived from the chartering of the Group's vessels to its customers. In addition, revenue gains derived from the disposal of Singapore-flagged vessels are treated as income that qualifies for tax exemption under Section 13A of the ITA, as part of the tax benefits under the Maritime Sector Initiative as announced in the 2012 budget statement. Any change in the current tax and/or the rules and regulations applicable to the taxation of shipping income may materially and adversely affect the Group's tax-exempt status and, correspondingly, the Group's business, financial condition, results of operations and prospects.

If goodwill arises from the Group's acquisition of and expansion into the business of owning and leasing of mobile offshore drilling units and service rigs, the impairment of goodwill in 2014 or subsequent financial periods may materially affect the income statement and financial position of the Group.

The Group's acquisition of Scott and English and its expansion into the business of owning and leasing of mobile offshore drilling units and service rigs may result in goodwill being recognised in the financial statements of the Group as of and for the year ending 31 December 2014. The goodwill represents an excess of the consideration transferred arising from such acquisition over the fair values of the net identifiable assets and liabilities. The actual goodwill will be determined and will be accounted for in accordance with the accounting policies of the Group and the relevant accounting standards.

The accounting policies also require such goodwill to be tested for impairment on an annual basis or more frequently if there is indication of impairment. This assessment may lead to an impairment charge to be recorded in the income statement of the Group as of and for the year ending 31 December 2014 or subsequent financial periods. Any impairment charge against the goodwill could have a material adverse effect on the results of the Group to be reported as of and for the year ending 31 December 2014 or subsequent financial periods.

An outbreak of any contagious disease may have an adverse effect on the economies of countries in which the Group operates and may adversely affect the Group.

During the last few years, large parts of Asia experienced unprecedented outbreaks of contagious diseases such as the avian flu. No fully effective avian flu vaccine has been developed and an effective vaccine may not be discovered in time to protect against the potential avian flu pandemic.

More recently, there has been an outbreak of Middle East respiratory syndrome ("**MERS**") that originated in the Middle East, caused by a coronavirus similar to the one that caused the severe acute respiratory disease ("**SARS**") in Asia in 2003.

In addition, the Ebola virus disease outbreak that originated in West Africa is threatening to spread to a wider geographical area. On 8 August 2014, the World Health Organisation declared the Ebola outbreak in West Africa to be an international public health emergency that requires an extraordinary response to stop its spread.

An avian flu pandemic, an outbreak of MERS, SARS or any other contagious disease on a large scale, or the further spread of the Ebola virus disease, or the measures taken by the governments of affected countries against such potential outbreaks, could seriously interrupt the Group's operations or the services or operations of the Group's suppliers and customers, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Developments in the legal or regulatory environment in the countries in which the Group operates may have a material and adverse impact on the Group.

Local business and operational risks in the different countries and cities in which the Group operates or in which it may in the future establish operations, could have a material impact on the business, financial condition, results of operations and prospects of the Group. The Group operates in different countries and cities in Asia, the Middle East and South America and the Group is, and may increasingly become, exposed to different and changing political, social, legal, tax, regulatory and environmental requirements at the local, national or international level. In some of these jurisdictions, legal principles differ materially from those that would apply in Singapore. The interpretation and application of laws and regulations in such jurisdictions may also be uncertain or subject to subjective criteria such as good faith of the parties to a transaction and principles of public policy, the practical effect of which is difficult or impossible to predict. Judges in such jurisdictions may also operate in an inquisitorial system, have very broad fact finding powers and a high level of discretion in relation to the manner in which those powers are exercised, and may omit a clear articulation of the legal and factual analysis of the issues presented in a case.

The Group's business, financial condition, results of operations and prospects may be materially and adversely affected by developments with respect to inflation, interest rates, currency fluctuations, government policies, price and wage controls, exchange control regulations, industry laws and regulations, taxation, expropriation, social instability and other political, legal, economic or diplomatic developments in or affecting the markets in which the Group operates or may enter in the future. Also, new policies or measures by governments, whether fiscal, tax, regulatory, environmental or other competitive changes, may lead to an increase in additional or unplanned capital expenditure, pose a risk to the overall investment return of the Group's businesses and may delay or prevent the commercial operation of a business with resulting loss of revenue and profit. The Group has no control over such conditions and developments and any changes in such conditions and developments may have a material adverse effect on its business, financial condition, results of operations and prospects.

Additional Risks Relating to the Group's Rig Chartering Business

The Group may not be able to successfully implement its future plans relating to the rig chartering business.

The Group's future plans in relation to the rig chartering business involve numerous risks, including, but not limited to, the incurrence of substantial working capital requirements, capital expenditure and financial resources. Various factors such as general economic conditions, market sentiment, market competition and availability of the Group's resources may affect the Group's future plans and growth prospects. There is no guarantee that the Group will be able to implement such future plans, or that the implementation of these plans will achieve revenue that will be commensurate with the investment costs. In addition, the Group may not be able to successfully integrate the rig chartering business into its own business. Such integration will require the commitment of senior management and financial resources that would otherwise be available for the ongoing development or expansion of the Group's other existing businesses. In addition, the anticipated benefits of the rig chartering business may not be achieved within the anticipated time frame or at all. If the Group fails to achieve a sufficient level of revenue in the rig chartering business, or if the Group fails to manage its rig chartering costs efficiently, the Group will not be able to recover its investment in Scott and English. Any of these factors could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group's rig business is affected by the supply of rigs in the industry.

The supply of rigs in the industry is affected by the independent assessment of demand for, and supply of, such assets by providers. Any over-estimation of demand for rigs may result in an excess supply of such assets. This will result in lower charter rates and depress the market value of its rigs, which would adversely affect the Group's business, financial condition, results of operations and prospects. In addition to an industry-wide decrease in charter rates due to excess supply of new mobile offshore drilling units and service rigs, competitors may also engage in aggressive pricing which will necessitate a corresponding lowering of the Group's charter rates (whether significantly or otherwise) in order for the Group to remain price competitive and secure contracts. This in turn would lower the Group's gross profit margins and cash flow and would adversely affect the Group's operations and financial position.

The rig chartering business is dependent on a few key customers.

As of the Latest Practicable Date, all of the Group's rigs are chartered out to only two customers. There is no assurance that these customers will not terminate their charter contracts, will continue to meet their obligations under the charter contracts or will exercise the option to renew the charters (as the case may be). There is also no assurance that these customers will continue to charter from the Group. In addition, there are a limited number of customers and charterers available in the markets in which the Group operates. The Group's business is dependent on the decisions and actions of its customers, and there are factors outside its control which might result in the termination of a charter or the loss of a customer. The loss of or financial difficulties faced by any of its customers would have an adverse effect on the Group's business, financial condition, results of operations and prospects. If any of the above occurs, and if the Group is unable to obtain new charter contracts at the same or more favourable terms, the Group's business, financial condition, results of operations and prospects may be adversely affected.

Maritime claimants could arrest its rigs, which could interrupt the Group's cash flow and cause a material adverse effect on its business, financial condition, results of operations and prospects.

The rigs are chartered by customers operating in various countries and are governed by the applicable laws of these jurisdictions. Crew members, suppliers of goods and services to a rig, shippers of cargo and other parties may be entitled to maritime liens against that rig (and, in some jurisdictions, any associated rig owned or controlled by the same owner) for unsatisfied debts, claims or damages. In many jurisdictions, a maritime lien holder may enforce its lien by arresting an asset and commencing foreclosure proceedings. This would apply even if the mobile offshore drilling unit or service rig is chartered out (whether on a bareboat charter basis or otherwise). The arrest or attachment of one or more of its rigs could result in the Group paying a substantial sum of money to have the arrest lifted if the lessee of the relevant asset does not do so. In this respect, unless the Group takes timely actions to intervene in these proceedings, the Group's business, financial condition, results of operations and prospects may be adversely affected.

The Group's business may be affected by unanticipated delays in the delivery of newly acquired mobile offshore drilling units and service rigs and/or completion of refurbishment, maintenance and repair works for existing mobile offshore drilling units and service rigs.

The Group outsources the refurbishment of its rigs to certain shipyards. In doing so, the Group is required to expend substantial sums in the form of down payments and progress payments during the refurbishment of its rigs, but may not derive any revenue from these rigs until after their delivery. In the event of a delay in the delivery of a new rig, the Group's receipt of revenue from charter contracts in respect of that rig may be delayed. Delivery delays can occur as a result of problems with builders, such as insolvency or *force majeure* events that are beyond the control of the Group or the builders. Further, the Group may not be able to fulfil charter commitments which it entered into in respect of that rig, which may expose the Group to penalty payments to and potential litigation involving the charterer. These would adversely affect the business, financial condition, results of operations and prospects of the Group.

The future growth of the rig chartering business is limited by the capabilities of its rigs.

The future growth of the Group's rig chartering business may be limited by the capabilities of its rigs, which may not be able to meet the requirements of its existing and potential customers, and this may result in the Group not being able to secure certain offshore contracts. These events may cause the Group to lose some customers who may charter from the Group's competitors, which would have an adverse effect on the future growth of the Group.

The Group and Scott and English have a limited operating track record.

The operating history of Scott and English's current rig chartering business began in September 2012, when Scott and English entered into a memorandum of understanding for the proposed acquisition of two mobile offshore drilling units, namely, GSP Atlas and GSP Orizont. Over the next 12 months, Scott and English entered into joint ventures with Ezion Investments Pte. Ltd., a wholly owned subsidiary of Ezion Holdings Limited, and acquired GSP Atlas and GSP Orizont and two additional mobile offshore drilling units, GSP Fortuna and Strategic Excellence. In addition, the Group does not have any experience in the rig chartering business. Given the Group's and Scott and English's limited operating track record and the Group's inexperience in the rig chartering business, the Group's historical operating results may not provide a meaningful basis for investors to evaluate Scott and English's business, financial condition, results of operations and prospects. Accordingly, there can be no assurance that Scott and English's business, financial condition, results of operations for any prior periods will be indicative of the Group's future performance and/or prospects.

The Scott and English business may be affected by disputes with its joint venture partners.

In the course of Scott and English's business, it has collaborated and intends to continue to collaborate with joint venture partners for various projects (whether on an *ad hoc* or recurring basis), such collaborations being entered into and formalised by way of written contracts. From time to time, disputes may arise between Scott and English and its joint venture partners for various reasons, including disputes over project, material and/or contract specifications and the Group is unable to provide any assurance that these disputes will be resolved in favour of the Group.

If disputes between Scott and English and any of its joint venture partners arise and such disputes cannot be satisfactorily and amicably resolved, any member of the Group may be a party to legal or arbitration proceedings and the Group would be required to incur costs in defending or otherwise dealing with such actions. The Group would also be unable to continue its collaborations with such joint venture partners which in turn may affect the Group's business, financial condition, results of operations and prospects. In addition, the existing joint venture partner also provides corporate guarantees in respect of existing loans granted by banks. If the existing joint venture partner withdraws the corporate guarantee, or is unable to fulfil its obligations under the corporate guarantee when required to do so, the existing loans may be affected which in turn may affect the Group's business, financial condition, results of operations and prospects.

In addition, there can be no assurance that any of these joint venture partners will continue their relationships with Scott and English in the future. Furthermore, the joint venture partners may (a) have economic or business interests or goals that are inconsistent with those of the Group, (b) take actions contrary to the Group's policies or objectives, (c) undergo a change of control, (d) experience financial and other difficulties, (e) be unable or unwilling to fulfil their obligations under the joint ventures or (f) have disputes with the Group as to the scope of their responsibilities and obligations. Any of these and other facts may materially and adversely affect the performance of Scott and English's joint ventures, which may in turn materially and adversely affect the Group's business, financial condition, results of operations and prospects.

Risks Relating to the Industries in which the Group Operates

The Group is dependent on the level of exploration and production activities in the offshore oil and gas industry.

The Group has customers in the offshore oil and gas industry and its operations in such industry are dependent on the level of activities engaged by its customers in the exploration, development and production of oil and natural gas. Such activities are affected by factors such as fluctuations in oil and natural gas prices, the numbers and locations of oil and natural gas fields, the prices of alternative fuels or energy supply, and changes in capital expenditure by customers in the offshore oil and gas industry. The Group's customers are also affected by the laws, regulations, policies and directives relating to energy, investment, taxation and such other laws and regulations promulgated by the governments from which they will need to obtain licences to engage in the exploration, development and production of oil and natural gas. The demand for the Group's vessels, rigs and services and the potential for growth of its business will be affected if its customers cannot obtain the necessary licences to engage in exploration, development and production activities in the relevant areas. Increasingly complex and stringent laws, regulations, policies and directives may curtail such activities.

The prices of oil and gas are volatile and affected by supply and demand. They in turn will affect the level of capital spending by companies in the offshore oil and gas industry. Low oil and gas prices tend to reduce the amount of oil and natural gas that producers can produce economically. When this occurs, major oil and gas companies generally reduce their spending budgets for offshore drilling, exploration and development. Any decline in the level of activities in the offshore oil and gas industry will result in a decrease in demand for the Group's vessels, rigs and services.

These are factors beyond the control of the Group and the timing, nature and degree of changes in industry conditions are unpredictable. In addition, there can be no assurance that oil and gas companies will be able to obtain the financing necessary to develop new prospects in the primary operating regions of the Group's business, which would also result in reduced demand for its vessels, rigs and services. There can be no assurance that the activity levels of offshore exploration, development and production activity will remain at their current levels or continue to increase. Any prolonged period of low exploration, development and production activity would be likely to have an adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group could be affected by a prolonged global economic downturn.

The Group is affected by general economic conditions in the regional marine logistics markets and the oil and gas industry which, in turn, are affected by the global economic environment. In weak economic conditions, customers may charter fewer vessels or seek lower charter rates and ship owners may defer the repair and maintenance of existing vessels. This would materially and adversely affect the Group's business, financial condition, results of operation and prospects.

The market uncertainty that started in 2008 from the U.S. residential market further expanded to other markets such as those for leveraged finance, collateralised debt obligations, other structured products and sovereign debt. In September and October 2008, liquidity and credit concerns and increased volatility in the global credit and financial markets increased significantly with the bankruptcy or acquisition of, and government assistance to, several major U.S. and European financial institutions, including the bankruptcy filing of Lehman Brothers. These developments have resulted in reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the United States and global credit and financial markets.

In Europe, the sovereign debt crisis in Greece and other peripheral Euro-zone countries that emerged in late 2009 led to the sovereign ratings of these countries to be downgraded by the major international rating agencies. The crisis resulted in a wave of anti-austerity protests and strikes in Greece and Italy, sell-offs in global markets and changes in the political leadership in Greece and Italy. The European sovereign debt crisis could deteriorate further, and spread from peripheral countries to core economies in the European Union. Prospects remain uncertain and such countries may be unable to restore fiscal stability or refinance sovereign debt. Additional European countries may succumb to similar crises.

In Asia and other emerging markets, some countries may experience increasing inflationary pressure as a consequence of liberal monetary policy and/or excessive foreign fund inflow or both. Geopolitical instability in various parts of the world, including in Russia/Ukraine, North Africa, the Middle East and Asia, could also contribute to economic instability in those and other regions.

Economic stability in Europe, the United States of America and China is a key ingredient for success in the Group's business. A prolonged global economic downturn may have an adverse effect on the Group's business, financial condition, results of operations and prospects. In addition, a prolonged global economic downturn could have a material adverse effect on the ability of banks to meet their financial obligations, including the repayment of their customers' deposits. To the extent any of the Group's cash has been deposited with any of such banks, the Group may lose all or part of its cash deposits, which would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group operates in a business environment which may be affected by political risks.

Some of the countries in which the Group operates have been affected by political upheavals, internal strife, civil commotions and terrorist attacks. These situations may recur and any recurrence of these political and social conditions in countries where the Group operates or may operate will affect its ability to provide services to its customers. The Group's vessels may also be subject to seizure and arrest as a result of the political and social conditions, or arising from government actions against the Group or its customers. Mandatory government actions or restrictions on vessels calling on the ports of countries in which the Group or its customers operate, foreign exchange controls, investment restrictions, national procurement policies which favour indigenous companies, or such other government actions, will affect the Group's ability to provide services to its customers and may also affect the ability of its customers to meet their payment obligations to the Group. Insurance premiums for the Group's operations and vessels will also increase in the face of increased political risks in the countries where the Group or its customers operate. If such risks were to develop into actual events, the Group's business, financial condition, results of operations and prospects would be materially and adversely affected.

The Group is affected by the occurrences of accidents, mishaps and natural disasters affecting its vessels.

The Group's vessels and rigs face the risk of collisions because they operate in busy sea lanes and oilfields around the region. The Group may suffer substantial damage to its vessels and rigs arising from such collisions. The Group's crew may be found to be responsible for or have negligently contributed to the collisions and the Group may be liable to compensate other parties for the damages and losses suffered by them. The Group may also face additional claims and liabilities arising from oil spills, cargo losses, containment, clean-up and salvage costs, wreck removal charges and other damages that may arise. The Group may also be liable for substantial fines and penalties imposed by the authorities of the jurisdictions in which it operates. Any such events will disrupt and may have a material adverse effect on the Group's business, financial condition, results of operations and prospects. In addition, the Group's vessels and rigs operate under harsh weather and environmental conditions. Adverse changes in weather and environmental conditions, such as the occurrence of typhoons, hurricanes and earthquakes may cause damage to its vessels and rigs.

If the Group's insurance coverage is insufficient to compensate for the losses suffered as a result of damage to its vessels and rigs due to, for example, a loss of the use of the vessels or rigs, or compensation to third parties, the Group may incur substantial losses or be required to make material compensation payments. Consequently, the Group's business, financial conditions, results of operations and prospects would be materially and adversely affected.

The Group is exposed to potential liability arising from damage to property and injury or death to personnel.

Due to the nature of the Group's operations, its employees or third parties may be involved in accidents on premises or vessels of the Group or third parties. These accidents may occur as a result of fire, explosions or other incidents which may result in injury or death, or damage to property or vessels. The Group may be liable, whether contractually or under the law, for any or all of such loss or damage or injury or loss of life. If the Group's insurance policies do not adequately cover its liabilities arising from an accident, the Group would be liable for claims which are in excess of its insurance coverage, which could have a material adverse effect on its business, financial condition, results of operations and prospects.

In addition, the Group and its charterers, their contractors or sub-contractors have under certain contracts waived their mutual right of claim or recovery against each other in respect of any loss of or damage to the Group's vessels, property or equipment, economic loss suffered by the Group, injuries to or death of any persons arising out of any act, omission or default on the part of the Group's charterers, their contractors or sub-contractors. If this occurs and the Group is unable to claim against its insurers in respect of any of such loss or damage, the Group's business, financial condition, results of operations and prospects could be materially and adversely affected.

The Group's vessels are exposed to security threats, piracy and terrorism.

The Group's vessels operate in regions in which ships may encounter incidences of security threats such as piracy, terrorist attacks, wars/insurgency and internal strife. Terrorist attacks targeted at sea-going vessels may in the future also negatively affect the Group's business and have a direct impact on its vessels or its customers. Any of these events, especially an actual attack on one of the Group's vessels, could result in such vessel being captured, destroyed or damaged, which could have a material adverse effect the Group's business, financial condition, results of operations and prospects.

The Group is affected by the regulations governing its operations.

A substantial majority of the Group's vessels are registered in Singapore, while the Group's rigs are registered in Malta or Vanuatu. The Group is subject to the laws and regulations governing the shipping industry in Singapore, Malta, Vanuatu, the other flag-states in which its other vessels are registered, as well as the ports and territorial waters in which its vessels and rigs operate. The Group may also be subject to various international conventions, including those under the International Maritime Organisation. The Group's ability, and the ability of its jointly controlled entities or associated companies, to operate or charter out its respective vessels and rigs may be impaired, and the Group may be subject to fines or other penalties or other action being taken against it, if it is unable to comply with the existing regulations or any changes in such regulations, or any new regulations introduced by local or international bodies. Any change in or introduction of new regulations which require the Group's compliance may increase its costs of operations and have a material adverse effect on its business, financial condition, results of operations and prospects.

In addition, regulatory requirements may change and the Group may be required in the future to apply for licences or operate under new regulations that may impose onerous conditions on the conduct of its operations. If the Group fails to obtain the relevant licences or to comply with any regulations which may be required under any new legislation, it may be compelled to cease part of its operations and this may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The industries the Group operates in are highly competitive.

The industries the Group operates in are highly competitive and the Group faces competition from existing competitors and new entrants into the market. There is no assurance that the Group will be able to continue competing successfully with its competitors. As many of the Group's competitors are larger players in the industry, they may have greater resources to keep abreast of technological changes, bigger fleets, longer operating histories and greater financial, technical, marketing and other resources, as well as a wider access to capital. They may therefore be able to compete more successfully over a longer period of time.

One of the Group's principal objectives is to own and acquire additional mobile offshore drilling units and service rigs that have in place long-term, fixed rate bareboat charters. The process of obtaining such charters is competitive and involves a bidding and selection process. Competition for charters is based on a variety of factors, which may include:

- charter hire or contract rates;
- relationships with charterers;
- willingness to accept operational risks pursuant to the charter, such as allowing termination for *force majeure* events; and
- asset availability and the size, age and condition of the asset.

Further, the Group's ability to compete in international markets may also be adversely affected by regulations in the countries where it operates which require, among other things, the awarding of contracts to local contractors, and/or the purchase of supplies from local vendors that favour or require local ownership. Any of these factors could limit the Group's ability to retain existing customers and attract new customers for its assets, which could in turn adversely affect the Group's business, financial condition, results of operations and prospects.

The Group faces competition from various parties, including regional and global offshore oil and gas support companies, many of which are larger and may have greater financial resources than the Group. The Group cannot give assurance that its business will be able to continue competing successfully with existing competitors and/or new entrants into the market. These competitors may be able to operate larger fleets, may have longer operating histories, may offer better charter rates and may devote greater resources to the development, promotion and employment of their vessels or their mobile offshore drilling units or service rigs than the Group.

If the Group's existing or new competitors offer services at a lower cost or engage in aggressive pricing in order to increase market share, the Group may have to offer more competitive prices or try to differentiate the Group using more innovative marketing strategies in order to compete successfully. The Group's revenue may decline if it is not able to match the lower costs or aggressive pricing of its competitors. Any failure to match lower prices or a reduction in the Group's pricing without any corresponding cost reduction could materially and adversely affect its business, financial condition, results of operations and prospects. If the Group fails to compete successfully with existing competitors of the Group and new entrants into the market, the business, financial condition, results of operations and prospects of the Group may be materially and adversely affected.

Risks associated with Investment in the Notes

The Issuer is a holding company whose obligations under the Notes will be structurally subordinated to all existing and future obligations of its subsidiaries; moreover, the Issuer is dependent on the receipt of dividends from its subsidiaries for its cash flow and to satisfy its obligations under the Notes.

The Issuer is a holding company without any material business operations of its own. The Issuer is therefore dependent on the receipt of cash dividends from its subsidiaries and its jointly controlled entities for its cash flow and to satisfy its obligations under the Notes. While the Issuer's subsidiaries and jointly controlled entities have, in the past, paid cash dividends from time to time, the pattern may not be indicative of the amount of dividends the Issuer may receive in the future, or at all.

In addition, the Issuer's obligations under the Notes will be effectively subordinated to all existing and future obligations of its direct and indirect subsidiaries and jointly controlled entities. All claims of creditors of these subsidiaries and jointly controlled entities, including trade creditors, lenders and all other creditors, will have priority as to the assets of the subsidiaries over claims of the Issuer and the Issuer's creditors, including holders of Notes. As of 30 June 2014, the Group had total borrowings of $117.5 million, of which $107.9 million was third-party debt of the Issuer's subsidiaries. The Trust Deed does not contain any restrictions on the ability of the Issuer or its respective subsidiaries and jointly controlled entities to incur additional indebtedness other than the financial covenants. In addition, issues of equity interests by the Issuer's subsidiaries and jointly controlled entities could dilute the shareholding interest of the Issuer in such subsidiaries and jointly controlled entities.

The payment of dividends by the Issuer's subsidiaries and jointly controlled entities is subject to applicable laws and applicable accounting standards and regulations. For example, some jurisdictions permit payment of dividends only out of accumulated profits. The ability of the Issuer's subsidiaries and jointly controlled entities to pay dividends is also subject to the restrictions contained in the articles of association of such subsidiaries as well as the articles of association of and any applicable shareholders' agreements relating to such jointly controlled entities. In addition, dividend policies of the Issuer's subsidiaries and jointly controlled entities may vary significantly and may change from time to time. Some subsidiaries and jointly controlled entities may conclude that it is in the best interests of their shareholders to retain earnings, if any, for use in the operation and expansion of their businesses. The shareholders of subsidiaries and jointly controlled entities of the Issuer have the power to determine whether to pay dividends based on conditions then existing, including the earnings, financial condition and capital requirements of such subsidiaries or jointly controlled entities, as well as economic and other conditions the shareholders and board of directors may deem relevant.

As a result, there can be no assurance that the cash flows or assets of the Issuer's subsidiaries and jointly controlled entities will be available to the Issuer to satisfy its cash needs. If one or more subsidiaries and jointly controlled entities fail to make any cash dividend payments to its shareholders, including the Issuer, the Issuer may not have any other source of funds to meet its payment obligations under the Trust Deed and the Notes.

Limited liquidity of the Notes issued under the Programme.

There can be no assurance regarding the future development of the market for the Notes issued under the Programme or the ability of the Noteholders, or the price at which the Noteholders may be able, to sell their Notes. The Notes may have no established trading market when issued, and one may never develop. Even if a market for the Notes does develop, it may not be very liquid. The Notes could trade at prices that may be lower than their initial offering price depending on many factors, including prevailing market rates, the Group's financial condition and results of operations and the market for similar securities. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. Neither the Issuer nor the Arranger nor any Dealer has any obligation to make a market in the Notes. In addition, the market for debt securities has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. There can be no assurance that the markets for the Notes, if any, will not be subject to similar disruptions. Any disruptions in these markets may have a material adverse effect on an investment in the Notes.

The lack of liquidity may have a severely adverse effect on the market value of the Notes. Although the issue of additional Notes may increase the liquidity of the Notes, there can be no assurance that the price of such Notes will not be adversely affected by the issue in the market of such additional Notes.

Developments in other markets may adversely affect the market price of the Notes.

The market price of the Notes may be adversely affected by declines in the international financial markets and world economic conditions. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the securities markets and the securities of issuers in other countries, including Singapore. Since the global financial crisis of 2008 and 2009, the international financial markets have experienced significant volatility. If similar developments occur in the international financial markets in the future, the market price of the Notes could be adversely affected.

The Trustee may request Noteholders to provide an indemnity and/or security and/or pre-funding to its satisfaction.

In certain circumstances, the Trustee may (at its sole discretion) request Noteholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes action on behalf of Noteholders. The Trustee is not obliged to take any such action if not indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such actions can be taken. In addition, the Trustee may not be able to take action, notwithstanding the provision of an indemnity or security or pre-funding to it, in breach of the terms of the Trust Deed and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Noteholders to take such action directly.

Interest Rate Risk.

Noteholders may suffer unforeseen losses due to fluctuations in market interest rates. Generally, a rise in market interest rates may cause a fall in the market price of Notes, resulting in a capital loss for the Noteholders if such Noteholders were to sell the Notes instead of holding such Notes to maturity. Conversely, when market interest rates fall, the market price of Notes may rise and Noteholders may enjoy a capital gain upon the sale of such Notes, but any reinvestment of the proceeds of such sale may be reinvested at lower prevailing interest rates.

Inflation Risk.

Noteholders may suffer erosion on the return of their investments due to inflation. Noteholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Notes. An unexpected increase in inflation could reduce the actual returns.

Singapore Tax Risk.

The Notes to be issued from time to time under the Programme, during the period from the date of this Information Memorandum to 31 December 2018 are, pursuant to the ITA and the MAS Circular FSD Cir 02/2013 entitled "Extension and Refinement of Tax Concessions for Promoting the Debt Market" issued by MAS on 28 June 2013, intended to be "qualifying debt securities" for the purposes of the ITA, subject to the fulfilment of certain conditions more particularly described in the section "*Singapore Taxation*".

However, there is no assurance that such Notes will continue to enjoy the tax concessions in connection therewith should the relevant tax laws or MAS circulars be amended or revoked at any time.

The Notes may not be a suitable investment for all investors.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement to this Information Memorandum;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the currency such potential investor's financial activities are principally denominated;

(iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Notes to be issued under the Programme may be complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. Potential investors should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact such investment will have on its overall investment portfolio.

Legal investment considerations may restrict certain investments.

Investment activities may be subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent Notes are legal investments for it, whether and to what extent Notes can be used as collateral for various types of borrowing and the restrictions that apply to its purchase of any Notes. If such an investor is a financial institution, it should also consult its legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

The Notes may be subject to optional redemption by the Issuer.

An optional redemption feature is likely to limit the market value of the Notes containing such a feature. During any period when the Issuer may elect to redeem Notes, the market value of such Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

The Notes may be issued at a substantial discount or premium.

The market values of Notes issued at a substantial discount or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the Notes, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Exchange rate risks and exchange controls may result in Noteholders receiving less interest or principal than expected.

The Issuer will pay principal and interest on the Notes in the currency specified in the relevant Pricing Supplement. This presents certain risks relating to currency conversions if a Noteholder's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than such specified currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of such specified currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the currency in which the Notes are denominated would decrease (i) the Investor's Currency equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal. This risk is in addition to any performance risk that relates to the Issuer or the type of Note being issued.

Provisions in the Trust Deed and the Conditions of the Notes may be modified.

The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. The Conditions of the Notes also provide that the Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed which in the opinion of the Trustee is of a formal, minor or technical nature, is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear, Clearstream, Luxembourg, the Depository and/or any other clearing system in which the Notes may be held and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver will be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification, authorisation or waiver shall be notified to the Noteholders as soon as practicable. Therefore, Noteholders may not necessarily be notified of such modification, authorisation or waiver.

Hybrid Notes.

Hybrid Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The conversion of the interest rate may affect the secondary market and the market value of such Notes since conversion may occur to produce a lower overall cost of borrowing. If the interest rate converts from a fixed rate to a floating rate, the spread on the Hybrid Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the interest rate converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on other Notes.

Variable Rate Notes may have a multiplier or other leverage factor.

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

The performance of contractual obligations by the Issuer is dependent on other parties.

The ability of the Issuer to make payments in respect of the Notes may depend upon the due performance by the other parties to the Trust Deed, the Agency Agreement and the Agent Bank Agreement of their obligations thereunder including the performance by the Trustee, the Principal Paying Agent, the Non-CDP Paying Agent and/or the Agent Bank of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Issuer of their obligations to make payments in respect of the Notes, the Issuer may not, in such circumstances, be able to fulfil their obligations to the Noteholders.

THE ISSUER

General

The Group provides marine services to the shipping and offshore oil and gas industries. The Group offers a comprehensive range of services including vessel chartering services, ship repair and maintenance services, and maritime services in Southeast Asia and the Middle East. The Group owns, operates and charters OSVs, OPL boats, tugs and barges in support of its customer's marine logistical needs. The Group has deployed vessels from Indonesia, Malaysia, Vietnam and the Middle East. The Group's vessels have also been deployed by charterers in Africa, Japan, Russia, India and Australia. Together with its waterfront facility, which includes fabrication and warehousing located in Singapore, the Group offers its customers solutions to their marine and shipping requirements. In 2013, the Group's revenue was $114.7 million and profit for the year after tax was $23.2 million.

Prior to 30 July 2014, the Group conducted its business in three business segments:

- ***Vessel Chartering.*** The Group provides chartering services to major oil companies, main offshore contractors, shipping companies and their agents for their logistic needs. To cater to the changing needs of its customers, the Group periodically reviews its fleet composition, their technical specifications as well as the average age to maintain the Group's position as the preferred charterer of these companies. As of 30 June 2014 and the Latest Practicable Date, the Group's fleet comprises 33 and 34 vessels respectively, consisting of OSVs such as accommodation vessels and crew boats, anchor handling tugs, utility tugs and barges. In 2013, the vessel chartering business accounted for $43.3 million, or 37.8%, of the Group's revenue.

- ***Ship Repair and Maintenance.*** The Group owns a ship repair and maintenance yard in Singapore to support vessels passing through Singapore's ports that require regular repair and maintenance work. The yard has two slipways and a 3,000 DWT dry dock to carry out afloat and dry docking services. The Group has carved out a niche in this market by focusing on smaller capacity support vessels that ply the South-East Asian region. The Group's ship repair and maintenance services business complements its chartering services by helping to maintain the condition of the Group's fleet to reduce downtime. In 2013, the ship repair and maintenance business accounted for $4.1 million, or 3.6%, of the Group's revenue.

- ***Maritime Services.*** The Group aims to provide solutions for a wide range of its customers' needs, including sourcing for marine and offshore equipment and vessels for sale. In 2013, the maritime services business accounted for $67.3 million, or 58.7%, of the Group's revenue.

On 30 July 2014, following approval of the Issuer's shareholders, the Issuer completed the acquisition of all of the issued shares in Scott and English, which conducts the Issuer's fourth business segment, namely rig chartering. Scott and English is in the business of owning and leasing mobile offshore drilling units and service rigs to support major oil and gas corporations in their exploration and production activities. Scott and English's fleet as of 30 June 2014 comprises four rigs (the "**First Four Rigs**") that have been chartered on a long-term bareboat charter basis to oil majors in Latin America and the Middle East. The estimated aggregate charter contract value of the four rigs is approximately US$495.7 million. The rigs and the charter contract are owned through jointly controlled entities in which Scott and English has a 50% interest. The remaining 50% interest is owned by Ezion Investments Pte. Ltd., a wholly owned subsidiary of SGX-ST-listed Ezion Holdings Ltd. As the First Four Rigs are owned through jointly controlled entities, each of its results are recognised based on equity accounting and is recorded as share of results of jointly controlled entities. In 2013, Scott and English had share of results of jointly controlled entities of S$19.9 million.

On 15 August 2014, the Issuer announced that four new wholly-owned subsidiaries of Scott and English entered into additional rig charter contracts with a value of approximately US$94.8 million. The contracts will last for up to a period of two years and relate to four mobile offshore drilling units (the "**Second Four Rigs**") to be used by an oil major to support its oil and gas activities in Latin America. The charters are conditional upon delivery of such mobile offshore drilling units to these Scott and English subsidiaries. The Group is in the process of obtaining funding to purchase the Second Four Rigs. See the section "*Selected Consolidated Financial Information—Liquidity and Capital Resources—Capital Expenditure Requirements*" for further details.

History and Development

The Issuer's vessel chartering business is conducted through its wholly owned subsidiary, Swissco Offshore (Pte.) Ltd., and has a history that dates back to 1970 with the establishment of Sea Well Industrial and Ship Supply Company, a sole proprietorship running a ship supplies business. In 1975, due to the growth of oil drilling activities in the region, Swissco Offshore (Pte.) Ltd. was incorporated to assume the growing business of vessel chartering in the operation of OPL boats. In 1995, the vessel chartering business relocated to a waterfront property at 9 Pandan Road, which provided the business with a base for its fleet and ship repair and maintenance activities as well as warehousing facilities as a value added service to its customers.

The Group's fleet has grown from one OPL boat in 1973 to 33 vessels as of 30 June 2014. To repair and maintain the Group's fleet of vessels as well as those of other ship owners, the Group acquired a ship repair and maintenance yard in 1998, comprising two slipways, waterfront and a 3,000 DWT dockyard that has the capacity to carry out both dry docking and afloat repairs of smaller to mid-sized support vessels.

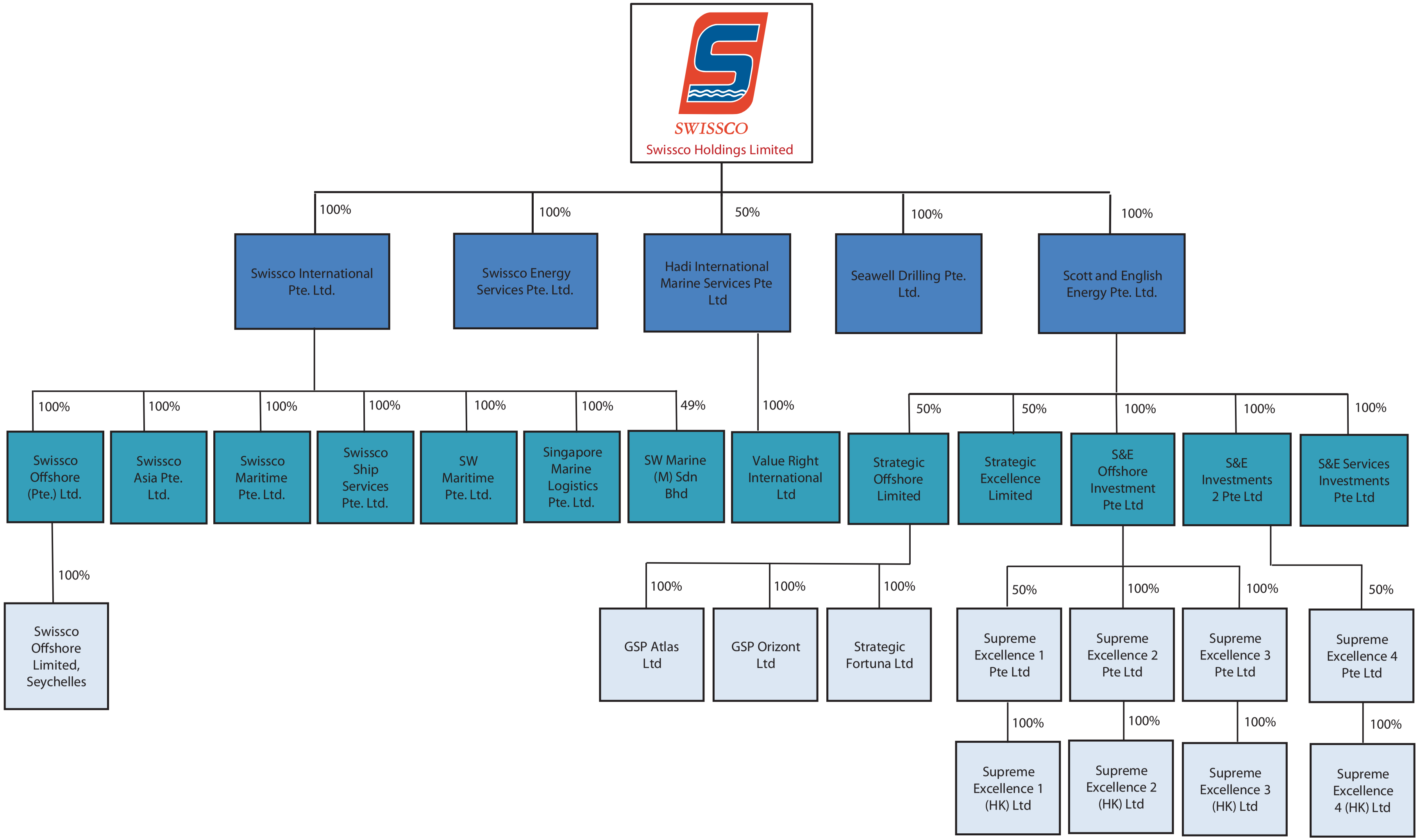
Key events in the Issuer's development since its incorporation include:

Year	Event
2004	C2O Holdings Limited (now known as Swissco Holdings Limited) was listed on Catalist (formerly known as SGX-Sesdaq).
2008	• The Issuer commenced the provision of offshore vessel chartering and marine logistics and support services. • The Issuer entered into a joint venture with Hadi H. Al Hammam and TK Rajgopal and set up a joint venture company, Hadi International Marine Services Pte. Ltd. ("**HIMS**"). • The Issuer set up Valueright International Limited, a BVI company 100% owned by HIMS. • Valueright International Limited acquired three OSVs. • The Issuer set up a new subsidiary C2O Marine Pte. Ltd. (now known as Swissco Energy Services Pte. Ltd.) to provide maritime consultancy and support services.
2009	• Valueright International Limited acquired two utility and crew boats. • The Issuer completed the disposal of its distribution business.
2010	• The Issuer expanded its fleet with a US$13 million order for two new vessels. • The Issuer completed the acquisition of Swissco International Limited. • The Issuer changed its name to Swissco Holdings Limited and changed its registered address to 60 Penjuru Lane.
2011	• The Issuer upgraded its fleet composition with a new building program which included AHTs above 5000 bhp. • The Issuer strengthened its team for maritime services as well as ship-repair segments.

Year	Event
2012	• The Issuer took delivery of a 5150 bhp anchor handling tug, Swissco Jade, in January 2012.
	• The Issuer continued to upgrade its fleet composition with its fleet expansion and renewal programme which included AHTs with bhp ranging from 6400 to 7200 with dynamic positioning ("**DP**").
2013	• The Issuer took delivery of Swissco Amber and Swissco Neptune, both of which are DP vessels.
	• The Issuer took delivery of a crew boat that can accommodate 70 passengers.
	• The Issuer transferred its listing from Catalist to the Mainboard of the SGX-ST.
2014	• The Issuer acquired Scott and English which is in the business of owning and leasing mobile offshore drilling units and service rigs to expand its presence in the offshore oil and gas exploration and production sector.
	• The Issuer's subsidiaries Supreme Excellence 1 (HK) Limited, Supreme Excellence 2 (HK) Limited, Supreme Excellence 3 (HK) Limited and Supreme Excellence 4 (HK) Limited entered into additional rig charter contracts with a value of approximately US$94.8 million.
	• The Issuer acquired its first liftboat for approximately US$56 million expected to be completed in two years and deployed in Southeast Asia.

Group Structure

The chart below sets forth the Group's structure as of the Latest Practicable Date.



Business Overview

Rig Chartering Business

On 30 July 2014, following approval of the Issuer's shareholders, the Issuer completed the acquisition of all of the issued shares in Scott and English. Scott and English is in the business of owning and leasing mobile offshore drilling units and service rigs to support major oil and gas corporations in their exploration and production activities. Scott and English's fleet as of 30 June 2014 comprises the First Four Rigs that have been chartered on a long-term bareboat charter basis to oil majors in Latin America and the Middle East. The estimated aggregate charter contract value of the rigs is approximately US$495.7 million. The First Four Rigs and the charter contract are owned through jointly controlled entities in which Scott and English has a 50% interest. The remaining 50% interest is owned by Ezion Investments Pte. Ltd., a wholly owned subsidiary of SGX-ST-listed Ezion Holdings Ltd.

On 15 August 2014, the Issuer announced that four new wholly-owned subsidiaries of Scott and English entered into additional rig charter contracts with a value of approximately US$94.8 million. The contracts will last for up to a period of two years and relate to the Second Four Rigs to be used by an oil major to support its oil and gas activities in Latin America. The charters are conditional upon delivery of such mobile offshore drilling units to these Scott and English subsidiaries. The Group is in the process of obtaining funding to purchase the Second Four Rigs. See the section "*Selected Consolidated Financial Information—Liquidity and Capital Resources—Capital Expenditure Requirements*" for further details.

Because Scott and English historically conducted its business primarily through jointly controlled entities, it records share of results of jointly controlled entities instead of revenue. In 2013, Scott and English's share of results of jointly controlled entities was S$19.9 million. However, two of the rig chartering contracts that the Group procured in August 2014 relating to two of the Second Four Rigs will be booked through two wholly-owned subsidiaries of the Group and each will be owned by one subsidiary. Therefore, the Group expects Scott and English (and therefore the Group) to accrue revenues from the rig chartering business after the first of these two rig chartering contracts commences.

Rig Fleet

As of 30 June 2014, Scott and English's fleet of the First Four Rigs, which comprise GSP Atlas, GSP Orizont, GSP Fortuna, and Strategic Excellence, are on long-term bareboat charters, mainly in Latin America and the Middle East. The estimated aggregate charter contract value of these First Four Rigs is approximately US$495.7 million.

Certain information regarding the First Four Rigs as at 30 June 2014 are set forth below:

GSP Atlas

Rig type:	Jack-up – Four legs, self elevating unit, cantilever type
Classification:	Germanischer Lloyd
Maximum drill depth:	25,000ft / 7,620m
Maximum water depth:	300ft / 91.44m
Charter commencement date:	January 2013

GSP Orizont

Rig type:	Jack-up – Four legs, self elevating unit, cantilever type
Classification:	Germanischer Lloyd
Maximum drill depth:	25,000ft / 7,620m
Maximum water depth:	300ft / 91.44m
Charter commencement date:	January 2013

GSP Fortuna

Rig type:	Jack-up – Three legs, self elevating unit, cantilever type
Classification:	American Bureau of Shipping
Maximum drill depth:	25,000ft / 7,620m
Maximum water depth:	300ft / 91.44m
Charter commencement date:	July 2013

Strategic Excellence

Rig type:	Jack-up – Three legs, self elevating unit, cantilever type
Classification:	American Bureau of Shipping
Maximum water depth:	300ft / 91.44m
Charter commencement date:	Expected to be 1 October 2014

* Refurbishment in progress for conversion into an accommodation rig.

Vessel Chartering Business

The Group offers OSVs for charter to carry out towages, transport personnel, cargo and supplies. The Group also carries out standby duties and anchor operations. In relation to the Group's customers in the oil and gas industry, OSVs are utilised for seismic work, exploration, production and maintenance operations. The Group 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 oil and gas and civil construction industries. The Group reviews its fleet of vessels regularly against market demand and trends as part of its fleet expansion and renewal program to ensure there are enough advanced marine vessels and OSVs to meet its customers' evolving needs.

In line with the Group's policy of operating a young and modern fleet of offshore vessels, the average age of its fleet is approximately four years as of 30 June 2014. The Group is committed to a continual fleet renewal programme and periodically renews its fleet in order to offer customers a newer, wider range of vessels and a one-stop solution for their vessel chartering needs. For example, clients in the offshore oil and gas industry require newer, more powerful support vessels to ply the rough seas, where such vessels are used to tow, moor and anchor oil rigs, platforms and work barges in areas where oil and natural gas explorations, development and production activities take place.

Vessel Fleet

The Group's vessel fleet as of the dates below are as follows:

Existing Vessels	Accommodation Vessels	Anchor Handling Tugs	Crew Boats	Utility Tugs	Barges	Total
31 December 2012	2	8	4	12	6	32
31 December 2013	2	10	4	12	6	34
30 June 2014	2	12	2	12	5	33
Vessels under Construction						
Expected delivery in 2H2014	1	–	2	1	–	4
Expected delivery in FY2015	–	5	1	–	–	6

As at 30 June 2014, the Group's vessel chartering fleet of 33 OSVs were as follows:

Vessel Name	Owner	Type	Year Built	Flag	Mortgage Status
Swissco 48	SOPL	Accommodation Vessel	2008	Singapore	✓
Swissco Supporter	SSSPL	Accommodation Vessel	2009	Singapore	✓
Swissco Swift	SAPL	AHT	2010	Singapore	✓
Swissco Sabre	SMPL	AHT	2010	Singapore	✓
Swissco Jade	SOPL	AHT	2012	Singapore	✓
Swissco Singapore	SSSPL	AHT	2010	Singapore	✓
Swissco Superior	SAPL	AHT-ASD	2008	Singapore	✓
Swissco Sapphire	SAPL	AHT-ASD	2007	Singapore	✓
Swissco Emerald	SOPL	AHTS	2014	Singapore	✓
Swissco Supplier	PTSM	AHTS	2008	Indonesia	–
Swissco Amber	SOPL	AHTS	2013	Singapore	✓
Swissco Topaz	SOPL	AHTS	2013	Singapore	✓
Swissco Ruby	SOPL	AHTS	2013	Singapore	✓
Swissco Pearl	SOPL	AHTS - DP1	2014	Singapore	✓
Sw 180	SMLOG	Barge	2013	Singapore	–
Sw 1802	SOPL	Barge	2010	Singapore	–
Sw 282	SOPL	Barge	2013	Singapore	–
Curtis Constructor	SOPL	Barge	2010	Singapore	–
Swissco 55	SAPL	Barge-Deck	2006	Singapore	–
Swissco Seal	SOPL	Crewboat	2009	Panama	–

Vessel Name	Owner	Type	Year Built	Flag	Mortgage Status
Swissco Spur	SOPL	Crewboat	2009	Panama	✓
Swissco Opal	SOPL	Utility	2013	Singapore	✓
Swissco Sentosa	SAPL	Utility	2006	Singapore	✓
Swissco Sentry	SAPL	Utility	2008	Singapore	✓
Swissco Searcher	SMPL	Utility	2008	Singapore	✓
Swissco Server	SMPL	Utility	2008	Singapore	✓
Swissco Success	SOPL	Utility	2007	Singapore	✓
Swissco Surf	SOPL	Utility	2007	Singapore	✓
Swissco Shore	SAPL	Utility	2008	Singapore	✓
Swissco Sunrise	SSSPL	Utility	2011	Singapore	✓
Swissco Summit	SOPL	Utility	2011	Singapore	✓
Swissco Synergy	SOPL	Utility	2011	Singapore	✓
Swissco Neptune	SOPL	Utility - 57m Maint	2013	Singapore	✓

As at 30 June 2014, the Group also has the following vessels under construction:

Vessel Name	Owner	Type	Expected Year of Completion	Flag	Mortgage Status
Swissco Jupiter	SOPL	Accommodation Vessel	2014	Singapore	–
Hull Y5072	SOPL	Crewboat	2014	Panama	–
Xyf-111	SOPL	Utility	2014	Singapore	–
Hull Y5073	SOPL	Crewboat	2014	Panama	–
Hull Y5074	SOPL	Crewboat	2015	Panama	–
Ess130126	SOPL	AHTS - DP2/90T	2015	Singapore	–
Ess130127	SOPL	AHTS - DP2/90T	2015	Singapore	–
Xyf-127	SOPL	AHTS - DP2/80T	2015	Singapore	–
Xyf-128	SOPL	AHTS - DP2/80T	2015	Singapore	–
Xyf-125	SOPL	AHTS - DP2/80T	2015	Singapore	–

In 2013, the Group expanded its fleet to 34 vessels as compared to the 32 vessels in 2012. Since December 2013, the Group disposed of one barge and two crew boats, and took delivery of two AHTs during the first half of 2014. The Group expects that it will continue to keep its fleet young and review its fleet mix to ensure that its fleet stays relevant to the market's demand. As of 30 June 2014, there are 10 vessels under construction and the vessel chartering business expects to take delivery of four vessels in the second half of 2014 and the remaining six vessels in 2015. As of the Latest Practicable Date, the Group has also acquired its first liftboat which it expects to be completed and deployed in two years. The Group's vessel fleet's average utilisation rate ranged from 60% to 70% in 2013. This was a result of the Group's enhanced fleet being able to secure more charter contracts for all its vessel types.

Ship Repair and Maintenance Business

Small to mid-sized marine vessels which pass through Singapore's ports require regular repair and maintenance to ensure seaworthiness and meet certification requirements. The Group has a ship repair yard at 58/60 Penjuru Lane with a 3,000 DWT dry dock and two slip ways to carry out dry docking and afloat repairs for both its fleet and third party vessels. With its own waterfront yard and ship repair facilities, the Group has the capability to cater to such needs. Singapore Marine Logistics Pte Ltd ("**SMLog**"), a subsidiary of the Group, manages the Group's ship repair and maintenance business. The repair works SMLog principally undertakes include retrofitting, renewal works, blasting and painting, electrical and electronic works, and mechanical works.

In July 2014, the Group announced that it had entered into an addendum to an option to purchase. The option to purchase was originally entered into in March 2014 and related to the sale and purchase of a leasehold property at 21 Tuas Road for a cash consideration of $16.2 million. The property has a total land area of approximately 26,248 square metres, with a waterfront of about 107 metres and a 30-metre by 100-metre slipway. The completion of the sale and purchase of the property is conditional upon, among other things, approval from JTC for the sale and purchase. JTC approval was obtained on 3 September 2014.

Maritime Services Business

The Group assists its customers to source for marine and offshore equipment as well as supplies and consumables for their offshore projects. It also sources for vessels for sale to its customers. Swissco Energy Services Pte. Ltd., a subsidiary of the Group, manages the Group's maritime services business. In 2013, the Group's maritime services business segment delivered four vessels, two more than the Group had delivered in 2012. The Group's maritime services business segment is complementary to its vessel chartering and ship repair and maintenance business segments because, in addition to sourcing arrangements, it can also offer vessels for charter and repair solutions to its customers tailored to their needs.

Sales and Marketing

The Group's sales include repeat business from long-standing customers who value the reliability and competitiveness of the Group's services. New customers are the result of both referrals from existing customers and the marketing efforts of the Group's management team. The Group positions its yard as a reliable maintenance service provider that can satisfy the customers' vessel licensing and seaworthiness requirements. Where opportunities arise, sales of vessels are usually contracted through brokers or agents who are paid a sales commission upon successful completion of each sale.

The rig chartering business maintains a marketing and business development team led by Scott and English's senior management. They are responsible for maintaining and establishing new relationships with business partners and customers in the offshore oil and gas industry. The marketing and business development team not only serves existing markets in which the Group has rigs and maintains their relationships with their existing customers, but also focuses on developing business opportunities in new markets. For regions in which Scott and English has a greater presence, it deploys members of its marketing team on the ground to nurture existing business relationships and rapport with its customers, including providing after sales and follow-up services so that it is kept informed of projects in the market. Senior members of the Scott and English management team also make regular visits to major markets to update customers on the Group's capabilities and achievements, allowing customers to better understand the profile and quality of the services that it offers. Through these marketing activities, the marketing and business development team aims to seek out potential assets, partnerships and investments to increase the fleet size of the Group, as well as to source for attractive charter rates and terms.

Planning for the Group's activities requires a certain degree of projection into the future requirements of the oil and gas industry. In order to ensure that such projections are accurate as far as possible, the Group places emphasis on ensuring that its market intelligence is up-to-date at all times. In order to achieve such results, the Group relies on a variety of information sources and analyses the data gathered using its experience in the industry in order to come up with projections as to the types of mobile offshore drilling units and service rigs that its customers will most likely require in the future. Based on these projections, it can then take the necessary steps to ensure that it will, as far as possible, have the necessary resources to support its customers' projects when the need arises.

Major Suppliers

The Group's suppliers are principally shipyards and equipment suppliers. Due to the nature of its current business, the Group does not have any consistent group of major suppliers upon whom it is dependent. In 2013, the Scott and English Group engaged the services of Union International Energy FZE and Kith Marine & Engineering Sdn. Bhd. to provide management services in relation to the capital expenditure project of the transport, modification and refurbishment of Strategic Excellence. Such services accounted for 79.9% and 20.1%, respectively, of the Scott and English Group's purchases in 2013.

Major Customers

The Group does not rely on any major customers, due to the project-based nature of its businesses. In relation to the rig chartering business, the Group does not currently record any revenue from any customer but derives its income from its share of results of the Scott and English jointly controlled entities. Three of the First Four Rigs are chartered out to Grup Servicii Petroliere SA on bareboat charters to support the oil and gas activities of a national oil major, while the remaining rig will be chartered out to Teras Harta Maritime Ltd after its refurbishment is complete. However, two of the rig chartering contracts that the Group procured in August 2014 relating to two of the Second Four Rigs will be booked through two wholly owned subsidiaries of the Group and each will be owned by one subsidiary. Therefore, the Group expects Scott and English (and therefore the Group) to accrue revenue from the rig chartering business after the first of these two rig chartering contracts commences. The Second Four Rigs have been chartered out on bareboat charters to support an oil major's oil and gas activities in Latin America.

Competition

Due to the diverse nature of the industries which the Group serves and the range of services that the Group offers, the Group does not believe there are any direct competitors. However, the Group faces competition from companies offering similar services in one or more of the Group's business segments. Some of the companies that the Group considers as its competitors include Pacific Radiance Limited, Nam Cheong Limited and Miclyn Express Offshore Limited.

Rig Chartering Business

Principal competitive factors in the rig chartering business include pricing, compliance with stringent technical specifications, the availability of capital resources, and the availability of strategic offshore assets which meet the specific technical requirements of the customers. The Group's direct competitors are other owners of rigs who charter these assets on a bareboat charter basis. The Group believes that there are few direct competitors with the same business model as Scott and English. However, certain players operating within the industry, such as companies involved in, among other things, the provision of leasing, drilling and rig management services, have similar capabilities and are able to provide assets and services to the same customers as Scott and English. For example, some of the companies that the Group considers as its competitors include Ezion Holdings Limited, KS Energy Limited and Mermaid Maritime Public Company Limited.

Vessel Chartering

The principal competitive factors in the vessel chartering business, in particular, the offshore support services industry, are the specification and availability of vessels, charter rates, comprehensiveness of the other value adding services that operators provide to their customers and quality of service rendered by the crew. The specification of the vessel would determine the type of support services that customers may use the vessel for during the period of charter. Due to the capital intensive nature of the Group's business, the barriers to entry are high, resulting in there being only a few companies in the region that operate a range of vessels in the offshore support service sectors. Some of the companies that the Group considers as its competitors include Pacific Radiance Limited, Nam Cheong Limited and Miclyn Express Offshore Limited. Although there are a handful of operators with very large fleets, there are also many operators with smaller number of vessels that compete with the Group in the offshore support service sectors.

Ship Repair and Maintenance Business

The Group's ship repair and maintenance business competes with both Singapore-based and Batam-based yards that cater to vessels of the same size. There are not many of such yards in Singapore as many have been relocated elsewhere. The Group is able to compete effectively because of its work productivity resulting from its workers' skills and competency. The Group is therefore able to complete the repair and maintenance work in a shorter time thus reducing the vessels' downtime for the ship owners. This effectively compensates for the higher repair rates charged by the Group as compared to those offered by yards elsewhere. In addition, the Group renders technical advice to customers on compliance with certification requirements and extending the seaworthiness of their vessels whilst minimising repair and operational costs. These add value to the Group's services and enhance its competitiveness.

Maritime Services Business

Principal competitive factors in the maritime services business include the Group's long track record of managing and supervising construction of vessels, the Group's good and long-time relationships with third party yards, and its established network of vessel equipment suppliers. These factors demonstrate the Group's established presence as a provider of maritime services, help it to provide solutions for a wide range of its customers' needs and enable the Group to add value by providing support services to its customers.

Barriers to Entry and Ability to Compete

The Group believes that the barriers to entry into its business are relatively high owing to the capital required to acquire the substantial assets (such as rigs, vessels and slipways and dry docks) as well as the market accessibility of the rig and vessel charter and repair and maintenance businesses. The fact that there are many players in the industry with only one or two vessels available for charter illustrates the difficulty in securing capital to expand their fleet. This is exacerbated by the competitive charter rates that discourage the addition of costly new vessels to their fleet. With respect to the Group's ship repair and maintenance business, the limited availability of waterfront facilities in Singapore and the presence of lower cost facilities elsewhere tend to discourage new entrants into this business.

The Issuer's directors also believe that the long-standing business relationship developed between the Group and its customers, as well as the experience and expertise of the Group's management and staff in meeting the needs of both the rig and vessel charter and repair and maintenance industries are not easily replicated. New players in these industries will need to depend heavily on building up a good network of customers and suppliers to gain entry into a market where customers often rely on established service providers with a proven track record of reliability and efficiency.

Insurance

The Group's vessels are covered under hull and machinery insurance in respect of any loss or damage to their hull and machinery. In addition, the Group's OSVs are covered under insurance provided by the Protection and Indemnity Club for losses or damages not covered by the hull and machinery insurance, for example in respect of claims for crew casualties, oil-spills and damages to other third parties' properties. The Group's workers are covered under workmen compensation insurance as required by law. In addition, the Group also maintains insurance for public liability, and insurances for its vehicles as required by law.

Pursuant to the rig charter contracts of the Group, the charterers have taken out certain insurance policies to cover the rigs (save for Strategic Excellence), and each jointly controlled entity owning each such rig is named as an assured under such insurance policies. Such insurance policies include physical damage (including hull and machinery insurance), protection and indemnity insurance and war risks. In respect of Strategic Excellence, the rig is insured under a builder's risk policy which has been taken out by the shipyard carrying out the refurbishment.

The Group believes that the above insurance policies are adequate and sufficient for its existing operations. Nonetheless, the Group intends to continue to evaluate their existing insurance policies from time to time to determine whether the insurance policies, including the amounts insured, are adequate and sufficient for the Group's purposes.

Intellectual Property

The Group's businesses are not materially dependent on any patent, patent rights, licences, processes or other intellectual property. The Group does not own any trademark or patent and has not received any royalties for any licences or use of intellectual property.

Employees

Excluding the Scott and English Group, the Group employees were as follows:

	As of 31 December		
Function	**2011**	**2012**	**2013**
Management	9	10	9
Administration and Finance	8	7	7
Operations — Shore	11	11	11
Operations — Vessels	19	24	24
Total	47	52	51

As at 30 June 2014, the Scott and English Group had a total of 13 employees and did not employ a significant number of temporary employees.

The employees of the Group do not participate in labour unions. There have been no industrial disputes with its employees since the Group commenced operations in its current business.

Staff training

In order to ensure that its staff and offshore skilled personnel are competent in their roles and responsibilities, staff training plays an important role in the operations of the Group. Accordingly, employees receive on-the-job training and are sent for courses and/or tests in order for them to obtain the necessary skills certifications for their respective areas of responsibilities. For example, members of the Group's technical staff are sent for external training courses, apprenticeships and tests to ensure that they receive the requisite certifications.

Due to the nature of the Group's operations, safety awareness training for its employees is also viewed as being of utmost importance. Employees are regularly sent for safety training courses to ensure that they are apprised of the most up-to-date safety measures so as to minimise safety breaches.

Competitive Strengths

The Group's principal competitive strengths are set forth below.

Well-established business relationships with global suppliers and customers.

The Group has developed long-standing relationships with its customers over the years and established a track record of reliable service and good facilities. Through the years the Group has earned the trust of its customers as a result of the integrity of its management, its demonstration of the reliability of its services and its ability to support its clients in the provision of key marine support facilities and personalised services. The Group believes that its business model and well-established interpersonal relationships with customers may not be easily replicated. With the extensive experience of the Group's key executives, it has built up a good network of suppliers, contractors and customers in the marine logistics and ship repair industries.

Price-competitive and ability to add value to customer's operations.

The Group has been able to remain competitive in the OSV market despite increased competition. The Group has been able to retain the business of its existing customers and secure new business because it provides value-added services to its customers, and its ship repair and maintenance yard provides a base for any urgent rectification works. In addition, the Group renders value-added services such as technical advice to customers on compliance with certification requirements and extending the seaworthiness of their vessels.

A young and diverse fleet of OSVs.

The Group's policy is to operate a young and modern fleet of OSVs. As of 30 June 2014, the average age of its fleet of OSVs is just over four years old. In the offshore oil and gas industry, potential customers often require vessels for specific functions at specific points in the oil and gas business cycle. Under the Group's fleet policy, the Group periodically renews its fleet by ordering new vessels with a range of complementary specifications that provide such vessels with flexibility that better suits the operational requirements of the offshore oil and gas industry. For example, the Group's AHTs have a bhp ranging from 3,000 to 6,400 bhp. As a result, the Group has a newer and a wider range of vessels to offer to its customers that meet their changing needs and allows the Group to enter the higher value-added sector of the business.

A dedicated, competent and experienced management team with an established track record.

The Group's business activities are managed by a dedicated, competent and experienced management team. The Group's Executive Chairman, Mr. Tan Fuh Gih, who was also a key shareholder of Scott and English, served as the president of the oil and gas division of KS Energy Limited and has built up strong and long lasting business relationships with strategic partners and key customers, including international oil companies over the last 25 years. The Group's Chief Executive Officer, Mr. Alex Yeo Kian Teong, has been with the Group since 1992 and has grown the business from a small ship chandler to its current status as a rig and vessel chartering and ship repair and maintenance group with regional operations. Mr. Chua Wei Teck, Executive Director of the Group, has extensive management experience and had worked in major financial institutions in Hong Kong, London and Singapore prior to joining Scott and English.

Mr. Tan Kim Seng, a previous key shareholder of Scott and English, has been a director of Scott and English since 2002 and founded KS Energy Limited (formerly known as KS Tech Limited), which was in the business of distribution of marine oil and gas equipment including hydraulic equipment, instrumentation, spares and parts and general hardware. He has more than 30 years of experience in the trading business. Mr. Mark Steven Gibson, Chief Operating Officer of Scott and English, has more than 37 years of extensive experience in the offshore drilling industry, most recently as director of operations of Atwood Oceanics Inc., a company listed on the New York Stock Exchange, overseeing and managing its worldwide jack-up fleet and deepwater fleet in the Mediterranean, Southeast Asia and West Africa.

A team of experienced and well-trained seafarers and shore-based personnel.

Over the years, the Group has developed a team of seafarers who are well-trained and experienced in the operation of the vessels and equipment and who understand the requirements of the Group's customers. The Group's shore-based personnel are equally experienced to understand the operational requirements and demands of the industry and are adept in meeting the needs of its customers. By recruiting personnel from various countries in this region, the Group acquires local knowledge and has a wider pool of skilled human resource to tap from at competitive rates.

Comprehensive marine and related facilities that are efficiently utilised.

The Group has a diversified fleet of vessels that enable it to deploy such vessels cost effectively to optimise their utilisation and to meet customers' requirements. The Group's range of comprehensive operational facilities enhances its customers' operational efficiency when all or some of the facilities required by its customers are available at one location. The nature of the marine industry often requires those who service it to have on call spare capacity in terms of vessels or land-based support facilities to meet urgent or unforeseen requirements. Urgency often arises from the need to meet the predetermined vessel sailing time or port facility bookings. The Group has the capability and flexibility to deploy its assets on an urgent or unexpected basis without disrupting its normal business operations.

Business Strategies

The prospect of the offshore support services industry depends on the price of oil and natural gas that directly determines the level of activities in the offshore oil and gas industry in this region. Higher oil and gas prices have the potential of increasing exploration, development and production as the price justifies the capital expenditure for such activities. The price of oil and natural gas is affected by demand and supply for such natural resources globally. With the economic recovery of the developed countries, the demand for oil and gas to fuel industries and for domestic consumption will increase. Supply on the other hand depends on global political and economic environment, advances in exploration and development technology and government restrictions placed on exploration and production activities.

The demand for offshore drilling rigs reflects oil companies' demand for equipment to drill exploration, appraisal and development wells as well as perform maintenance on existing production wells. The activity level by oil companies is to a large extent driven by the worldwide demand for energy. The Group believes that the long-term fundamental demand for energy remains intact, driven by demographic developments and urbanization trends. According to the Organization of the Petroleum Exporting Countries (World Oil Outlook 2013), oil is expected to remain as the primary energy source. Therefore, companies involved in the exploration, development and production of oil are likely to experience sustained demand in the future for their products and services. Global growth continues to underpin crude oil demand in the longer term. The Group believes that oil prices are likely to remain sufficiently elevated to spur capital expenditure in the sector. In the one-year period from 5 June 2013 to 5 June 2014, the price of the Brent Crude had been generally above the US$100 per barrel mark while the price of the West Texas Intermediate Crude had also been generally above US$90 per barrel. One of the key factors in influencing the level of expenditure in oil exploration is the price of crude oil, as the incentive to engage in development and production of crude oil requires a certain level of oil prices to justify the capital investment for such activities.

To take advantage of the growth opportunities, the Group has adopted the business strategies set forth below.

Expand and diversify the Group's fleet.

Rig Chartering Business

To maintain and enhance its competitive strengths, the Group intends to continue to acquire quality offshore assets and source for long-term charter contracts for its assets. The Group intends to develop and acquire additional rigs, which may consist of both new builds and older units, depending on the economic viability and circumstances of each potential new build or acquisition. This would enable the Group to seize opportunities in the geographic regions that it is currently operating in or intends to enter. The Group plans to achieve this by expanding its existing spread of rigs to include other offshore assets. In determining how best to expand the Group's fleet, the Group relies on its market intelligence and customer feedback in order to project and meet customers' requirements for the various stages of the oil and gas life cycle within the next one to three years. This lead-time is required in order to ensure that it is able to build and/or acquire new or replacement assets in time to meet such requirements. The Group intends to add rigs that are locked into multi-year charter contracts, earning the Group a steady spread over each rig's operating cost and cost of funding. The Group's business model of securing rigs and matching them with long term contracts will provide it with a high degree of forward earnings visibility. Subject to market conditions, the Group is likely to continue to fund the acquisition or acquire other assets funded through internal resources and bank borrowings.

Vessel Chartering Business

The Group will continue to build new vessels to replace older ones and increase its existing fleet of support vessels, tugboats and barges. The specification of the Group's new support vessels will extend its fleet capability to support a wider range of services required particularly by the offshore oil and gas industry in this region. The Group accepted delivery of two new AHTs in January 2014 and June 2014. In addition, three other new vessels that will be delivered by the end of 2014 are specialised vessels for the oil and gas industry and are expected to attract better charter terms due to the wider range of services they can perform.

Penetrate new markets.

The Group is fully committed to tap the potential of the offshore oil and gas industry and the marine infrastructure developments within the region. The Group has been operating in Southeast Asia, the Middle East and Latin America, and with the delivery of three new vessels expected in the remainder of 2014 and seven new vessels expected in 2015, the Group believes that it is well-positioned to expand further into the vessel chartering industry.

The Group believes that the Latin American and Middle Eastern regions possess good development prospects. Growth in Latin America is likely to be driven in most part by Mexico's plans to rejuvenate its offshore oil and gas exploration and production activities with Latin American exploration and production spending likely to rise in the future. The Middle East, as one of the oil-rich regions of the world, is also expected to experience growth and increased capital expenditure by oil and gas companies as more opportunities for oil and gas investment emerge from the region. In terms of geographic market presence, the Group intends to expand its customer base to national oil and gas companies and oil and gas majors including those in Asia, North Sea and Africa.

The Group believes that as world demand for oil increases, the demand for the offshore support services sector is likely to increase correspondingly as well since a significant proportion of the world's global energy production comes from offshore fields. The majority of the current producing offshore fields are shallow water fields and this is likely to continue to be the main focus of the major oil players in the near future. In addition, declines in the current production levels of a number of mature oil and gas basins is likely to require further investment in exploration and production. Overall, the Group believes that continued capital expenditure in the offshore oil and gas industry will likely drive a corresponding increase in the support activities required for exploration and production. As an integral part of the offshore oil and gas supply chain in supporting the offshore oil and gas lifecycle, rig chartering services are expected to be part of this growth.

Expand strategically through investments, acquisitions, joint ventures and strategic alliances.

The Group plans to expand and diversify its business and service offerings in the offshore oil and gas industry organically or through potential acquisitions and joint ventures with parties who can provide synergistic value to its existing business, as and when opportunities arise. The Group intends to consider new opportunities in the offshore oil and gas industry, to acquire potential businesses or to form joint ventures and/or strategic alliances. The Group's business philosophy is to look for strategic partners to form alliances when diversifying into new businesses or venturing into new markets. The Group will continue to look for strategic partners to provide local and industry knowledge and management expertise that are critical to the success of new businesses. The Group will consider forming alliances with these strategic partners whenever opportunities arise to enable the Group to grow and achieve a stronger presence in the region.

THE ISSUER'S MANAGEMENT

Board of Directors

The Issuer's board of directors is responsible for reviewing the financial performance and condition of the Group, approving the Group's strategic plans, key operational initiatives, major investment and funding decisions, and identifying principal risks of the Group's business and ensuring the implementation of appropriate systems to manage the risks. As of the Latest Practicable Date, the Issuer's board of directors comprises six directors, three of whom are executive with the remaining three being independent as follows:.

Name	Age	Position
Mr. Tan Fuh Gih	61	Executive Director and Executive Chairman
Mr. Alex Yeo Kian Teong	47	Executive Director and Group Chief Executive Officer
Mr. Chua Wei Teck	36	Executive Director
Mr. Lim How Teck	64	Lead Independent Director
Mr. Leslie Yeo Choon Hsien	47	Independent Director
Mdm. Madeleine Ho Geok Choo	58	Independent Director

Mr. Tan Fuh Gih is the Executive Director and Executive Chairman of the Issuer. Prior to his designation as Executive Chairman on 30 July 2014, he had served as a Non-Executive Director since 5 May 2011 and as a member of the audit and remuneration committees of the Issuer. Mr. Tan is a member of the nominating committee. From 1978 to April 2008, he was with the KS Energy Group and was instrumental in the KS Energy Group's expansion into the oil and gas industry in the 1980s. He was also the founder of the projects division of the KS Energy Group which handles all the projects-based procurement and supply to major players in the oil and gas industry. From June 2009 to April 2011, he acted as an advisor to the Group. Mr. Tan graduated with a Bachelor of Commerce (Honours) degree from Nanyang Technological University and also holds a Master of Business Administration from the National University of Singapore.

Mr. Alex Yeo Kian Teong is an Executive Director and the Group Chief Executive Officer of the Issuer. He was appointed as the Executive Director of the Issuer 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 Executive Chairman in developing business strategies of the Group, and in the effective management of the Group's regional operations and expansion. Mr. Yeo began his career as an Operations Executive in Swissco Offshore (Pte.) Ltd. in 1992. He then assumed the role of Operations Manager of Swissco Offshore (Pte.) Ltd. two years later, and oversaw the business marketing for the Group. Mr. Yeo was appointed as Chief Executive Officer of the Group with effect from 1 January 2013. He graduated from the University of San Francisco with a Bachelor of Science in Business Administration.

Mr. Chua Wei Teck is an Executive Director of the Issuer and was appointed to the Board on 30 July 2014. Mr. Chua previously served as chief executive officer of Scott and English. Prior to that, from 2010 to 2013, he was a director of the capital markets team in Standard Chartered Bank and an assistant director in the investment banking team of Rothschild (Singapore) Limited, advising both corporate and private equity clients on corporate finance and capital markets transactions. From 2008 to 2010, he was the vice-president of Linq Asia Capital Services Pte. Ltd., where he was responsible for investments in credit-driven special situations in South-East Asia. Prior to that, from 2004 to 2008, he was an associate director in the investment banking department of UBS AG, where he was involved in multiple advisory and financing transactions for major clients in Asia and Europe. Mr. Chua holds a Master degree in Accounting and Finance from the London School of Economics and Political Science.

Mr. Lim How Teck is Lead Independent Director of the Issuer. Mr. Lim is Chairman of the audit committee and remuneration committee. He was appointed to the Board on 27 April 2010, and was designated as Lead Independent Director on 14 January 2014. Prior to joining the Issuer, 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. Leslie Yeo Choon Hsien is an Independent Director of the Issuer and was appointed to the Board on 14 January 2014. Mr. Yeo is Chairman of the nominating committee, and Chairman of the risk management committee. Presently, he is the principal director in Sterling Law Corporation. His main area of practice is civil and commercial litigation. He also serves as the legal adviser to the Kim Mui Hoey Kuan, the Yeo Clan, the Singapore Hokkien Yeo See Association, the Xiyao Culture Association, the Pasir Ris-Punggol GRC (Punggol South), Citizens' Consultative Committee. Mr. Yeo is also the chairman of the school advisory committee for West Spring Secondary School. Mr. Yeo holds a Bachelor of Laws degree from the National University of Singapore and is a fellow of the Singapore Institute of Arbitrators (FSIArb).

Mdm. Madeleine Ho Geok Choo is an Independent Director of the Issuer and was appointed to the Board on 1 August 2014. She is a member of the audit committee and remuneration committee. She is the chief executive officer of Human Capital (Singapore) Pte. Ltd., the national accredited continuing executive education centre for human capital and people managers and is an adjunct profession at UniSIM. Mdm. Ho sits on the board of trustees of NCCS Research Fund and Community Cancer Fund. She also serves as an independent director of Select Group. Mdm. Ho was previously managing director of Humanpower Advisory Pte. Ltd. in 2008, group executive president, corporate services of Hyflux Limited between 2006 and 2008 and vice-president, human resources of SIA Engineering Company from 2000 to 2006. Mdm. Ho has more than 30 years of experience in both government-linked corporations and the private sector. Her vast experience and expertise have enabled her to add value in terms of human capital competitiveness to business and operations excellence in various multinational corporations and small and medium enterprises in Singapore and overseas. Mdm. Ho holds a Bachelor's degree in Economics and Political Science from the University of Singapore and a Master of Science degree in Asia Pacific Human Resource Management from the National University of Singapore.

Committees of the Board of Directors

Audit Committee

The audit committee comprises three members, all of whom are independent directors. The chairman of the audit committee is Mr. Lim How Teck and the members are Mr. Leslie Yeo Choon Hsien and Mdm. Madeleine Ho Geok Choo. The members of the audit committee have sufficient financial management expertise, as interpreted by the Board in its business judgment, to discharge the audit committee's functions. The audit committee functions within its written terms of reference. The main duties and powers of the audit committee are, among other things, as follows:

- reviewing the audit plan, scope and results of the audit with the external auditors;
- ensuring co–ordination between the external auditors and management, reviewing the co-operation and assistance given by management to the external auditors, and discussing issues and concerns, if any, arising from the audit and any other matters which the auditors may wish to discuss (in the absence of management where necessary);
- ensuring that the internal audit function (if any) is adequate and has appropriate standing within the Issuer, ensuring the adequacy of the internal audit function (if any) at least annually, and reviewing the scope and results of the internal audit procedures (if any);
- ensuring that a review of the effectiveness of the Issuer's material internal controls, including financial, operational and compliance controls, and risk management, is conducted at least annually by the internal auditors;

- reviewing the quarterly, half-year and full year financial statements, including the balance sheet of the Issuer 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;

- commissioning, reviewing and discussing with the external auditors, 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;

- reviewing the scope and results of the audit and its cost-effectiveness and the independence and objectivity of the external auditors, and where the external auditors also supply a substantial volume of non-audit services to the Issuer, 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;

- reviewing the independence of the external auditors annually, and considering the appointment or re-appointment of the external auditors, the audit fee, and matters relating to the resignation or dismissal of the auditors;

- approving internal control procedures and arrangements for all interested person transactions;

- reviewing transactions falling within the scope of the SGX-ST Listing Manual, in particular, matters pertaining to interested person transactions and acquisitions and realisations as laid down in Chapters 9 and 10, respectively, thereof; and

- undertaking such other reviews and projects as may be requested by the Board and reporting to the Board its findings from time to time on matters arising and requiring the attention of the audit committee.

Nominating Committee

The Issuer's nominating committee comprises three directors, of whom two (including the Chairman) are independent directors. The chairman of the nominating committee is Mr. Leslie Yeo Choon Hsien and the members are Mr. Tan Fuh Gih, and Mr. Lim How Teck. The nominating committee is governed by its written terms of reference. In accordance with the definition in the Code of Corporate Governance 2012 (the "**Code**"), the chairman of the nominating committee is not associated with any substantial shareholder of the Issuer. The nominating committee 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:

- ensuring that all directors submit themselves for re-nomination and re-election at regular intervals and at least once every three years;

- determining the independence of each director in accordance with the paragraph 2.1 of the Code on an annual basis;

- evaluating whether a director is able to and has adequately carried out his duties as a director of the Issuer, in particular, where the director concerned has multiple board representations; and

- assessing the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board.

Remuneration Committee

The Issuer's remuneration committee comprises three directors, all of whom are independent directors. The chairman of the remuneration committee is Mr. Lim How Teck and the members are Mr. Leslie Yeo Choon Hsien and Mdm. Madeleine Ho Geok Choo. The remuneration committee makes recommendations to the Board on the framework of remuneration, and the specific remuneration packages for each director and the Chief Executive Officer. The remuneration committee is governed by its written terms of reference. The duties and powers of the remuneration committee are, among other things, as follows:

- recommending 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;

- determining specific remuneration packages for each executive director;

- recommending 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;

- determining the targets for any performance-related pay schemes in respect of the executive directors of the Group, and to review and to recommend the terms of renewal of their service contracts to the Board; and

- administering the employee share option scheme and the performance share plan of the Issuer.

Risk Management Committee

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 Issuer's risk management committee comprises three directors. The Chairman of the risk management committee is Mr. Leslie Yeo Choon Hsien, an independent director and the members are Mr. Tan Fuh Gih and Mr. Alex Yeo Kian Teong. The risk management committee reviews the Group's business and operational activities and identifies areas of significant business risks as well as appropriate measures of control to bring them to within acceptable cost and tolerance parameters.

The Board also works with the external auditors on their recommendations, and institutes and executes relevant controls with a view to managing business risks

Internal Audit

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 to authorise capital expenditure and investments.

The Board believes that the system of internal controls maintained by the Group's management provides reasonable assurance against material financial misstatements or loss, assists the safeguarding of its assets, ensures the maintenance of proper accounting records, ensures the reliability of financial information as well as the compliance with legislation, regulations and best practices and identifies and manages business risks.

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

Executive Officers

As at the Latest Practicable Date, the key Executive Officers of the Issuer are as follows:

Name	Age	Position
Mr. Sam Kwai Hoong	50	Group Chief Financial Officer
Mr. Kelvin Tang	39	Group Chief Investment Officer
Ms. Jennifer Lee	49	Chief Financial Officer – Scott and English
Ms. Shadee Toong	44	Vice President, Finance
Mr. Mark Steven Gibson	56	Chief Operating Officer – Scott and English
Mr. Derek Koh Bai Yau	42	General Manager of Swissco Offshore (Pte.) Ltd. and Singapore Marine Logistics Pte Ltd

Mr. Sam Kwai Hoong is the Group Chief Financial Officer of the Issuer. He is responsible for the financial matters of the Group. Mr. Sam brings with him 19 years of experience in accounting and financial management. He started his career as an auditor in an international accounting firm and was responsible for audits of multinational companies and local listed companies. He left to join a company listed on the SESDAQ (now known as the Catalist board of the SGX-ST) in 1993 as a finance and administration manager and was promoted to executive director in 2000, becoming responsible for its financial as well as operation matters. Mr. Sam holds a Bachelor of Accountancy from the National University of Singapore and is a Fellow Member of the Institute of Singapore Chartered Accountants.

Mr. Kelvin Tang is the Group Chief Investment Officer of the Issuer. He joined the Group on 6 January 2014. With 15 years of investment experience primarily in the areas of equities, fixed income and alternative investments, he is responsible for all investments and financing-related activities. Most recently, Mr. Tang spent nine years as a vice-president with Fullerton Fund Management Company and was responsible for institutional clients and retail distribution in Southeast Asia. Prior to that, he worked at UOB Asset Management leading a team handling fund administration and accounting. Mr. Tang graduated from the Nanyang Technological University, Singapore with an Honours degree in Business Studies.

Ms. Jennifer Lee is the Chief Financial Officer of Scott and English. She oversees the financial, accounting, and treasury matters of the Issuer to ensure compliance with the financial reporting requirements. Ms. Lee has more than 25 years of experience in various financial positions. She was most recently the deputy director, group finance of KS Drilling Pte. Ltd. ("**KS Drilling**"), a subsidiary of KS Energy Limited. In Ms. Tan's role at KS Drilling, her key responsibilities included managing the regional finance team, overseeing financial reporting, taxation and compliance of group internal controls procedures and oversight of the finance functions in KS Drilling's overseas subsidiaries in the Middle East and Asia. Ms. Lee was also involved in various corporate exercises, including special purpose vehicle restructuring and mergers and acquisitions due diligence. From 2008 to 2010, Ms. Lee was vice-president of treasury in KS Energy Limited. She has been a fellow of the Association of Chartered Certified Accountants since 1991 and is also a non-practising member of the Institute of Singapore Chartered Accountants.

Ms. Shadee Toong is the Vice-President - Finance of the Issuer. She joined the Issuer on 1 July 2009, and is responsible for overseeing the accounting and finance matters of the Issuer. Ms. Toong has more than ten years of accounting and finance experience and she has assumed similar and comparable roles in the last ten years of her career. She was the group finance manager of KS Energy Services Limited from 1998 to 2004, the financial controller of Aqua-Terra Supply Co. Limited from 2004 to 2007 and the financial controller of Marinehub & Consultant Pte. Ltd. from 2007 to 2008. From 2008 to 2009, Ms. Toong served as the chief financial officer of Wecoy Holdings Pte. Ltd. Ms. Toong graduated from the Curtin University of Technology, Western Australia and is a member of CPA Australia.

Mr. Mark Steven Gibson is the Chief Operations Officer of Scott and English. He is responsible for the day to day operations of the Issuer. Mr. Gibson has more than 37 years of extensive experience in the offshore drilling industry. Most recently, 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. Prior to that, he was director of operations support at Pacific Drilling from 2008 to 2012 where he was in charge of overseeing and ensuring the safety and efficient delivery of new build ultra deepwater drill ships, from the construction phase to commissioning, integrated acceptance, operational readiness and client acceptance. From 2006 to 2008, he was the operations manager at Songa Offshore. Mr. Gibson began his oil & gas career with Transocean and for over 20 years, in various capacities, was responsible for day to day operations and human resource management.

Mr. Derek Koh Bai Yau is the General Manager of Swissco Offshore (Pte.) Ltd. and Singapore Marine Logistics Pte Ltd He oversees both the vessel chartering and the ship repair operations. 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 the Group, he was general manager of Avance Tide Offshore Marine Pte. Ltd. Singapore and was responsible for its chartering operations. He was also deputy general manager of Newcruz Shipbuilding & Engineering Pte. Ltd. Singapore from 2007 to 2010, leading a team of site superintendents and project managers to manage ship-building projects. He holds a Bachelor of Business Administration (Marketing) from the La Trobe University Singapore/Melbourne as well as a Diploma in Shipbuilding and Offshore Engineering from Ngee Ann Polytechnic, Singapore.

Service Agreements

The Issuer has entered into service agreements ("**Service Agreements**", and each, a "**Service Agreement**") with each of Mr. Tan Fuh Gih and Mr. Chua Wei Teck ("**Executives**" and each, an "**Executive**") as of 1 August 2014 for an initial period of two years ("**Initial Term**"). Upon the expiry of the Initial Term, the employment of each Executive shall be automatically extended on a yearly basis on the same terms and conditions provided in the Service Agreement (each, a "**Subsequent Term**"). During the Initial Term, the Service Agreement may be terminated by the Issuer without cause with six months' notice. During any Subsequent Term, the Service Agreement may be terminated by either party without cause with six months' notice. The Service Agreement may be terminated for cause immediately by the Issuer at any time during the Initial Term or any Subsequent Term. A termination for cause includes the following circumstances, and the Executive shall not be entitled to claim any compensation or damages for or in respect of such termination:

(1) if the Executive is guilty of any wilful misconduct in the discharge of his duties or has breached any material provision of the Service Agreement;

(2) if the Executive becomes bankrupt or makes any arrangement or composition with his creditors generally;

(3) if the Executive is convicted of any criminal offence and sentenced to any term of immediate or suspended imprisonment (save for any offence under any road traffic legislation for which he is not sentenced to any term of immediate or suspended imprisonment);

(4) if the Executive is or may be suffering from a mental disorder;

(5) if the Executive, by reason of ill health or injury caused by his own default becomes unable to perform any of his duties under the Service Agreement for a period of 120 days or more; or

(6) if the Executive commits any act that is reported in general or trade press or otherwise achieves general notoriety which involves conduct that is likely to be regarded as illegal, immoral or scandalous and which, in the reasonable opinion of the Board is likely to discredit the Executive to a degree which materially reduces the value of his services to the Group or may discredit the Group through association with the Executive.

The Service Agreements provide for, among other things, the duties of the Executive, his remuneration payable, annual leave and grounds of termination. Except where the Executive is acting as a representative or nominee of any company within the Group ("**Group Company**") or otherwise with the prior written consent of the Board, the Executive will be restricted from being directly or indirectly engaged, concerned or interested in any capacity in any trade, business or occupation whatsoever which is wholly or partly in competition with any business carried on by any Group Company by itself or themselves or in partnership, common ownership or as a joint venture with any third party, or as regards any goods or services is a supplier or customer of any Group Company.

Further, the Executive shall be subject to the following restrictions:

(1) he shall not during his employment, and during the period of 12 calendar months after cessation of his employment, in all territories where the Group operates directly or indirectly, except with the Issuer's prior written consent:

  (a) directly or indirectly, solicit, interfere with or endeavour to entice away from the Group any person who to his knowledge is now or has been a client, customer or employee of, or in the habit of dealing with, the Group;

  (b) save for his current interests, directly or indirectly carry on or be engaged or concerned or interested in any business similar to any business carried on by the Group at the date hereof or as at the time of cessation of employment (as the case may be) ("**Relevant Business**");

  (c) act as a director or otherwise of any other person, firm or company engaging directly or indirectly in the Relevant Business which is in competition with the business of the Enlarged Group; and

  (d) cause or permit any person or entity directly or indirectly under his control or in which he has any beneficial interests to do any of the foregoing acts or things; and

(2) he shall not during his employment and at any time after the termination of the Service Agreement, except with the Issuer's prior written consent:

  (a) use the name of any Group Company or any colourable imitation thereof, or any trade mark of the Group in connection with any business; and

  (b) disclose or use for any purpose, and shall use his best endeavours to prevent the publication or disclosure of, any information concerning the business, accounts or finances of any Group Company or any of its clients' or customers' transactions or affairs.

The Executive will also be bound under his Service Agreement not to disclose any confidential information concerning the business or affairs of the Group.

Save as disclosed above, there are no existing or proposed service agreements entered into or to be entered into between the Group with any Directors. There are no existing or proposed service agreements entered into or to be entered into by the Directors with the Group which provide for benefits upon termination of employment.

As of the Latest Practicable Date, there are no contractual bonus or profit-sharing plans or any other contractual profit-linked agreements or arrangements between the Issuer and any of the Directors, executive officers or employees. Mr. Tan Fuh Gih and Mr. Chua Wei Teck shall not be entitled to further directors' fees under the Service Agreements.

Shareholdings

Except as described under the section "*General and Other Information – Information on Directors*" in this Information Memorandum, none of our Directors has any interest in the Issuer's Shares.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

Historical Consolidated Financial Information

The following table sets out the Group's audited historical consolidated financial statements as at and for the year ended 31 December 2011, 2012 and 2013 and the Group's unaudited historical consolidated financial statements as at and for the six months ended 30 June 2013 and 2014. The audited historical consolidated financial statements of the Group as at and for the years ended 31 December 2012 (which include comparative figures as at and for the year ended 31 December 2011) and 31 December 2013, which are included in this information memorandum as Appendix II and Appendix III, have been audited by PricewaterhouseCoopers LLP, independent auditors, in accordance with Singapore FRS. The consolidated financial information of the Group as of and for the six months ended 30 June 2013 and 2014 appearing in the tables below have been derived from the unaudited financial statements and dividend announcement of the Group for the second quarter and half year ended 30 June 2014, which are included in Appendix IV of this Information Memorandum. The consolidated financial statements of the Group as at and for the six months ended 30 June 2014 are unaudited and should not be considered indicative of the actual results of the Group as at and for the year ending 31 December 2014.

Consolidated Statements of Comprehensive Income

	For the years ended 31 December (audited)			**For the six months ended 30 June (unaudited)**	
	2011 $ in millions	**2012 $ in millions**	**2013 $ in millions**	**2013 $ in millions**	**2014 $ in millions**
Revenue	64.9	110.0	114.7	21.6	24.9
Cost of sales	(49.7)	(79.2)	(83.4)	(14.9)	(14.7)
Gross profit	15.2	30.8	31.3	6.7	10.2
Other income	0.2	0.3	2.1	1.7	0.9
Other gains/(losses)—net	5.8	0.9	3.9	(0.2)	0.3
Administrative expenses	(6.7)	(9.4)	(9.1)	(3.0)	(2.9)
Acquisition related cost	–	–	–	–	(0.7)
Finance expenses	(3.8)	(3.1)	(2.2)	(1.1)	(1.2)
Share of profit/(loss) of joint ventures	0.2	(0.9)	–	0.2	(0.2)
Profit before income tax	10.9	18.6	26.0	4.3	6.4
Income tax expense	(2.6)	(2.3)	(2.9)	(0.4)	(0.5)
Profit for the period, net of tax	8.3	16.3	23.1	3.9	5.9
Other comprehensive income *Items that may be reclassified subsequently to profit or loss:*					
Currency translation differences arising on consolidation	0.1	(0.6)	0.3	0.2	(0.1)
Available-for-sale financial assets - Fair value (loss)/gain	(12.8)	2.2	1.5	2.6	(2.7)
- Reclassification on disposal	–	0.7	1.0	0.6	–
Other comprehensive (loss)/income, net of tax	(12.7)	2.3	2.8	3.4	(2.8)
Total comprehensive (loss)/income attributable to equity holders of the Company	(4.5)	18.8	25.9	7.3	2.9

Unaudited Consolidated Statement of Financial Position

	As at 31 December (audited)			As at 30 June (unaudited)
	2011 $ in millions	2012 $ in millions	2013 $ in millions	2014 $ in millions
ASSETS				
Current Assets				
Cash and cash equivalents	27.9	35.1	6.5	14.2
Financial assets available-for-sale	14.4	15.3	14.9	12.2
Trade and other receivables	17.9	16.8	31.0	17.9
Inventories	0.2	0.3	0.1	0.2
Other current assets	15.9	18.5	39.3	48.6
	76.3	86.0	91.8	93.1
Non-current assets classified as held for sale	–	9.3	6.6	–
	76.3	95.3	98.4	93.1
Non-Current Assets				
Other receivables	13.1	4.1	0.3	0.1
Other non-current assets	–	3.8	1.7	1.6
Investment in joint ventures	2.5	1.4	1.5	1.3
Property, plant and equipment	132.4	132.1	175.1	194.4
	148.0	141.4	178.6	197.4
Total assets	224.3	236.7	277.0	290.5
LIABILITIES				
Current Liabilities				
Trade and other payables	26.2	33.0	32.8	28.5
Borrowings	56.0	40.2	57.5	73.2
Current income tax liabilities	1.3	3.2	2.7	1.7
	83.5	76.4	93.0	103.4
Non-Current liabilities				
Other payables	–	7.3	1.7	1.7
Borrowings	39.5	34.0	40.3	44.4
Deferred income tax liabilities	2.2	2.2	2.2	2.0
	41.7	43.5	44.2	48.1
Total liabilities	125.2	119.9	137.2	151.5
NET ASSETS	99.1	116.8	139.8	139.0
Equity Capital and reserves attributable to equity holders of the Company				
Share capital	91.7	92.0	92.7	93.2
Other reserves	(14.8)	(12.5)	(9.9)	(12.6)
Retained earnings	22.2	37.3	57.0	58.4
Total equity	99.1	116.8	139.8	139.0

Financial Review of Results of Operations

1H2014 versus 1H2013

Revenue

The Group's revenue increased by 15.3% from $21.6 million in 1H2013 to $24.9 million in 1H2014, primarily due to an increase in revenue from the vessel chartering business and the ship repair and maintenance services business, and partially offset by a decrease in revenue from the maritime services business.

Revenue from the vessel chartering business increased by 20.3% from $18.7 million in 1H2013 to $22.5 million in 1H2014. The increase was primarily due to the charter of more vessels following an increase in fleet size from 31 to 33 vessels, because the Group took delivery of higher value vessels in the fourth quarter of 2013 and the first quarter of 2014, and an increase in average higher charter rates. Revenue from the ship repair and maintenance services business increased by 25.0% from $1.6 million in 1H2013 to $2.0 million in 1H2014, primarily as a result of more repair and maintenance jobs completed for third party vessels. Revenue from the maritime services business decreased by 69.2% from $1.3 million in 1H2013 to $0.4 million in 1H2014, primarily resulting from the delivery of fewer vessels to customers and a decrease in fees earned in 1H2014. The Group expects more deliveries of vessels in 2H2014.

Cost of Sales

Cost of sales decreased by 1.3% from $14.9 million in 1H2013 to $14.7 million in 1H2014.

Gross Profit

The Group's gross profit increased by 52.2% from $6.7 million in 1H2013 to $10.2 million in 1H2014 and the Group's gross profit margin increased from 31.0% in 1H2013 to 41.0% in 1H2014. The increases were primarily because the Group had higher charter revenue in 1H2014 as a result of the increased fleet size and average charter rates, while at the same time cost of sales decreased slightly.

Other Income

The Group's other income decreased by 47.1% from $1.7 million in 1H2013 to $0.9 million in 1H2014, principally attributable to forfeiture of deposit received from a non-related party of $1.3 million in 1H2013 that did not recur in 1H2014.

Other Gains/(Losses)

The Group recorded other gains of $0.3 million in 1H2014, comprising gains on disposal of asset held for sale, compared with other losses of $0.2 million in 1H2013 that was principally due to foreign exchange losses in 1H2013.

Administrative Expenses

The Group's administrative expenses decreased by 3.3% from $3.0 million in 1H2013 to $2.9 million in 1H2014.

Finance Costs

Finance costs increased by 9.1% from $1.1 million in 1H2013 to $1.2 million in 1H2014, principally due to an increase in the aggregate principal amount of borrowings that the Group incurred to fund the vessel expansion programme.

Share of Profit/(Loss) of joint ventures

The Group recorded share of loss of joint ventures of $0.2 million in 1H2014 compared with a share of profit of joint ventures of $0.2 million in 1H2013, principally because the joint venture incurred higher repair and maintenance costs in 1H2014.

Total Profit

As a result of the above, the Group's total profit for the year increased by 51.3% from $3.9 million in 1H2013 to $5.9 million in 1H2014.

2013 versus 2012

Revenue

The Group's revenue increased by 4.3% from $110.0 million in 2012 to $114.7 million in 2013, primarily due to an increase in revenue from the vessel chartering business and the maritime services business, and partially offset by a marginal decrease in revenue from the ship repair and maintenance services business.

Revenue from the vessel chartering business increased by 3.1% from $42.0 million in 2012 to $43.3 million in 2013. Average higher charter rates contributed to the increase despite fewer vessel days available for charter because the Group disposed of six vessels in 2013 and took delivery of eight vessels, mostly towards the end of 2013. Revenue from the maritime services business increased by 6.0% from $63.5 million in 2012 to $67.3 million in 2013, primarily resulting from the delivery of new vessels to customers and fees earned in 2013. Revenue from the ship repair and maintenance services business decreased by 10.9% from $4.6 million in 2012 to $4.1 million in 2013, primarily as a result of fewer repair and maintenance jobs completed for third party vessels and more jobs were carried out on the Group's fleet to improve the fleet's turnaround time, which improves the operational efficiency of the Group's chartered vessels.

Cost of Sales

Cost of sales increased by 5.3% from $79.2 million in 2012 to $83.4 million in 2013 and is in line with the Group's higher revenue.

Gross Profit

The Group's gross profit increased by 1.6% from $30.8 million in 2012 to $31.3 million in 2013, but the Group's gross profit margin decreased from 28.0% in 2012 to 27.3% in 2013. The decrease was primarily because the Group had higher labour and maintenance costs in 2013, which more than offset the higher charter rates and higher value transactions from its maritime services business in 2013.

Other Income

The Group's other income increased significantly from $0.3 million in 2012 to $2.1 million in 2013, principally attributable to forfeiture of deposit received from a non-related party of $1.3 million and dividend income of $0.3 million in 2013.

Other Gains

The Group's other gains increased significantly from $0.9 million in 2012 to $3.9 million in 2013, principally due to the strategic disposal of vessels in 2013 as part of the Group's fleet renewal programme and a decrease in foreign exchange losses in 2013 from 2012. The increase was partially offset by an increase in loss on re-measurement of non-current asset held for sale and loss on disposal of available-for-sale financial assets.

Administrative Expenses

The Group's administrative expenses decreased by 3.2% from $9.4 million in 2012 to $9.1 million in 2013, primarily relating to a $0.2 million provision for impairment of trade receivables in 2012, which did not recur in 2013, and a write back of $0.1 million during 2013.

Finance Costs

Finance costs decreased by 29.0% from $3.1 million in 2012 to $2.2 million in 2013, principally due to a decrease in interest paid on loans following the refinancing of a loan with a lower interest rate.

Share of Profit/(Loss) of Joint Ventures

The Group recorded share of loss of joint ventures of $0.9 million in 2012 compared with a share of profit of joint ventures of $42.0 thousand in 2013, which were derived from the Group's joint ventures.

Total Profit

As a result of the above, the Group's total profit for the year increased 41.7% from $16.3 million in 2012 to $23.1 million in 2013.

2012 versus 2011

Revenue

The Group's revenue increased by 69.5% from $64.9 million in 2011 to $110.0 million in 2012, primarily due to an increase in revenue from the vessel chartering business, the maritime services business and the ship repair and maintenance services business.

Revenue from the vessel chartering business increased by 12.6% from $37.3 million in 2011 to $42.0 million in 2012, primarily as a result of an increase in fleet utilisation from 58% in 2011 to 72% in 2012. Revenue from the maritime services business increased significantly from $24.5 million in 2011 to $63.5 million in 2012, primarily resulting from the delivery of new vessels to customers and fees earned in 2012. Revenue from the ship repair and maintenance services business increased by 43.8% from $3.2 million in 2011 to $4.6 million in 2012, primarily as a result of more and higher value repair and maintenance jobs completed for third party vessels.

Cost of Sales

Cost of sales increased by 59.4% from $49.7 million in 2011 to $79.2 million in 2012 and is in line with the Group's higher revenue.

Gross Profit

The Group's gross profit increased significantly from $15.2 million in 2011 to $30.8 million in 2012, and the Group's gross profit margin increased from 23.4% in 2011 to 28.0% in 2012. The increase was primarily because the increase in the Group's higher value transactions from its maritime services business and ship repair and maintenance services in 2012 was more than the increase in the Group's costs of sales.

Other Income

The Group's other income increased by 50.0% from $0.2 million in 2011 to $0.3 million in 2012, principally attributable to an increase in interest income.

Other Gains

The Group's other gains decreased significantly from $5.8 million in 2011 to $0.9 million in 2012, principally due to a decrease in gain on disposal of vessels from $4.9 million in 2011 to $4.2 million in 2012, a gain on foreign exchange of $0.7 million in 2011 compared with a loss on foreign exchange of $2.5 million in 2012, a $0.7 million loss on disposal of available-for-sale financial assets in 2012 and a $0.4 million impairment loss on a non-current asset held for sale in 2012.

Administrative Expenses

The Group's administrative expenses increased 40.3% from $6.7 million in 2011 to $9.4 million in 2012, primarily relating to an increase in headcount and higher performance related compensation in line with better performance for FY 2012.

Finance Costs

Finance costs decreased by 18.4% from $3.8 million in 2011 to $3.1 million in 2012, principally due to loan structuring fees of $0.5 million in 2011 that did not recur in 2012 and a decrease in interest paid on loans from $3.3 million in 2011 to $3.1 million in 2012 (which was primarily a result of a decrease in the principal amount of bank borrowings and a decrease in interest rates on such borrowings in 2012).

Share of Profits/(Losses) of Joint Ventures

The Group recorded a share of loss of jointly controlled entities, net of tax of $0.9 million in 2012, principally due to high ship repair and maintenance costs in the Middle East and impairment of vessels of $2.4 million, partially offset by one-off gains from the disposal of three vessels at its joint venture company Valueright International Ltd. In 2011, the Group recorded a share of profits of jointly controlled entities, net of tax of $0.2 million.

Total Profit

As a result of the above, the Group's total profit for the year increased significantly from $8.3 million in 2011 to $16.3 million in 2012.

Liquidity and Capital Resources

The Group's primary sources of funding are cash from operating activities, short-term and long-term borrowings and shareholders' equity. The Group's primary uses of funds have been for capital expenditure, working capital, repayments of borrowings and acquisitions.

Borrowings

The Group's total outstanding borrowings amounted to $95.5 million as of 31 December 2011, $74.2 million as of 31 December 2012 and $97.8 million as of 31 December 2013, of which $81.3 million, $61.9 million and $89.4 million, respectively, were secured borrowings. As of 30 June 2014, the Group's total outstanding borrowings amounted to $117.5 million, of which $107.9 million were secured borrowings. The Group's borrowings were secured by the pledge of the Group's leasehold properties, certain vessels and financial assets, available for sale.

Equity Issuances

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. See Note 21 of the 2013 Audited Consolidated Financial Statements of the Group attached as Appendix III for further information on the Scheme.

The Issuer granted options under the Scheme to subscribe for 2,800,000 Shares on 11 May 2012 at an exercise price of $0.202 per share (the "**2012 Options**"). The 2012 Options are exercisable from 11 May 2013 and will expire on 10 May 2022. The total fair value of the 2012 Options granted was estimated to be $149,173 using the Black Scholes Option Pricing Model. On 13 May 2013, the Issuer granted options to subscribe for 2,700,000 Shares at exercise price of $0.269 per share (the "**2013 Options**"). The 2013 options are exercisable from 13 May 2014 and will expire on 12 May 2023 for employees and Executive Directors. Options granted to Independent Directors and Non Executive Directors are exercisable from 13 May 2014 to 12 May 2018. The total fair values of the 2013 options granted were estimated to be $181,916 using the Black Scholes Option Pricing Model.

Swissco Holdings Performance Share Plan

The Swissco Holdings Performance Share Plan (the "**Plan**") for executive directors and managers of the Group was approved by members of the Issuer at an Extraordinary General Meeting on 1 November 2010. The purpose of the Plan is to attract, retain and give recognition to the employees who have contributed to the success and development of the Group as well as motivate the employees to contribute towards the Group's long term prosperity. On 29 April 2011, 2,150,396 performance Shares were granted pursuant to the Plan. 50% of the Shares vest after one year of the grant date and the remaining 50% after two years of the grant date. See Note 21 of the 2013 Audited Consolidated Financial Statements of the Group attached as Appendix III for further information on the Plan.

Share Consolidation

On 28 February 2014, the Issuer announced that it, in connection with the Scott and English Acquisition described below, the Issuer was proposing to undertake a consolidation of its Shares on the basis of every two existing Shares into one consolidated Share (each, a "**Consolidated Share**"). The Issuer obtained approval from its shareholders on 22 July 2014 and the Share consolidation became effective on 30 July 2014.

Scott and English Acquisition

On 28 February 2014, the Issuer announced that it entered into the Heads of Agreement with Double Dragon Energy Holdings Limited (the "**Vendor**") in relation to, among other things, the proposed acquisition of the entire issued and paid-up share capital of Scott and English (the "**Scott and English Acquisition**") for a consideration of $285.0 million, to be satisfied by the allotment and issuance by the Issuer of 452,380,952 Consolidated Shares credited as fully paid-up at an issue price of $0.630 per Consolidated Share to the Vendor and/or its nominees. On 30 July 2014, pursuant to a sale and purchase agreement with the Vendor, the Scott and English Acquisition was complete and the Issuer issued and allotted the 452,380,952 Consolidated Shares to the Vendor's nominees, namely, Mr. Tan Kim Seng, Mr. Tan Fuh Gih, Mr. Tan Hoo Lang, Mr. Tan Wei Min, Ms. Tan Ah Ling, Ms. Loh Sok Beng, Ms. Tan Ah Moy, Mr. Ang Boon Cheow Edward, Milliken Cove Investment Group Limited, Mr. Chua Wei Teck and Dr. Cheong Choong Kong.

Preference Shares Exchangeable into Shares of the Issuer

On 7 August 2014, the Issuer announced that it had entered into two separate letter agreements for the issuance of non-voting, redeemable and exchangeable preference shares that are exchangeable into Shares of the Issuer by two of its wholly owned subsidiaries. See the section "*—Capital Commitments*" for further details.

Capital Commitments

The Group's capital commitments (excluding those relating to investment in joint ventures) as of 31 December 2013 amounted to $95.7 million. In addition, the Group expects to spend approximately $69.2 million on purchasing four mobile offshore drilling units and $14.2 million on the balance of the purchase price for a leasehold property at 21 Tuas Road.

The Group expects to finance its capital expenditure and working capital requirements for the four mobile offshore drilling units as follows:

- ***Rig 1***: through the issuance in multiple tranches by S&E Offshore Investments Pte. Ltd. ("**S&E Offshore**") of 18,375,000 non-voting, redeemable and exchangeable class A preference shares (the "**S&E Offshore Class A Preference Shares**") and up to 3,600,000 non-voting, redeemable and exchangeable Class B preference shares (the "**S&E Offshore Class B Preference Shares**" and, together with the S&E Offshore Class A Preference Shares, the "**S&E Offshore Preference Shares**") to UVM 2 Venture Investments LP, acting through its general partner UOB Bioventures Management Pte. Ltd., Evia Growth Opportunities III Ltd, Venstar Investments II Ltd, Goh Lam Wee and Chong Chin Cheong (together, the "**S&E Offshore Investors**") for aggregate proceeds of up to US$21.975 million (of which US$18.375 million is intended to finance the acquisition of the rig);

- ***Rig 2***: through the issuance in multiple tranches by S&E Offshore Investments 2 Pte. Ltd. ("**S&E Offshore 2**") of 18,375,000 non-voting, redeemable and exchangeable class A preference shares (the "**S&E Offshore 2 Class A Preference Shares**") and up to 3,600,000 non-voting, redeemable and exchangeable Class B preference shares (the "**S&E Offshore 2 Class B Preference Shares**" and, together with the S&E Offshore Class A Preference Shares, the "**S&E Offshore 2 Preference Shares**") to UVM 2 Venture Investments LP, acting through its general partner UOB Bioventures Management Pte. Ltd., Evia Growth Opportunities III Ltd, Venstar Investments II Ltd, Venstar Investments III Ltd, 3VS1 Asia Growth Fund 2 Ltd, Griffin Prive Fund SPC for and on behalf of Garnet Segregated Portfolio and WPC Corporation Pte. Ltd (together, the "**S&E Offshore 2 Investors**" and, together with the S&E Offshore Investors, the "**Investors**") for aggregate proceeds of up to US$21.975 million (of which US$18.375 million is intended to finance the acquisition of the rig); and

- ***Rigs 3 and 4***: using the proceeds of the offering of the Notes, borrowings and cash from operations.

Both S&E Offshore and S&E Offshore 2 are wholly owned subsidiaries of Scott and English. The S&E Offshore Preference Shares and the S&E Offshore 2 Preference Shares are collectively referred to as the "Preference Shares"). Each Preference Share is exchangeable for 1.4268 Shares in the Issuer, derived from an exchange price of $0.8732 per Share and using an exchange rate of US$1.00 = $1.2459, subject to customary adjustments. The Issuer will be obliged to issue a maximum of 62,708,778 Shares (representing approximately 9.35% of the issued share capital of the Issuer as at 7 August 2014 and 8.55% of the enlarged issued share capital of the Issuer after the issue of 62,708,778 Shares) and a minimum of 52,435,668 Shares (representing approximately 7.81% of the issued share capital of the Issuer as at 7 August 2014 and 7.25% of the enlarged issued share capital of the Issuer after the issue of 62,708,778 Shares). The issue of the Preference Shares is subject to approval by the Shareholders of the Issuer.

The Group expects to finance its remaining capital expenditure requirements using the proceeds of the offering of the Notes, borrowings and cash from operations.

Potential Change in Functional and Reporting Currency

The functional currency and reporting currency of the Group may be changed from Singapore dollars to U.S. dollars with effect from current or future accounting periods. Accordingly, the consolidated financial statements of the Group for the applicable comparable period will need to be restated and presented in U.S. dollars. The change in functional and reporting currency may be required on the basis that the U.S. dollar better reflects the current and prospective economic substance of the underlying transactions and circumstances of the Group, given that:

- the new rig chartering business commenced in the third quarter of 2014 through the acquisition of Scott and English and the revenue, assets and borrowings of Scott and English and its jointly controlled entities are denominated in U.S. dollars; and
- most of the other revenue and purchases of the Group have been and are expected to continue to be transacted in U.S. dollars (although most of the Issuer's administrative expenses are expected to continue to be denominated in Singapore dollars).

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The following table sets out the Group's unaudited pro forma consolidated financial statements as at and for the year ended 31 December 2013, and where applicable, for the years ended 31 December 2011 and 2012. The unaudited pro forma consolidated financial information below has been prepared to illustrate the impact of the acquisition of the entire paid up share capital of Scott and English and the issue and allotment of 452,380,952 shares to Double Dragon Energy Holdings Limited (the "**Transactions**") on the consolidated statement of comprehensive income of the Group (the "**Pro forma Group**") for the years ended 31 December 2011, 2012 and 2013 and the statement of financial position of the Group as at 31 December 2013, as if these Transactions had occurred on 1 January 2011 and 31 December 2013, respectively. The unaudited pro forma consolidated financial information should be read together with the full unaudited pro forma consolidated financial statements included in this Information Memorandum as Appendix VI.

The audited historical consolidated financial statements of the Group as at and for the years ended 31 December 2012 (which include comparative figures as at and for the year ended 31 December 2011) and 31 December 2013, which are included in this Information Memorandum as Appendix II and Appendix III, have been audited by PricewaterhouseCoopers LLP, independent auditors, in accordance with Singapore FRS. The audited historical consolidated financial statements of Scott and English and its consolidated subsidiaries as at and for the years ended 31 December 2011, 2012 and 2013 (which are included in this Information Memorandum as Appendix V) have been audited by KPMG LLP, independent auditors, in accordance with Singapore FRS. These two sets of financial statements are the historical financial statements that were used as the basis to prepare the unaudited pro forma consolidated financial information in the tables below.

Unaudited Pro Forma Consolidated Statements of Comprehensive Income for the Years Ended 31 December 2011, 2012 and 2013

	For the years ended 31 December		
	2011	**2012**	**2013**
	$'000	**$'000**	**$'000**
Revenue	64,925	110,017	114,734
Cost of sales	(50,330)	(79,934)	(84,625)
Gross profit	14,595	30,083	30,109
Other income	206	316	3,664
Other gains	5,761	937	3,924
Administrative expenses	(7,199)	(9,368)	(9,931)
Other operating expenses	(1,953)	(1)	148
Results from operating activities	11,410	21,967	27,914
Finance costs	(3,808)	(3,111)	(3,627)
Share of results of jointly controlled entities, net of tax	154	(860)	19,972
Profit before income tax	7,756	17,996	44,259
Income tax expense	(2,625)	(2,278)	(2,874)
Profit for the year	5,131	15,718	41,385
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising on consolidation	111	(578)	300
Available-for-sale financial assets			
- Fair value (loss)/gain	(12,825)	2,230	1,488
- Reclassification on disposal	–	735	966
Other comprehensive income, net of tax	(12,714)	2,387	2,754
(Loss)/Profit attributable to:			
Owners of the Company	(7,583)	18,105	44,139

Unaudited Pro Forma Consolidated Statement of Financial Position as at 31 December 2013

	31 December 2013 $'000
Assets	
Property, plant and equipment	205,000
Interests in jointly controlled entities	56,858
Intangible assets	6,369
Other non-current assets	1,681
Other receivables	357
Non-current assets	270,265
Inventories	58
Financial assets available-for-sale	14,896
Trade receivables and other receivables	32,704
Other current assets	39,316
Cash and cash equivalents	7,511
Current assets	94,485
Non-current assets classified as held for sale	6,562
Total assets	371,312
Equity	
Share capital	213,891
Accumulated profits	14,410
Total equity	228,301
Liabilities	
Other payables	1,687
Loans and borrowings	40,302
Deferred tax liabilities	2,442
Non-current liabilities	44,431
Loans and borrowings	57,459
Trade and other payables	38,396
Current tax liabilities	2,725
Current liabilities	98,580
Total liabilities	143,011
Total equity and liabilities	371,312

Key Adjustments and Assumptions

The following key adjustments and assumptions were made for the preparation of the unaudited pro forma consolidated financial information of the Pro forma Group:

- the purchase consideration for the Transactions in the form of equity to be issued by the Issuer to the shareholder of Scott and English has been assumed to be $0.404 per share (based on the share price of the Issuer at the then latest practicable date with respect to the Transactions) for the purpose of this transaction. This may differ from the actual cost of the Transactions as it will depend on the share price of the Issuer at the date of the actual transfer of shares on the completion of the Transactions. As the actual goodwill or gain on bargain purchase will be determined at the completion of the Transactions, the eventual amounts could be materially different from the amount derived based on the assumption used;

- the acquisition related costs relating to the Transactions are assumed to be $1.95 million. This may differ from the actual cost at the completion of the Transactions;

- management is of the view that there will be expected synergies from the Transactions. For the purpose of the preparation of the unaudited pro forma consolidation financial information, any goodwill arising from the Transactions is assumed not to be impaired and will be tested for impairment annually or when there is an indication of impairment; and

- the property, plant and equipment of the Issuer and its subsidiaries is adjusted to its fair value which is based on valuations from independent valuers.

See Appendix VI for the other adjustments and assumptions made for the preparation of the unaudited pro forma consolidated financial information.

PURPOSE OF THE PROGRAMME AND USE OF PROCEEDS

The net proceeds from the issuance of the Notes under the Programme, after deducting issue expenses, will be used for general corporate purposes and working capital needs of the Group.

CLEARING AND SETTLEMENT

Clearance and Settlement under the Depository System

In respect of Notes which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities ("**Depository System**") maintained by CDP. Notes that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depositary and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Notes which are accepted for clearance by CDP, the entire issue of the Notes is to be held by CDP in the form of a Global Note for persons holding the Notes in securities accounts with CDP ("**Depositors**"). Delivery and transfer of Notes between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors. Although CDP encourages settlement on the third business day following the trade date of debt securities, market participants may mutually agree on a different settlement period if necessary.

Settlement of over-the-counter trades in the Notes through the Depository System may only be effected through certain corporate depositors ("**Depository Agents**") approved by CDP under the Companies Act to maintain securities sub-accounts and to hold the Notes in such securities sub-accounts for themselves and their clients. Accordingly, Notes for which trade settlement is to be effected through the Depository System must be held in securities sub-accounts with Depository Agents. Depositors holding the Notes in direct securities accounts with CDP, and who wish to trade Notes through the Depository System, must transfer the Notes to be traded from such direct securities accounts to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfer of interests in the Notes in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Principal Paying Agent or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

Clearance and Settlement under Euroclear and/or Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for their account holders and facilitates the clearance and settlement of securities transactions between their respective account holders through electronic book-entry changes in the accounts of such account holders, thereby eliminating the need for physical movements of certificates and any risks from lack of simultaneous transfer. Euroclear and Clearstream, Luxembourg provide to their respective account holders, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deals with domestic securities markets in several countries through established depositary and custodial relationships. The respective systems of Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems which enables their respective account holders to settle trades with one another. Euroclear and Clearstream, Luxembourg account holders are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to other financial institutions, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg account holder, either directly or indirectly.

An account holder's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under those rules and operating procedures only on behalf of their respective account holders, and have no record of, or relationship with, persons holding any interests through their respective account holders. Distributions of principal with respect to book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the Principal Paying Agent or, as the case may be, the Non-CDP Paying Agent, to the cash accounts of the relevant Euroclear or Clearstream, Luxembourg account holder in accordance with the relevant system's rules and procedures.

SINGAPORE TAXATION

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the MAS in force as at the date of this Information Memorandum and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Information Memorandum are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates.

Prospective holders of the Notes are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Arranger, the Dealers and any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.

1. Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The general rate at which tax is to be withheld for such payments (other than those subject to the 15.0% final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.0%. The applicable rate for non-resident individuals is currently 20.0% (except for the scenario as described below). However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0%. The withholding tax rates may be reduced by applicable tax treaties, subject to conditions being met.

Currently, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

(a) interest from debt securities;

(b) discount income from debt securities; and

(c) prepayment fee, redemption premium and break cost from debt securities,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession in Singapore.

In addition, as the Programme as a whole is arranged by Oversea-Chinese Banking Corporation Limited, which is a Financial Sector Incentive (Standard Tier) Company (as defined in the ITA) at such time, any tranche of the Notes (the "**Relevant Notes**") issued as debt securities under the Programme during the period from the date of this Information Memorandum to 31 December 2018 would be, pursuant to the ITA and the MAS Circular FSD Cir 02/2013 entitled "Extension and Refinement of Tax Concessions for Promoting the Debt Market" (the "**MAS Circular**") issued by MAS on 28 June 2013, qualifying debt securities ("**QDS**") for the purposes of the ITA.

The following tax treatment will apply to the Relevant Notes that constitute QDS:

(a) interest, discount, prepayment fee, redemption premium or break cost (collectively referred to as "**Qualifying Income**") on Relevant Notes is exempt from Singapore tax when derived by a holder who is not resident in Singapore and (a) who does not have any permanent establishment in Singapore; or (b) who carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire Relevant Notes are not obtained from such operation;

(b) Qualifying Income on Relevant Notes derived by any body of persons or a company (other than a financial sector incentive (standard tier) company) operating in Singapore is subject to tax at a concessionary rate of 10%;

(c) Qualifying Income on Relevant Notes derived by a financial sector incentive (standard tier) company in Singapore is subject to tax at a concessionary rate of 12%; and

(d) Qualifying Income derived from Relevant Notes is not subject to withholding of tax by the paying Issuer.

The above tax treatment is subject to the following conditions:

(i) the Issuer, or such other person as the Comptroller of Income Tax in Singapore (the "**Comptroller**") may direct, furnishing to the MAS a return on debt securities within such period as the Comptroller may specify and such other particulars in connection with Relevant Notes as the Comptroller may require; and

(ii) the inclusion of the following statements in all offering documents:

- where Qualifying Income is derived from any QDS issued during the period from the date of the offering document to December 31, 2018 by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption will not apply if such person acquires such securities using funds from Singapore operations; and

- where the Qualifying Income is not exempt from tax, the person deriving the Qualifying Income must include such income in his Singapore tax returns.

Notwithstanding the foregoing:

(A) if during the primary launch of any tranche of Relevant Notes, the Relevant Notes of such tranche are issued to fewer than four persons and 50.0% or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not (unless otherwise approved by the Minister of Finance or such person as he may appoint) qualify as QDS; and

(B) even though a particular tranche of Relevant Notes are QDS, if at any time during the tenure of such tranche of Relevant Notes, 50.0% or more of the issue of such Relevant Notes is held beneficially or funded, directly or indirectly, by related parties of the Issuer, Qualifying Income derived from such Relevant Notes held by:

  (i) any related party of the Issuer; or

  (ii) any person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

  shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term "**related party**", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms "**prepayment fee**", "**redemption premium**" and "**break cost**" are defined in the ITA as follows:

- "break cost", means in relation to debt securities and qualifying debt securities, any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;

- "prepayment fee", means in relation to debt securities and qualifying debt securities, any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and

- "redemption premium", means in relation to debt securities and qualifying debt securities, any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

Notwithstanding that the Issuer is permitted to make payments of the Qualifying Income in respect of the Relevant Notes without deduction or withholding for tax under Section 45 or Section 45A of the ITA, any person whose Qualifying Income derived from such Relevant Notes is not exempt from tax is required to include the Qualifying Income in a return of income made under the ITA.

References to "prepayment fee", "redemption premium" and "break cost" in this Singapore tax disclosure have the same meaning as defined in the ITA.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from the Relevant Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA.

Under the Qualifying Debt Securities Plus Scheme ("**QDS Plus Scheme**"), subject to certain conditions having been fulfilled (including the furnishing of a return on debt securities in respect of the QDS in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the QDS as the relevant authorities may require to MAS and such other relevant authorities as may be prescribed), income tax exemption is granted on Qualifying Income derived by any investor from QDS (excluding Singapore Government Securities) which:-

(a) are issued during the period from 16 February 2008 to 31 December 2018;

(b) have an original maturity of not less than 10 years;

(c) cannot be redeemed, called, exchanged or converted within 10 years from the date of their issue; and

(d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

However, even if a particular tranche of the Relevant Notes are QDS which qualify under the QDS Plus Scheme, if, at any time during the tenure of such tranche of Relevant Notes, 50.0% or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income from such Relevant Notes derived by:

(i) any related party of the Issuer; or

(ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption under the QDS Plus Scheme as described above.

The MAS Circular states that, with effect from 28 June 2013, the QDS Plus Scheme will be refined to allow QDS with certain standard early termination clauses (as prescribed in the MAS Circular) to qualify for the QDS Plus Scheme at the point of issuance of such debt securities. MAS has also clarified that if such debt securities are subsequently redeemed prematurely pursuant to such standard early termination clauses before the 10^{th} year from the date of issuance of such debt securities, the tax exemption granted under the QDS Plus Scheme to Qualifying Income accrued prior to such redemption will not be clawed back. Under such circumstances, the QDS Plus status of such debt securities will be revoked prospectively for such outstanding debt securities (if any), and holders thereof may still enjoy the tax benefits under the QDS scheme if the QDS conditions continue to be met.

MAS has stated that, notwithstanding the above, with effect from 28 June 2013, QDS with embedded options with economic value (such as call, put, conversion or exchange options which can be triggered at specified prices or dates and are built into the pricing of such debt securities at the onset) which can be exercised within ten years from the date of issuance of such debt securities will continue to be excluded from the QDS Plus Scheme from such date of issuance.

2. Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable in Singapore as such gains are considered revenue in nature.

Holders of the Notes who apply or who are required to apply Singapore Financial Reporting Standard 39 ("**FRS 39**") may, for Singapore income tax purposes, be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of sale or disposal of the Notes in accordance with FRS 39. Please see the section below on "*Adoption of FRS 39 Treatment for Singapore Income Tax Purposes*" for further details.

3. Adoption of FRS 39 Treatment for Singapore Income Tax Purposes

The Inland Revenue Authority of Singapore has issued a circular entitled "Income Tax Implications Arising from the Adoption of FRS 39 - Financial Instruments: Recognition and Measurement" (the "**FRS 39 Circular**"). The ITA has since been amended to give effect to the FRS 39 Circular (the "**FRS tax treatment**").

The FRS 39 tax treatment generally applies, subject to certain "opt-out" provisions, to taxpayers who are required to comply with FRS 39 for financial reporting purposes.

Holders of the Notes who may be subject to the tax treatment under the FRS 39 Circular should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

4. Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

SUBSCRIPTION, PURCHASE AND DISTRIBUTION

The Programme Agreement provides for Notes to be offered from time to time through one or more Dealers. The price at which a Series or Tranche will be issued will be determined prior to its issue between the Issuer and the relevant Dealer(s). The obligations of the Dealers under the Programme Agreement will be subject to certain conditions set out in the Programme Agreement. Each Dealer (acting as principal) will subscribe or procure subscribers for Notes from the Issuer pursuant to the Programme Agreement.

Selling Restrictions

General

The selling restrictions below may be modified or supplemented from time to time by the agreement of the Issuer and the Relevant Dealer(s). Any such modification or supplement will be set out in a Pricing Supplement or in a supplement to this Information Memorandum.

Each Dealer understands that no action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Information Memorandum or any other document or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required. Each Dealer has agreed that it will comply with all applicable securities laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers Notes or any interest therein or rights in respect thereof or has in its possession or distributes, this Information Memorandum, any other document relating to the Notes or the Programme or any Pricing Supplement.

United States

The Notes have not been and will not be registered under the Securities Act, and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act ("**Regulation S**").

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that, except as permitted by the Programme Agreement, it will not offer, sell or deliver the Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Notes are a part, as determined and certified to the relevant Paying Agent by such Dealer (or, in the case of an identifiable tranche of Notes sold to or through more than one Dealer, by each of such Dealers with respect to Notes of an identifiable tranche purchased by or through it, in which case the relevant Paying Agent shall notify such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Notes, an offer or sale of Notes within the United States by any dealer that is not participating in the offering of such Notes may violate the registration requirements of the Securities Act.

In addition, each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that the Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or to United States persons, except in certain transactions permitted by U.S. tax regulations. Accordingly, Notes will be issued in accordance with the provisions of U.S. Treasury Regulation§ 1.163-5(c)(2)(i)(D) (or any successor regulation for purposes of Section 4701 of the United States Internal Revenue Code), unless the relevant Pricing Supplement specifies that Notes will be issued in accordance with the provisions of U.S. Treasury Regulation§ 1.163-5(c)(2)(i)(C) (or any successor regulation for purposes of Section 4701 of the United States Internal Revenue Code). Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Hong Kong

In relation to each Tranche of Notes issued by the Issuer, each Dealer has represented, warranted and agreed that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

Singapore

Each Dealer has acknowledged that this Information Memorandum has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Note:

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Any person who may be in doubt as to the restrictions set out in the SFA or the laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers the Notes or any interest therein or rights in respect thereof and the consequences arising from a contravention thereof should consult his own professional advisers and should make his own inquiries as to the laws, regulations and directives in force or applicable in any particular jurisdiction at any relevant time.

APPENDIX I

GENERAL AND OTHER INFORMATION

INCORPORATION

1. The Issuer was incorporated in the Republic of Singapore on 20 April 2004. The registered address of the Issuer is 60 Penjuru Lane, Singapore 609214.

AUTHORISATION

2. The establishment of the Programme was approved by resolutions of the Directors of the Issuer passed on 23 September 2014.

INFORMATION ON DIRECTORS

3. Save as disclosed in paragraph 5 below, the Directors are not related by blood or marriage to one another nor are they related to any substantial shareholder of the Issuer.

4. No Director of the Issuer is or was involved in any of the following events:

   (a) a petition under any bankruptcy laws filed in any jurisdiction against such person or any partnership in which he was a partner or any corporation of which he was a director or an executive officer;

   (b) a conviction of any offence, other than a traffic offence, or judgment, including findings in relation to fraud, misrepresentation or dishonesty, given against him in any civil proceedings in Singapore or elsewhere, or being named subject to any pending proceedings which may lead to such a conviction or judgment, or so far as such person is aware, any criminal investigation pending against him; or

   (c) the subject of any order, judgment or ruling of any court of competent jurisdiction, tribunal or government body, permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

5. The interests of the Directors and the substantial shareholders of the Issuer in the shares of the Issuer as at the Latest Practicable Date are as follows:

Directors	Direct Interest		Deemed Interest		Aggregate options outstanding[1]
	Number of Shares	%	Number of Shares	%	
Tan Fuh Gih[2]	96,320,329	14.3	39,357,500[3]	5.9	100,000
Alex Yeo Kian Teong	12,952,401	1.9	85,000[4]	0.0	500,000
Chua Wei Teck	–	0.0	11,412,343[5]	1.7	–
Lim How Teck	50,000	0.0	–	0.0	–
Leslie Yeo Choon Hsien	–	0.0	–	0.0	50,000
Madeleine Ho Geok Choo	–	0.0	–	0.0	–

Notes:

(1) Pursuant to the Swissco Holdings Employee Share Option Scheme

(2) Tan Fuh Gih, Tan Kim Seng, Tan Hoo Lang and Tan Wei Min are brothers.

(3) Tan Fuh Gih holds more than 20% of the shares of Kim Seng Holdings Pte Ltd and is deemed to be interested in the 39,357,500 shares held by Kim Seng Holdings Pte Ltd.

(4) Alex Yeo Kian Teong is deemed interested in the 85,000 shares held by Teo Soo Swan, his spouse.

(5) Chua Wei Teck is deemed interested in the 11,402,343 shares held by HSBC (Singapore) Nominees Pte Ltd and in the 10,000 shares held by Lee Sue Ann, his spouse.

Substantial Shareholders (other than Directors)	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Robert Chua Swee Chong	36,572,164	5.4	–	0.0%
Ang Boon Cheow Edward	36,804,418	5.5	–	0.0%
Kim Seng Holdings Pte. Ltd.	39,357,500	5.9	–	0.0%
Tan Kim Seng[1]	63,696,627	9.5	39,357,500[2]	5.9%
Tan Hoo Lang[1]	95,961,829	14.3	39,357,500[2]	5.9%
Tan Wei Min[1]	83,238,146	12.4	–	–

Notes:

(1) Tan Fuh Gih, Tan Kim Seng, Tan Hoo Lang and Tan Wei Min are brothers.

(2) Tan Kim Seng and Tan Hoo Lang hold more than 20% of the shares of Kim Seng Holdings Pte Ltd and are deemed to be interested in the 39,357,500 shares held by Kim Seng Holdings Pte Ltd.

SHARE CAPITAL

6. As at the date of this Information Memorandum, there is only one class of ordinary shares in the Issuer. The rights and privileges attached to the shares of the Issuer are stated in the Articles of Association of the Issuer.

7. The issued share capital of the Issuer as at 30 June 2014 is as follows:

Share Designation	Issued Share Capital (Number of Shares)	Amount
Ordinary Shares	437,298,565	S$93,182,000

BORROWINGS

8. Save as disclosed in Appendix III, the Group had as at 31 December 2013 no other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trading bills) or acceptance credits, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

WORKING CAPITAL

9. The Directors of the Issuer are of the opinion that, after taking into account the present banking facilities and the net proceeds of the issue of the Notes, the Issuer will have adequate working capital for its present requirements.

CHANGES IN ACCOUNTING POLICIES

10. There has been no significant change in the accounting policies of the Issuer since its audited financial accounts for the financial year ended 31 December 2013.

LITIGATION

11. There are no governmental, legal or arbitration proceedings pending or threatened against the Issuer or any of its subsidiaries the outcome of which may have or have had during the 12 months prior to the date of this Information Memorandum a material adverse effect on the financial position of the Group. However, from time to time, the Group is, and it expects will continue to be, subject to legal proceedings and claims in the ordinary course of business. These claims could result in the expenditure of significant financial and managerial resources to defend against, even if such claims were to lack merit.

GENERAL

12. Save as disclosed in this Information Memorandum, the financial condition and operations of the Issuer are not likely to be affected by any of the following:

    (a) known trends, demands, commitments, events or uncertainties that will result in or are reasonably likely to result in the liquidity of the Issuer increasing or decreasing in any material way;

    (b) material commitments for capital expenditures;

    (c) unusual or infrequent events or transactions or any significant economic changes that materially affected the amount of reported income from operations;

    (d) known trends or uncertainties that have had or that the Issuer reasonably expects to have a material favourable or unfavourable impact on revenues or operating income; and

    (e) any material information which may be relevant to the financial or trading prospects of the Issuer including special trading factors or risks, which are not mentioned elsewhere in this Information Memorandum or in any public announcement by the Issuer and which are unlikely to be known or anticipated by the general public and which could materially and adversely affect the profits of the Issuer or the Group.

MATERIAL ADVERSE CHANGE

13. There has been no material adverse change in the financial condition, results of operation or business of the Group since 31 December 2013.

CONSENTS

14. PricewaterhouseCoopers LLP has given and has not withdrawn its written consent to the issue of this Information Memorandum with the references herein to its name and, where applicable, reports in the form and context in which they appear in this Information Memorandum.

15. KPMG LLP has given and has not withdrawn its written consent to the issue of this Information Memorandum with the references herein to its name and, where applicable, reports in the form and context in which they appear in this Information Memorandum.

DOCUMENTS AVAILABLE FOR INSPECTION

16. For so long as Notes may be issued pursuant to this Information Memorandum, copies of the following documents may be inspected at the office of the Issuer at 60 Penjuru Lane, Singapore 609214 during normal business hours:

    (a) the Memorandum and Articles of Association of the Issuer;

    (b) the Trust Deed;

    (c) the Agency Agreement;

    (d) a copy of this Information Memorandum together with any supplement to this Information Memorandum or further Information Memorandum;

    (e) the letters of consent referred to in paragraphs 14 and 15 above; and

    (f) the most recently published annual report and audited consolidated accounts of the Group and the most recently published interim accounts of the Group.

FUNCTIONS, RIGHTS AND OBLIGATIONS OF THE TRUSTEE

17. The functions, rights and obligations of the Trustee are set out in the Trust Deed.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SWISSCO HOLDINGS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

The information in this Appendix II has been extracted and reproduced from the audited financial statements of the Group for the financial year ended 31 December 2012 and has not been specifically prepared for inclusion in this Information Memorandum. Investors should read the consolidated financial data in conjunction with the related notes.

SWISSCO HOLDINGS LIMITED

(Incorporated in Singapore. Registration Number: 200404711D)

AND ITS SUBSIDIARIES

FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

SWISSCO HOLDINGS LIMITED
(Incorporated in Singapore)
AND ITS SUBSIDIARIES

FINANCIAL STATEMENTS
For the financial year ended 31 December 2012

Contents

The directors present their report to the members together with the audited financial statements of the Group for the financial year ended 31 December 2012 and the balance sheet of the Company as at 31 December 2012.

Directors

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

Robert Chua Swee Chong
Alex Yeo Kian Teong
Tan Fuh Gih
Lim How Teck
Geoffrey Yeoh Seng Huat (appointed on 27 June 2012)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share options and performance shares" 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 31.12.2012	At 1.1.2012, or date of appointment, if later	At 31.12.2012	At 1.1.2012, or date of appointment, if later
The Company				
Ordinary shares				
Robert Chua Swee Chong	71,222,163	70,800,000	-	-
Alex Yeo Kian Teong	25,399,260	25,293,719	170,000	170,000
Tan Fuh Gih	3,863,000	3,863,000	-	-

(b) The directors' interests in the ordinary shares of the Company as at 21 January 2013 were the same as those as at 31 December 2012.

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 were granted performance share awards for the ordinary shares of the Company pursuant to the Performance Share Plan Scheme as set out below:

	Number of unvested performance shares	
	At 31.12.2012	At 1.1.2012
Robert Chua Swee Chong	422,164	844,327
Alex Yeo Kian Teong	105,541	211,082

(d) 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 31.12.2012	At 1.1.2012
Robert Chua Swee Chong	500,000	-
Alex Yeo Kian Teong	400,000	-
Lim How Teck	100,000	-
Tan Fuh Gih	100,000	-

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 and performance shares

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.

Share options and performance shares (continued)

Swissco Holdings Employee Share Option Scheme (continued)

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 10 years.

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.

On 11 May 2012, the Company granted options to subscribe 2,800,000 ordinary shares of the Company at exercise price of $0.202 per share. The options are exercisable from 11 May 2013 and expire on 10 May 2022. The total fair value of the options granted was estimated to be $149,173 using the Black Scholes Option Pricing Model.

(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 31.12.12	Aggregate granted since commencement of Scheme to 31.12.12	Aggregate exercised since commencement of Scheme to 31.12.12	Aggregate outstanding as at 31.12.12
Robert Chua Swee Chong	500,000	500,000	-	500,000
Alex Yeo Kian Teong	400,000	400,000	-	400,000
Lim How Teck	100,000	100,000	-	100,000
Tan Fuh Gih	100,000	100,000	-	100,000
	1,100,000	**1,100,000**	**-**	**1,100,000**

Share options and performance shares (continued)

Swissco Holdings Employee Share Option Scheme (continued)

(ii) Details of options granted to the controlling shareholders of the Company and their associates are as follows:

	No. of unissued ordinary shares of the Company under option			
	Granted in financial year ended 31.12.12	Aggregate granted since commencement of Scheme to 31.12.12	Aggregate exercised since commencement of Scheme to 31.12.12	Aggregate outstanding as at 31.12.12
Robert Chua Swee Chong	500,000	500,000	-	500,000
Tan Dah Ching	100,000	100,000	-	100,000
	600,000	**600,000**	**-**	**600,000**

No participant under the Scheme has received 5% or more of the total number of shares under option available under the Scheme.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

(iii) 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 31.12.12	Exercise Price	Exercise Period
11.5.2012	2,800,000	$0.202	11.5.13 – 10.5.22

Swissco Holdings Performance Share Plan

The Swissco Holdings Performance Share Plan (the "Plan") for executive directors and managers of the Group was approved by members of the Company at an Extraordinary General Meeting on 1 November 2010. The purpose of the Plan is to attract, retain and give recognition to the employees who have contributed to the success and development of the Group as well as motivate the employees to contribute towards the Group's long term prosperity.

Performance shares under the Plan shall be awarded to executive directors and managers of the Group conditional upon the Group meeting or exceeding a prescribed performance target during the performance period. The Remuneration Committee may prescribe a vesting schedule pursuant to which the award shall vest at the end of each performance period, provided the performance target has been met.

Share options and performance shares (continued)

Swissco Holdings Performance Share Plan (continued)

The aggregate number of shares that may be awarded on any date, when added to the number of shares issued and issuable in respect of all options granted under the Plan and all shares awarded under the Plan, shall not exceed 15% of the issued shares of the Company on the day preceding that date. The aggregate number of shares that may be awarded under the Plan to the controlling shareholders and their associates shall not exceed 25% of the shares available under the Plan and the number of shares that may be granted under the Plan to a controlling shareholder or an associate of a controlling shareholder shall not exceed 10% of the shares available under the Plan.

On 29 April 2011, 2,150,396 performance shares were granted pursuant to the Plan. 50% of the shares will vest after the first anniversary of the grant date and the remaining 50% after the second anniversary of the grant date. Details of the performance shares granted to the directors are as follows:

Name of director	Granted in financial year ended 31.12.12	Aggregate granted since commencement of the Plan to 31.12.12	Aggregate vested/ issued since commencement of the Plan to 31.12.12	Aggregate outstanding as at 31.12.12
Robert Chua Swee Chong	-	844,327	422,163	422,164
Alex Yeo Kian Teong	-	211,082	105,541	105,541
	-	**1,055,409**	**527,704**	**527,705**

Mr Robert Chua Swee Chong is a controlling shareholder of the Company.

No participants received 5% or more of the total number of performance shares available under the Scheme.

Audit Committee

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

Lim How Teck - Chairman
Tan Fuh Gih
Geoffrey Yeoh Seng Huat

All members of the Audit Committee were non-executive directors, the majority of whom, including the Chairman, were independent.

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;

Audit Committee (continued)

- 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 2012 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.

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

Independent auditor

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

On behalf of the directors

Robert Chua Swee Chong Director	Alex Yeo Kian Teong Director

3 April 2013

STATEMENT BY DIRECTORS

For the financial year ended 31 December 2012

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 9 to 66 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 2012 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

Robert Chua Swee Chong Director	Alex Yeo Kian Teong Director

3 April 2013

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 9 to 66, which comprise the consolidated balance sheet of the Group and balance sheet of the Company as at 31 December 2012, the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair 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 2012, and of the results, changes in equity and cash flows of the Group for the financial year ended on that date.

Report on other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those 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 Certified Public Accountants

Singapore, 3 April 2013

SWISSCO HOLDINGS LIMITED
AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2012

	Note	**2012 $'000**	2011 $'000
Sales	3	**110,017**	64,925
Cost of sales		**(79,245)**	(49,684)
Gross profit		**30,772**	15,241
Other income	3	**292**	171
Other gains/(losses) - net	4	**937**	5,761
Expenses			
- Administrative		**(9,353)**	(6,696)
- Finance	6	**(3,111)**	(3,808)
Share of (losses)/profits of joint ventures	18	**(860)**	154
Profit before income tax		**18,677**	10,823
Income tax expense	8	**(2,290)**	(2,642)
Total profit		**16,387**	8,181
Other comprehensive income/(loss):			
Currency translation differences arising on consolidation		**(578)**	111
Financial assets, available-for-sale			
- Fair value gain/(loss)		**2,230**	(12,825)
- Reclassification on disposal		**735**	-
Other comprehensive income/(loss), net of tax		**2,387**	(12,714)
Total comprehensive income/(loss) attributable to equity holders of the Company		**18,774**	(4,533)
Earnings per share for profit attributable to equity holders of the Company (cents per share)			
- Basic	9(a)	**3.78**	1.89
- Diluted	9(b)	**3.77**	1.89

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

SWISSCO HOLDINGS LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

As at 31 December 2012

	Note	Group 2012 $'000	Group 2011 $'000	Company 2012 $'000	Company 2011 $'000
ASSETS					
Current assets					
Cash and cash equivalents	10	**35,111**	27,864	**3,662**	978
Financial assets, available-for-sale	11	**15,250**	14,445	**-**	-
Trade and other receivables	12	**16,797**	17,895	**19,221**	12,838
Inventories	13	**320**	162	**-**	-
Other current assets	14	**18,469**	15,945	**26**	23
		85,947	76,311	**22,909**	13,839
Non-current assets classified as held for sale	15	**9,292**	-	**-**	-
		95,239	76,311	**22,909**	13,839
Non-current assets					
Other receivables	12	**4,135**	13,132	**4,135**	13,132
Other non-current assets	14	**3,795**	-	**-**	-
Investments in subsidiaries	16	**-**	-	**177,937**	177,937
Investments in an associated company	17	**-**	-	**-**	-
Investments in joint ventures	18	**1,418**	2,454	**50**	50
Property, plant and equipment	19	**132,141**	132,431	**-**	-
		141,489	148,017	**182,122**	191,119
Total assets		**236,728**	224,328	**205,031**	204,958
LIABILITIES					
Current liabilities					
Trade and other payables	20	**32,967**	26,194	**85,281**	78,218
Borrowings	21	**40,174**	55,990	**13,905**	26,284
Current income tax liabilities		**3,228**	1,295	**-**	1
		76,369	83,479	**99,186**	104,503
Non-current liabilities					
Other payables	20	**7,285**	-	**-**	-
Borrowings	21	**34,019**	39,551	**6,030**	16,251
Deferred income tax liabilities	8	**2,204**	2,204	**-**	-
		43,508	41,755	**6,030**	16,251
Total liabilities		**119,877**	125,234	**105,216**	120,754
NET ASSETS		**116,851**	99,094	**99,815**	84,204
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	24	**91,998**	91,681	**91,998**	91,681
Other reserves	25	**(12,449)**	(14,801)	**360**	395
Retained earnings/(accumulated losses)	26	**37,302**	22,214	**7,457**	(7,872)
Total equity		**116,851**	99,094	**99,815**	84,204

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 December 2012

	Note	Attributable to equity holders of the Company			
		Share capital $'000	Other reserves $'000	Retained earnings $'000	Total equity $'000
2012					
Balance at 1 January 2012		91,681	(14,801)	22,214	99,094
Performance share plan - Issue of new shares	24	317	(317)	-	-
Total comprehensive income for the year		-	2,387	16,387	18,774
Performance share plan - Value of employee services	25(b)(iii)	-	187	-	187
Employee share option scheme - Value of employee services	25(b)(iv)	-	95	-	95
Dividends paid	27	-	-	(1,299)	(1,299)
Balance at 31 December 2012		**91,998**	**(12,449)**	**37,302**	**116,851**
2011					
Balance at 1 January 2011		91,681	(2,482)	14,033	103,232
Total comprehensive (loss)/income for the year		-	(12,714)	8,181	(4,533)
Performance share plan - Value of employee services	25(b)(iii)	-	395	-	395
Balance at 31 December 2011		**91,681**	**(14,801)**	**22,214**	**99,094**

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

SWISSCO HOLDINGS LIMITED
AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2012

	Note	**2012**	2011
		$'000	$'000
Cash flows from operating activities			
Total profit		**16,387**	8,181
Adjustments for:			
- Income tax expense		**2,290**	2,642
- Share of losses/(profits) of joint ventures		**860**	(154)
- Amortisation of deferred gain		**-**	(462)
- Impairment loss on investment in an associated company		**-**	353
- Impairment loss on investment in a joint venture company		**20**	-
- Impairment loss on non-current assets held for sale		**396**	-
- Depreciation of property, plant and equipment		**8,670**	9,153
- Interest expense		**3,111**	3,290
- Interest income		**(168)**	(94)
- Performance share and share option expenses		**282**	395
- Loss on disposal of financial assets, available for sale		**735**	-
- Gain on disposal of property, plant and equipment		**(4,166)**	(4,925)
		28,417	18,379
Change in working capital:			
- Trade and other receivables		**1,098**	(5,888)
- Inventories		**(158)**	(3)
- Other assets		**(1,668)**	(14,612)
- Restricted cash		**5,612**	(5,612)
- Trade and other payables		**13,675**	16,142
Net cash flows generated from operations		**46,976**	8,406
Income tax paid		**(285)**	(1,034)
Net cash flows generated from operating activities		**46,691**	7,372
Cash flows from investing activities			
Interest received		**168**	94
Loan to joint venture		**-**	(1,903)
Repayment of loan from joint venture		**8,997**	-
Proceeds from disposal of financial assets, available for sale		**1,425**	-
Proceeds from disposal of property, plant and equipment		**19,318**	49,470
Purchases and construction of property, plant and equipment		**(37,488)**	(13,563)
Net cash flows (used in)/generated from investing activities		**(7,580)**	34,098
Cash flows from financing activities			
Interest paid		**(3,111)**	(3,290)
Proceeds from borrowings		**36,184**	85,044
Repayment of borrowings		**(57,503)**	(118,847)
Repayment of finance lease liabilities		**(29)**	(12)
Dividend paid to equity holders of the Company		**(1,299)**	-
Net cash flows used in financing activities		**(25,758)**	(37,105)
Net increase in cash and cash equivalents		**13,353**	4,365
Cash and cash equivalents at beginning of financial year		**22,252**	17,802
Effects of currency translation on cash and cash equivalents		**(494)**	85
Cash and cash equivalents at end of financial year	10	**35,111**	22,252

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

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

Swissco Holdings Limited (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.

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries are set out in Note 16 to the financial statements.

2. Significant accounting policies

2.1 Basis of preparation

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

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 33.

Interpretations and amendments to published standards effective in 2012

On 1 January 2012, 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.

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.

2. Significant accounting policies (continued)

2.2 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 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.

2. Significant accounting policies (continued)

2.2 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.

2.3 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which 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 are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which 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.

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(a) Subsidiaries (continued)

(ii) Acquisitions

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 the fair value of any pre-existing equity interest in the subsidiary.

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.

If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as negative goodwill.

2. Significant accounting policies (continued)

2.3 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, joint ventures and associated companies" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised 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 contractual arrangements to jointly share the control over the economic activity of the entities with one or more parties.

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.

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(c) Associated companies and joint ventures (continued)

(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 associate or joint venture and is included in the carrying amount of the investments.

(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 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 transaction provides evidence of an impairment of the asset transferred. The accounting policies of associated companies and joint ventures have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

2. **Significant accounting policies** (continued)

2.3 **Group accounting** (continued)

(c) Associated companies and joint ventures (continued)

(iii) Disposals

Investments in associated companies and joint ventures are derecognised when the Group loses significant influence or joint control. Any 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 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, joint ventures and associated companies" for the accounting policy on investments in associated companies and joint ventures in the separate financial statements of the Company.

2.4 **Intangible assets**
Goodwill

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

Goodwill on acquisition of subsidiaries and business prior to 1 January 2010 and on acquisition of joint ventures and associated companies represents the excess of the cost of the acquisition over the fair value of the Group's share of the net identifiable 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, joint ventures and associated companies include the carrying amount of goodwill relating to the entity sold.

2. Significant accounting policies (continued)

2.5 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 (Note 2.12).

(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
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 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 vessel are written off to profit or loss.

2. Significant accounting policies (continued)

2.5 Property, plant and equipment (continued)

(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.

(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/(losses) - net'.

2.6 Non-current asset held for sale

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

2.7 Investments in subsidiaries, joint ventures and associated companies

Investments in subsidiaries, joint ventures and associated companies 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 is recognised in profit or loss.

2. Significant accounting policies (continued)

2.8 Impairment of non-financial assets

(a) *Goodwill*

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

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

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

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

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

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

Property, plant and equipment and investments in subsidiaries, joint ventures and associated companies 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.

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

2. Significant accounting policies (continued)

2.8 Impairment of non-financial assets (continued)

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

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.

2.9 Financial assets

(a) Classification

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

(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.

(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.

2. Significant accounting policies (continued)

2.9 Financial assets (continued)

(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.

(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.

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.

2. Significant accounting policies (continued)

2.9 Financial assets (continued)

(e) Impairment (continued)

(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 2.9(e)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

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

2. Significant accounting policies (continued)

2.10 Borrowings

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

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

2.11 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.

2.12 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 acquisition, 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.

2.13 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.

2. Significant accounting policies (continued)

2.14 Leases

(a) *When the Group is the lessee*:

The Group leases motor vehicles under finance leases and office premises under operating leases from non-related parties.

Finance leases

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

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

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

Operating leases

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

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

2. Significant accounting policies (continued)

2.14 Leases (continued)

(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.

2.15 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.16 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.

2. Significant accounting policies (continued)

2.16 Income taxes (continued)

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.

2.17 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.

2. Significant accounting policies (continued)

2.17 Employee compensation (continued)

(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.

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 if new shares are issued.

2.18 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 Singapore Dollar, which is the functional currency of the Company.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

2. Significant accounting policies (continued)

2.18 Currency translation (continued)

(c) Translation of Group entities' financial statements

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

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

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

(iii) all resulting currency translation differences are recognised in other comprehensive income.

2.19 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.

2.20 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.

2.21 Share capital

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

2.22 Dividends to Company's shareholders

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

2. Significant accounting policies (continued)

2.23 Financial guarantees

The Company has issued corporate guarantees to banks for borrowings of its subsidiaries and an associated company. 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.

Intragroup transactions are eliminated on consolidation.

2.24 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. Revenue and other income

	Group	
	2012	2011
	$'000	$'000
Rendering of services		
Chartering income, sale of out-port-limit services and related income	**41,967**	37,276
Ship repair and related services	**4,584**	3,191
Sale of vessels, equipment and consumables	**63,466**	24,458
Sales	**110,017**	64,925
Other income		
Interest income - Banks	**168**	94
Others	**124**	77
	292	171

4. Other gains/(losses) - net

	Group	
	2012	2011
	$'000	$'000
- Gain on disposal of property, plant and equipment	**4,166**	4,925
- Amortisation of deferred gain (Note 23)	**-**	462
- Currency translation (losses)/gains - net	**(2,078)**	727
- Impairment loss on investment in an associated company (Note 17)	**-**	(353)
- Impairment loss on investment in a joint venture (Note 18)	**(20)**	-
- Impairment loss on non-current asset held for sale (Note 15)	**(396)**	-
- Loss on disposal of financial assets, available for sale	**(735)**	-
	937	5,761

5. Expenses by nature

	Group	
	2012	2011
	$'000	$'000
Purchase of vessels, equipment and consumables for sale	**50,904**	21,550
Materials and supplies used	**5,926**	8,669
Hire of vessels/barges	**965**	174
Depreciation of property, plant and equipment (Note 19)	**8,670**	9,153
Employee compensation (Note 7)	**9,211**	8,227
Rental expense of office premises	**221**	519
Allowance for /(write back of) impairment on trade and other receivables	**1,480**	434
Upkeep of vessels/barges	**5,152**	3,261
Vessel insurance	**748**	949
Professional fees	**242**	405
Fees on audit services paid/payable to auditors of the Company	**237**	220
Fees on non-audit services paid/payable to auditors of the Company	**103**	74
Other expenses	**4,739**	2,745
Total cost of sales and administrative expenses	**88,598**	56,380

6. Finance expenses

	Group	
	2012	2011
	$'000	$'000
Interest expense		
- Bank borrowings	**3,110**	3,288
- Finance lease liabilities	**1**	2
	3,111	3,290
Loan structuring fees	**-**	518
	3,111	3,808

7. Employee compensation

	Group	
	2012	2011
	$'000	$'000
Wages and salaries	**8,331**	7,379
Employer's contribution to defined contribution plans including Central Provident Fund	**271**	219
Performance share expense [Note 25(b)(iii)]	**187**	395
Share option expense [Note 25(b)(iv)]	**95**	-
Other staff benefits	**327**	234
	9,211	8,227

8. Income taxes

(a) Income tax expense/(credit)

	Group	
	2012	2011
	$'000	$'000
Tax expense attributable to profit is made up of:		
- Current income tax	**2,195**	1,148
- Deferred income tax	**-**	401
	2,195	1,549
Under/(over) provision in prior financial years		
- Current income tax	**95**	772
- Deferred income tax	**-**	321
Total	**2,290**	2,642

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

	Group	
	2012	2011
	$'000	$'000
Profit before tax	**18,677**	10,823
Share of loss/(profit) of associated company and joint ventures	**860**	(154)
Profit before tax and share of loss/(profit) of associate and joint ventures	**19,537**	10,669
Tax calculated at a tax rate of 17% (2011: 17%)	**3,321**	1,814
Effects of		
- Singapore statutory stepped income exemption	**(78)**	(78)
- Income not subjected to tax	**(2,054)**	(1,556)
- Expenses not deductible for tax purposes	**745**	368
- Tax losses for which no deferred income tax asset was recognised	**261**	1,001
Tax charge	**2,195**	1,549

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised unutilised tax losses of $2,195,000 (31 December 2011: $659,000) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements. These tax losses have no expiry date.

8. **Income taxes** (continued)

(c) Deferred income taxes

Movement in deferred income tax liabilities is as follows:

	Group	
	2012	2011
	$'000	$'000
Beginning of financial year	**2,204**	1,482
Tax charge to profit or loss		
– in respect of current financial year	**-**	401
– in respect of prior financial years	**-**	321
End of financial year	**2,204**	2,204
Represented by:		
Accelerated tax depreciation	**2,204**	2,204

Deferred tax liabilities are expected to be mainly settled after one year.

9. **Earnings per share**

(a) Basic earnings per share

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

	Group	
	2012	2011
	$'000	$'000
Net profit attributable to equity holders of the Company ($'000)	**16,387**	8,181
Weighted average number of ordinary shares outstanding ('000)	**433,331**	431,823
Basic earnings per share (cents per share)	**3.78**	1.89

9. **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 performance shares and share options. The adjustment made represents the number of shares expected to vest.

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

	Group	
	2012	2011
	$'000	$'000
Net profit attributable to equity holders of the Company ($'000)	**16,387**	8,181
Weighted average number of ordinary shares outstanding ('000)	**433,331**	431,823
Adjustment for share options granted ('000)	**-***	-
Adjustment for performance shares granted ('000)	**1,075**	2,150
	434,406	433,973
Diluted earnings per share (cents per share)	**3.77**	1.89

* less than $1,000

10. **Cash and cash equivalents**

	Group		Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**35,111**	27,864	**3,662**	978

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

	Group	
	2012	2011
	$'000	$'000
Cash and bank balances (as above)	**35,111**	27,864
Less: Bank deposits pledged	**-**	(5,612)
Cash and cash equivalents per consolidated statement of cash flows	**35,111**	22,252

Bank deposits were pledged as security to a bank for issuance of performance guarantees to a customer in 2011. This pledge was discharged in 2012.

11. Financial assets, available-for-sale

	Group	
	2012	2011
	$'000	$'000
Beginning of financial year	**14,445**	27,270
Fair value gain/(loss) recognised in other comprehensive loss [Note 25(b)(ii)]	**2,230**	(12,825)
Disposals	**(1,425)**	-
End of financial year	**15,250**	14,445

Financial assets, available-for-sale are analysed as follows:

	Group	
	2012	2011
	$'000	$'000
Listed security		
- Equity security – Singapore	**15,250**	14,445

Financial assets, available-for-sale with a carrying amount of $4,270,000 are pledged as securities for bank borrowings [Note 21(a)(ii)].

12. Trade and other receivables

	Group		Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Current				
Trade receivables:				
- Non-related parties	**19,189**	18,070	**-**	-
- Associated company	**-**	552	**-**	-
- Joint venture	**84**	495	**-**	-
- Joint venturer	**-**	699	**-**	-
- Subsidiaries	**-**	-	**2,221**	3,292
	19,273	19,816	**2,221**	3,292
Less: Allowance for impairment of trade receivables				
- Non-related parties	**(2,610)**	(1,397)	**-**	-
- Associated company	**-**	(552)	**-**	-
	(2,610)	(1,949)	**-**	-
	16,663	17,867	**2,221**	3,292
Other receivables:				
- Non-related parties	**9**	-	**-**	-
- Subsidiaries	**-**	-	**17,000**	9,546
- Associated company	**125**	28	**-**	-
	134	28	**17,000**	9,546
Current trade and other receivables	**16,797**	17,895	**19,221**	12,838

12. Trade and other receivables (continued)

	Group		Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Non-current				
Other receivable:				
- Joint venturer	**4,135**	13,132	**4,135**	13,132
Total trade and other receivables	**20,932**	31,027	**23,356**	25,970

The other receivables from subsidiaries and associated company are unsecured, interest-free and are repayable on demand.

The non-current other receivable from a joint venture is unsecured and interest-free. The amount is intended to be a long-term source of additional capital for the joint venture. Settlement of the receivable is neither planned nor likely to occur in the foreseeable future. As a result, management considers the receivable to be in substance part of the Company's net investment in the joint venture, and has stated the receivable at cost in accordance with Note 2.7.

13. Inventories

	Group	
	2012	2011
	$'000	$'000
Steel plates for repair works	**85**	45
Fuel	**235**	117
	320	162

The cost of inventories recognised as an expense and included in "cost of sales" amounted to $88,957 (31 December 2011: $125,076).

14. Other assets

	Group		Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Current				
Prepayments	**150**	338	**25**	23
Advances to shipbuilders	**16,973**	15,218	**-**	-
Deposits	**41**	70	**1**	-
Others	**1,305**	319	**-**	-
	18,469	15,945	**26**	23
Non-current				
Advances to shipbuilders	**3,795**	-	**-**	-
	22,264	15,945	**26**	23

15. Non-current assets classified as held for sale

During the financial year, the Group entered into contracts to sell certain vessels. The sales of these vessels are expected to be completed by 2013. As a result, these vessels were classified as non-current assets held for sale at 31 December 2012. The amount of $9,292,000 is stated net of impairment loss of $396,000 (Note 4).

16. Investments in subsidiaries

	Company	
	2012	2011
	$'000	$'000
Unquoted equity shares, at cost	**177,937**	177,937

Details of subsidiaries are as follows:

Name of companies	Principal activities	Country of incorporation/ business	Equity holding 2012 $'000 %	Equity holding 2011 $'000 %
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
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

(a) Audited by PricewaterhouseCoopers LLP, Singapore.
(b) Not required to be audited under the laws of the country of incorporation.

17. Investment in an associated company

	Group	
	2012	2011
	$'000	$'000
Beginning of financial year	**-**	353
Provision for impairment loss (Note 4)	**-**	(353)
End of financial year	**-**	-

The associated company was liquidated on 16 August 2012.

The summarised financial information of the associated company, not adjusted for the proportion of ownership interest held by the Group, is as follows:

	Group	
	2012	2011
	$'000	$'000
- Assets	**-**	4,534
- Liabilities	**-**	4,303
- Revenue	**-**	216
- Net (loss)/profit	**-**	(371)

Details of the associated company are as follows:

Name of company	Principal activities	Country of incorporation/ business	Equity holding	
			2012	2011
			$'000	$'000
			%	%
PT Swissco Indonesia[(a)]	Ship owner and ship operator	Indonesia	**-**	49

(a) No audit was performed for the current financial year as the associated company is in the process of voluntary liquidation since 2011. The associated company had been liquidated on 16 August 2012.

18. Investment in joint ventures

	Group		Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Equity Investment at cost			**50**	50
Beginning of financial year	**2,454**	2,274		
Currency translation differences	**(156)**	26		
Share of (losses)/profits	**(860)**	154		
Provision for impairment loss (Note 4)	**(20)**	-		
End of financial year	**1,418**	2,454		

18. Investment in joint ventures (continued)

The following amounts represent the Group's share of the assets and liabilities and income and expenses of the joint ventures:

	Group	
	2012	2011
	$'000	$'000
- Assets	**12,040**	21,654
- Liabilities	**(10,622)**	(19,200)
Net assets	**1,418**	2,454
- Revenue	**17,249**	7,681
- Expenses	**(18,109)**	(7,527)
Net profit/(loss)	**(860)**	154
Proportionate interest in joint venture's capital commitments	**-**	6,674

Details of the joint ventures are as follows:

Name of companies	Principal activities	Country of incorporation/ business	Group's effective interest	
			2012	2011
			$'000	$'000
			%	%
Hadi International Marine Services Pte Ltd [(a)]	Investment holding	Singapore	**50**	50
Valueright International Ltd [(b)]	Shipowners, managers, charterers	British Virgin Islands	**50**	50
SW Marine (M) Sdn Bhd [(c)]	Ship chartering and related logistics services	Malaysia	**49**[(d)]	49 [(d)]

(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.

19. Property, plant and equipment

	Vessels/ barges $'000	Leasehold building and improvements $'000	Motor vehicles $'000	Furniture, fittings and computers $'000	Plant and equipment $'000	Vessels under construction $'000	Total $'000
Group							
Cost							
At 1 January 2012	120,324	4,214	159	225	321	7,998	133,241
Additions	1,768	-	46	77	14	31,315	33,220
Disposals	(17,113)	-	(70)	(6)	(21)	-	(17,210)
Transfer from vessels under construction	23,554	-	-	-	-	(23,554)	-
Transfer to non-current assets held-for-sale	(10,955)	-	-	-	-	-	(10,955)
At 31 December 2012	117,578	4,214	135	296	314	15,759	138,296
Accumulated depreciation							
At 1 January 2012	542	40	69	47	112	-	810
Depreciation	8,381	34	35	57	163	-	8,670
Disposals	(1,981)	-	(52)	(4)	(21)	-	(2,058)
Transfer to non-current assets held-for-sale	(1,267)	-	-	-	-	-	(1,267)
At 31 December 2012	5,675	74	52	100	254	-	6,155
Net book value							
At 31 December 2012	**111,903**	**4,140**	**83**	**196**	**60**	**15,759**	**132,141**
Cost							
At 1 January 2011	161,477	4,151	168	204	479	9,370	175,849
Additions	705	63	-	25	9	12,253	13,055
Disposals	(52,931)	-	(9)	(4)	(167)	(2,552)	(55,663)
Transfer from vessels under construction	11,073	-	-	-	-	(11,073)	-
At 31 December 2011	120,324	4,214	159	225	321	7,998	133,241
Accumulated depreciation							
At 1 January 2011	2,659	8	17	10	81	-	2,775
Depreciation	8,832	32	57	37	195	-	9,153
Disposals	(10,949)	-	(5)	-	(164)	-	(11,118)
At 31 December 2011	542	40	69	47	112	-	810
Net book value							
At 31 December 2011	**119,782**	**4,174**	**90**	**178**	**209**	**7,998**	**132,431**

The carrying amount of motor vehicles held under finance leases is $Nil (31 December 2011: $19,692) at the balance sheet date.

The leasehold building and vessels of the Group with a total carrying amount of $105,581,000 (31 December 2011: $108,726,000) are pledged as securities for bank borrowings [Note 21(a)(i)].

20. Trade and other payables

	Group		Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Current				
Trade payables				
- Non-related parties	**2,458**	6,174	**-**	-
Other payables				
- Non-related parties	**270**	88	**203**	81
- Joint venturer	**23**	523	**-**	523
- Subsidiaries	**-**	-	**82,754**	76,640
	293	611	**82,957**	77,244
Payables for purchase of property, plant and equipment	**586**	203	**-**	-
Other accruals for operating expenses	**5,641**	3,244	**2,324**	974
Advances received for sale of vessels	**13,758**	10,357	**-**	-
Advances received for charter of vessels	**-**	5,605	**-**	-
Deposits received for non-current assets held for sale	**10,231**	-	**-**	-
	32,967	26,194	**85,281**	78,218
Non-current				
Advances received for sale of vessels	**7,285**	-	**-**	-
	40,252	26,194	**85,281**	78,218

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

21. Borrowings

	Group		Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Current				
Bank borrowings	**40,174**	55,981	**13,905**	26,284
Finance lease liabilities (Note 22)	**-**	9	**-**	-
	40,174	55,990	**13,905**	26,284
Non-current				
Bank borrowings	**34,019**	39,531	**6,030**	16,251
Finance lease liabilities (Note 22)	**-**	20	**-**	-
	34,019	39,551	**6,030**	16,251

21. Borrowings (continued)

(a) Security granted

Total borrowings include secured liabilities of the Group and Company of $61,876,000 (2011: $81,261,000) and $17,832,000 (2011: $39,190,000) respectively as at balance sheet date, as follows:

(i) Bank borrowings of the Group and Company of $40,160,000 (2011: $74,231,000) and $17,832,000 (2011: $32,189,000) respectively are secured over certain vessels and leasehold building (Note 19).

(ii) Bank borrowings of the Group and Company of $21,716,000 (2011: $7,001,000) and $Nil (2011: $7,001,000) respectively are secured over the financial assets, available-for-sale (Note 11).

(iii) Finance lease liabilities of the Group of $Nil (2011: $29,000) are effectively secured over the leased motor vehicles (Note 19), as the legal title is retained by the lessor and will be transferred to the Group upon full settlement of the finance lease liabilities.

(b) Fair value of non-current borrowings

	Group		Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Bank borrowings	**34,019**	39,531	**6,030**	16,251
Finance lease liabilities (Note 22)	**-**	20	**-**	-

The carrying amounts of non-current borrowings approximate their fair values as these are variable rate borrowings.

(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 year ended 31 December 2012.

22. Finance lease liabilities

	Group	
	2012	2011
	$'000	$'000
Minimum lease payments due		
- Not later than one year	**-**	11
- Between one and five years	**-**	25
	-	36
Less: Future finance charges	**-**	(7)
Present value of finance lease liabilities	**-**	29
The present values of finance lease liabilities are analysed as follows:		
Not later than one year (Note 20)	**-**	9
Later than one but not later than five years (Note 20)	**-**	20
	-	29

23. Deferred gain

Deferred gain, which relates to the Group's share of the unrealised gains arising from the disposal of vessels to an associated company, is credited to profit or loss on a straight-line basis over the period to match the depreciation of the disposed vessels, which is included in the share of associated company's results for the financial period. Movements in deferred gain are as follows:

	Group	
	2012	2011
	$'000	$'000
Beginning of financial year/period	**-**	1,502
Reversal of deferred gain*	**-**	(1,040)
Amortisation of deferred gain (Note 4)	**-**	(462)
End of financial year/period	**-**	-

* During the financial year, the Group re-purchased a vessel previously sold to the associated company. Accordingly, the corresponding deferred gain was reversed.

24. Share capital

	No. of ordinary shares	Amount
	Issued share capital	Share capital
	'000	$'000
Group and Company		
At 1 January 2012	431,823	91,681
Issue of shares – performance shares	1,075	317
At 31 December 2012	432,898	91,998
At 1 January 2011 and 31 December 2011	431,823	91,681

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

24. Share capital (continued)

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 10 years.

On 11 May 2012, options to subscribe to 2,800,000 ordinary shares in the Company at an exercise price of $0.202 per ordinary share were granted pursuant to the Scheme. The options are exercisable from 11 May 2013 and expire on 10 May 2022.

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 ’000	Granted during financial year ’000	Forfeited during financial year ’000	End of financial year ’000	Exercise price	Exercise period
2012						
11.5.2012	-	2,800	(500)	2,300	$0.202	11.5.13 – 10.5.22

There were no share options granted under the Scheme in 2011.

24. **Share capital** (continued)

Performance shares

The Swissco Holdings Performance Share Plan (the "Plan") for executive directors and managers of the Group was approved by members of the Company at an Extraordinary General Meeting on 1 November 2010. The purpose of the Plan is to attract, retain and give recognition to the employees who have contributed to the success and development of the Group as well as motivate the employees to contribute towards the Group's long term prosperity.

Performance shares under the Plan shall be awarded to executive directors and managers of the Group conditional upon the Group meeting or exceeding a prescribed performance target during the performance period. The Remuneration Committee may prescribe a vesting schedule pursuant to which the award shall vest at the end of each performance period, provided the performance target has been met.

On 29 April 2011, 2,150,396 performance shares were granted pursuant to the Plan. 50% of the shares will vest after the first anniversary of the grant date and the remaining 50% after the second anniversary of the grant date. The fair value of the performance shares was determined based on the closing market price at grant date of $0.295 discounted by the expected future dividend yield of 0.015% over the vesting period.

The movements in the number of performance shares during the financial year were as follows:

Group and Company

Date of grant	Beginning of financial year	Granted during financial year	Vested/ issued during the financial year	End of financial year	Estimated fair value per share at grant date
2012					
29.4.2011	2,150,396	-	1,075,196	1,075,200	$0.295
2011					
29.4.2011	-	2,150,396	-	2,150,396	$0.295

25. Other reserves

(a) Composition:

	Group		Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Currency translation reserve	(1,059)	(481)	-	-
Fair value reserve	(11,750)	(14,715)	-	-
Performance share reserve	265	395	265	395
Share option reserve	95	-	95	-
	(12,449)	(14,801)	360	395

Other reserves are non-distributable.

(b) Movements:

	Group		Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
(i) Currency translation reserve				
Beginning of financial year	**(481)**	(592)	-	-
Net currency translation differences arising on consolidation	**(578)**	111	-	-
End of financial year	**(1,059)**	(481)	-	-
(ii) Fair value reserve				
Beginning of financial year	**(14,715)**	(1,890)	-	-
Financial assets, available-for- sale:				
- Fair value gain/(losses) (Note 11)	**2,230**	(12,825)	-	-
- Reclassification to profit or loss (Note 4)	**735**	-	-	-
End of financial year	**(11,750)**	(14,715)	-	-
(iii) Performance share reserve				
Beginning of financial year	**395**	-	**395**	-
Performance share plan				
- Issue of new shares	**(317)**	-	**(317)**	-
- Value of employee service (Note 7)	**187**	395	**187**	395
End of financial year	**265**	395	**265**	395
(iv) Share option reserve				
Beginning of financial year	**-**	-	**-**	-
Employee share option scheme:				
- Value of employee service (Note 7)	**95**	-	**95**	-
End of financial year	**95**	-	**95**	-

26. Retained earnings/(accumulated losses)

(a) The retained earnings of the Group are distributable except for accumulated retained profits of associated company and joint ventures amounting to $1,368,071 (31 December 2011: $2,383,248). Retained earnings of the Company are distributable.

(b) Movement in retained earnings/(accumulated losses) for the Company is as follows:

	Company	
	2012	2011
	$'000	$'000
Beginning of financial year	**(7,872)**	(11,121)
Total comprehensive income	**16,628**	3,249
Dividend paid	**(1,299)**	-
End of financial year	**7,457**	(7,872)

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

27. Dividends

	Group	
	2012	2011
	$'000	$'000
Ordinary dividends paid		
Final dividend paid in respect of the previous financial year of 0.3 cents per share (2011: Nil)	**1,299**	-

At the Annual General Meeting on 30 April 2013, a final dividend of 0.5 cents per share and a special dividend of 0.3 cents per share amounting to a total of $3,463,000 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 2013.

28. 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.

28. Commitments (continued)

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

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	
	2012	2011
	$'000	$'000
Not later than one year	**252**	235
Between one and five years	**807**	838
More than five years	**3,975**	4,168
	5,034	5,241

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

The Group has entered into charter hire leases on its fleet of vessels. 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	
	2012	2011
	$'000	$'000
Not later than one year	**5,087**	12,558
Between one and five years	**970**	2,228
	6,057	14,786

(c) Capital commitments

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements excluding those relating to investment in joint ventures (Note 18), are as follows:

	Group	
	2012	2011
	$'000	$'000
Property, plant and equipment	**64,123**	43,571

29. Contingent liabilities

Corporate guarantees

	Company	
	2012	2011
	$'000	$'000
Unsecured corporate guarantees given to banks for borrowings of subsidiaries	**43,563**	34,321

30. 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 is exposed to foreign exchange risk primarily with respect to United States Dollar ("USD") as significant sales and purchases are denominated in USD. The Group does not undertake any foreign exchange contracts to hedge its USD exposure as the management matches financial assets and liabilities denominated in USD whenever possible.

The Company's transactions are predominantly denominated in the Singapore Dollar ("SGD") and there is no significant exposure to foreign currency risk.

30. 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:

	SGD $'000	USD $'000	Total $'000
At 31 December 2012			
Financial assets			
Cash and cash equivalents	13,593	21,518	35,111
Financial assets, available-for-sale	15,250	-	15,250
Trade and other receivables	2,408	14,389	16,797
Other current assets	1,305	20,768	22,073
	32,556	56,675	89,231
Financial liabilities			
Trade and other payables	9,053	31,199	40,252
Borrowings	56,048	18,145	74,193
	65,101	49,344	114,445
Net financial liabilities	(32,545)	7,331	(25,214)
Add: Net financial liabilities denominated in the respective entities' functional currencies	32,545	-	
Less: Firm commitments in foreign currency*	-	(61,916)	
Currency exposure on financial liabilities	-	(54,585)	

	SGD $'000	USD $'000	Total $'000
At 31 December 2011			
Financial assets			
Cash and cash equivalents	5,814	22,050	27,864
Financial assets, available-for-sale	14,445	-	14,445
Trade and other receivables	2,134	15,761	17,895
	22,393	37,811	60,204
Financial liabilities			
Trade and other payables	3,988	22,206	26,194
Borrowings	72,995	22,546	95,541
	76,983	44,752	121,735
Net financial liabilities	(54,590)	(6,941)	(61,531)
Add: Net financial liabilities denominated in the respective entities' functional currencies	54,590	-	
Less: Firm commitments in foreign currency*	-	(15,351)	
Currency exposure on financial liabilities	-	(22,292)	

* Net expenditure contracted for the purchase and sale of vessels/barges

30. **Financial risk management** (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

At 31 December 2012, if the USD had strengthened/weakened by 5% (2011: 5%) against the SGD with all other variable including tax rate being held constant, the Group's profit after tax for the financial period would have been $366,600 (2011: $347,050) higher/lower (2011: lower/higher) as a result of net currency translation effects on the net financial liability position of the Group denominated in USD.

(ii) Price risk

The Group is exposed to equity securities price risk on investments classified as financial assets, available-for-sale. 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% (2011: 10%) respectively with all other variables including tax rate being held constant, the Group's equity would have been $1,525,000 (31 December 2011: $1,444,500) higher/lower.

The Company is not exposed to equity securities and 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 is exposed to cash flow interest rate risk arising mainly from its variable-rate borrowings. The Group may enter into derivative contracts to hedge its interest rate risks.

If the interest rates had increased/decreased by 1% (31 December 2011: 1%) with all other variables including tax rate being held constant, the profit after tax will be lower/higher by $742,000 (31 December 2011: $955,000) as a result of higher/lower interest expense on these borrowings.

30. **Financial risk management** (continued)

(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 Group and Company disclosed in Note 29.

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

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

	Group	
	2012	2011
	$'000	$'000
By operating segments		
Vessel chartering	**15,995**	13,527
Ship repair and maintenance services	**1,288**	935
Other maritime services	**1,990**	5,354
	19,273	19,816

The trade receivables of the Group comprise 5 (2011: 3) debtors that individually represented 5 to 10% 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. Financial assets, available-for-sale which refers to an investment in a Singapore listed security, is neither past due or impaired as there is an active trading market for the security and there is no significant or prolonged decline in its fair value. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

30. **Financial risk management** (continued)

(b) Credit risk (continued)

(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.

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

	Group	
	2012	2011
	$'000	$'000
Past due 0 to 3 months	**8,430**	10,538
Past due 3 to 6 months	**2,760**	2,315
Past due over 6 months	**2,711**	1,443
	13,901	14,296

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

	Group	
	2012	2011
	$'000	$'000
Past due 0 to 3 months	**57**	126
Past due 3 to 6 months	**100**	25
Past due over 6 months	**2,453**	1,798
	2,610	1,949
Less: Allowance for impairment	**(2,610)**	(1,949)
	-	-
Beginning of financial year/period	**1,949**	1,515
Allowance utilised	**(552)**	-
Allowance made/(written back)	**1,213**	434
End of financial year/period	**2,610**	1,949

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

30. Financial risk management (continued)

(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 $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000
Group			
At 31 December 2012			
Trade and other payables	32,967	7,285	-
Borrowings	42,336	7,820	29,683
	75,303	15,105	29,683
At 31 December 2011			
Trade and other payables	26,194	-	-
Borrowings	58,322	12,562	32,333
	84,516	12,562	32,333
Company			
At 31 December 2012			
Trade and other payables	85,281	-	-
Borrowings	14,068	3,696	2,444
Corporate guarantees provided to banks for borrowings of subsidiaries	18,347	3,520	21,696
	117,696	7,216	24,140
At 31 December 2011			
Trade and other payables	78,218	-	-
Borrowings	26,530	9,062	7,530
Corporate guarantees provided to banks for borrowings of subsidiaries	12,716	-	21,605
	117,464	9,062	29,135

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.

30. Financial risk management (continued)

(d) Capital risk (continued)

Management monitors capital based on a gearing ratio. The gearing ratio is calculated as net borrowings divided by total equity. Net borrowings are calculated as borrowings less cash and cash equivalents.

	Group	
	2012	2011
	$'000	$'000
Net borrowings	**39,082**	67,677
Total equity	**116,851**	99,094
Gearing ratio	**0.33**	0.68

The Group and Company were in compliance with externally imposed capital requirements for the financial years ended 31 December 2012 and 31 December 2011.

(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
	$'000	$'000	$'000	$'000
Group and Company				
31 December 2012				
Asset				
Financial assets, available-for-sale				
- Equity securities	15,250	-	-	15,250
31 December 2011				
Asset				
Financial assets, available-for-sale				
- Equity securities	14,445	-	-	14,445

30. Financial risk management (continued)

(e) Fair value measurements (continued)

There are no liabilities measured at fair value at 31 December 2012 and at 31 December 2011.

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 carrying value less impairment provision of trade receivables and 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.

(f) Financial instruments by category

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

	Group		Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Financial assets, available-for-sale	**15,250**	14,445	**-**	-
Loans and receivables	**73,981**	45,759	**22,883**	13,816
Financial liabilities at amortised cost	**114,445**	121,735	**105,216**	120,753

31. 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	
	2012	2011
	$'000	$'000
Rental expenses paid to a company in which a director is a shareholder and director	**-**	204
Consultancy fees paid to a director	**-**	40
Chartering income earned from the joint venture	**303**	1,107

Outstanding balances at 31 December 2012, arising from sale/purchase of services, are set out in Notes 12 and 20.

Guarantees were provided by the Group to an associated company in 2011, as set out in Note 29.

31. **Related party transactions** (continued)

(b) Key management personnel compensation

The key management personnel compensation is as follows:

	Group	
	2012	2011
	$'000	$'000
Salaries and other short-term employee benefits	**3,675**	2,463
Employer's contribution to defined contribution plans, including Central Provident Fund	**78**	82
Directors' fees	**197**	192
Share based expense	**317**	395
	4,267	3,132

Included in the above is total compensation to directors of the Company amounting to $3,304,000 (31 December 2011: $2,084,000).

32. 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 Executive Chairman, Chief Executive Officer, Executive Director and Chief Financial Officer.

The Group is organised into three main operating segments:

- 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.

32. Segment information (continued)

The segment information provided to the Exco for the reportable segments for the financial year ended 31 December 2012 is as follows:

	Vessel chartering $'000	Ship repair and maintenance services $'000	Maritime services $'000	Others $'000	Total $'000
Group					
Revenue					
Segment revenue	53,567	5,864	63,466	4,086	126,983
Inter-segment revenue	(11,600)	(1,280)	-	(4,086)	(16,966)
Revenue from external parties	41,967	4,584	63,466	-	110,017
Profit after tax	12,597	817	8,945	(5,972)	16,387
Interest income	133	-	35	-	168
Interest expense	(2,371)	-	(94)	(646)	(3,111)
Depreciation	(8,571)	(99)	-	-	(8,670)
Amortisation of facility fee	(110)	-	(226)	-	(336)
Income tax expense	(352)	(265)	(1,670)	(3)	(2,290)
Share of loss of joint ventures	(860)	-	-	-	(860)
Segment assets	185,110	1,949	25,144	24,525	236,728
Segment assets include:					
Investment in joint ventures	1,418	-	-	-	1,418
Additions to property, plant and equipment	32,623	597	-	-	33,220

32. Segment information (continued)

The segment information provided to the Exco for the reportable segments for the financial year ended 31 December 2011 is as follows:

	Vessel chartering $'000	Ship repair and maintenance services $'000	Maritime services $'000	Others $'000	Total $'000
Group					
Revenue					
Segment revenue	52,359	3,754	24,458	1,637	82,208
Inter-segment revenue	(15,083)	(563)	-	(1,637)	(17,283)
Revenue from external parties	37,276	3,191	24,458	-	64,925
Profit after tax	13,380	748	2,840	(8,787)	8,181
Interest income	92	-	2	-	94
Interest expense	(1,608)	-	-	(1,682)	(3,290)
Depreciation	(9,057)	(91)	(5)	-	(9,153)
Amortisation of deferred gain	462	-	-	-	462
Income tax (expense)/credit	(2,361)	(90)	(211)	20	(2,642)
Share of profit of an associated company and joint ventures	154	-	-	-	154
Segment assets	176,991	1,653	30,174	15,510	224,328
Segment assets include:					
Investment in joint ventures	2,454	-	-	-	2,454
Additions to property, plant and equipment	13,048	7	-	-	13,055

Revenue from major services

Revenue from external customers are derived primarily from the provision of chartering, ship repair services and maritime services. The breakdown of revenue by services is disclosed in Note 3.

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 $52,469,000 (2011: $24,394,000) is derived from 3 (2011: 3) external customers. These revenues are attributable to the provision of vessel chartering services and maritime services segments.

32. Segment information (continued)

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

	Group	
	2012	2011
	$'000	$'000
Revenue		
Singapore	**19,516**	17,405
Malaysia	**10,136**	10,345
Indonesia	**1,371**	3,306
Australia	**3,125**	4,733
Saudi Arabia	**64,582**	24,674
Others	**11,287**	4,462
	110,017	64,925

	Group	
	2012	2011
	$'000	$'000
Non-current assets		
Singapore	**132,141**	132,431
China	**3,795**	-
Saudi Arabia	**5,553**	15,586
	141,489	148,017

33. 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 barges 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 barges are assessed periodically based on the condition of the vessels and barges, market conditions and other regulatory requirements. If the estimates of useful lives for the vessels and barges 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 property, plant and equipment at 31 December 2012 is $132,141,000 (2011: $132,431,000) and the depreciation charge for the year ended 31 December 2012 is $8,670,000 (2011: $9,153,000) (Note 19).

33. Critical accounting estimates, assumptions and judgements (continued)

(b) Income taxes

The Group has exposure to incomes 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 2012 were $3,228,000 (2011: $1,295,000) and $2,204,000 (2011: $2,204,000) respectively.

(c) Impairment of available-for sale financial assets

At the balance sheet date, the fair values of certain equity securities classified as available-for-sale financial assets amounting to $15,250,000 have declined below cost by $11,750,000. The Group has made a judgment that this decline is not significant or prolonged. In making this judgment, the Group has considered, among other factors, the short-term duration of the decline, the magnitude by which the fair value of the investment is below cost; and the positive financial health and short-term business outlook of the investee.

If the decline in fair value below cost was considered significant or prolonged, the Group would suffer an additional loss of $11,750,000 in its 2012 financial statements, being the reclassification of the fair value loss included in the fair value reserve to profit or loss.

34. 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 2013 or later periods and which the Group has not early adopted:

- Amendments to FRS 1 *Presentation of Items of Other Comprehensive Income* (effective for annual periods beginning on or after 1 July 2012)

  The amendments to FRS 1 Presentation of Items of Other Comprehensive Income ("OCI") is applicable for annual periods beginning on or after 1 July 2012 (with early adoption permitted). It requires items presented in OCI to be separated into two groups, based on whether or not they may be recycled to profit or loss in the future. It is not expected to have a material impact on the Group's and Company's financial statements.

- FRS 110 *Consolidated Financial Statements* (effective for annual periods beginning on or after 1 January 2014)

  FRS 110 replaces all of the guidance on control and consolidation in FRS 27 "Consolidated and Separate Financial Statements" and INT FRS 12 "Consolidation – Special Purpose Entities". The same criteria are now applied to all entities to determine control. Additional guidance is also provided to assist in the determination of control where this is difficult to assess. The Group has yet to assess the full impact of FRS 110 and intends to apply the standard from 1 January 2014.

- FRS 111 *Joint Arrangements* (effective for annual periods beginning on or after 1 January 2014)

  FRS 111 introduces a number of changes. The "types" of joint arrangements have been reduced to two: joint operations and joint ventures. The existing policy choice of proportionate consolidation for jointly controlled entities has been eliminated and equity accounting is mandatory for participants in joint ventures. Entities that participate in joint operations will follow accounting much like that for joint assets or joint operations currently.

  The Group currently accounts for its investments in joint ventures using equity method of accounting, therefore the adoption of FRS 111 is not expected to have any impact on the financial statements of the Group and of the Company.

34. New or revised accounting standards and interpretations (continued)

- FRS 112 *Disclosure of Interests in Other Entities* (effective for annual periods beginning on or after 1 January 2014)

  FRS 112 requires disclosure of information that helps financial statement readers to evaluate the nature, risks and financial effects associated with the entity's interests in (1) subsidiaries, (2) associates, (3) joint arrangements and (4) unconsolidated structured entities. The Group has yet to assess the full impact of FRS 112 and intends to apply the standard from 1 January 2014.

- FRS 113 *Fair Value Measurement* (effective for annual periods beginning on or after 1 January 2013)

  FRS 113 provides consistent guidance across IFRSs on how fair value should be determined and which disclosures should be made in the financial statements. It is not expected to have a material impact on the Group's and Company's financial statements.

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35. Events occurring after balance sheet date

(i) On 21 March 2013, the Company incorporated a wholly-owned subsidiary in Singapore, Seawell Drilling Pte Ltd ("Seawell Drilling") with a share capital of S$50,000. The principal activity of the subsidiary is that of investment holding. It was incorporated to hold assets in the offshore drilling industry.

(ii) On 23 March 2013, Seawell Drilling entered into a shareholders' agreement ("Shareholders' Agreement") with Golden Arch Worldwide Offshore Ltd ("Golden Arch") and Pulau Investments Ltd ("Pulau"), to subscribe for shares in Rockwood Asset Holdings Ltd ("SPV"), a company incorporated in the British Virgin Islands. The SPV was formed as a special purpose vehicle primarily to enter into engineering, procurement and construction ("EPC") contracts for oil rigs.

Based on the Shareholders' Agreement, Seawell Drilling, Golden Arch and Pulau will have a shareholding interest of 46%, 45% and 8% respectively in the SPV. One of the directors of the Company is a shareholder and director of Pulau.

Subsequent to the Shareholders' Agreement, the Company entered into a convertible loan agreement ("Convertible Loan Agreement") with Golden Arch pursuant to which Golden Arch shall grant the Company, upon the terms and conditions thereof, a loan of US$8,248,500.00 (approximately S$10,082,966) ("Loan"). The Company shall invest the loan into the SPV through Seawell Drilling in exchange for a 45% interest in the share capital of the SPV.

35. Events occurring after balance sheet date (continued)

Based on the terms of the Convertible Loan Agreement and upon approval by the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Loan shall be converted into 35,566,020 ordinary shares of the Company with an issue price of S$0.2835 per share upon the occurrence of certain events stated in the Convertible Loan Agreement. Upon issuance of these shares, the Company's issued share capital will increase from 432,898,365 Shares to 468,464,385 Shares.

36. 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 3 April 2013.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SWISSCO HOLDINGS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

The information in this Appendix III has been extracted and reproduced from the audited financial statements of the Group for the financial year ended 31 December 2013 and has not been specifically prepared for inclusion in this Information Memorandum. Investors should read the consolidated financial data in conjunction with the related notes.

SWISSCO HOLDINGS LIMITED

(Incorporated in Singapore. Registration Number: 200404711D)

AND ITS SUBSIDIARIES

FINANCIAL STATEMENTS

For the financial year ended 31 December 2013

SWISSCO HOLDINGS LIMITED
(Incorporated in Singapore)
AND ITS SUBSIDIARIES

FINANCIAL STATEMENTS
For the financial year ended 31 December 2013

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The directors present their report to the members together with the audited financial statements of the Group for the financial year ended 31 December 2013 and the balance sheet of the Company as at 31 December 2013.

Directors

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

Robert Chua Swee Chong
Alex Yeo Kian Teong
Tan Fuh Gih
Lim How Teck
Leslie Yeo Choon Hsien (appointed on 14 January 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 and performance shares" 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 31.12.2013	At 1.1.2013	At 31.12.2013	At 1.1.2013
The Company				
Ordinary shares				
Robert Chua Swee Chong	72,144,327	71,222,163	-	-
Alex Yeo Kian Teong	25,904,801	25,399,260	170,000	170,000
Tan Fuh Gih	3,863,000	3,863,000	78,715,000	-

(b) The directors' interests in the ordinary shares of the Company as at 21 January 2014 were the same as those as at 31 December 2013.

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 were granted performance share awards for the ordinary shares of the Company pursuant to the Performance Share Plan Scheme as set out below:

	Number of unvested performance shares	
	At 31.12.2013	At 1.1.2013
Robert Chua Swee Chong	-	422,164
Alex Yeo Kian Teong	-	105,541

(d) 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 31.12.2013	At 1.1.2013
Robert Chua Swee Chong	500,000	500,000
Alex Yeo Kian Teong	500,000	400,000
Lim How Teck	200,000	100,000
Tan Fuh Gih	200,000	100,000

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 and performance shares

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.

Share options and performance shares (continued)

Swissco Holdings Employee Share Option Scheme (continued)

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 10 years.

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 2,800,000 ordinary shares of the Company on 11 May 2012 ("2012 Options"). Particulars of these options were set out in the Directors' Report for the financial year ended 31 December 2012.

On 13 May 2013, the Company granted options to subscribe 2,700,000 ordinary shares of the Company at exercise price of $0.269 per share ("2013 Options"). The 2013 options are exercisable from 13 May 2014 and expire on 12 May 2023 for employees and Executive Directors. Options granted to Independent Directors and Non Executive Director are exercisable from 13 May 2014 to 12 May 2018. The total fair values of the 2013 options granted were estimated to be $181,916 using the Black Scholes Option Pricing Model.

Share options and performance shares (continued)

Swissco Holdings Employee Share Option Scheme (continued)

(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 31.12.13	Aggregate granted since commencement of Scheme to 31.12.13	Aggregate exercised since commencement of Scheme to 31.12.13	Aggregate outstanding as at 31.12.13
Robert Chua Swee Chong	500,000	1,000,000	500,000	500,000
Alex Yeo Kian Teong	500,000	900,000	400,000	500,000
Lim How Teck	100,000	200,000	-	200,000
Tan Fuh Gih	100,000	200,000	-	200,000
	1,200,000	**2,300,000**	**900,000**	**1,400,000**

(ii) Details of options granted to the controlling shareholders of the Company and their associates are as follows:

	No. of unissued ordinary shares of the Company under option			
	Granted in financial year ended 31.12.13	Aggregate granted since commencement of Scheme to 31.12.13	Aggregate exercised since commencement of Scheme to 31.12.13	Aggregate outstanding as at 31.12.13
Robert Chua Swee Chong	500,000	1,000,000	500,000	500,000
Tan Dah Ching	100,000	200,000	-	200,000
	600,000	**1,200,000**	**500,000**	**700,000**

No participant under the Scheme has received 5% or more of the total number of shares under option available under the Scheme.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

(iii) 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 31.12.13	Exercise Price	Exercise Period
11.5.2012	700,000	$0.202	11.5.13 – 10.5.22
11.5.2012	200,000	$0.202	11.5.13 – 10.5.17
13.5.2013	2,300,000	$0.269	13.5.14 – 12.5.23
13.5.2013	200,000	$0.269	13.5.14 – 12.5.18

Share options and performance shares (continued)

Swissco Holdings Performance Share Plan

The Swissco Holdings Performance Share Plan (the "Plan") for executive directors and managers of the Group was approved by members of the Company at an Extraordinary General Meeting on 1 November 2010. The purpose of the Plan is to attract, retain and give recognition to the employees who have contributed to the success and development of the Group as well as motivate the employees to contribute towards the Group's long term prosperity.

Performance shares under the Plan shall be awarded to executive directors and managers of the Group conditional upon the Group meeting or exceeding a prescribed performance target during the performance period. The Remuneration Committee may prescribe a vesting schedule pursuant to which the award shall vest at the end of each performance period, provided the performance target has been met.

The aggregate number of shares that may be awarded on any date, when added to the number of shares issued and issuable in respect of all options granted under the Plan and all shares awarded under the Plan, shall not exceed 15% of the issued shares of the Company on the day preceding that date. The aggregate number of shares that may be awarded under the Plan to the controlling shareholders and their associates shall not exceed 25% of the shares available under the Plan and the number of shares that may be granted under the Plan to a controlling shareholder or an associate of a controlling shareholder shall not exceed 10% of the shares available under the Plan.

On 29 April 2012, 2,150,396 performance shares were granted pursuant to the Plan. 50% of the shares will vest after the first anniversary of the grant date and the remaining 50% after the second anniversary of the grant date. Details of the performance shares granted to the directors are as follows:

Name of director	Granted in financial year ended 31.12.13	Aggregate granted since commencement of the Plan to 31.12.13	Aggregate vested/issued since commencement of the Plan to 31.12.13	Aggregate outstanding as at 31.12.13
Robert Chua Swee Chong	-	844,327	844,327	-
Alex Yeo Kian Teong	-	211,082	211,082	-
	-	**1,055,409**	**1,055,409**	**-**

Mr Robert Chua Swee Chong is a controlling shareholder of the Company.

No participants received 5% or more of the total number of performance shares available under the Scheme.

Audit Committee

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

Lim How Teck - Chairman
Tan Fuh Gih
Leslie Yeo Choon Hsien

All members of the Audit Committee were non-executive directors, the majority of whom, including the Chairman, were independent.

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 2013 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.

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

Independent auditor

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

On behalf of the directors

Robert Chua Swee Chong	Alex Yeo Kian Teong
Director	Director

28 March 2014

STATEMENT BY DIRECTORS

For the financial year ended 31 December 2013

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 10 to 64 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 2013 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

Robert Chua Swee Chong	Alex Yeo Kian Teong
Director	Director

28 March 2014

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 10 to 64, which comprise the consolidated balance sheet of the Group and balance sheet of the Company as at 31 December 2013, the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair 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 2013, and of the results, changes in equity and cash flows of the Group for the financial year ended on that date.

Report on other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those 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, 28 March 2014

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2013

	Note	**2013** **$'000**	2012 $'000
Sales	3	**114,734**	110,017
Cost of sales		**(83,380)**	(79,245)
Gross profit		**31,354**	30,772
Other income	3	**2,072**	292
Other gains/(losses) - net	4	**3,924**	937
Expenses			
- Administrative		**(9,130)**	(9,353)
- Finance	6	**(2,187)**	(3,111)
Share of profit/(loss) of joint ventures	17	**42**	(860)
Profit before income tax		**26,075**	18,677
Income tax expense	8	**(2,886)**	(2,290)
Total profit		**23,189**	16,387
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss:			
Currency translation gains/(losses) arising on consolidation		**300**	(578)
Available-for-sale financial assets			
- Fair value gain		**1,488**	2,230
- Reclassification on disposal		**966**	735
Other comprehensive income, net of tax		**2,754**	2,387
Total comprehensive income attributable to equity holders of the Company		**25,943**	18,774
Earnings per share for profit attributable to equity holders of the Company (cents per share)			
- Basic	9(a)	**5.34**	3.78
- Diluted	9(b)	**5.33**	3.77

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

SWISSCO HOLDINGS LIMITED
AND ITS SUBSIDIARIES

BALANCE SHEETS

As at 31 December 2013

	Note	Group		Company	
		2013	2012	**2013**	2012
		$'000	$'000	**$'000**	$'000
ASSETS					
Current assets					
Cash and cash equivalents	10	**6,533**	35,111	**248**	3,662
Available-for-sale financial assets	11	**14,896**	15,250	**-**	-
Trade and other receivables	12	**31,001**	16,797	**8,650**	19,221
Inventories	13	**58**	320	**-**	-
Other current assets	14	**39,316**	18,469	**54**	26
		91,804	85,947	**8,952**	22,909
Non-current assets classified as held for sale	15	**6,562**	9,292	**-**	-
		98,366	95,239	**8,952**	22,909
Non-current assets					
Other receivables	12	**357**	4,135	**357**	4,135
Other non-current assets	14	**1,681**	3,795	**-**	-
Investments in subsidiaries	16	**-**	-	**177,987**	177,937
Investments in joint ventures	17	**1,529**	1,418	**50**	50
Property, plant and equipment	18	**175,060**	132,141	**-**	-
		178,627	141,489	**178,394**	182,122
Total assets		**276,993**	236,728	**187,346**	205,031
LIABILITIES					
Current liabilities					
Trade and other payables	19	**32,790**	32,967	**75,001**	85,281
Borrowings	20	**57,459**	40,174	**6,802**	13,905
Current income tax liabilities		**2,725**	3,228	**-**	-
		92,974	76,369	**81,803**	99,186
Non-current liabilities					
Other payables	19	**1,687**	7,285	**-**	-
Borrowings	20	**40,302**	34,019	**2,400**	6,030
Deferred income tax liabilities	8	**2,204**	2,204	**-**	-
		44,193	43,508	**2,400**	6,030
Total liabilities		**137,167**	119,877	**84,203**	105,216
NET ASSETS		**139,826**	116,851	**103,143**	99,815
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	21	**92,672**	91,998	**92,672**	91,998
Other reserves	22	**(9,865)**	(12,449)	**190**	360
Retained earnings	23	**57,019**	37,302	**10,281**	7,457
Total equity		**139,826**	116,851	**103,143**	99,815

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2013

	Note	Attributable to equity holders of the Company			
		Share capital $'000	Other reserves $'000	Retained earnings $'000	Total equity $'000
2013					
Balance at 1 January 2013		91,998	(12,449)	37,302	116,851
Total comprehensive income for the year		-	2,754	23,189	25,943
Performance share plan					
- Issue of new shares	21	317	(317)	-	-
- Value of employee services	22(b)(iii)	-	52	-	52
Employee share option scheme					
- Issue of new shares	21	357	(75)	-	282
- Value of employee services	22(b)(iv)	-	170	-	170
Dividends paid	24	-	-	(3,472)	(3,472)
Balance at 31 December 2013		**92,672**	**(9,865)**	**57,019**	**139,826**
2012					
Balance at 1 January 2012		91,681	(14,801)	22,214	99,094
Total comprehensive income for the year		-	2,387	16,387	18,774
Performance share plan					
- Issue of new shares	21	317	(317)	-	-
- Value of employee services	22(b)(iii)	-	187	-	187
Employee share option scheme					
- Value of employee services	22(b)(iv)	-	95	-	95
Dividends paid	24	-	-	(1,299)	(1,299)
Balance at 31 December 2012		**91,998**	**(12,449)**	**37,302**	**116,851**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2013

	Note	2013 $'000	2012 $'000
Cash flows from operating activities			
Total profit		**23,189**	16,387
Adjustments for:			
- Income tax expense	8	**2,886**	2,290
- Share of (profit)/loss of joint ventures	17	**(42)**	860
- (Reversal of)/provision for impairment loss on investment in a joint venture company	4	**(20)**	20
- Loss on remeasurement of non-current assets held for sale	4	**973**	396
- Depreciation of property, plant and equipment	18	**8,298**	8,670
- Interest expense	6	**2,187**	3,111
- Interest income	3	**(160)**	(168)
- Dividend income	3	**(250)**	-
- Performance share and share option expenses		**222**	282
- Loss on disposal of available-for-sale financial assets	4	**966**	735
- Gain on disposal of non-current assets held for sale	4	**(489)**	-
- Gain on disposal of property, plant and equipment	4	**(5,732)**	(4,166)
		32,028	28,417
Change in working capital:			
- Trade and other receivables		**(12,309)**	1,098
- Inventories		**262**	(158)
- Other assets		**(18,392)**	(1,668)
- Restricted cash		**-**	5,612
- Trade and other payables		**(5,189)**	13,675
Net cash flows generated from operations		**(3,600)**	46,976
Income tax paid		**(3,389)**	(285)
Net cash flows generated from operating activities		**(6,989)**	46,691
Cash flows from investing activities			
Interest received		**160**	168
Dividend received		**250**	-
Repayment of loan from joint venture		**3,778**	8,997
Proceeds from disposal of available-for-sale financial assets		**1,842**	1,425
Proceeds from disposal of non-current assets held for sale		**9,781**	-
Proceeds from disposal of property, plant and equipment		**20,656**	19,318
Purchases and construction of property, plant and equipment		**(76,493)**	(37,488)
Net cash flows used in from investing activities		**(40,026)**	(7,580)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		**282**	-
Interest paid		**(2,187)**	(3,111)
Proceeds from borrowings		**91,879**	36,184
Repayment of borrowings		**(68,311)**	(57,503)
Repayment of finance lease liabilities		**-**	(29)
Dividend paid to equity holders of the Company	24	**(3,472)**	(1,299)
Net cash flows used in financing activities		**18,191**	(25,758)
Net increase in cash and cash equivalents		**(28,824)**	13,353
Cash and cash equivalents at beginning of financial year		**35,111**	22,252
Effects of currency translation on cash and cash equivalents		**246**	(494)
Cash and cash equivalents at end of financial year	10	**6,533**	35,111

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

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

Swissco Holdings Limited (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.

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries are set out in Note 16 to the financial statements.

2. Significant accounting policies

2.1 Basis of preparation

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

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 30.

Interpretations and amendments to published standards effective in 2013

On 1 January 2013, 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.

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.

2. Significant accounting policies (continued)

2.2 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 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.

2. Significant accounting policies (continued)

2.2 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.

2.3 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which 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 are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which 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.

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(a) Subsidiaries (continued)

(ii) Acquisitions

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.

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.

If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as negative goodwill.

2. Significant accounting policies (continued)

2.3 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, joint ventures and associated companies" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

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

(c) Joint ventures

Joint ventures are entities over which the Group has contractual arrangements to jointly share the control over the economic activity of the entities with one or more parties.

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

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(c) Joint ventures (continued)

(i) Acquisitions

Investments in 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 joint ventures represents the excess of the cost of acquisition of the joint venture over the Group's share of the fair value of the identifiable net assets of the joint venture and is included in the carrying amount of the investments.

(ii) Equity method of accounting

In applying the equity method of accounting, the Group's share of its 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 joint ventures are adjusted against the carrying amount of the investments. When the Group's share of losses in an joint venture equals to or exceeds its interest in the joint ventures, 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 joint venture.

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

(iii) Disposals

Investments in joint ventures are derecognised when the Group loses significant influence. Any 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 is lost and its fair value is recognised in profit or loss.

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(c) Joint ventures (continued)

(iii) Disposals (continued)

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

2.4 Intangible assets

Goodwill

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 and joint ventures is included in the carrying amount of the investments.

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

2.5 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 (Note 2.12).

2. Significant accounting policies (continued)

2.5 Property, plant and equipment (continued)

(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
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 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 vessel 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.

(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.

2. Significant accounting policies (continued)

2.5 Property, plant and equipment (continued)

(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/(losses) - net'.

2.6 Non-current asset held for sale

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

2.7 Investments in subsidiaries and joint ventures

Investments in subsidiaries 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 is recognised in profit or loss.

2.8 Impairment of non-financial assets

(a) Goodwill

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

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

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

2. Significant accounting policies (continued)

2.8 Impairment of non-financial assets (continued)

(a) *Goodwill* (continued)

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

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

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

Property, plant and equipment and investments in subsidiaries 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.

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

2. Significant accounting policies (continued)

2.8 Impairment of non-financial assets (continued)

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

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.

2.9 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.

(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.

2. Significant accounting policies (continued)

2.9 Financial assets (continued)

(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.

(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.

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.

2. Significant accounting policies (continued)

2.9 Financial assets (continued)

(e) Impairment (continued)

(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 2.9(e)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

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

2. Significant accounting policies (continued)

2.10 Borrowings

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

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

2.11 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.

2.12 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.

2.13 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.

2. Significant accounting policies (continued)

2.14 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.

2.15 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2. Significant accounting policies (continued)

2.16 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.

2. Significant accounting policies (continued)

2.17 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.

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 if new shares are issued.

2.18 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 Singapore Dollar, which is the functional currency of the Company.

2. Significant accounting policies (continued)

2.18 Currency translation (continued)

(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 resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

(c) Translation of Group entities' financial statements

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

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

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

(iii) all resulting currency translation differences are recognised in other comprehensive income.

2.19 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.

2.20 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.

2. Significant accounting policies (continued)

2.21 Share capital

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

2.22 Dividends to Company's shareholders

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

2.23 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.

Intragroup transactions are eliminated on consolidation.

2.24 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. Revenue and other income

	Group	
	2013	2012
	$'000	$'000
Rendering of services		
Chartering income, sale of out-port-limit services and related income	**43,317**	41,967
Ship repair and related services	**4,090**	4,584
Sale of vessels, equipment and consumables	**67,327**	63,466
Sales	**114,734**	110,017
Other income		
Interest income - Banks	**160**	168
Dividend income	**250**	-
Forfeiture of deposit received from a non-related party	**1,316**	-
Others	**346**	124
	2,072	292

4. Other gains/(losses) - net

	Group	
	2013	2012
	$'000	$'000
Gain on disposal of property, plant and equipment	**5,732**	4,166
Gain on disposal of non-current assets held for sale	**489**	-
Currency translation losses - net	**(378)**	(2,078)
Reversal of/(provision for) impairment loss on investment in a joint venture (Note 17)	**20**	(20)
Loss on remeasurement of non-current asset held for sale (Note 15)	**(973)**	(396)
Loss on disposal of available-for-sale financial assets (Note 22 (b)(ii))	**(966)**	(735)
	3,924	937

5. Expenses by nature

	Group	
	2013	2012
	$'000	$'000
Purchase of vessels, equipment and consumables for sale	**54,133**	50,904
Materials and supplies used	**6,362**	5,926
Hire of vessels/barges	**1,693**	965
Depreciation of property, plant and equipment (Note 18)	**8,298**	8,670
Employee compensation (Note 7)	**11,063**	9,211
Rental expense of office premises	**210**	221
Allowance for impairment on trade and other receivables	**57**	1,480
Upkeep of vessels/barges	**4,823**	5,152
Vessel insurance	**726**	748
Professional fees	**187**	242
Fees on audit services paid/payable to auditors of the Company	**245**	237
Fees on non-audit services paid/payable to auditors of the Company	**85**	103
Other expenses	**4,628**	4,739
Total cost of sales and administrative expenses	**92,510**	88,598

6. Finance expenses

	Group 2013 $'000	Group 2012 $'000
Interest expense		
- Bank borrowings	**2,187**	3,110
- Finance lease liabilities	**-**	1
	2,187	3,111

7. Employee compensation

	Group 2013 $'000	Group 2012 $'000
Wages and salaries	**10,154**	8,331
Employer's contribution to defined contribution plans including Central Provident Fund	**304**	271
Performance share expense [Note 22(b)(iii)]	**52**	187
Share option expense [Note 22(b)(iv)]	**170**	95
Other staff benefits	**383**	327
	11,063	9,211

8. Income taxes

(a) Income tax expense

	Group 2013 $'000	Group 2012 $'000
Tax expense attributable to profit is made up of:		
- Current income tax	**2,893**	2,195
(Over)/under provision in prior financial years		
- Current income tax	**(7)**	95
Total	**2,886**	2,290

8. **Income taxes** (continued)

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

	Group	
	2013	2012
	$'000	$'000
Profit before tax	**26,075**	18,677
Share of (profit)/loss of joint ventures	**(42)**	860
Profit before tax and share of (profit)/loss of joint ventures	**26,033**	19,537
Tax calculated at a tax rate of 17% (2012: 17%)	**4,426**	3,321
Effects of		
- Singapore statutory stepped income exemption	**(78)**	(78)
- Income not subjected to tax	**(2,005)**	(1,793)
- Expenses not deductible for tax purposes	**550**	745
Tax charge	**2,893**	2,195

(c) Deferred income taxes

Movement in deferred income tax liabilities is as follows:

	Group	
	2013	2012
	$'000	$'000
Beginning and end of financial year	**2,204**	2,204

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

9. Earnings per share

(a) Basic earnings per share

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

	Group	
	2013	2012
	$'000	$'000
Net profit attributable to equity holders of the Company ($'000)	**23,189**	16,387
Weighted average number of ordinary shares outstanding ('000)	**434,231**	433,331
Basic earnings per share (cents per share)	**5.34**	3.78

(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 performance shares and share options. The adjustment made represents the number of shares expected to vest.

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

	Group	
	2013	2012
	$'000	$'000
Net profit attributable to equity holders of the Company ($'000)	**23,189**	16,387
Weighted average number of ordinary shares outstanding ('000)	**434,231**	433,331
Adjustment for share options granted ('000)	**201**	-*
Adjustment for performance shares granted ('000)	**-**	1,075
	434,432	434,406
Diluted earnings per share (cents per share)	**5.33**	3.77

* less than $1,000

10. Cash and cash equivalents

	Group		Company	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**6,533**	35,111	**248**	3,662

11. Available-for-sale financial assets

	Group	
	2013	2012
	$'000	$'000
Beginning of financial year	**15,250**	14,445
Fair value gain/(loss) recognised in other comprehensive loss [Note 22(b)(ii)]	**1,488**	2,230
Disposals	**(1,842)**	(1,425)
End of financial year	**14,896**	15,250

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

	Group	
	2013	2012
	$'000	$'000
Listed security		
- Equity security – Singapore	**14,896**	15,250

Available-for-sale financial assets with a carrying amount of $4,655,000 (31 December 2012: $4,270,000) are pledged as securities for bank borrowings [Note 20(a)(i)].

12. Trade and other receivables

	Group		Company	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Current				
Trade receivables:				
- Non-related parties	**29,932**	19,189	**-**	-
- Joint venture	**1,942**	84	**-**	-
- Subsidiaries	**-**	-	**8,650**	2,221
	31,874	19,273		2,221
Less: Allowance for impairment of trade receivables				
- Non-related parties	**(1,797)**	(2,610)	**-**	-
	30,077	16,663	**8,650**	2,221
Other receivables:				
- Non-related parties	**1,747**	134	**-**	-
- Subsidiaries	**-**	-	**-**	17,000
	1,747	134	**-**	17,000
Less: Allowance for impairment of other receivables				
- Non-related parties	**(823)**	-	**-**	-
	924	134	**-**	17,000
	31,001	16,797	**8,650**	19,221

12. Trade and other receivables (continued)

	Group		Company	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Non-current				
Other receivable:				
- Joint venture	**357**	4,135	**357**	4,135
Total trade and other receivables	**31,358**	20,932	**9,007**	23,356

The other receivables from subsidiaries are unsecured, interest-free and are repayable on demand.

The non-current other receivable from a joint venture is unsecured and interest-free. The amount is intended to be a long-term source of additional capital for the joint venture. Settlement of the receivable is neither planned nor likely to occur in the foreseeable future. As a result, management considers the receivable to be in substance part of the Company's net investment in the joint venture, and has stated the receivable at cost in accordance with Note 2.7.

13. Inventories

	Group	
	2013	2012
	$'000	$'000
Steel plates for repair works	**-**	85
Fuel	**58**	235
	58	320

The cost of inventories recognised as an expense and included in "cost of sales" amounted to $132,029 (31 December 2012: $88,957).

14. Other assets

	Group		Company	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Current				
Prepayments	**398**	150	**27**	25
Advances to shipbuilders	**35,966**	16,973	**-**	-
Deposits	**1,722**	41	**2**	1
Others	**1,230**	1,305	**25**	-
	39,316	18,469	**54**	26
Non-current				
Advances to shipbuilders	**1,681**	3,795	**-**	-
	40,997	22,264	**54**	26

The carrying amounts of advances to shipbuilders approximate their fair values.

15. Non-current assets classified as held for sale

Non-current assets classified as held for sale relate to certain vessels contracted for sale in the following year. These assets amounting to $6,562,000 at 31 December 2013 (2012: $9,292,000) are stated at the lower of carrying amount and fair value less costs to sell. The Group recorded a loss on remeasurement of non-current assets held for sale of $973,000 (2012: $396,000) for the financial year ended 31 December 2013 (Note 4).

16. Investments in subsidiaries

	Company	
	2013	2012
	$'000	$'000
Unquoted equity shares, at cost	**177,987**	177,937

Details of subsidiaries are as follows:

Name of companies	Principal activities	Country of incorporation/ business	Equity holding	
			2013 $'000 %	2012 $'000 %
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 [c][d]	Dormant	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

(a) Audited by PricewaterhouseCoopers LLP, Singapore.
(b) Not required to be audited under the laws of the country of incorporation.
(c) Incorporated on 21 March 2013.
(d) Not required to be audited under the laws of the country of incorporation.

17. Investments in joint ventures

	Group		Company	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Investment in unquoted equity shares, at cost			**50**	50
Beginning of financial year	**1,418**	2,454		
Currency translation differences	**49**	(156)		
Share of profit/(losses)	**42**	(860)		
Reversal of/(provision for) impairment loss (Note 4)	**20**	(20)		
End of financial year	**1,529**	1,418		

The following amounts represent the Group's share of the assets and liabilities and income and expenses of the joint ventures:

	Group	
	2013	2012
	$'000	$'000
Assets	**15,548**	12,040
Liabilities	**(14,019)**	(10,622)
Net assets	**1,529**	1,418
Revenue	**16,971**	17,249
Expenses	**(16,929)**	(18,109)
Net profit/(loss)	**42**	(860)
Proportionate interest in joint venture's capital commitments	**-**	-

Details of the joint ventures are as follows:

Name of companies	Principal activities	Country of incorporation/ business	Equity holding	
			2013	2012
			$'000	$'000
			%	%
Hadi International Marine Services Pte Ltd [(a)]	Investment holding	Singapore	**50**	50
Valueright International Ltd [(b)]	Shipowners, managers, charterers	British Virgin Islands	**50**	50
SW Marine (M) Sdn Bhd [(c) (d)]	Ship chartering and related logistics services	Malaysia	**49**	49

(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.

18. Property, plant and equipment

Group	Vessels/ barges $'000	Leasehold building and improvements $'000	Motor vehicles $'000	Furniture, fittings and computers $'000	Plant and equipment $'000	Vessels under construction $'000	Total $'000
Cost							
At 1 January 2013	117,578	4,214	135	296	314	15,759	138,296
Additions	2,342	4	-	20	87	73,118	75,571
Disposals	(18,314)	-	-	-	(12)	-	(18,326)
Transfer from vessels under construction	62,148	-	-	-	-	(62,148)	-
Transfer to non-current assets held-for-sale	(8,980)	-	-	-	-	-	(8,980)
At 31 December 2013	154,774	4,218	135	316	389	26,729	186,561
Accumulated depreciation							
At 1 January 2013	5,675	74	52	100	254	-	6,155
Depreciation	10,056	34	22	35	46	-	10,193
Disposals	(3,390)	-	-	-	(12)	-	(3,402)
Transfer to non-current assets held-for-sale	(1,445)	-	-	-	-	-	(1,445)
At 31 December 2013	10,896	108	74	135	288	-	11,501
Net book value							
At 31 December 2013	**143,878**	**4,110**	**61**	**181**	**101**	**26,729**	**175,060**
Cost							
At 1 January 2012	120,324	4,214	159	225	321	7,998	133,241
Additions	1,768	-	46	77	14	31,315	33,220
Disposals	(17,113)	-	(70)	(6)	(21)	-	(17,210)
Transfer from vessels under construction	23,554	-	-	-	-	(23,554)	-
Transfer to non-current assets held-for-sale	(10,955)	-	-	-	-	-	(10,955)
At 31 December 2012	117,578	4,214	135	296	314	15,759	138,296
Accumulated depreciation							
At 1 January 2012	542	40	69	47	112	-	810
Depreciation	8,381	34	35	57	163	-	8,670
Disposals	(1,981)	-	(52)	(4)	(21)	-	(2,058)
Transfer to non-current assets held-for-sale	(1,267)	-	-	-	-	-	(1,267)
At 31 December 2012	5,675	74	52	100	254	-	6,155
Net book value							
At 31 December 2012	**111,903**	**4,140**	**83**	**196**	**60**	**15,759**	**132,141**

The leasehold building and vessels of the Group with a total carrying amount of $98,212,181 (31 December 2012: $105,581,000) are pledged as securities for bank borrowings [Note 20(a)].

Depreciation charged to profit or loss is as follows:

	Group 2013 $'000	2012 $'000
Depreciation (as above)	**10,193**	8,670
Less: Recoverable from a non-related party	**(1,895)**	-
Depreciation charged to profit or loss (Note 5)	**8,298**	8,670

19. Trade and other payables

	Group		Company	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Current				
Trade payables				
- Non-related parties	**7,162**	2,458	**-**	-
Other payables				
- Non-related parties	**298**	270	**127**	203
- Joint venturer	**-**	23	**-**	-
- Subsidiaries	**-**	-	**71,270**	82,754
	298	293	**71,397**	82,957
Payables for purchase of property, plant and equipment	**-**	586	**-**	-
Other accruals for operating expenses	**7,683**	5,641	**3,604**	2,324
Advances received for sale of vessels	**15,305**	13,758	**-**	-
Deposits received for non-current assets held for sale	**2,342**	10,231	**-**	-
	32,790	32,967	**75,001**	85,281
Non-current				
Advances received for sale of vessels	**1,687**	7,285	**-**	-
	34,477	40,252	**75,001**	85,281

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

20. Borrowings

	Group		Company	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Bank borrowings				
- Current	**57,459**	40,174	**6,802**	13,905
- Non-current	**40,302**	34,019	**2,400**	6,030
	97,761	74,193	**9,202**	19,935

20. Borrowings (continued)

(a) Security granted

Total borrowings include secured liabilities of the Group and the Company of $89,353,000 (2012: $61,876,000) and $8,406,000 (2012: $17,832,000) respectively as at balance sheet date, as follows:

(i) Bank borrowings of the Group amounting to $76,865,000 (2012: $61,876,000) are secured over certain vessels and leasehold building (Note 18) and the available-for-sale financial assets (Note 11) of its subsidiaries.

(ii) Bank borrowings of the Group amounting to $12,488,000 (2012: $Nil) are secured over certain shipbuilding contracts of its subsidiaries amounting to approximately $46,000,000.

(iii) Bank borrowings of the Company amounting to $8,406,000 (2012: $17,832,000) are secured over certain vessels of its subsidiaries (Note 18).

(b) Fair value of non-current borrowings

	Group		Company	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Bank borrowings	**40,302**	34,019	**2,400**	6,030

The carrying amounts of non-current borrowings approximate their fair values as these are variable rate borrowings with repricing within 6 months form balance sheet date [Note 27(e)].

(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 2013 and 31 December 2012.

21. Share capital

	No. of ordinary shares	Amount
	Issued share capital ‘000	Share capital $’000
Group and Company		
At 1 January 2013	432,898	91,998
Issue of shares – performance shares	1,075	317
Issue of shares – share options	1,400	357
At 31 December 2013	435,373	92,672
At 1 January 2012	431,823	91,681
Issue of shares – performance shares	1,075	317
At 31 December 2012	432,898	91,998

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

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 10 years.

On 13 May 2013, the Company granted options to subscribe 2,700,000 ordinary shares of the Company at an exercise price of $0.269 per share. The options are exercisable from 13 May 2014 and expire on 12 May 2023 for employees and Executive Directors. Options granted to Independent Directors and Non Executive Director are exercisable from 13 May 2014 to 12 May 2018.

21. **Share capital** (continued)

Share options (continued)

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 '000	Granted during financial year '000	Exercised during financial year '000	Forfeited during financial year '000	End of financial year '000	Exercise price '000	Exercise period '000
2013							
13.5.2013	-	2,400	-	(100)	2,300	$0.269	13.5.14 – 12.5.23
13.5.2013	-	300	-	(100)	200	$0.269	13.5.14 – 12.5.18
11.5.2012	2,100	-	(1,400)	-	700	$0.202	11.5.13 – 10.5.22
11.5.2012	200	-	-	-	200	$0.202	11.5.13 – 10.5.17
	2,300	2,700	(1,400)	(200)	3,400		
2012							
11.5.2012	-	2,600	-	(500)	2,100	$0.202	11.5.13 – 10.5.22
11.5.2012	-	200	-	-	200	$0.202	11.5.13 – 10.5.17
	-	2,800	-	(500)	2,300		

Out of the unexercised options for 3,400,000 (2012: 2,300,000) shares, options for 900,000 (2012: Nil) shares are exercisable at the balance sheet date. For options exercised in 2013, the weighted average share price at the time of exercise was $0.26 per share.

The fair value of options granted on 13 May 2013 (2012: 11 May 2012), determined using the Black Scholes Option Pricing Model, was $181,196 (2012: $149,173). The significant inputs into the model were the share price of $0.285 (2012: $0.205) at the grant date, the exercise price of $0.269 (2012: $0.202), standard deviation of expected share price returns of 49% (2012: 59%), the option life shown above and the annual risk-free interest rate of 0.26% (2012: 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.

21. **Share capital** (continued)

Performance shares

The Swissco Holdings Performance Share Plan (the "Plan") for executive directors and managers of the Group was approved by members of the Company at an Extraordinary General Meeting on 1 November 2010. The purpose of the Plan is to attract, retain and give recognition to the employees who have contributed to the success and development of the Group as well as motivate the employees to contribute towards the Group's long term prosperity.

Performance shares under the Plan shall be awarded to executive directors and managers of the Group conditional upon the Group meeting or exceeding a prescribed performance target during the performance period. The Remuneration Committee may prescribe a vesting schedule pursuant to which the award shall vest at the end of each performance period, provided the performance target has been met.

On 29 April 2011, 2,150,396 performance shares were granted pursuant to the Plan. 50% of the shares will vest after the first anniversary of the grant date and the remaining 50% after the second anniversary of the grant date. The fair value of the performance shares was determined based on the closing market price at grant date of $0.295 discounted by the expected future dividend yield of 0.015% over the vesting period.

The movements in the number of performance shares during the financial year were as follows:

Group and Company

Date of grant	Beginning of financial year	Granted during financial year	Vested/issued during the financial year	End of financial year	Estimated fair value per share at grant date
2013					
29.4.2012	1,075,200	-	1,075,200	-	$0.295
2012					
29.4.2012	2,150,396	-	1,075,200	1,075,200	$0.295

22. Other reserves

(a) Composition:

	Group 2013 $'000	Group 2012 $'000	Company 2013 $'000	Company 2012 $'000
Currency translation reserve	(759)	(1,059)	-	-
Fair value reserve	(9,296)	(11,750)	-	-
Performance share reserve	-	265	-	265
Share option reserve	190	95	190	95
	(9,865)	(12,449)	190	360

Other reserves are non-distributable.

(b) Movements:

	Group 2013 $'000	Group 2012 $'000	Company 2013 $'000	Company 2012 $'000
(i) Currency translation reserve				
Beginning of financial year	**(1,059)**	(481)	**-**	-
Net currency translation gains/(losses) on consolidation	**300**	(578)	**-**	-
End of financial year	**(759)**	(1,059)	**-**	-
(ii) Fair value reserve				
Beginning of financial year	**(11,750)**	(14,715)	**-**	-
Financial assets, available-for- sale:				
- Fair value gain/(losses) (Note 11)	**1,488**	2,230	**-**	-
- Reclassification to profit or loss (Note 4)	**966**	735	**-**	-
End of financial year	**(9,296)**	(11,750)	**-**	-
(iii) Performance share reserve				
Beginning of financial year	**265**	395	**265**	395
Performance share plan				
- Issue of new shares	**(317)**	(317)	**(317)**	(317)
- Value of employee service (Note 7)	**52**	187	**52**	187
End of financial year	**-**	265	**-**	265
(iv) Share option reserve				
Beginning of financial year	**95**	-	**95**	-
Employee share option scheme:				
- Issue of new shares	**(75)**	-	**(75)**	-
- Value of employee service (Note 7)	**170**	95	**170**	95
End of financial year	**190**	95	**190**	95

23. Retained earnings

(a) The retained earnings of the Group are distributable except for accumulated retained profits of joint ventures amounting to approximately $1,998,000 (31 December 2012: $1,368,000). Retained earnings of the Company are distributable.

(b) Movement in retained earnings/(accumulated losses) for the Company is as follows:

	Company	
	2013	2012
	$'000	$'000
Beginning of financial year	**7,457**	(7,872)
Total comprehensive income	**6,296**	16,628
Dividend paid (Note 24)	**(3,472)**	(1,299)
End of financial year	**10,281**	7,457

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

24. Dividends

	Group	
	2013	2012
	$'000	$'000
Ordinary dividends paid		
Final dividend paid in respect of the previous financial year of 0.5 cents per share (2012: 0.3 cents)	**2,170**	1,299
Special dividend paid in respect of the previous financial year of 0.3 cents per share	**1,302**	-
	3,472	1,299

At the Annual General Meeting on 29 April 2014, a final dividend of 0.5 cents per share and a special dividend of 0.5 cents per share amounting to a total of $4,354,000 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 2014.

25. 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	
	2013	2012
	$'000	$'000
Not later than one year	**335**	252
Between one and five years	**833**	807
More than five years	**3,781**	3,975
	4,949	5,034

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

The Group has entered into charter hire leases on its fleet of vessels. 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	
	2013	2012
	$'000	$'000
Not later than one year	**17,845**	5,087
Between one and five years	**5,874**	970
	23,719	6,057

(c) Capital commitments

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements excluding those relating to investment in joint ventures (Note 17), are as follows:

	Group	
	2013	2012
	$'000	$'000
Property, plant and equipment	**95,713**	64,123

26. Contingent liabilities

Corporate guarantees

	Company	
	2013	2012
	$'000	$'000
Unsecured corporate guarantees given to banks for borrowings of subsidiaries	**28,292**	43,563

27. 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 is exposed to foreign exchange risk primarily with respect to United States Dollar ("USD") as significant sales and purchases are denominated in USD. The Group does not undertake any foreign exchange contracts to hedge its USD exposure as the management matches financial assets and liabilities denominated in USD whenever possible.

The Company's transactions are predominantly denominated in the Singapore Dollar ("SGD") and there is no significant exposure to foreign currency risk.

27. 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:

	SGD $'000	USD $'000	Total $'000
At 31 December 2013			
Financial assets			
Cash and cash equivalents	3,396	3,137	6,533
Available-for-sale financial assets	14,896	-	14,896
Trade and other receivables	2,754	28,247	31,001
Other assets	2,952	37,647	40,599
	23,998	69,031	93,029
Financial liabilities			
Trade and other payables	7,550	26,927	34,477
Borrowings	65,763	31,998	97,761
	73,313	58,925	132,238
Net financial (liabilities)/assets	(49,315)	10,106	(39,209)
Add: Net financial liabilities denominated in the respective entities' functional currencies	49,315	-	
Less: Firm commitments in foreign currency*	-	(69,390)	
Currency exposure on financial liabilities	-	(59,284)	

	SGD $'000	USD $'000	Total $'000
At 31 December 2012			
Financial assets			
Cash and cash equivalents	13,593	21,518	35,111
Available-for-sale financial assets	15,250	-	15,250
Trade and other receivables	2,408	14,389	16,797
Other current assets	1,346	20,768	22,114
	32,597	56,675	89,272
Financial liabilities			
Trade and other payables	9,053	31,199	40,252
Borrowings	56,048	18,145	74,193
	65,101	49,344	114,445
Net financial (liabilities)/assets	(32,504)	7,331	(25,173)
Add: Net financial liabilities denominated in the respective entities' functional currencies	32,504	-	
Less: Firm commitments in foreign currency*	-	(45,120)	
Currency exposure on financial liabilities	-	(37,789)	

* Net expenditure contracted for the purchase and sale of vessels/barges

27. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

At 31 December 2013, if the USD had strengthened/weakened by 5% (2012: 5%) against the SGD with all other variable including tax rate being held constant, the Group's profit after tax for the financial period would have been $505,300 (2012: $366,600) higher/lower as a result of net currency translation effects on the net financial liability position of the Group denominated in USD.

(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% (2012: 10%) respectively with all other variables including tax rate being held constant, the Group's equity would have been $1,490,000 (31 December 2012: $1,525,000) 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 is exposed to cash flow interest rate risk arising mainly from its variable-rate borrowings. The Group may enter into derivative contracts to hedge its interest rate risks.

If the interest rates had increased/decreased by 1% (31 December 2012: 1%) with all other variables including tax rate being held constant, the profit after tax will be lower/higher by $978,000 (31 December 2012: $742,000) as a result of higher/lower interest expense on these borrowings.

27. Financial risk management (continued)

(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 Group and Company disclosed in Note 26.

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.

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

	Group	
	2013	2012
	$'000	$'000
By operating segments		
Vessel chartering	**15,906**	15,995
Ship repair and maintenance services	**1,431**	1,288
Other maritime services	**14,392**	1,990
	31,729	19,273

The trade receivables of the Group comprise 5 (2012: 5) debtors that individually represented 5 to 30% (2012: 5 to 10%) 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. Financial assets, available-for-sale which refers to an investment in a Singapore listed security, is neither past due or impaired as there is an active trading market for the security and there is no significant or prolonged decline in its fair value. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

27. Financial risk management (continued)

(b) Credit risk (continued)

(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.

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

	Group	
	2013	2012
	$'000	$'000
Past due 0 to 3 months	**19,863**	8,430
Past due 3 to 6 months	**2,096**	2,760
Past due over 6 months	**1,852**	2,711
	23,811	13,901

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	
	2013	2012
	$'000	$'000
Past due 0 to 3 months	**-**	57
Past due 3 to 6 months	**-**	100
Past due over 6 months	**2,620**	2,453
	2,620	2,610
Less: Allowance for impairment	**(2,620)**	(2,610)
	-	-
Beginning of financial year	**2,610**	1,949
Allowance utilised	**(47)**	(819)
Allowance made/(written back)	**57**	1,480
End of financial year	**2,620**	2,610

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

27. Financial risk management (continued)

(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 $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000
Group			
At 31 December 2013			
Trade and other payables	32,790	1,687	-
Borrowings	58,810	25,778	16,429
	91,600	27,465	16,429
At 31 December 2012			
Trade and other payables	32,967	7,285	-
Borrowings	42,336	7,820	29,683
	75,303	15,105	29,683
Company			
At 31 December 2013			
Trade and other payables	75,001	-	-
Borrowings	6,881	2,444	-
Corporate guarantees provided to banks for borrowings of subsidiaries	12,505	13,887	1,900
	94,387	16,331	1,900
At 31 December 2012			
Trade and other payables	85,281	-	-
Borrowings	14,068	3,696	2,444
Corporate guarantees provided to banks for borrowings of subsidiaries	18,347	3,520	21,696
	117,696	7,216	24,140

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.

27. Financial risk management (continued)

(d) Capital risk (continued)

Management monitors capital based on a gearing ratio. The gearing ratio is calculated as net borrowings divided by total equity. Net borrowings are calculated as borrowings less cash and cash equivalents.

	Group	
	2013	2012
	$'000	$'000
Net borrowings	**91,228**	39,082
Total equity	**139,826**	116,851
Gearing ratio	**0.65**	0.33

The Group and Company were in compliance with externally imposed capital requirements for the financial years ended 31 December 2013 and 31 December 2012.

(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
	$'000	$'000	$'000	$'000
Group and Company				
31 December 2013				
Asset				
Available-for-sale financial assets				
- Equity securities	14,896	-	-	14,896
31 December 2012				
Asset				
Available-for-sale financial assets				
- Equity securities	15,250	-	-	15,250

27. Financial risk management (continued)

(e) Fair value measurements (continued)

There are no liabilities measured at fair value at 31 December 2013 and at 31 December 2012.

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 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.

(f) Financial instruments by category

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

	Group		Company	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Available-for-sale financial assets	**14,896**	15,250	**-**	-
Loans and receivables	**78,133**	74,022	**8,925**	22,884
Financial liabilities at amortised cost	**132,238**	114,445	**84,203**	105,216

28. 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	
	2013	2012
	$'000	$'000
Chartering income earned from the joint venture	**1,869**	303

Outstanding balances at 31 December 2013, arising from sale/purchase of services, are set out in Notes 12 and 19.

28. Related party transactions (continued)

(b) Key management personnel compensation

The key management personnel compensation is as follows:

	Group	
	2013	2012
	$'000	$'000
Salaries and other short-term employee benefits	**4,572**	3,675
Employer's contribution to defined contribution plans, including Central Provident Fund	**68**	78
Directors' fees	**199**	197
Share based expense	**192**	282
	5,031	4,232

Included in the above is total compensation to directors of the Company amounting to $3,848,300 (31 December 2012: $3,304,000).

29. 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 Executive Chairman, Chief Executive Officer, Executive Director and Chief Financial Officer.

The Group is organised into three main operating segments:

- 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.

29. **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:

	Vessel chartering $'000	Ship repair and maintenance services $'000	Maritime services $'000	Others $'000	Total $'000
Group					
Revenue					
Segment revenue	54,195	6,482	67,327	4,895	132,899
Inter-segment revenue	(10,878)	(2,392)	-	(4,895)	(18,165)
Revenue from external parties	43,317	4,090	67,327	-	114,734
Profit after tax	17,519	1,053	11,057	(6,440)	23,189
Interest income	160	-	-	-	160
Interest expense	(1,847)	-	(21)	(319)	(2,187)
Depreciation	(8,172)	(119)	(7)	-	(8,298)
Amortisation of facility fee	(196)	-	-	-	(196)
Income tax expense	(858)	(62)	(1,966)	-	(2,886)
Share of profit of joint ventures	42	-	-	-	42
Segment assets	207,767	2,909	50,680	15,637	276,993
Segment assets include:					
Investment in joint ventures	1,529	-	-	-	1,529
Additions to property, plant and equipment	74,479	1,092	-	-	75,571

29. **Segment information** (continued)

The segment information provided to the Exco for the reportable segments for the financial year ended 31 December 2012 is as follows:

	Vessel chartering $'000	Ship repair and maintenance services $'000	Maritime services $'000	Others $'000	Total $'000
Group					
Revenue					
Segment revenue	53,567	5,864	63,466	4,086	126,983
Inter-segment revenue	(11,600)	(1,280)	-	(4,086)	(16,966)
Revenue from external parties	41,967	4,584	63,466	-	110,017
Profit after tax	12,597	817	8,945	(5,972)	16,387
Interest income	133	-	35	-	168
Interest expense	(2,371)	-	(94)	(646)	(3,111)
Depreciation	(8,571)	(99)	-	-	(8,670)
Amortisation of facility fee	(110)	-	(226)	-	(336)
Income tax expense	(352)	(265)	(1,670)	(3)	(2,290)
Share of loss of joint ventures	(860)	-	-	-	(860)
Segment assets	185,110	1,949	25,144	24,525	236,728
Segment assets include:					
Investment in joint ventures	1,418	-	-	-	1,418
Additions to property, plant and equipment	32,623	597	-	-	33,220

Revenue from major services

Revenue from external customers are derived primarily from the provision of chartering, ship repair services and maritime services. The breakdown of revenue by services is disclosed in Note 3.

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 $67,079,000 (2012: $52,469,000) is derived from 2 (2012: 3) external customers. These revenues are attributable to the provision of vessel chartering services and maritime services segments.

29. Segment information (continued)

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

	Group	
	2013	2012
	$'000	$'000
Revenue		
Singapore	**10,292**	19,516
Malaysia	**14,785**	10,136
Indonesia	**1,685**	1,371
Australia	**1,970**	3,125
Saudi Arabia	**69,761**	64,582
Others	**16,241**	11,287
	114,734	110,017

	Group	
	2013	2012
	$'000	$'000
Non-current assets		
Singapore	**175,060**	132,141
China	**1,681**	3,795
Saudi Arabia	**1,886**	5,553
	178,627	141,489

30. 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 barges 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 barges are assessed periodically based on the condition of the vessels and barges, market conditions and other regulatory requirements. If the estimates of useful lives for the vessels and barges 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 property, plant and equipment at 31 December 2013 is $175,060,000 (2012: $132,141,000) and the depreciation charge in the consolidated statement of comprehensive income for the year ended 31 December 2013 is $8,298,000 (2012: $8,670,000) (Note 18).

30. Critical accounting estimates, assumptions and judgements (continued)

(b) Income taxes

The Group has exposure to incomes 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 2013 were $2,725,000 (2012: $3,228,000) and $2,204,000 (2012: $2,204,000) 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 $14,896,000 (2012: $15,250,000) have declined below cost by $9,296,000 (2012: $11,750,000). The Group has made a judgment that this decline is not significant or prolonged. In making this judgment, the Group has considered, among other factors, the short-term duration of the decline, the magnitude by which the fair value of the investment is below cost; and the positive financial health and short-term business outlook of the investee.

If the decline in fair value below cost was considered significant or prolonged, the Group would record an impairment loss of $9,296,000 for the financial year ended 31 December 2013, being the reclassification of the fair value loss included in the fair value reserve to profit or loss.

31. 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 2014 or later periods and which the Group has not early adopted:

- FRS 110 *Consolidated Financial Statements* (effective for annual periods beginning on or after 1 January 2014)

  FRS 110 replaces all of the guidance on control and consolidation in FRS 27 "Consolidated and Separate Financial Statements" and INT FRS 12 "Consolidation – Special Purpose Entities". The same criteria are now applied to all entities to determine control. Additional guidance is also provided to assist in the determination of control where this is difficult to assess. The Group has yet to assess the full impact of FRS 110 and intends to apply the standard from 1 January 2014.

- FRS 111 *Joint Arrangements* (effective for annual periods beginning on or after 1 January 2014)

  FRS 111 introduces a number of changes. The "types" of joint arrangements have been reduced to two: joint operations and joint ventures. The existing policy choice of proportionate consolidation for jointly controlled entities has been eliminated and equity accounting is mandatory for participants in joint ventures. Entities that participate in joint operations will follow accounting much like that for joint assets or joint operations currently.

  The Group currently accounts for its investments in joint ventures using equity method of accounting, therefore the adoption of FRS 111 is not expected to have any impact on the financial statements of the Group.

- FRS 112 *Disclosure of Interests in Other Entities* (effective for annual periods beginning on or after 1 January 2014)

  FRS 112 requires disclosure of information that helps financial statement readers to evaluate the nature, risks and financial effects associated with the entity's interests in (1) subsidiaries, (2) associates, (3) joint arrangements and (4) unconsolidated structured entities. The Group has yet to assess the full impact of FRS 112 and intends to apply the standard from 1 January 2014.

32. Events occurring after balance sheet date

(i) Proposed acquisition

On 28 February 2014, the Company entered into a heads of agreement (“HOA”) with Double Dragon Energy Holdings Limited (“Double Dragon”), in relation to, inter alia, the proposed acquisition ("Proposed Acquisition") of the entire issued and paid-up share capital of Scott and English Energy Pte. Ltd., a company incorporated in Singapore. Double Dragon is a subsidiary of a controlling shareholder of the Company. A controlling shareholder is defined in the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”) as a person who holds directly or indirectly 15% or more of the total number of issued shares in the company.

The consideration for this acquisition will be S$285 million, to be satisfied by the allotment and issuance by the Company of 452,380,952 Consolidated Shares (as defined below) ("Consideration Shares") credited as fully paid-up at an issue price of S$0.630 per Consideration Share.

The Proposed Acquisition is subject to, inter alia, approval of (i) the SGX-ST; and (ii) the shareholders of the Company at an extraordinary general meeting (“EGM”) to be convened.

(ii) Share consolidation

In connection with the Proposed Acquisition, the Company will undertake a consolidation (the "Share Consolidation") of all its shares on the basis of every two existing Shares into one consolidated share ("Consolidated Share"). The Share Consolidation is intended to take effect on or before Completion. Each Consolidated Share will rank pari passu in all respects with each other.

The Share Consolidation is subject to specific approval by the shareholders at the EGM, and approval from the SGX-ST for the listing and quotation of the Consolidated Shares on the mainboard of the SGX-ST.

Subject to the above mentioned approvals and assuming the Proposed Acquisition is completed, the Company will have an issued share capital comprising a total of 670,067,734 Consolidated Shares, following the Share Consolidation and the issue of 452,380,952 Consolidated Shares by the Company as consideration for the Proposed Acquisition.

33. 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 28 March 2014.

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT OF SWISSCO HOLDINGS LIMITED AND ITS SUBSIDIARIES FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2014

The information in this Appendix IV has been extracted and reproduced from the Unaudited Financial Statements and Dividend Announcement for the Second Quarter and Half Year ended 30 June 2014 and has not been specifically prepared for inclusion in this Information Memorandum.

SWISSCO

Company Registration No: 200404711D

SWISSCO HOLDINGS LIMITED

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2014

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

The Board of Directors of Swissco Holdings Limited is pleased to announce the unaudited consolidated results of the Group for the 2nd quarter ("2Q2014") and half year ended 30 June 2014 ("1H2014").

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

Consolidated Statement of Comprehensive Income

	GROUP Unaudited 2Q2014 ($'000)	GROUP Unaudited 2Q2013 ($'000)	Inc/ (Decr) %	GROUP Unaudited 1H2014 ($'000)	GROUP Unaudited 1H2013 ($'000)	Inc/ (Decr) %
Sales	11,186	10,424	7.3	24,919	21,644	15.1
Cost of sales	(7,224)	(6,341)	13.9	(14,714)	(14,913)	(1.3)
Gross profit	3,962	4,083	(3.0)	10,205	6,731	51.6
Other income	751	73	928.8	851	1,650	(48.4)
Other gains/(losses) – net	141	(531)	n.m.	269	(170)	n.m.
Less: Expenses						
Administrative	(1,275)	(1,204)	5.9	(2,941)	(3,015)	(2.5)
Acquisition related cost *	(672)	-	n.m	(672)	-	n.m
Finance	(531)	(468)	13.5	(1,249)	(1,082)	15.4
Share of (loss)/profit of joint ventures	(98)	291	n.m.	(237)	168	n.m.
Profit before tax	2,278	2,244	1.5	6,226	4,282	45.4
Income tax expense	(291)	(202)	44.1	(494)	(433)	14.1
Profit, net of tax	1,987	2,042	(2.7)	5,732	3,849	48.9

Other Comprehensive Income/(Loss):

Items that may be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation	9	127	(92.9)	(114)	249	n.m.
Financial assets, available for sale						
– fair value (loss)/gain	(2,688)	1,108	n.m.	(2,688)	2,625	n.m.
– reclassification on disposal	-	437	n.m.	-	584	n.m.
Other Comprehensive Income, Net of Tax	(2,679)	1,672	n.m.	(2,802)	3,458	n.m.
Total Comprehensive (Loss)/Income Attributable to Equity Holders of the Company	(692)	3,714	n.m.	2,930	7,307	(59.9)

Note: * Cost in relation to acquisition of Scott and English Energy Pte. Ltd.

1(a)(ii) The total comprehensive income/(loss) attributable to equity holders of the Company include the following credits/(charges):-

	GROUP Unaudited 2Q2014 ($'000)	GROUP Unaudited 2Q2013 ($'000)	Inc/ (Decr) %	GROUP Unaudited 1H2014 ($'000)	GROUP Unaudited 1H2013 ($'000)	Inc/ (Decr) %
Depreciation	(2,771)	(2,363)	17.3	(5,340)	(4,352)	22.7
Write back of/(allowance for) impairment on trade and other receivables	10	184	(94.6)	(86)	(227)	(62.1)
Bad debt written off	(5)	(77)	(93.5)	(5)	(77)	(93.5)
Interest income	18	57	(68.4)	99	82	20.7
Interest expense	(531)	(468)	13.5	(1,249)	(1,082)	15.4
Foreign exchange (losses)/gains	(183)	(244)	(25.0)	15	(178)	n.m.
Net gain on disposal of property, plant and equipment	(7)	150	n.m	81	592	(86.3)
Net gain on disposal of non-current asset held for sale	331	-	-	173	-	n.m.
Amortisation of facility fee	(100)	(7)	1,328.0	(127)	(148)	(14.2)
Under provision of income tax in prior years	-	-	-	-	(70)	n.m.

n.m. = not meaningful

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

	GROUP Unaudited As at 30/06/2014 ($'000)	GROUP Audited As at 31/12/2013 ($'000)	COMPANY Unaudited As at 30/06/2014 ($'000)	COMPANY Audited As at 31/12/2013 ($'000)
ASSETS				
Current assets				
Cash and cash equivalents	14,198	6,533	1,797	248
Financial assets, available-for- sale	12,208	14,896	-	-
Trade and other receivables	17,915	31,001	9,145	8,650
Inventories	207	58	-	-
Other current assets (1)	48,601	39,316	48	54
	93,129	91,804	10,990	8,952
Non-current assets classified as held for sale	-	6,562	-	-
	93,129	98,366	10,990	8,952
Non-current assets				
Other receivables	-	357	-	357
Other non-current assets	1,666	1,681	-	-
Investment in subsidiaries	-	-	177,987	177,987
Investment in joint ventures	1,269	1,529	50	50
Property, plant and equipment	194,375	175,060	-	-
	197,310	178,627	178,037	178,394
Total assets	290,439	276,993	189,027	187,346
LIABILITIES				
Current liabilities				
Trade and other payables	28,666	32,790	75,378	75,001
Borrowings	73,172	57,459	7,435	6,802
Current income tax liabilities	1,667	2,725	-	-
	103,505	92,974	82,813	81,803
Non-current liabilities				
Other payables	1,666	1,687	-	-
Borrowings	44,368	40,302	6,441	2,400
Deferred income tax liabilities	1,961	2,204	-	-
	47,995	44,193	6,441	2,400
Total liabilities	151,500	137,167	89,254	84,203
NET ASSETS	**138,939**	**139,826**	**99,773**	**103,143**
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	93,182	92,672	93,182	92,672
Other reserves	(12,635)	(9,865)	222	190
Retained earnings	58,392	57,019	6,369	10,281
Total equity	**138,939**	**139,826**	**99,773**	**103,143**

Note(1): Other current assets as at 30 June 2014 include $44.5 million (31 December 2013: $31.0 million) of progress payments to shipyards for vessels under construction that are contracted for sale.

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-

(a) the amount repayable in one year or less, or on demand;

As at 30/06/2014		As at 31/12/2013	
Secured	**Unsecured**	**Secured**	**Unsecured**
($'000)	**($'000)**	**($'000)**	**($'000)**
63,569	9,603	49,050	8,409

(b) the amount repayable after one year;

As at 30/06/2014		As at 31/12/2013	
Secured	**Unsecured**	**Secured**	**Unsecured**
($'000)	**($'000)**	**($'000)**	**($'000)**
44,368	-	40,302	-

Details of any collateral

The Group's borrowings were secured by the pledge of the Group's leasehold properties, certain vessels and financial assets, available for sale.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP Unaudited 1H2014 ($'000)	GROUP Unaudited 1H2013 ($'000)
Cash flows from operating activities		
Net profit	5,732	3,849
Adjustments for:		
Income tax expense	494	433
Share of loss/(profit) of joint ventures	237	(168)
Depreciation of property, plant and equipment	5,340	4,352
Interest expense	1,249	1,082
Interest income	(99)	(82)
Dividend income	(672)	-
Performance share and share option expense	66	106
Loss on disposal of financial assets, available for sale	-	584
Gain on disposal of non-current asset held for sale	(173)	-
Gain on disposal of property, plant & equipment	(81)	(592)
Operating cash flows before changes in working capital	12,093	9,564
Changes in working capital:		
Trade and other receivables	13,086	309
Inventories	(149)	(174)
Other assets	(9,270)	(3,084)
Trade and other payables	(4,145)	(3,559)
Net cash flows generated from operations before tax	11,615	3,056
Income tax paid	(1,795)	(2,417)
Net cash flows generated from operating activities	**9,820**	**639**
Cash flows from investing activities		
Interest received	99	82
Repayment of loan from joint venture	357	1,871
Dividend received	672	-
Proceeds from disposal of financial assets, available for sale	-	1,144
Proceeds from disposal of property, plant and equipment	9,439	11,979
Purchases and construction of property, plant and equipment	(27,279)	(34,449)
Net cash flows used in investing activities	**(16,712)**	**(19,373)**
Cash flows from financing activities		
Interest paid	(1,249)	(1,082)
Proceeds from issuance of ordinary shares	476	529
Proceeds from borrowings	56,904	23,721
Repayment of borrowings	(37,125)	(24,202)
Dividends paid to equity holders of the Company	(4,359)	(3,472)
Net cash flows generated from/(used in) financing activities	**14,647**	**(4,506)**
Net increase/(decrease) in cash and cash equivalents	7,755	(23,240)
Cash and cash equivalents, beginning balance	6,533	35,111
Effects of currency translation on cash and cash equivalents	(90)	(163)
Cash and cash equivalents, ending balance	**14,198**	**11,708**

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group ($'000)	Share Capital	Other Reserves	Retained Earnings / (Accumulated Losses)	Total Equity
Previous Year:				
As at 01/01/2013	**91,998**	**(12,449)**	**37,302**	**116,851**
Performance share plan – value of employee services	-	40	-	40
Employee share option plan – value of employee services	-	36	-	36
Total comprehensive income for the period	-	1,786	1,807	3,593
As at 31/03/2013	**91,998**	**(10,587)**	**39,109**	**120,520**
Performance share plan – issue of new shares	317	(317)	-	-
Employee share option plan – issue of new shares	268	(56)	-	212
Employee share option plan – value of employee services	-	30	-	30
Dividend relating to 2012 paid	-	-	(3,472)	(3,472)
Total comprehensive income for the period	-	1,672	2,042	3,714
As at 30/06/2013	**92,583**	**(9,258)**	**37,679**	**121,004**
Current Year:				
As at 01/01/2014	**92,672**	**(9,865)**	**57,019**	**139,826**
Employee share option plan – value of employee services	-	45		45
Total comprehensive (loss)/income for the period	-	(123)	3,745	3,622
As at 31/03/2014	**92,672**	**(9,943)**	**60,764**	**143,493**
Employee share option plan – issue of new shares	510	(34)	-	476
Employee share option plan – value of employee services	-	21	-	21
Dividend relating to 2013 paid	-	-	(4,359)	(4,359)
Total comprehensive(loss)/ income for the period	-	(2,679)	1,987	(692)
As at 30/06/2014	**93,182**	**(12,635)**	**58,392**	**138,939**

Company ($'000)	Share Capital	Other Reserves	Retained Earnings / (Accumulated Losses)	Total Equity
Previous Year:				
As at 01/01/2013	**91,998**	**360**	**7,457**	**99,815**
Performance share plan – value of employee services	-	40	-	40
Employee share option plan – value of employee services	-	36	-	36
Total comprehensive income for the period	-	-	242	242
As at 31/03/2013	**91,998**	**436**	**7,699**	**100,133**
Performance share plan – issue of new shares	317	(317)	-	-
Employee share option plan – issue of new shares	268	(56)	-	212
Employee share option plan – value of employee services	-	30	-	30
Dividend relating to 2012 paid	-	-	(3,472)	(3,472)
Total comprehensive income for the period	-	-	265	265
As at 30/06/2013	**92,583**	**93**	**4,492**	**97,168**
Current Year:				
As at 01/01/2014	**92,672**	**190**	**10,281**	**103,143**
Employee share option plan – value of employee services	-	45	-	45
Total comprehensive income for the period	-	-	360	360
As at 31/03/2014	**92,672**	**235**	**10,641**	**103,548**
Employee share option plan – issue of new shares	510	(34)	-	476
Employee share option plan – value of employee services	-	21	-	21
Dividend relating to 2013 paid	-	-	(4,359)	(4,359)
Total comprehensive income for the period	-	-	87	87
As at 30/06/2014	**93,182**	**222**	**6,369**	**99,773**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Changes in the Company's share capital

The movement in the Company's issued and fully paid-up share capital from 1 April 2014 to 30 June 2014 were as follows:

Issued share capital

	No. of Shares	Share capital (S$'000)
At 1 April 2014	435,373,565	92,672
Issue of shares from the exercise of Share Option Scheme	1,925,000	510
At 30 June 2014	437,298,565	93,182

On 30 April 2014, the Company issued 525,000 new ordinary shares pursuant to exercise of options under Employee Share Option Scheme, at an exercise price of 20.2 cents per share, amounting to $134,000.

On 19 May 2014, the Company issued 100,000 and 1,300,000 new ordinary shares pursuant to exercise of options under Employee Share Option Scheme, at an exercise price of 20.2 and 26.9 cents per share respectively, amounting to $376,000.

There were unexercised options for 4,000,000 of unissued ordinary shares as at 30 June 2014 (30 June 2013: 4,450,000)

The share capital of the Company as at 30 June 2014 is 437,298,565 ordinary shares (excluding treasury shares) [30 June 2013: 435,023,565 ordinary shares (excluding treasury shares)].

The Company does not have any treasury shares.

1(d)(iii) Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 30/06/2014	**As at 31/12/2013**
Total number of issued shares (excluding treasury shares)	437,298,565	435,373,565

The Company did not have any treasury shares as at 30 June 2014 and 31 December 2013 respectively.

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Please state whether the figures have been audited or reviewed, and if so which auditing standard or practice has been followed.

The figures are not required to be audited and have not been reviewed by the Company's auditors.

3. If the figures have been audited or reviewed, please provide a statement on whether there are any qualifications or emphasis of matter.

Not applicable.

4. Please state whether the same accounting policies and method of computation as in the issuer's most recently audited financial statements have been followed.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial information for the current period as the last audited financial statements for the financial year ended 31 December 2013, except for the adoption of the new financial reporting standards and amendments that are effective for the current period. The effect of the adoption of these standards and amendments was not material to the Group's results.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

See item 4 above.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	GROUP 2Q2014	GROUP 2Q2013	GROUP 1H2014	GROUP 1H2013
Earnings per share (cents) based on:-				
a) weighted average number of ordinary shares on issue	0.455	0.456	1.315	0.874
b) a fully diluted basis	0.455	0.456	1.314	0.874
Weighted average ordinary shares for calculation of:-				
a) weighted average number of ordinary shares on issue	436,371,642	448,122,355	435,875,361	440,552,145
b) a fully diluted basis	436,371,642	448,122,355	436,300,345	440,552,145

7. Net asset value (for the issuer and group) per ordinary share based on total number of issued shares excluding treasury shares of the issuer at the end of the:-

(a) current financial period reported on; and

(b) immediately preceding financial year.

	GROUP As at 30/06/2014	GROUP As at 31/12/2013	COMPANY As at 30/06/2014	COMPANY As at 31/12/2013
Net asset value per share (cents)(1)	31.77	32.12	22.82	23.69

Note:-

(1) Based on share capital of 437,298,565 ordinary shares as at 30 June 2014 and 435,373,565 as at 31 December 2013 respectively.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Revenue

(S$' million)	2Q2014	2Q2013	1H2014	1H2013
Vessel Chartering	10.2	9.7	22.5	18.7
Ship Repair	1.0	0.6	2.0	1.6
Maritime Services	0.0	0.1	0.4	1.3
Total Revenue	**11.2**	10.4	**24.9**	**21.6**

2Q2014 vs. 2Q2013

The Group's sales for 2Q2014 increased from $10.4 million to $11.2 million due to higher revenue from the chartering and ship repair business segments.

Increased fleet size and higher average charter rate contributed to higher chartering and the Ship Repair business also completed more repair jobs for third party vessels in 2Q2014. Maritime Services segment did not register any revenue as deliveries of vessels are expected in the 2H2014.

Cost of sales for 2Q2014 was higher at $7.2 million compared to $6.3 million in 2Q2013 due to higher fuel and depreciation costs.

Other income of $0.8 million comprises mainly dividend from quoted investment.

Other gains-net of $0.1 million for 2Q2014 comprises $0.3 million gain on disposal of non-current asset held for sale offset by $0.2 million of foreign exchange losses.

Finance expenses increased by $0.1 million due to higher borrowings in 2Q2014 compared to 2Q2013.

Share of loss of joint venture. The Group's 50% owned joint venture Hadi International Marine Services Pte Ltd incurred a loss due mainly to higher repair and maintenance costs.

Income tax expense– The Group's $0.3 million of corporate tax expense for 2Q2014 comprises mainly corporate taxes and withholding tax incurred during the period. Compared to 2Q2013, higher taxes were the result of higher charter revenue from foreign-flagged vessels that do not enjoy tax exemption.

<u>1H2014 vs. 1H2013</u>

Group revenue for 1H2014 increased 15.1% to $24.9 million due mainly to higher revenue from the vessel chartering segment. The increased fleet size (1H2014: 33 vessels; 1H2013: 31 vessels) and higher average charter rate contributed to higher charter revenue.

Cost of sales for 1H2014 remained comparable to 1H 2013 despite higher revenue due to higher charter rates secured for newly delivered vessels. These higher value vessels are of higher specifications that commanded higher charter rates.

Other income of $0.9 million was lower due to the forfeiture of $1.2 million deposit received for the purchase of a vessel from the Group's fleet from a buyer who failed to complete the purchase in 1H2013.

Other gain/(losses)-net of $0.3 million comprises gain on disposal of asset held for sale whereas the loss in 1H2013 was due to the $0.2 million of foreign exchange losses.

Finance expenses increased by $0.2 million due to higher borrowings in 1H2014 to fund the vessel expansion program.

Share of loss joint venture of 0.2 million compared to a profit of 0.2 million in 1H2013 as the joint venture incurred higher repair and maintenance costs.

Income tax expense – The Group's $0.5 million of corporate tax expense for 1H2014 comprises mainly corporate taxes and withholding tax incurred during the period. Higher taxes in 1H2014 were the result of higher charter revenue from foreign-flagged vessels that do not enjoy tax exemption.

<u>Consolidated Balance Sheet</u>

Current assets

Total current assets decreased from $98.4 million to $93.1 million due mainly to financial assets available for sale and trade and other receivables offset by higher cash and cash equivalent and other current assets. Lower financial assets available for sale were due to lower market price of the quoted investment held. Lower trade and other receivables were due to payment received from a customer for the delivery of a vessel before year end.

Other current asset increased by $9.3 million (23.6%) to $49.3 million mainly due to increased progress payments to ship yards for vessels under-construction that are contracted for sale with expected delivery within the next 12 months.

Non-current assets

Property, plant and equipment increased by $19.3 million due mainly to progress payments for vessels under construction.

Liabilities

Trade and other payables decreased by $4.1 million (12.5%) due mainly to payment of expenses that were accrued in 2013.

Additional bank borrowings were drawn down to fund the fleet expansion program.

Share Capital and Reserves

Total equity decreased from $139.8 million as at 31 December 2013 to $139.6 million as at 30 June 2014 due mainly dividend paid partially offset by increase in retained earnings in 1H2014.

Cash Flow Statement

The Group generated $12.1 million from its operating activities before working capital movement. Working capital movement includes mainly decrease in trade and other receivables of $13.1 million, increase in other assets of $9.3 million and decrease in trade and other payables of $4.1 million. After working capital movement and tax payments of $1.8 million, the Group generated $9.8 million from its operating activities. Increase in other assets represents progress payments to shipyards for ship building contracts that are earmarked for sale.

Investing activities included cash outflow of $27.3 million of progress payments for the construction of vessels ordered by the Group partially offset by inflow of $9.4 million comprising proceeds from disposal of property, plant and equipment.

Net cash generated from financing activities for 1H2014 of approximately $14.7 million was due mainly to net loan drawn down of $19.8 million, $4.4 million dividend payment and $1.3 million interest payment.

As a result of the above, there was a net increase in cash and cash equivalents of $7.8 million for the 1H2014.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable, the Group has not disclosed any forecast or prospect statements to its shareholders previously.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group is committed to grow its vessel chartering business with construction of new and better specification vessels under its fleet renewal program. Vessels under construction include five anchor handling tugs, one utility vessel, three crew boats and one accommodation vessel. Three vessels are scheduled for delivery in 2H2014 and these will continue to be funded by bank borrowings and older vessels will be disposed when opportunity arises to partially fund these new builds.

During 1H2014, the Group disposed two vessels and took delivery of two anchor handling and supply tugs maintaining our total fleet at thirty-three vessels as at 30 June 2014.

The Group's maritime service segment registered lower revenue for 1H2014 as scheduled projects under this segment are expected to be completed and recognized only in the second half of 2014.

On 30 July 2014, the Group has completed the acquisition of Scott and English Energy Pte Ltd ("S&E"). S&E is in the business of owing and chartering mobile offshore drilling units and service rigs to support the oil and gas corporations in their exploration and production activities. S&E currently jointly owns 4 rigs, 3 are working in Mexico and the 4th are under-going refurbishment and upon completion will be deployed in the middle-east. These rigs have secured charter contracts ranging from 4 to 5 years and will contribute to the Group's profit.

11. If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

None.

(b)(i) Amount per share

Not applicable.

(b)(ii) Previous corresponding period

None.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

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

The directors do not recommend the payment of a dividend for the current period.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920(1)(a)(ii).

There was no interested person transaction during the period ended 30 June 2014.

14. Negative confirmation pursuant to Rule 705(5).

We, Tan Fuh Gih and Alex Yeo Kian Teong, being directors of Swissco Holdings Limited (the "Company"), do hereby confirm for and on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the second quarter and half year ended 30 June 2014 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Tan Fuh Gih Executive Chairman	Alex Yeo Kian Teong Chief Executive Officer

8 August 2014

AUDITED FINANCIAL STATEMENTS OF SCOTT AND ENGLISH ENERGY PTE. LTD. FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2011, 31 DECEMBER 2012 AND 31 DECEMBER 2013

The information in this Appendix V has been extracted and reproduced from the audited financial statements of Scott and English Energy Pte. Ltd. for the financial years ended 31 December 2011, 31 December 2012 and 31 December 2013 and has not been specifically prepared for inclusion in this Information Memorandum. Investors should read the consolidated financial data in conjunction with the related notes.

Scott and English Energy Pte. Ltd.

Financial Statements
Years ended 31 December 2011, 2012 and 2013

INDEPENDENT AUDITORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2011, 2012 AND 2013

The Board of Directors
Scott and English Energy Pte. Ltd.
No.4, Tuas Avenue 5
Singapore 639331

We have audited the accompanying financial statements of Scott and English Energy Pte. Ltd. (the "Company"), which comprise the statements of financial position as at 31 December 2011, 2012 and 2013 and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages D-4 to D-21.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Singapore Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of 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 the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles 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 financial statements of the Company are properly drawn up in accordance with Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Company as at 31 December 2011, 2012 and 2013 and the results, changes in equity and cash flows of the Company for each of the years ended 31 December 2011, 2012 and 2013.

This report has been prepared solely for inclusion in the Circular to Shareholders of Swissco Holdings Limited in connection with the proposed acquisition of the Company by Swissco Holdings Limited.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
30 June 2014

Tan Huay Lim
Partner

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011, 2012 and 2013

	Note	2013	2012	2011
		$	$	$
Non-current assets				
Plant and equipment	4	5,402	–	–
Jointly controlled entities	5	55,329,211	6,155	–
		55,334,613	6,155	–
Current assets				
Other receivables	6	1,702,896	6	4,901
Cash and cash equivalents	7	978,288	9,938,920	10,033,613
		2,681,184	9,938,926	10,038,514
Total assets		58,015,797	9,945,081	10,038,514
Equity attributable to equity holders of the Company				
Share capital	8	38,000,000	13,000,000	13,000,000
Accumulated profits / (losses)		16,362,798	(3,066,119)	(3,073,640)
Total equity		54,362,798	9,933,881	9,926,360
Current liability				
Trade and other payables	9	3,652,999	11,200	112,154
Total liability		3,652,999	11,200	112,154
Total equity and liability		58,015,797	9,945,081	10,038,514

STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED 31 DECEMBER 2011, 2012 and 2013

	Note	2013	2012	2011
		$	$	$
Other income	10	1,591,610	23,835	35,290
Administrative expenses		(800,747)	(15,002)	(503,326)
Other operating expenses		148,294	(1,312)	–
Results from operating activities		939,157	7,521	(468,036)
Finance costs	11	(1,440,518)	–	–
Share of profits of jointly controlled entities	5	19,930,278	–	–
Profit/(Loss) before income tax	12	19,428,917	7,521	(468,036)
Income tax credit	13	–	–	4,962
Profit/(Loss) for the year		19,428,917	7,521	(463,074)
Other comprehensive income for the year, net of tax		–	–	–
Total comprehensive income for the year		19,428,917	7,521	(463,074)

STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED 31 DECEMBER 2011, 2012 and 2013

	Share capital	Accumulated (losses) / profits	Total equity
	$	$	$
At 1 January 2011	13,000,000	(2,610,566)	10,389,434
Total comprehensive income for the year			
Loss for the year	–	(463,074)	(463,074)
At 31 December 2011	13,000,000	(3,073,640)	9,926,360
At 1 January 2012	13,000,000	(3,073,640)	9,926,360
Total comprehensive income for the year			
Profit for the year	–	7,521	7,521
At 31 December 2012	13,000,000	(3,066,119)	9,933,881
At 1 January 2013	13,000,000	(3,066,119)	9,933,881
Total comprehensive income for the year			
Profit for the year	–	19,428,917	19,428,917
Transactions with owners, recorded directly in equity			
Contributions by owners			
Issue of new shares (Note 8)	25,000,000	–	25,000,000
At 31 December 2013	38,000,000	16,362,798	54,362,798

STATEMENTS OF CASH FLOWS
YEARS ENDED 31 DECEMBER 2011, 2012 and 2013

	Note	2013	2012	2011
		$	$	$
Cash flows from operating activities				
Profit/(Loss) before income tax		19,428,917	7,521	(468,036)
Adjustments for:				
Interest income		(1,591,610)	(23,737)	(29,250)
Depreciation of plant and equipment		1,362	–	–
Finance costs		1,440,518	–	–
Share of profit of jointly controlled entities		(19,930,278)	–	–
		(651,091)	(16,216)	(497,286)
Changes in:				
- Other receivables		(120,165)	4,895	58,018
- Trade and other payables		183,281	(100,954)	(432,406)
Cash used in operating activities		(587,975)	(112,275)	(871,674)
Income tax refund		–	–	4,962
Net cash used in operating activities		(587,975)	(112,275)	(866,712)
Cash flows from investing activities				
Purchase of plant and equipment		(6,764)	–	–
Investment in jointly controlled entities		(31,750)	(6,155)	–
Loans to joint controlled entities		(35,361,028)	–	–
Interest received		8,885	23,737	29,250
Net cash (used in) / generated from investing activities		(35,390,657)	17,582	29,250
Cash flows from financing activities				
Issue of share capital		25,000,000	–	–
Loan from ultimate holding company		1,856,560	–	–
Loan from a shareholder		161,440	–	–
Net cash generated from financing activities		27,018,000	–	–
Net decrease in cash and cash equivalents		(8,960,632)	(94,693)	(837,462)
Cash and cash equivalents at 1 January		9,938,920	10,033,613	10,871,075
Cash and cash equivalents at 31 December	7	978,288	9,938,920	10,033,613

These notes form an integral part of the financial statements.

1 Domicile and activities

Scott and English Energy Pte. Ltd. (the "Company") is incorporated in the Republic of Singapore. The address of the Company's registered office is No. 4, Tuas Avenue 5, Singapore 639331.

The principal activity of the Company is those relating to investment holding.

Double Dragon Energy Holdings Limited, a company incorporated in the British Virgin Islands, is the immediate holding company of the Company. Kim Seng Holdings Pte. Ltd., a company incorporated in the Republic of Singapore, is the ultimate holding company of the Company.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis, except as described below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars which is the Company's functional currency.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with FRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. There are no significant areas of estimation uncertainties and critical judgements in applying accounting policies.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Basis of consolidation

(i) Investments in jointly controlled entities

Jointly controlled entities are those entities over whose activities the Company has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Investments in jointly controlled entities are accounted for using the equity method (equity-accounted investees) and are recognised initially at cost. The cost of the investments includes transaction costs.

The financial statements include the Company's share of the profit or loss and other comprehensive income of the equity-accounted investees, after adjustments to align the accounting policies of the equity-accounted investees with those of the Company, from the date that joint control commences until the date that joint control ceases.

When the Company's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Company has an obligation to fund the investee's operations or has made payments on behalf of the investee.

(ii) *Transactions eliminated on consolidation*

Unrealised gains arising from transactions with jointly controlled entities are eliminated against the investment to the extent of the Company's interest in the jointly controlled entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

3.3 Plant and equipment

(i) *Recognition and measurement*

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The gain or loss on disposal of an item of plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of plant and equipment, and is recognised in profit or loss.

(ii) *Depreciation*

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation is recognised from the date that plant and equipment are completed and ready for use.

The estimated useful life is as follows:

Computers	3 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.4 Financial instruments

Non-derivative financial assets

The Company initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company's non-derivative financial assets comprise loans and receivables, and cash and cash equivalents.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise other receivables and cash and cash equivalents.

Cash and cash equivalents

Cash and cash equivalents comprise bank deposits.

Non-derivative financial liabilities

Financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial assets and liabilities are offset and the amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise trade and other payables.

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.5 Impairment

Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers or economic conditions that correlate with defaults.

The Company considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

3.6 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable, excluding discounts, rebates, and sales taxes or duty.

Interest income

Interest income is recognised as it accrues in profit or loss, using the effective interest method.

3.7 Finance costs

Finance costs comprise interest expense on loans from related parties.

3.8 Tax

Income tax comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and temporary differences related to investments in jointly controlled entities to the extent that the Company is able to control the timing of the reversal of the temporary difference and it is probably that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the Company.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.9 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing these financial statements. The initial application of these standards, amendments to standards and interpretations is not expected to have any significant effect on the financial statements of the Company in future periods.

4 Plant and equipment

	Computers $
Cost	
At 1 January 2011, 31 December 2011 and 2012, and 1 January 2013	–
Additions	6,764
At 31 December 2013	6,764
Accumulated depreciation	
At 1 January 2011, 31 December 2011 and 2012, and 1 January 2013	–
Depreciation charge for the year	1,362
At 31 December 2013	1,362
Carrying amount	
At 1 January 2011, and 31 December 2011 and 2012	–
At 31 December 2013	5,402

5 Jointly controlled entities

	2013 $	2012 $	2011 $
Investments in jointly controlled entities	37,905	6,155	–
Share of profit of jointly controlled entities	19,930,278	–	–
Loans to jointly controlled entities	35,361,028	–	–
	55,329,211	6,155	–

Loans to jointly controlled entities, which form part of the Company's net investments in jointly controlled entities, bear interest of 6 to 8% (2011 and 2012: Nil) per annum. The loans are unsecured and settlement is neither planned nor likely to occur in the foreseeable future. The amounts are, in substance, a part of the Company's net investment in jointly controlled entities, they are stated at cost.

Details of the jointly controlled entities are as follows:

Name of jointly controlled entity	Country of incorporation	Principal activities	Percentage of equity held		
			2013 %	2012 %	2011 %
Strategic Offshore Limited	Malta	Investment holding company	50	50	–
Strategic Excellence Limited	Bahamas	Rig owner and chartering of rigs	50	–	–

On 5 November 2012 and 30 August 2013, the Company entered into joint venture agreements with Ezion Investments Pte Ltd ("Ezion") to incorporate Strategic Offshore Limited ("SOL") and Strategic Excellence Limited ("SEL") respectively whereby the Company and Ezion each hold a 50% stake in SOL and SEL.

Summary financial information for the jointly controlled entities, adjusted for the percentage ownership held by the Company, is as follows:

	2013	2012	2011
	$	$	$
Statement of financial position			
Non-current assets			
Property, plant and equipment	156,816,984	–	–
Current assets			
Trade and other receivables	14,645,694	–	–
Cash and cash equivalents	3,031,842	10,000	–
	17,677,536	10,000	–
Total assets	174,494,520	10,000	–
Non-current liabilities			
Bank loans	77,203,109	–	–
Other financial liabilities	30,044,865	–	–
Deferred tax liabilities	295,166	–	–
	107,543,140	–	–
Current liabilities			
Trade and other payables	17,512,804	–	–
Bank overdrafts and loans	21,978,742	–	–
Other financial liabilities	1,597,338	–	–
Current tax liabilities	5,894,268	–	–
	46,983,152	–	–
Total liabilities	154,526,292	–	–
Income statement			
Revenue	33,716,808	–	–
Expenses	13,786,530	–	–
Profit after taxation	19,930,278	–	–

The share of capital commitments of jointly controlled entities as at 31 December 2013 is US$6,500,000 (2011 and 2012: Nil). There were no significant contingent liabilities as at 31 December 2011, 2012 and 2013.

6 Other receivables

	2013	2012	2011
	$	$	$
Interest receivables from bank	–	6	4,901
Interest receivables from jointly controlled entities	1,599,672	–	–
Amount due from immediate holding company	73,224	–	–
Loans and receivables	1,672,896	6	4,901
Prepayments	30,000	–	–
	1,702,896	6	4,901

The amount due from immediate holding company is unsecured, interest-free and repayable on demand.

7 Cash and cash equivalents

	2013	2012	2011
	$	$	$
Cash at bank	773,862	9,734,700	203,076
Fixed deposits with bank	204,426	204,220	9,830,537
	978,288	9,938,920	10,033,613

Interest rates are repriced at intervals of not more than three months. Included in cash and cash equivalents is an amount of $248,546 (2011 and 2012: $2,594 and $2,454) denominated in United States dollars.

8 Share capital

	2013	2012	2011
	Number of shares	Number of shares	Number of shares
Fully paid ordinary shares, with no par value:			
At 1 January	13,000,000	13,000,000	13,000,000
Issue of new shares	25,000,000	–	–
At 31 December	38,000,000	13,000,000	13,000,000

Issuance of new ordinary shares

On 22 October 2013, the Company issued 25,000,000 new ordinary shares paid for cash amounting to $25,000,000.

The newly issued shares rank pari passu in all respect with the previously issued shares. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Capital management

The Company defines "capital" as share capital and accumulated profits / (losses). The Company's objective in managing capital is to maintain a capital structure that optimises returns to shareholders having regard to the liquidity requirements and the relative cost of debt and equity.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital. The Company includes within net debt, financial liabilities less cash and cash equivalents. Capital includes equity attributable to the owners of the Company.

	2013	2012	2011
	$	$	$
Financial liabilities	3,652,999	11,200	112,154
Less: Cash and cash equivalents	(978,288)	(9,938,920)	(10,033,613)
Net debt	2,674,711	(9,927,720)	(9,921,459)
Total equity attributable to the owners of the Company	54,362,798	9,933,881	9,926,360
Gearing ratio	4.9%	N.A.	N.A.

9 Trade and other payables

	2013	2012	2011
	$	$	$
Loans from related parties:			
- ultimate holding company	1,856,560	–	–
- a shareholder	161,440	–	–
Interest payable to:			
- ultimate holding company	179,015	–	–
- a shareholder	294	–	–
Non-trade amounts due to ultimate holding company	6,004	–	–
Corporate guarantee payable to a joint venture partner	1,264,568	–	–
Accruals	185,118	11,200	112,154
	3,652,999	11,200	112,154

Loans due to the ultimate holding company and a shareholder bear interest rate of 4% (2011 and 2012: Nil) per annum, is unsecured and repayable on demand.

The non-trade amounts due to ultimate holding company are unsecured, do not bear interest and is repayable on demand.

10 Other income

	2013	2012	2011
	$	$	$
Interest income received and receivable from:			
- local bank	209	23,737	29,250
- ultimate holding company	8,676	–	–
- jointly controlled entities	1,582,725	–	–
Sundry income	–	98	6,040
	1,591,610	23,835	35,290

11 Finance costs

	2013	2012	2011
	$	$	$
Corporate guarantee fees payable to a related party	1,262,961	–	–
Interest expenses payable to:-			
- ultimate holding company	177,265	–	–
- a shareholder	292	–	–
	1,440,518	–	–

Corporate guarantee fees comprise guarantees given on behalf of the Company by a joint venture partner to a bank in respect of outstanding term loans granted to jointly controlled entities. At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the guarantees.

12 Profit/(Loss) before income tax

The following items have been included in arriving at profit/(loss) before income tax:

	2013	2012	2011
	$	$	$
Depreciation charge	1,362	–	–
Staff costs	548,138	–	488,443
Contributions to defined contribution plans included in staff costs	26,122	–	22,373
Foreign exchange gain	(148,294)	–	–

13 Income tax credit

	2013	2012	2011
	$	$	$
Current tax credit			
Overprovided in prior years	–	–	(4,962)
Reconciliation of effective tax rate			
Profit/(Loss) before income tax	19,428,917	7,521	(468,036)
Less: Share of results of jointly controlled entities	(19,930,278)	–	–
	(501,361)	7,521	(468,036)
Tax using the Singapore tax rate of 17% (2011 and 2012: 17%)	(85,231)	1,279	(79,566)
Non-deductible expenses	355,229	2,773	80,416
Tax exempt income	(269,998)	(4,052)	(5,823)
Overprovided in prior years	–	–	(4,962)
Others	–	–	4,973
	–	–	(4,962)

14 Financial risk management

Overview

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Management is responsible for developing and monitoring the Company's risk management policies. Management reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash and cash equivalents.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. Cash is placed with financial institutions which are regulated. Management does not expect any of its counterparties to fail to meet its obligations.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk at the reporting date was:

		Carrying amount		
	Note	**2013**	**2012**	**2011**
		$	**$**	**$**
Loans and receivables				
Cash and cash equivalents	7	978,288	9,938,920	10,033,613
Other receivables	6	1,672,896	6	4,901
		2,651,184	9,938,926	10,038,514

Liquidity risk

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate effects of fluctuations in cash flows.

The following are the expected contractual undiscounted cash outflows of financial liabilities, including interest payments:

		Cash flows	
	Carrying amount	**Contractual cash flows**	**Within 6 months/ on demand**
	$	**$**	**$**
2013			
Trade and other payables	3,652,999	3,652,999	3,652,999
2012			
Trade and other payables	11,200	11,200	11,200
2011			
Trade and other payables	112,154	112,154	112,154

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

The Company has no significant exposure to interest rate risk.

Foreign currency risk

The Company incurs foreign currency risk on cash, receivables and payables, which are denominated in United States dollars.

The Company's exposure to foreign currency risk is closely monitored by management on an ongoing basis. The Company does not use any derivative financial instruments to hedge against the foreign currency risk.

At 31 December, the Company's exposure to foreign currencies is as follows:

	USD 2013	**USD 2012**	**USD 2011**
	$	**$**	**$**
31 December			
Other receivables	1,599,672	–	–
Cash and cash equivalents	248,546	2,454	2,594
Trade and other payables	(2,960,183)	–	–
	(1,111,965)	2,454	2,594

A 10% strengthening of the Singapore dollar against the US dollar at the reporting date would increase/(decrease) profit before income tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit before income tax 2013	Profit before income tax 2012	Profit before income tax 2011
	$	$	$
31 December			
USD	111,197	(245)	(259)

A 10% weakening of the Singapore dollar against the US dollar would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

Financial instruments by category (carrying amount)

	Note	Loans and receivables	Other financial liabilities at amortised cost	Total
		$	$	$
2013				
Financial assets				
Other receivables	6	1,672,896	–	1,672,896
Cash and cash equivalents	7	978,288	–	978,288
		2,651,184	–	2,651,184
Financial liability				
Trade and other payables	9	–	3,652,999	3,652,999
2012				
Financial assets				
Other receivables	6	6	–	6
Cash and cash equivalents	7	9,938,920	–	9,938,920
		9,938,926	–	9,938,926
Financial liability				
Trade and other payables	9	–	11,200	11,200
2011				
Financial assets				
Other receivables	6	4,901	–	4,901
Cash and cash equivalents	7	10,033,613	–	10,033,613
		10,038,514	–	10,038,514
Financial liability				
Trade and other payables	9	–	112,154	112,154

Fair values

The carrying amounts of financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values because of the short period to maturity.

15 Related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control. Related parties may be individuals or other entities.

Key management personnel compensation

Key management personnel are directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The amounts stated below for key management compensation are for certain executive directors and other key management personnel. The amounts do not include compensation of any of the key management personnel and directors of the Company who received compensation from related corporations outside the Company in their capacity as directors and/or executives of those related corporations.

Key management personnel compensation, included in staff costs, is as follows:

	2013	2012	2011
	$	$	$
Short-term employee benefits	422,114	–	350,535
Contributions to defined contribution plans	13,570	–	13,333
	435,684	–	363,868

Included in key management personnel compensation are directors' remuneration of the Company of $363,868, $Nil and $291,425 for the financial years ended 31 December 2011, 2012 and 2013 respectively.

During the respective financial years, other than those transactions disclosed elsewhere in the financial statements, there were no other significant transactions with related parties.

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF SWISSCO HOLDINGS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2011, 31 DECEMBER 2012 AND 31 DECEMBER 2013

The information in this Appendix VI has been extracted and reproduced from "Appendix E: Unaudited Pro Forma Consolidated Financial Information of the Enlarged Group" of the Circular to Shareholders issued by Swissco Holdings Limited on 30 June 2014 and has not been specifically prepared for inclusion in this Information Memorandum. Investors should read the pro forma consolidated financial data in conjunction with the related notes.

Swissco Holdings Limited and its Subsidiaries

The Board of Directors
Swissco Holdings Limited
60 Penjuru Lane
Singapore 609214

30 June 2014

Dear Sirs,

Report on the compilation of unaudited pro forma consolidated financial information included in the circular to shareholders of the Company

We have completed our assurance engagement to report on the compilation of pro forma financial information of Swissco Holdings Limited (the **Company**) and its subsidiaries (the **Group)**, including the proposed acquisition of the entire paid up share capital of Scott and English Energy Pte. Ltd. (**Scott and English)** and the proposed issue and allotment of 452,380,952 shares to Double Dragon Energy Holdings Limited, (the **Proposed Transactions)**. The pro forma financial information of the Company and Scott and English (the **Pro forma Group**) consists of the unaudited pro forma statement of financial position as at 31 December 2013, the unaudited pro forma statements of comprehensive income for the years ended 31 December 2011, 2012 and 2013, the unaudited pro forma statement of cash flow for the year ended 31 December 2013, and related notes (the **Unaudited Pro forma Financial Information**) as set out on pages E-5 to E-24 of the circular to shareholders of the Company (the **Circular**) to be issued in connection with the Proposed Transactions. The unaudited pro forma financial information of the Pro forma Group has been prepared for illustrative purposes only and is based on certain assumptions, after making certain adjustments. The applicable criteria (the **Criteria**) on the basis on which the Management has compiled the pro forma financial information are described in Section 2.

The Unaudited Pro forma Financial Information has been compiled by the Management to illustrate the impact of the following transactions on the Pro forma Group's financial position as at 31 December 2013, and its financial performance for the years ended 31 December 2011, 2012 and 2013 and its cash flows for the year ended 31 December 2013 as if these transactions had taken place at 31 December 2013, 1 January 2011 and 1 January 2013, respectively.

(a) the acquisition of the entire issued share capital of Scott and English; and

(b) the issue and allotment of 452,380,952 shares to Double Dragon Energy Holdings Limited.

As part of this process, information about the Pro forma Group's financial position, financial performance and cash flows has been extracted by the Management from the audited consolidated financial statements of the Company for the years ended 31 December 2011, 2012 and 2013, and the audited financial statements of Scott and English for the years ended 31 December 2011, 2012 and 2013. The audit reports of the Company and Scott and English for the years ended 31 December 2011, 2012 and 2013 have been published for statutory purposes.

Management's responsibility for the pro forma financial information

Management is responsible for compiling the pro forma financial information on the basis of the Criteria as described in Section 2.

Reporting Accountants' responsibility

Our responsibility is to express an opinion about whether the Unaudited Pro forma Financial Information has been compiled, in all material respects, by the Management on the basis of the Criteria.

We conducted our engagement in accordance with Singapore Standard on Assurance Engagements (SSAE) 3420, *Assurance Engagements to Report on the Compilation of Pro forma Financial Information Included in a Prospectus*, issued by the Institute of Singapore Chartered Accountants. This standard requires that the Reporting Accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Management has compiled, in all material respects, the Unaudited Pro forma Financial Information on the basis of the Criteria.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro forma Financial Information.

The purpose of the Unaudited Pro forma Financial Information included in the Circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Company as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at the various dates, as described in Section 1.1, would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro forma Financial Information has been compiled, in all material respects, on the basis of the Criteria involves performing procedures to assess whether the Criteria used by the Management in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those Criteria; and
- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the Reporting Accountants' judgement, having regard to his understanding of the nature of the company, event or transaction in respect of which the Unaudited Pro forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro forma Financial Information.

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

Opinion

In our opinion:

(a) the Unaudited Pro forma Financial Information has been compiled:

  (i) in a manner consistent with the accounting policies adopted by the Company in its latest audited consolidated financial statements and the accounting policies adopted by Scott and English in its latest audited financial statements, which are in accordance with Singapore Financial Reporting Standards; and

  (ii) on the basis of the Criteria stated in Section 2 of the Unaudited Pro forma Financial Information; and

(b) each material adjustment made to the information used in the preparation of the Unaudited Pro forma Financial Information is appropriate for the purpose of preparing such unaudited consolidated pro forma financial information.

This letter has been prepared for inclusion in the Circular to be issued in connection with Proposed Transactions.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore

Tan Huay Lim
Partner-in-charge

30 June 2014

Unaudited Pro forma Consolidated Statement of Financial Position
As at 31 December 2013

	31 December 2013 $'000
Assets	
Property, plant and equipment	205,000
Interests in jointly controlled entities	56,858
Intangible assets	6,369
Other non-current assets	1,681
Other receivables	357
Non-current assets	270,265
Inventories	58
Financial assets available-for-sale	14,896
Trade receivables and other receivables	32,704
Other current assets	39,316
Cash and cash equivalents	7,511
Current assets	94,485
Non-current assets classified as held for sale	6,562
Total assets	371,312
Equity	
Share capital	213,891
Accumulated profits	14,410
Total equity	228,301
Liabilities	
Other payables	1,687
Loans and borrowings	40,302
Deferred tax liabilities	2,442
Non-current liabilities	44,431
Loans and borrowings	57,459
Trade and other payables	38,396
Current tax liabilities	2,725
Current liabilities	98,580
Total liabilities	143,011
Total equity and liabilities	371,312

The accompanying notes form an integral part of these unaudited pro forma consolidated financial information.

Unaudited Pro forma Consolidated Statements of Comprehensive Income
For the years ended 31 December 2011, 2012 and 2013

	For the years ended 31 December		
	2011	**2012**	**2013**
	$'000	**$'000**	**$'000**
Revenue	64,925	110,017	114,734
Cost of sales	(50,330)	(79,934)	(84,625)
Gross profit	14,595	30,083	30,109
Other income	206	316	3,664
Other gains	5,761	937	3,924
Administrative expenses	(7,199)	(9,368)	(9,931)
Other operating expenses	(1,953)	(1)	148
Results from operating activities	11,410	21,967	27,914
Finance costs	(3,808)	(3,111)	(3,627)
Share of results of jointly controlled entities, net of tax	154	(860)	19,972
Profit before income tax	7,756	17,996	44,259
Income tax expense	(2,625)	(2,278)	(2,874)
Profit for the year	5,131	15,718	41,385
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising on consolidation	111	(578)	300
Available-for-sale financial assets			
- Fair value (loss)/gain	(12,825)	2,230	1,488
- Reclassification on disposal	–	735	966
Other comprehensive income, net of tax	(12,714)	2,387	2,754
(Loss)/Profit attributable to:			
Owners of the Company	(7,583)	18,105	44,139

The accompanying notes form an integral part of these unaudited pro forma consolidated financial information.

Unaudited Pro forma Consolidated Statement of Cash Flows
For the year ended 31 December 2013

	31 December 2013 $'000
Cash flows from operating activities	
Profit for the year	39,432
Adjustments for:	
Depreciation of property, plant and equipment	9,544
Reversal of impairment loss on investment in a jointly controlled entity	(20)
Loss on re-measurement of non-current assets held for sale	973
Interest expenses	3,627
Interest income	(1,752)
Dividend income	(250)
Performance share and share option expenses	222
Loss on disposal of available-for-sale financial assets	966
Gain on disposal of non-current assets held for sale	(489)
Gain on disposal of property, plant and equipment	(5,732)
Share of results of jointly controlled entities, net of tax	(19,972)
Income tax expense	2,874
	29,423
Changes in:	
- Trade and other receivables	(12,429)
- Inventories	262
- Other current assets	(18,392)
- Trade and other payables	(3,052)
Net cash used in operations	(4,188)
Income tax paid	(3,389)
Net cash used in operating activities	(7,577)
Cash flows from investing activities	
Acquisition and construction of property, plant and equipment	(76,500)
Investment in jointly controlled entities	(32)
Loans to jointly controlled entities	(35,361)
Repayment of loan from jointly controlled entity	3,778
Proceeds from disposal of non-current assets held for sale	9,781
Dividends received	250
Interest received	169
Proceeds from disposal of financial assets available-for-sale	1,842
Proceeds from disposal of property, plant and equipment	20,656
Net cash used in investing activities	(75,417)

The accompanying notes form an integral part of these unaudited pro forma consolidated financial information.

Unaudited Pro forma Consolidated Statement of Cash Flows (continued)
For the year ended 31 December 2013

	31 December 2013
	$'000
Cash flows from financing activities	
Proceeds from issuance of ordinary shares	25,282
Loan from ultimate holding company	1,857
Loan from a shareholder	161
Interests paid	(2,187)
Dividends paid to equity holders of the Company	(3,472)
Proceeds of borrowings from financial institutions	91,879
Repayment of borrowings from financial institutions	(68,311)
Net cash generated from financing activities	45,209
Net decrease in cash and cash equivalents	(37,785)
Cash and cash equivalents at 1 January 2013	45,050
Effect of exchange rate changes on cash held	246
Cash and cash equivalents at 31 December 2013	7,511

The accompanying notes form an integral part of these unaudited pro forma consolidated financial information.

Notes to the unaudited pro forma consolidated financial information

1. Introduction

Swissco Holdings Limited (the "Company") was incorporated in the Republic of Singapore and is a public limited company listed on the Singapore Exchange Securities Trading Limited. Its principal place of business is at No. 60 Penjuru Lane, Singapore 609214. The principal activities of the Company and its subsidiaries are those of an investment holding company, ship repairs and maintenance related services, ship trader and provision of maritime services and operator of offshore support vessels, ship chartering, provision of marine logistics services and related businesses, and ship owner and ship operator.

1.1 Proposed Transactions

(a) Proposed acquisition of Scott and English Energy Pte. Ltd.

On 28 February 2014, the Company announced the proposed acquisition of the entire issued and paid-up share capital of Scott and English Energy Pte. Ltd. ("Scott and English") (the "Proposed Acquisition"). The Proposed Acquisition will be accounted for in accordance with the requirements set out in FRS 103 *Business Combinations*.

(b) the issue and allotment of 452,380,952 shares to Double Dragon Energy Holdings Limited

In connection with the Proposed Acquisition, the Company will issue and allot 452,380,952 new shares at the issue price of S$0.63 per share (after share consolidation) to Double Dragon Energy Holdings Limited, as payment for the entire share capital of Scott and English.

The transactions to be undertaken under note 1.1(a) and (b) are collectively referred to as the "Proposed Transactions".

The unaudited pro forma consolidated financial information of Swissco Holdings Limited and its subsidiaries (the "Group") after the completion of the Proposed Transactions (the "Pro forma Group"), comprising the unaudited pro forma consolidated statement of financial position of the Pro forma Group as at 31 December 2013, and the unaudited pro forma consolidated statements of comprehensive income of the Pro forma Group for the years ended 31 December 2011, 2012 and 2013, and the unaudited pro forma consolidated statement of cash flows of the Pro forma Group for the year ended 31 December 2013, has been prepared for inclusion in the circular to the shareholders (the "Circular") of the Company.

2. Basis of preparation of the unaudited pro forma consolidated financial information

The unaudited pro forma consolidated financial information has been prepared in accordance with the requirements set out in FRS 103 *Business Combinations*. It has been prepared for illustrative purposes only, and based on certain assumptions after making certain adjustments, to show what:

(a) the unaudited pro forma financial position of the Pro forma Group as at 31 December 2013 would have been if the Proposed Transactions had occurred on 31 December 2013;

(b) the unaudited pro forma financial results of the Pro forma Group for the years ended 31 December 2011, 2012 and 2013 would have been if the Proposed Transactions had occurred on 1 January 2011; and

(c) the unaudited pro forma cash flows of the Pro forma Group for the year ended 31 December 2013 would have been if the Proposed Transactions had occurred on 1 January 2013.

The unaudited pro forma consolidated financial information, because of their nature, may not give a true picture of the actual financial position, financial results and cash flows of the Pro forma Group.

The unaudited pro forma consolidated financial information of the Pro forma Group for the financial years ended 31 December 2011, 2012 and 2013 have been compiled based on the following:

(a) The audited consolidated financial statements of the Group for the years ended 31 December 2011, 2012 and 2013, which were prepared in accordance with Singapore Financial Reporting Standards ("FRS") and audited by PricewaterhouseCoopers LLP, a firm of Chartered Accountants registered with the Accounting and Corporate Regulatory Authority in Singapore, in accordance with the Singapore Standards on Auditing; and

(b) The audited financial statements of Scott and English for the financial years ended 31 December 2011, 2012 and 2013. These financial statements were prepared in accordance with FRS and were audited by KPMG LLP, a firm of Chartered Accountants registered with the Accounting and Corporate Regulatory Authority in Singapore, in accordance with the Singapore Standards on Auditing.

The unaudited pro forma consolidated financial information of the Pro forma Group has been compiled from the financial statements disclosed above and is prepared on the basis of the accounting policies set out in section 5.

The auditors' reports on the consolidated financial statements of the Group and the financial statements of Scott and English do not contain any qualification.

The following key adjustments and assumptions were made for the preparation of the unaudited pro forma consolidated financial information of the Pro forma Group:

(a) the purchase consideration for the Proposed Transactions in the form of equity to be issued by the Company to the shareholder of Scott and English has been assumed to be $0.404 per share (based on the share price of the Company at the latest practicable date) for the purpose of this transaction. This may differ from the actual cost of the Proposed Transactions as it will depend on the share price of the Company at the date of the actual transfer of shares on the completion of the Proposed Transactions. As the actual goodwill or gain on bargain purchase will be determined at the completion of the Proposed Transactions, the eventual amounts could be materially different from the amount derived based on the assumption used;

(b) the acquisition related costs relating to the Proposed Transactions are assumed to be $1.95 million. This may differ from the actual cost at the completion of the Proposed Transactions;

(c) management is of the view that there will be expected synergies from the Proposed Transactions. For the purpose of the preparation of the unaudited pro forma consolidation financial information, any goodwill arising from the Proposed Transactions is assumed not to be impaired and will be tested for impairment annually or when there is an indication of impairment; and

(d) the property, plant and equipment of the Company and its subsidiaries is adjusted to its fair value which is based on valuations from independent valuers.

4. Unaudited Pro forma Consolidated Financial Information of the Pro forma Group

(i) Unaudited pro forma consolidated statement of financial position as at 31 December 2013

The following adjustments have been made in arriving at the Unaudited Pro forma Consolidated Statement of Financial Position as at 31 December 2013:

	Audited consolidated statement of financial position of the Group	Audited statement of financial position of Scott and English	Pro forma adjustments (see notes below)				Unaudited pro forma consolidated statement of financial position
			(a)	(b)	(c)	(d)	
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
31 December 2013							
Non-current assets							
Property, plant and equipment	175,060	6	29,934	–	–	–	205,000
Investments in jointly controlled entities	1,529	55,329	–	–	–	–	56,858
Intangible assets	–	–	–	–	–	6,369	6,369
Other non-current assets	1,681	–	–	–	–	–	1,681
Other receivables	357	–	–	–	–	–	357
	178,627	55,335	29,934	–	–	6,369	270,265
Current assets							
Inventories	58	–	–	–	–	–	58
Financial assets available-for-sale	14,896	–	–	–	–	–	14,896
Trade and other receivables	31,001	1,703	–	–	–	–	32,704
Other current assets	39,316	–	–	–	–	–	39,316
Cash and cash equivalents	6,533	978	–	–	–	–	7,511
	91,804	2,681	–	–	–	–	94,485
Non-current assets held for sale	6,562	–	–	–	–	–	6,562
	98,366	2,681	–	–	–	–	101,047
Total assets	276,993	58,016	29,934	–	–	6,369	371,312

(i) Unaudited pro forma consolidated statement of financial position as at 31 December 2013 (continued)

31 December 2013	Audited consolidated statement of financial position of the Group	Audited statement of financial position of Scott and English	Pro forma adjustments (see notes below) (a)	(b)	(c)	(d)	Unaudited pro forma consolidated statement of financial position
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Equity							
Share capital	92,672	38,000	(92,672)	175,891	–	–	213,891
Other reserves	(9,865)	–	9,865	–	–	–	–
Accumulated profits	57,019	16,363	(57,019)	–	(1,953)	–	14,410
Total equity	139,826	54,363	(139,826)	175,891	(1,953)	–	228,301
Non-current liabilities							
Other payables	1,687	–	–	–	–	–	1,687
Loans and borrowings	40,302	–	–	–	–	–	40,302
Deferred tax liabilities	2,204	–	238	–	–	–	2,442
	44,193	–	238	–	–	–	44,431
Current liabilities							
Trade and other payables	32,790	3,653	–	–	1,953	–	38,396
Loans and borrowings	57,459	–	–	–	–	–	57,459
Current tax liabilities	2,725	–	–	–	–	–	2,725
	92,974	3,653	–	–	1,953	–	98,580
Total liabilities	137,167	3,653	238	–	1,953	–	143,011
Total equity and liabilities	276,993	58,016	(139,588)	175,891	–	–	371,312

(i) Unaudited pro forma consolidated statement of financial position as at 31 December 2013 (continued)

Notes to the pro forma adjustments:

(a) To reflect consolidation entries for:

(i) Accounting for the fair value adjustments of the Company and its subsidiaries' property, plant and equipment by $29.9 million;

(ii) Elimination of the Company's share capital of $92.67 million;

(iii) Elimination of the Company and its subsidiaries' pre-acquisition other reserves of $9.87 million;

(iv) Elimination of the Company and its subsidiaries' pre-acquisition profits of $57.02 million;

(v) Recognition of deferred tax liabilities amounting to $238,000 arising from the revision in the fair value of property, plant and equipment;

(b) To account for issuance of shares pursuant to the Proposed Transactions at $0.404 per share; and

(c) To account for the costs incurred in respect of the Proposed Transactions of $1.95 million; and

(d) To account for the goodwill arising from the Proposed Transactions of $6.37 million.

(ii) Unaudited pro forma consolidated statements of comprehensive income for the years ended 31 December 2011, 2012 and 2013

	Audited consolidated statement of comprehensive income of the Group	Audited statement of comprehensive income of Scott and English	Pro forma adjustments (see notes below)			Unaudited pro forma consolidated statement of comprehensive income
			(a)	(b)	(c)	
For the financial year ended 31 December 2011	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Continuing operations						
Revenue	64,925	–	–	–	–	64,925
Cost of sales	(49,684)	–	(646)	–	–	(50,330)
Gross profit	15,241	–	(646)	–	–	14,595
Other income	171	35	–	–	–	206
Other gains	5,761	–	–	–	–	5,761
Administrative expenses	(6,696)	(503)	–	–	–	(7,199)
Other operating expenses	–	–	–	–	(1,953)	(1,953)
Results from operating activities	14,477	(468)	(646)	–	(1,953)	11,410
Finance costs	(3,808)	–	–	–	–	(3,808)
Share of results of jointly controlled entities, net of tax	154	–	–	–	–	154
Profit/(Loss) before income tax	10,823	(468)	(646)	–	(1,953)	7,756
Income tax (expense)/credit	(2,642)	5	–	12	–	(2,625)
Profit/(Loss) for the year	8,181	(463)	(646)	12	(1,953)	5,131
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss:						
Currency translation differences arising on consolidation	111	–	–	–	–	111
Available-for-sale financial assets						
- Fair value loss	(12,825)	–	–	–	–	(12,825)
Other comprehensive income, net of tax	(12,714)	–	–	–	–	(12,714)
Loss attributable to:						
Owners of the Company	(4,533)	(463)	(646)	12	(1,953)	(7,583)

(ii) Unaudited pro forma consolidated statements of comprehensive income for the years ended 31 December 2011, 2012 and 2013 (continued)

Notes to the pro forma adjustments:

(a) To reflect the increase in depreciation expenses of property, plant and equipment as a result of revaluing the property, plant and equipment of the Company and its subsidiaries to its fair value;

(b) To reverse the deferred tax expenses arising from the revaluation of property, plant and equipment of $12,000 for the financial year ended 31 December 2011; and

(c) To account for the costs incurred in respect of the Proposed Transactions of $1.95 million.

	Audited consolidated statement of comprehensive income of the Group	Audited statement of comprehensive income of Scott and English	Pro forma adjustments (see notes below)		Unaudited pro forma consolidated statement of comprehensive income
For the financial year			**(a)**	**(b)**	
ended 31 December 2012	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Continuing operations					
Revenue	110,017	–	–	–	110,017
Cost of sales	(79,245)	–	(689)	–	(79,934)
Gross profit	30,772	–	(689)	–	30,083
Other income	292	24	–	–	316
Other gains	937	–	–	–	937
Administrative expenses	(9,353)	(15)	–	–	(9,368)
Other operating expenses	–	(1)	–	–	(1)
Results from operating activities	22,648	8	(689)	–	21,967
Finance costs	(3,111)	–	–	–	(3,111)
Share of results of jointly controlled entities, net of tax	(860)	–	–	–	(860)
Profit before income tax	18,677	8	(689)	–	17,996
Income tax expense	(2,290)	–	–	12	(2,278)
Profit for the year	16,387	8	(689)	12	15,718
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Currency translation differences arising on consolidation	(578)	–	–	–	(578)
Available-for-sale financial assets					
- Fair value gain	2,230	–	–	–	2,230
- Reclassification on disposal	735	–	–	–	735
Other comprehensive income, net of tax	2,387	–	–	–	2,387
Profit attributable to:					
Owners of the Company	18,774	8	(689)	12	18,105

Notes to the pro forma adjustments:

(a) To reflect the increase in depreciation expenses of property, plant and equipment due to a revaluation of the property, plant and equipment of the Company and its subsidiaries to its fair value; and

(b) To reverse the deferred tax expenses arising from the revaluation of property, plant and equipment of $12,000 for the financial year ended 31 December 2012.

For the financial year ended 31 December 2013	Audited consolidated statement of comprehensive income of the Group $'000	Audited statement of comprehensive income of Scott and English $'000	Pro forma adjustments (see notes below) (a) $'000	(b) $'000	Unaudited pro forma consolidated statement of comprehensive income $'000
Continuing operations					
Revenue	114,734	–	–	–	114,734
Cost of sales	(83,380)	–	(1,245)	–	(84,625)
Gross profit	31,354	–	(1,245)	–	30,109
Other income	2,072	1,592	–	–	3,664
Other gains	3,924	–	–	–	3,924
Administrative expenses	(9,130)	(801)	–	–	(9,931)
Other operating expenses	–	148	–	–	148
Results from operating activities	28,220	939	(1,245)	–	27,914
Finance costs	(2,187)	(1,440)	–	–	(3,627)
Share of results of jointly controlled entities, net of tax	42	19,930	–	–	19,972
Profit before income tax	26,075	19,429	(1,245)	–	44,259
Income tax expense	(2,886)	–	–	12	(2,874)
Profit for the year	23,189	19,429	(1,245)	12	41,385
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Currency translation differences arising on consolidation	300	–	–	–	300
Available-for-sale financial assets					
- Fair value gain	1,488	–	–	–	1,488
- Reclassification on disposal	966	–	–	–	966
Other comprehensive income, net of tax	2,754	–	–	–	2,754
Profit attributable to:					
Owners of the Company	25,943	19,429	(1,245)	12	44,139

Notes to the pro forma adjustments:

(a) To reflect the increase in depreciation expenses of property, plant and equipment as a result of revaluing the property, plant and equipment of the Company and its subsidiaries to its fair value; and

(b) To reverse the deferred tax expenses arising from the revaluation of property, plant and equipment of $12,000 for the financial year ended 31 December 2013.

4. Unaudited Pro forma Consolidated Statement of Cash Flows

	Audited consolidated statement of cash flows of the Group	Audited statement of cash flows of Scott and English	Pro forma adjustments (see notes below)			Unaudited pro forma consolidated statement of cash flows
			(a)	(b)	(c)	
For the financial year ended 31 December 2013	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Cash flows from operating activities						
Profit for the year	23,189	19,429	(1,953)	(1,245)	12	39,432
Adjustments for:						
Depreciation of property, plant and equipment	8,298	1	–	1,245	–	9,544
Reversal of impairment loss on investment in jointly controlled entities	(20)	–	–	–	–	(20)
Loss on remeasurement of non-current assets held for sale	973	–	–	–	–	973
Interest expenses	2,187	1,441	–	–	–	3,628
Interest income	(160)	(1,592)	–	–	–	(1,752)
Dividend income	(250)	–	–	–	–	(250)
Performance share and share option expenses	222	–	–	–	–	222
Loss on disposal of available-for-sale financial assets	966	–	–	–	–	966
Gain on disposal of non-current assets held for sale	(489)	–	–	–	–	(489)
Gain on disposal of property, plant and equipment	(5,732)	–	–	–	–	(5,732)
Share of profits of jointly controlled entities	(42)	(19,930)	–	–	–	(19,972)
Income tax expense	2,886	–	–	–	(12)	2,874
	32,028	(651)	(1,953)	–	–	29,423
Changes in:						
- Trade and other receivables	(12,309)	(120)	–	–	–	(12,429)
- Inventories	262	–	–	–	–	262
- Other current assets	(18,392)	–	–	–	–	(18,392)
- Trade and other payables	(5,189)	183	1,953	–	–	(3,053)
Net cash used in operations	(3,600)	(588)	–	–	–	(4,188)
Income tax paid	(3,389)	–	–	–	–	(3,389)
Net cash used in operating activities	(6,989)	(588)	–	–	–	(7,577)

4. Unaudited Pro forma Consolidated Statement of Cash Flows (continued)

For the financial year ended 31 December 2013	Audited consolidated statement of cash flows of the Group	Audited statement of cash flows of Scott and English	Pro forma adjustments (see notes below)			Unaudited pro forma consolidated statement of cash flows
			(a)	(b)	(c)	
	$'000	$'000	$'000	$'000	$'000	$'000
Cash flows from investing activities						
Acquisition and construction of property, plant and equipment	(76,493)	(7)	–	–	–	(76,500)
Investment in jointly controlled entities	–	(32)	–	–	–	(32)
Loans to jointly controlled entities	–	(35,361)	–	–	–	(35,361)
Repayment of loan from jointly controlled entity	3,778	–	–	–	–	3,778
Proceeds from disposal of non-current assets held for sale	9,781	–	–	–	–	9,781
Dividends received	250	–	–	–	–	250
Interest received	160	9	–	–	–	169
Proceeds from disposal of financial assets available-for-sale	1,842	–	–	–	–	1,842
Proceeds from disposal of property, plant and equipment	20,656	–	–	–	–	20,656
Net cash used in investing activities	(40,026)	(35,391)	–	–	–	(75,417)
Cash flows from financing activities						
Proceeds from issuance of ordinary shares	282	25,000	–	–	–	25,282
Loan from ultimate holding company	–	1,857	–	–	–	1,857
Loan from a shareholder	–	161	–	–	–	161
Interests paid	(2,187)	–	–	–	–	(2,187)
Dividends paid to equity holders of the Company	(3,472)	–	–	–	–	(3,472)
Proceeds of borrowings from financial institutions	91,879	–	–	–	–	91,879
Repayment of borrowings from financial institutions	(68,311)	–	–	–	–	(68,311)
Net cash generated from financing activities	18,191	27,018	–	–	–	45,209
Net decrease in cash and cash equivalents	(28,824)	(8,961)	–	–	–	(37,785)
Cash and cash equivalents at 1 January 2013	35,111	9,939	–	–	–	45,050
Effect of exchange rate changes on cash held	246	–	–	–	–	246
Cash and cash equivalents at 31 December 2013	6,533	978	–	–	–	7,511

4. **Unaudited Pro forma Consolidated Statement of Cash Flows (continued)**

Notes to the pro forma adjustments:

(a) To account for the costs incurred in respect of the Proposed Transactions of $1.95 million;

(b) To reflect the increase in depreciation expenses of property, plant and equipment as a result of revaluing the property, plant and equipment of the Company and its subsidiaries to its fair value; and

(c) To reverse the deferred tax expenses arising from the revaluation of property, plant and equipment of $12,000 for the financial year ended 31 December 2013.

5. **Significant accounting policies**

5.1 Basis of preparation

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

5.2 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 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.

(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.

5.3 Jointly controlled entities

Jointly controlled entities are entities over which the Group has contractual arrangements to jointly share the control over the economic activity of the entities with one or more parties.

Investments in jointly controlled entities are accounted for in the unaudited pro forma consolidated financial information using the equity method of accounting less impairment losses, if any.

(i) Acquisitions

Investments in jointly controlled entities 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 jointly controlled entities represents the excess of the cost of acquisition of the jointly controlled entity over the Group's share of the fair value of the identifiable net assets of the jointly controlled entity and is included in the carrying amount of the investments.

(ii) Equity method of accounting

In applying the equity method of accounting, the Group's share of its jointly controlled entities' 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 joint ventures are adjusted against the carrying amount of the investments. When the Group's share of losses in a jointly controlled entity equals to or exceeds its interest in the jointly controlled entity, 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 jointly controlled entity.

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

(iii) Disposals

Investments in jointly controlled entities are derecognised when the Group loses significant influence. Any 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 is lost and its fair value is recognised in profit or loss.

5.4 Intangible assets

Goodwill

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 and jointly controlled entities are included in the carrying amount of the investments.

Gain and losses on the disposal of subsidiaries and jointly controlled entities include the carrying amount of goodwill relating to the entity sold.

5.5 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:

Vessels/barges	15 to 25 years
Leasehold building	30 years
Leasehold improvements	5 years
Motor vehicles	5 years
Furniture, fittings and computers	3 to 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 reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

The vessels/barges 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 vessel 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.

(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/(losses) – net'.

5.6 Impairment of non–financial assets

(a) Goodwill

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

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

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

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

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

(b) Property, plant and equipment

Investments in subsidiaries and jointly controlled entities

Property, plant and equipment and investments in jointly controlled entities 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.

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.

5.7 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 reporting 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 unaudited pro forma consolidated financial information 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 associated companies and jointly controlled entities, 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 reporting date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the reporting 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.

6. (Loss)/Earnings per share

(a) Basic (loss)/earnings per share

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

The number of ordinary shares outstanding as at 31 December 2011, 2012 and 2013 is based on the number of shares of the Company assuming that the Proposed Transactions and the proposed share consolidation of 2 shares to 1 share occurred on 1 January 2011:

	Year ended 31 December		
	2011	**2012**	**2013**
Net (loss)/profit attributable to equity holders of the Company ($'000)	(7,583)	18,105	44,139
Weighted average number of ordinary shares outstanding ('000)	668,293	669,047	669,497
Basic (loss)/earnings per share (cents)	(1.13)	2.71	6.59

(b) Diluted (loss)/earnings per share

For the purpose of calculating diluted (loss)/earnings per share, (loss)/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 performance shares and share options. The adjustment made represents the number of shares expected to vest.

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

	Year ended 31 December		
	2011	**2012**	**2013**
Net (loss)/profit attributable to equity holders of the Company ($'000)	(7,583)	18,105	44,139
Weighted average number of ordinary shares outstanding ('000)	668,293	669,047	669,497
Adjustment for share options granted ('000)	–	–	101
Adjustment for performance shares granted ('000)	1,075	538	–
	669,368	669,585	669,598
Diluted (loss)/earnings per share (cents)	(1.13)	2.71	6.59