CONSOLIDATING OUR STRENGTHS FOR

STRONGER GROWTH

2015 ANNUAL REPORT

CONTENTS

OUR VISION

To be the preferred marine support service provider in the Oil and Gas industry delivering incident-free operations all the time, everywhere.

OUR MISSION

To provide our customers with safe, superior quality, reliable and cost effective marine services delivered by a team of people who are passionate about operational excellence.

Tourmaline

COMPANY PROFILE

Amethyst

CH Offshore Ltd ("CHO" or "the Group") was incorporated on 31 March 1976 as Mico Line Pte Ltd and in April 1976 became a wholly owned subsidiary of Chuan Hup Marine Pte Ltd. The company became a public limited company, changed its name to CH Offshore Ltd and was listed on the Singapore Exchange Securities Trading Limited on 28 February 2003.

In October 2005, Scomi Marine Berhad (formerly Habib Corporation Berhad), a public listed company on the Bursa Malaysia, acquired a 29.07% stake in CHO from Chuan Hup Holdings Limited. On 28 April 2010, Scomi Marine Berhad sold its entire 29.07% stake in CHO to Energian Pte Ltd, a wholly-owned subsidiary of Falcon Energy Group.

February 2015 marked another significant milestone in CHO's history when with the successful conclusion of Voluntary Unconditional Cash Offer, Falcon Energy Group Limited ("FEG") through its wholly-owned subsidiary Energian Pte Ltd acquired 86.71% stake in CHO and it became a subsidiary of FEG.

Currently, CHO operates a fleet of fifteen AHTS vessels, nine of which are wholly owned AHTS vessels with an average age of eight years old as at June 2015. Seven of the newer AHTS are 12,240 bhp vessels equipped with state-of-the-art facilities for heavier offshore work in deeper waters.

With the integration of CHO and FEG fleet, the Group now operates a larger combined fleet of vessels and will be able to benefit from synergies and economies of scale from the optimum utilisation of human resources and financial capital. CHO has streamlined its operations and established a team of talented operations, sales and marketing and operations personnel to support its growth plans.

Building on CHO's long history of strength and expertise, the Group will continue to forge excellent relationships with its customer through firm commitment to quality, reliability and high service standard.

CORPORATE DATA

BOARD OF DIRECTORS

Mr Tan Pong Tyea
(Non-Executive Chairman)
Mr James William Noe
(Executive Director & CEO)
Mr Gan Wah Kwang
(Executive Director)
Ms Tan Sooh Whye
(Non-Executive Director)
Mr Thia Peng Heok George
(Non-Executive, Lead Independent Director)
Mr Tan Kian Huay
(Non-Executive, Independent Director)

AUDIT COMMITTEE

Mr Thia Peng Heok George
(Chairman)
Mr Tan Kian Huay
Ms Tan Sooh Whye

REMUNERATION COMMITTEE

Mr Tan Kian Huay
(Chairman)
Mr Thia Peng Heok George
Mr Tan Pong Tyea

NOMINATING COMMITTEE

Mr Thia Peng Heok George
(Chairman)
Mr Tan Kian Huay
Mr Tan Pong Tyea

COMPANY SECRETARY

Ms Lim Mee Fun

Topaz

REGISTERED OFFICE

388 Jalan Ahmad Ibrahim
Singapore 629157
Telephone: (65) 6861 1711
Facsimile: (65) 6862 2336
Email: investor@choffshore.com.sg
Website: www.choffshore.com.sg

AUDITORS

Deloitte & Touche LLP
6 Shenton Way #32-00
OUE Downtown 2
Singapore 068809

Partner-in-Charge: Ms Lim Bee Hui
Appointed since the financial year
ended 30 June 2014

SHARE REGISTRAR

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road #02-00
Singapore 068898

Peridot

A STRONGER FOUNDATION LEADS TO STRONGER GROWTH

CHAIRMAN'S
MESSAGE

Although the business environment has been challenging during the last twelve months, the Group's performance has been admirable. For FY2015, the Group recorded a Profit After Tax of US$71.988 million as compared to US$25.081 million for FY2014, an increase of 187%.

Mr Tan Pong Tyea
Chairman

On behalf of the Board of Directors, it is my pleasure to present to you the Annual Report and the Audited Financial Statements of the CH Offshore Group ("the Group", "CHO" or "the Company") for the financial year ended 30 June 2015 ("FY2015").

This year marked a significant milestone in the Group's history. In February 2015, Falcon Energy Group Limited ("FEG"), through its wholly-owned subsidiary Energian Pte Ltd, successfully concluded a Voluntary Unconditional Cash Offer for the Company. This resulted in FEG increasing its stake in CHO from 29.07% to 86.71%. CHO thus became a subsidiary of FEG.

FINANCIAL REVIEW

Although the business environment has been challenging during the last twelve months, the Group's performance has been admirable. For FY2015, the Group recorded a Profit After Tax of US$71.988 million as compared to US$25.081 million for FY2014, an increase of 187%. The significant increase in FY2015 Profit After Tax is primarily attributable to the legal settlement of a long-overdue customer debt. However, the Group's operations were resilient despite the market downturn and also made a creditable contribution to Profit After Tax.

Our robust financial position has been further enhanced and we are able to take advantage of the current slowdown in the oil and gas industry to consolidate our strengths, ride out the stormy conditions and position ourselves for stronger growth in the next upswing of the oil and gas cycle.

CHAIRMAN'S
MESSAGE

Income Statement

The Group's revenue decreased by US$2.647 million or 7.5% for FY2015 when compared to the corresponding period for FY2014. The decrease was due to lower charter rates as clients impacted by lower oil prices negotiated for a reduction in rates. The fleet utilisation rate was lower as three vessels were offhired due to their scheduled mandatory dry-docking. Gross profit margin for operations remained healthy at 60.9%. The US$60.461 million in Other Income which contributed to the Group's FY2015 bottom line was mainly derived from the legal settlement of the Company's claim for outstanding charter hire fee.

Financial Position

The Group's strong financial performance translated into higher earnings per share ("EPS") of 10.21 US cents for FY2015 as compared to 3.56 US cents for FY2014. Net asset value ("NAV") was 34.28 US cents as compared to 34.04 US cents in FY2014.

Net cash generated from operating activities for FY2015 increased to US$87.019 million as compared to US$25.588 million for FY2014. As a result, cash and cash equivalents rose 73.9% to US$139.047 million from US$79.949 million.

The increase in cash and cash equivalents was primarily due to the settlement payment of US$60 million. Current assets increased by US$56.411 million to US$144.084 million.

Dividends

As a result of our strong performance, and in appreciation of the strong support from our loyal shareholders over the years, I am pleased to announce that, subject to the required regulatory and other approvals being obtained, the Board has decided to propose a final tax-exempt dividend of 2.00 SG cents, and a special tax-exempt dividend of 12.50 SG cents. The Group had also paid out an interim special tax exempt dividend of 9.00 SG cents on 8 July 2015. Together, the total tax-exempt dividend for FY2015 is 23.50 SG cents per ordinary share. The total cash dividend to be paid out will amount to approximately S$165.696 million (equivalent to US$123.857 million).

As the closing price on 30 June 2015 was 51.00 SG cents, the total dividend of 23.50 SG cents will translate to a dividend yield of 46.1%. The Group has been paying out dividends every year since it was first listed on Singapore Exchange Securities Trading Limited on 28 February 2003. We are proud of this track record and will continue to work hard to achieve good results so that we can continue to reward our shareholders.

CHAIRMAN'S MESSAGE

SIGNIFICANT CORPORATE DEVELOPMENTS

With CHO now a subsidiary of FEG, this significant corporate development brings with it many benefits for the Group. As part of a larger group, CHO will be able to exploit the synergies and economies of scale arising from a shared operations platform.

CHO customers will also benefit from the broader range of services that the Group will now be able to offer. The CHO fleet of AHTS vessels will now be part of a larger fleet that comprises various other types of vessels from accommodation workboats, to multi-functional support vessels. The integration of the two fleets is well underway, and we can expect to see the fruits of it soon.

There was further good news during the year when our litigation suit for outstanding claims on fees for vessels chartered was successful. This is in relation to the Company's legal proceedings in London against PDV Marina S.A. and Astilleros De Venezuela C.A. for a claim relating to outstanding charter hire fees of the vessels "Amethyst" and "Turquoise". On 29 June 2015, the Company received a payment of US$60 million being full and final settlement of the claim without admission of liability. Consequently, the allowance for the doubtful debt provided in FY2013 was written back in FY2015.

OUTLOOK AND PROSPECTS

The continued low oil price has significantly impacted offshore oil and gas activities, with very little new drilling programs scheduled to commence in the near term. The gloomy macro environment of the oil and gas industry continued to put pressure on offshore support vessel owners and the situation is expected to remain unchanged in the near to mid-term. As a result, we see continued overcapacity in the offshore support vessel fleet and the OSV market will remain challenging and highly competitive.

The Group will pursue appropriate measures to enhance the cost effectiveness of delivering marine services, the integration of fleet operations with FEG will result in significant savings in operational and administrative costs. Additionally, the company will continue to focus on maintaining and improving fleet utilization.

To investors, the Group is known for its track record of paying out good dividends. In the eyes of its customers CH Offshore is a trusted brand, with a sterling record of operational efficiency, reliability, cost-effectiveness and good service quality. This is evidenced from the "Goal Zero Award" received from our client, Shell in FY2015, for our excellent HSE performance.

With this premium in our brand-equity, we look beyond the current slowdown, and take this opportunity to consolidate on what we have achieved so far to position ourselves on a strong growth trajectory for the long term.

ACKNOWLEDGEMENTS

I would like to take this opportunity to thank my fellow Board of Directors for their guidance and valuable advice in steering the Company towards its vision. In this respect, I would like to thank our former Directors Mr Peh Kwee Chim, Mr Peh Siong Woon Terence, Mr John Cheak Boon Heng, Mdm Joanna Young Sau Kwan and Mr Goh Boon Kiat, as well as welcome our new Directors Mr James William Noe, Mr Thia Peng Heok George, Mr Tan Kian Huay and Ms Tan Sooh Whye to the Board. The new Board will further strengthen the Group's management as it positions itself for the next phase of its growth.

To our valuable clients, business partners and shareholders I would like to express my deepest appreciation for your loyal support and trust which contributed to the success of our business.

Last but not least, I would like to thank the management and staff who have put in their hard work and commitment in contributing to the Group's success.

Mr Tan Pong Tyea
CHAIRMAN
12 August 2015

Temasek Attaka

SHARPENING OUR COMPETITIVE EDGE

OPERATIONS REVIEW

While the Group's performance for FY2015 has been decent, we hope that with the integration of CHO and FEG fleet management, we will unleash synergies to further improve the Group's performance.

Currently, CHO operates a fleet of fifteen AHTS vessels and the revamped fleet management will have a combined fleet of approximately thirty vessels. There will be significant savings in operational and administrative costs. Vessel insurance, logistics, purchasing, fleet maintenance and human resources will all benefit from economies of scale as operational costs do not increase in proportion to fleet size, and fixed costs are shared out over a greater number of vessels.

We have also strengthened management by bringing in new talent in fleet operation and marketing who will be able to identify new market niches as well as optimise fleet deployment. With more types of vessels and a wider range of vessel specifications in the combined fleet we are now able to cater to a wider customer base. Existing customers now have a broader range of services available to them while there will be new customers to be gained from the cross-selling of services with the FEG fleet.

Expand Geographical Footprint

In addition to its current core South-East Asian markets, the Group will also be exploring more business opportunities in West Africa, the Middle East and Mexico. These are three markets where despite the current slump, national oil companies and some oil majors are committed to continue their exploration and existing production in alignment with national energy policies and objectives. The Middle East is keen to add offshore output to their onshore supply, while the Mexican government has initiated various reforms to attract foreign investment to its oil and gas industry. The Company will intensify its business development efforts to expand its current presence in these markets.

Fleet Renewal and Expansion

The Group will also be looking at adding new vessels to expand and renew its fleet. The current market condition is an opportune time to explore opportunities in time for the eventual upturn in the oil and gas cycle.

Improve Operational Efficiency

The current market condition has resulted in customers negotiating for lower charter rates as well as better service quality. This trend is expected to continue even when the market turns up, and vessel operators now have to ensure that they are able to operate at the highest level of efficiency in order to stay profitable. We will be constantly reviewing our work processes and cost structures ranging from dry-docking cost to crew cost and vessel fuel efficiency to the optimum allocation of financial resources in order to maintain our competitive edge and increase returns on assets.

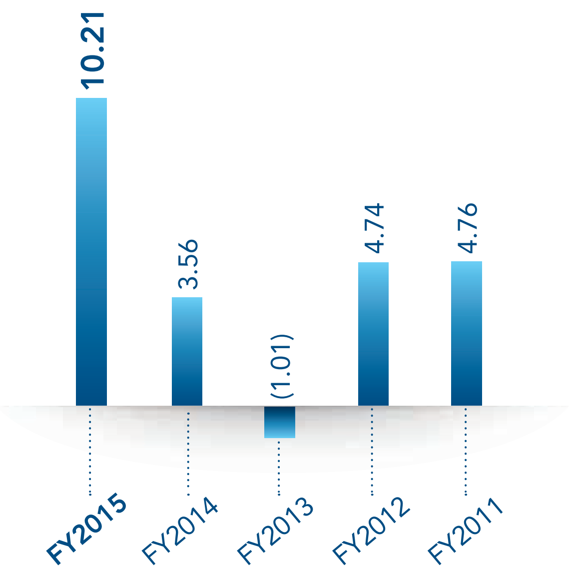
As we begin a new chapter in the Group's business, we look forward to further enhancing the efficiency, reliability and good service quality that CHO is renowned for.

FIVE-YEAR GROUP FINANCIAL
STATISTICS AND CHARTS

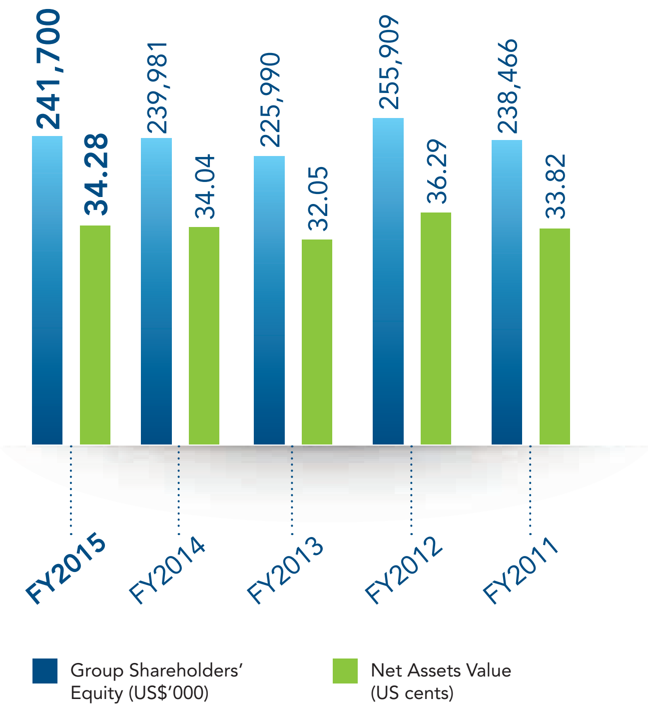
	FY2015 US$'000	FY2014 US$'000	FY2013 US$'000	FY2012 US$'000	FY2011 US$'000
STATEMENTS OF COMPREHENSIVE INCOME					
REVENUE	32,490	35,137	47,819	51,514	58,554
Gross profit after direct depreciation	19,784	23,315	32,525	29,025	33,441
Profit (Loss) before income tax	71,988	25,051	(7,080)	33,454	33,434
Profit (Loss) after income tax	71,988	25,081	(7,108)	33,433	33,585
Gross profit margin	60.9%	66.4%	68.0%	56.3%	57.1%
Profit (Loss) before income tax margin	221.6%	71.3%	(14.8%)	64.9%	57.1%
Profit (Loss) after income tax margin	221.6%	71.4%	(14.9%)	64.9%	57.4%
STATEMENTS OF FINANCIAL POSITION					
Current assets	144,084	87,673	72,740	107,873	64,870
Non-current assets	171,153	170,944	173,112	170,295	188,513
Total assets	315,237	258,617	245,852	278,168	253,383
Current liabilities	67,688	12,384	13,207	15,201	11,174
Non-current liabilities	5,849	6,252	6,655	7,058	3,743
Total liabilities	73,537	18,636	19,862	22,259	14,917
Net current assets	76,396	75,289	59,533	92,672	53,696
Shareholders' equity	241,700	239,981	225,990	255,909	238,466
PER SHARE DATA					
Earnings Per Share (US cents):					
Basic	10.21	3.56	(1.01)	4.74	4.76
Fully Diluted	10.21	3.56	(1.01)	4.74	4.76
Dividends Per Share (SGD cents)	23.5	4.50	1.50	4.75	2.75
Net Assets Value Per Share (US cents)	34.28	34.04	32.05	36.29	33.82

FIVE-YEAR GROUP FINANCIAL
STATISTICS AND CHARTS

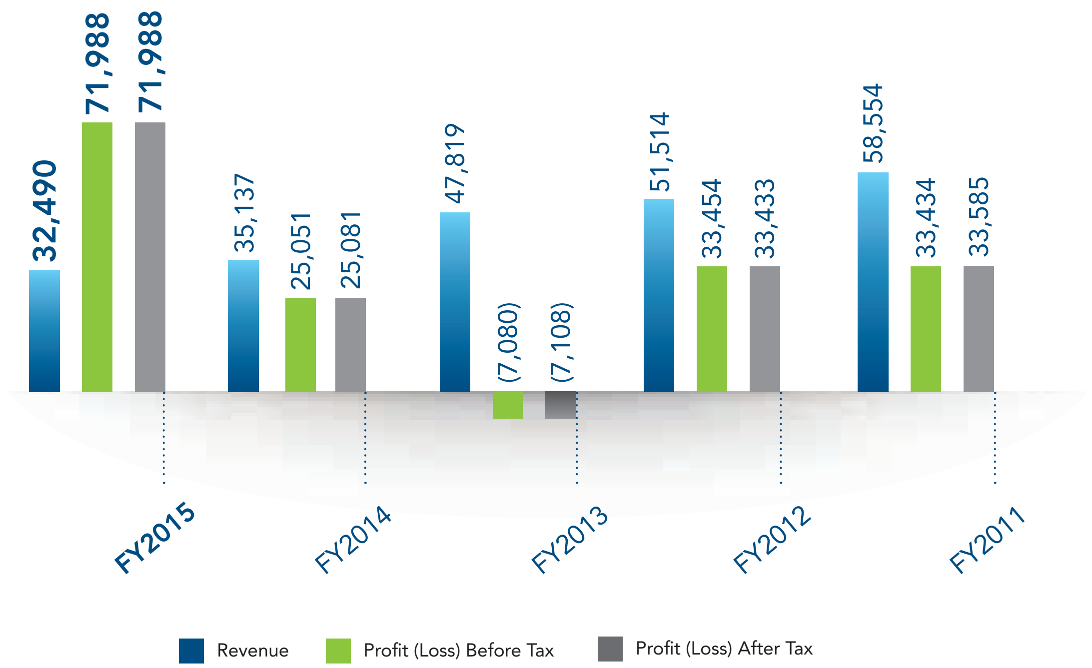
EARNINGS PER SHARE
(US CENTS)



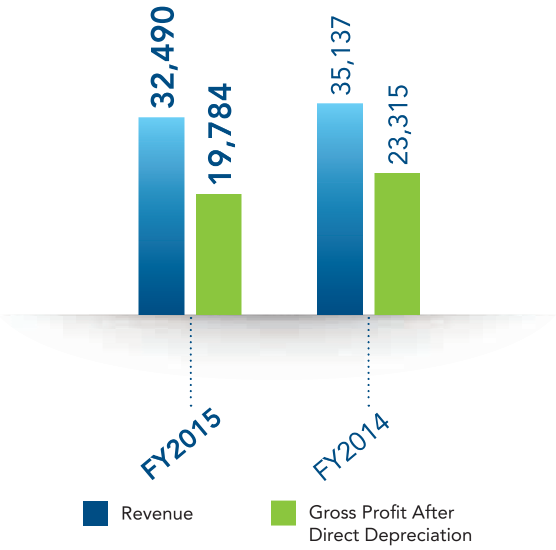
GROUP SHAREHOLDERS' EQUITY AND NET ASSETS VALUE



GROUP REVENUE, PROFIT (LOSS) BEFORE TAX & PROFIT (LOSS) AFTER TAX (US$'000)



REVIEW OF RESULTS

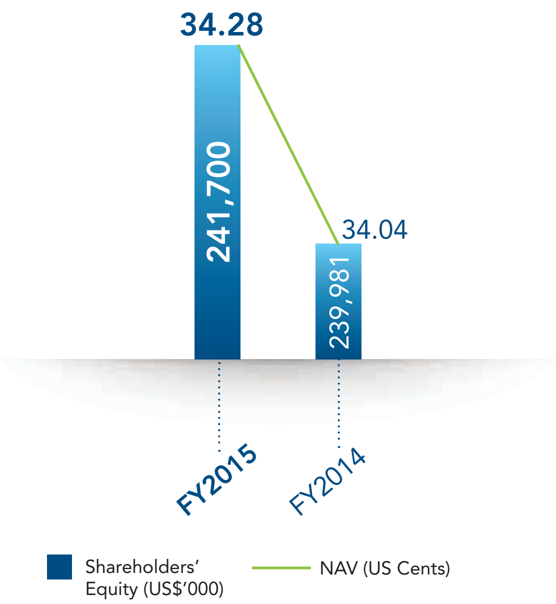


REVENUE AND GROSS PROFIT AFTER DIRECT DEPRECIATION (US$'000)

	FY2015	FY2014	Change
Revenue	**32,490**	35,137	(7.5%)
Gross profit after direct depreciation	**19,784**	23,315	(15.1%)

The Group's revenue decreased by US$2.647 million or 7.5% for FY2015 when compared to the corresponding period for FY2014. The decrease was mainly due to lower contributions from 3 vessels which were offhired for mandatory dry-docking. During the last quarter of FY2015, one of the vessels was charter-free while another was doing short trips. On top of this, the sharp decline in oil prices resulted in clients negotiated for reduced charter rates. All these factors contributed to the lower revenue for the FY2015.

Gross profit after direct depreciation decreased from US$23.315 million in FY2014 to US$19.784 million in FY2015 and gross profit margin ("GP margin") reduced from 66.4% in FY2014 to 60.9% in FY2015. The decline in gross profit after direct depreciation and GP margin was due to lower revenue, higher operating costs and higher direct depreciation. Operating costs rose 16.4% to US$5.24 million from US$4.5 million. Direct depreciation also went up slightly by 2%. During FY2014, the Company reversed provisions of US$2.68 million for demobilisation of two vessels which did not materialise due to new charters secured at location for the two vessels. Excluding this one-time reversal would bring the GP margin for FY2014 down to 58.7% which was comparable to 60.9% GP margin recorded in FY2015.



SHAREHOLDERS' EQUITY AND NET ASSETS VALUE ("NAV")

	FY2015	FY2014	Change
Shareholders' equity (US$'000)	**241,700**	239,981	0.7%
NAV (US Cents)	**34.28**	34.04	0.7%

The Group continued to maintain a robust financial position as at 30 June 2015. Strong performance translated into higher earnings per share ("EPS") and higher net asset value ("NAV") for FY2015 of 10.21 US cents (FY2014: 3.56 US cents) and 34.28 US cents (FY2014: 34.04 US cents) respectively. NAV would have been higher if not for the payment of final dividend of S$0.02 per ordinary share and a special dividend of S$0.02 per ordinary share declared for the financial year ended 30 June 2014 which were paid-out in November 2014. In addition, a special dividend of S$0.09 per ordinary share equivalent to US$47.197 million was declared on 6 May 2015. Together, total dividend paid and payable as at 30 June 2015 amounted to approximately US$70.269 million.

CORPORATE STRUCTURE

CH OFFSHORE LTD

- 100% CHUAN HUP AGENCIES (PRIVATE) LIMITED
- 100% DELAWARE MARINE PTE LTD
- 100% GARO PTE LTD
- 100% OFFSHORE GOLD SHIPPING PTE LTD
- 100% PEMBROOKE MARINE PTE LTD
- 100% SEA GLORY PRIVATE LIMITED
- 100% VENTURE OFFSHORE PTE LTD
  - 49% PT BAHTERA NUSANTARA INDONESIA
- 100% JN OFFSHORE SERVICES PTE LTD
- 49% GEMINI SPRINT SDN BHD
- 49% MARINECO LIMITED

OUR
FLEET

PERIDOT

Dimension (L x B x D)
61.45 m x 16.4 m x 7.2 m

Main Propulsion
2 x Wartsila,
total 12,240 BHP

Bollard Pull
152.2 MT continuous /
158.8 MT maximum

Dynamic Positioning System
Class 2

PTSC HA LONG
(EX-AQUAMARINE)

Dimension (L x B x D)
61.45 m x 16.4 m x 7.2 m

Main Propulsion
2 x Wartsila,
total 12,240 BHP

Bollard Pull
152.0 MT continuous /
157.7 MT maximum

Dynamic Positioning System
Class 2

CORAL*

Dimension (L x B x D)
61.45 m x 16.4 m x 7.2 m

Main Propulsion
2 x Wartsila,
total 12,240 BHP

Bollard Pull
157.2 MT continuous /
162.0 MT maximum

Dynamic Positioning System
Class 2

LANGERY
(EX-PEARL)

Dimension (L x B x D)
61.45 m x 16.4 m x 7.2 m

Main Propulsion
2 x Wartsila,
total 12,240 BHP

Bollard Pull
151.8 MT continuous /
155.1 MT maximum

Dynamic Positioning System
Class 2

TURQUOISE

Dimension (L x B x D)
61.45 m x 16.4 m x 7.2 m

Main Propulsion
2 x Wartsila,
total 12,240 BHP

Bollard Pull
153.9 MT continuous /
157.7 MT maximum

Dynamic Positioning System
Class 2

AMETHYST

Dimension (L x B x D)
61.45 m x 16.4 m x 7.2 m

Main Propulsion
2 x Wartsila,
total 12,240 BHP

Bollard Pull
153.6 MT continuous /
159.2 MT maximum

Dynamic Positioning System
Class 2

TOURMALINE

Dimension (L x B x D)
61.45 m x 16.4 m x 7.2 m

Main Propulsion
2 x Wartsila,
total 12,240 BHP

Bollard Pull
150.6 MT continuous /
154.8 MT maximum

Dynamic Positioning System
Class 2

OUR FLEET

AMBER*

Dimension (L x B x D)
51.79 m x 13.5 m x 6.0 m

Main Propulsion
2 x Bergen,
total 4,826 BHP

Bollard Pull
60.4 MT continuous /
64.2 MT maximum

BERYL*

Dimension (L x B x D)
51.79 m x 13.5 m x 6.0 m

Main Propulsion
2 x Bergen,
total 4,826 BHP

Bollard Pull
60 MT continuous /
62 MT maximum

GARNET

Dimension (L x B x D)
56.39 m x 16.0 m x 5.5 m

Main Propulsion
2 x Wartsila,
total 5,400 BHP

Bollard Pull
71.5 MT continuous

TOPAZ

Dimension (L x B x D)
56.39 m x 16.0 m x 5.5 m

Main Propulsion
2 x Wartsila,
total 5,400 BHP

Bollard Pull
72 MT continuous

JASPER

Dimension (L x B x D)
56.39 m x 16.0 m x 5.5 m

Main Propulsion
2 x Mak,
total 5,000 BHP

Bollard Pull
63.1 MT continuous

ZIRCON*

Dimension (L x B x D)
56.39 m x 16.0 m x 5.5 m

Main Propulsion
2 x Mak,
total 5,000 BHP

Bollard Pull
66.8 MT continuous

TEMASEK ATTAKA*

Dimension (L x B x D)
52.15 m x 15.0 m x 5.5 m

Main Propulsion
2 x Wartsila,
total 5,400 BHP

Bollard Pull
60 MT continuous

TEMASEK SEPINGGAN*

Dimension (L x B x D)
52.15 m x 15.0 m x 5.5 m

Main Propulsion
2 x Wartsila,
total 5,400 BHP

Bollard Pull
64.6 MT continuous /
65.2 MT maximum

Dynamic Positioning System
Class 1

**co-owned*

Note: The above specifications are for general information only, and are not to be used for any other purpose

BOARD OF
DIRECTORS

From left to right:

Mr Thia Peng Heok, George
Mr James William Noe
Mr Gan Wah Kwang
Ms Tan Sooh Whye
Mr Tan Pong Tyea
Mr Tan Kian Huay

BOARD OF DIRECTORS

MR TAN PONG TYEA

Non-Executive Chairman

Mr Tan Pong Tyea is the Non-Executive Chairman of CH Offshore Ltd ("CHO"). He was appointed to this position on 1 June 2010. He is a member of the Remuneration and Nominating Committees.

Mr Tan is also the Executive Chairman and Chief Executive Officer of Falcon Energy Group Limited ("FEG"), the holding company of CHO. FEG is an SGX Mainboard-listed leading player in the regional Offshore Marine and Oil and Gas sectors. It provides a full spectrum of support services for the Offshore Marine and Oil and Gas cycle, from initial exploration and drilling to production and post-production stage, with a specialist focus on the production phase of oilfield activities.

He has more than 25 years of experience servicing the oil companies and major contractors throughout the region.

Mr Tan obtained his Masters in Management Studies from Durham University, United Kingdom.

MR JAMES WILLIAM NOE

Executive Director & CEO

Mr James William Noe is Executive Director & CEO of CHO. He was initially appointed as Non-Executive Director on 27 April 2015 and subsequently appointed as CEO and hence re-designated to Executive Director on 7 July 215.

Mr. Noe was the Executive Vice President of Hercules Offshore, Inc, the largest operator of jack-up rigs in the Gulf of Mexico and one of the largest offshore drilling companies globally. He was responsible for general executive matters, business development, governmental relations, legal, risk and compliance management. He formerly served as Senior Vice President, General Counsel and Chief Compliance Officer when he joined Hercules Offshore, Inc in 2005. Mr Noe was also the President and CEO of Delta Towing LLC, a subsidiary of Hercules Offshore, Inc.

In 2011, Mr. Noe served on the board of Discovery Offshore S.A., a jackup drilling company based in Luxembourg. He also served as an Executive Director of the Shallow Water Energy Security Coalition, a leading advocacy group for independent exploration and production companies and drilling contractor.

Mr Noe holds a Bachelor of Arts with honours from the University of Alabama and a Juris Doctorate from Louisiana State University.

MR GAN WAH KWANG

Executive Director

Mr Gan Wah Kwang is an Executive Director of CHO. He was initially appointed as Non-Executive Director on 16 August 2013 and subsequently re-designated as Executive Director on 1 July 2015. Following his re-designation to Executive Director, he stepped down as a member of the Audit Committee on 1 July 2015.

Mr Gan is the Chief Financial Officer of FEG. Mr Gan was the Financial Controller of FEG from September 2006 to March 2011. Prior to joining FEG, Mr Gan was the General Manager, Corporate & Finance of Amble Marine Sdn Bhd from April 2005 to August 2006. Mr Gan was the General Manager, Philippines Operation of Integrated Recycling Industrial (S) Pte Ltd from November 2004 to February 2005 and General Manager, Philippines Operation of Holinone International Pte Ltd from September 2003 to October 2004.

Mr Gan obtained his professional qualification from the Chartered Institute of Management Accountants (UK) in 1984.

BOARD OF DIRECTORS

MS TAN SOOH WHYE

Non-Executive Director

Ms Tan Sooh Whye is a Non-Executive Director of CHO. She was appointed to this position on 3 July 2015. She is a member of the Audit Committee.

Ms Tan acts as Alternate Director to Mr Tan Pong Tyea, the Chairman & CEO of FEG, the holding company of CHO. She is also a director of Asetanian Marine Pte Ltd and Ruben Capital Venture Ltd. She is responsible for the treasury, administrative and human resource functions of FEG and has been with the company for over 20 years.

Ms Tan graduated with a Bachelor of Arts in Economics and also holds a Diploma in Business Administration from Wilfrid Laurier University in Waterloo, Canada.

MR THIA PENG HEOK, GEORGE

Non-Executive, Lead Independent Director

Mr Thia Peng Heok, George is a Non-Executive, Lead Independent Director of CHO. He was appointed as Non-Executive, Independent Director on 30 March 2015 and subsequently appointed as Lead Independent Director on 3 July 2015. He is the Chairman of the Audit and Nominating Committees and a member of the Remuneration Committee.

Mr Thia is a Chartered Accountant (Singapore) and practised as an accountant with Cooper Brothers & Co. (now known as PricewaterhouseCoopers). He has more than 20 years' experience in merchant banking and financial services including being Managing/ Executive Director at Morgan Grenfell, Merrill Lynch, Sun Hung Kai Securities, Kay Hian Securities and Lum Chang Securities. He is involved as board members of non-profit organisations including the National Cancer Centre and Singapore Institute of Management.

MR TAN KIAN HUAY

Non-Executive, Independent Director

Mr Tan Kian Huay is a Non-Executive, Independent Director of CHO. He was appointed to this position on 30 March 2015. He is the Chairman of the Remuneration Committee and a member of the Audit and Nominating Committees.

He has extensive experience in project management and business development, particularly in the construction industry. With over 40 years of experience in the building and construction industry, including serving as the Managing Director of Obayashi Singapore Pte Ltd from 1989 to 2004, Mr Tan now serves on the boards of NTUC Fairprice Foundation Ltd, NTUC Fairprice Co-operative Ltd, Choice Homes Investments Pte Ltd and Jurong Health Services Pte Ltd.

Mr Tan holds a Professional Diploma in Building and a Bachelor of Arts from Beijing Normal University. He is currently a fellow and was a former 2nd Vice President of the Society of Project Managers and also a former President of the Singapore Institute of Building.

KEY
MANAGEMENT

FRONT ROW (LEFT TO RIGHT): Mr Jerry Chew, Mr James William Noe, Mr Gan Wah Kwang
BACK ROW (LEFT TO RIGHT): Mr Tan Wee How, Ms Low Wei Ling, Ms Teo Peck Bee, Mr Ganesh Shastri

Mr James William Noe
Executive Director & CEO

Mr Gan Wah Kwang
Executive Director

Ms Teo Peck Bee
Chief Financial Officer

Mr Jerry Chew
Executive Vice President (Falcon Energy Group Limited)

Mr Tan Wee How
VP Vessel Operation

Mr Ganesh Shastri
VP QHSE

Ms Low Wei Ling
Director – Marketing

FINANCIAL CALENDAR

30 June 2015	Financial Year End
30 October 2014	Announcement of First Quarter Financial Results
16 January 2015	Announcement of Half-Year Financial Results
6 May 2015	Announcement of Third Quarter Financial Results
8 July 2015	Payment of Interim Special Dividend
6 August 2015	Announcement of Full-Year Financial Results
7 September 2015	Dispatch of Annual Report to Shareholders
23 September 2015	Annual General Meeting
2 October 2015	Book Closure to Register Members for Payment of Dividends
13 October 2015	Proposed Payment of Final and Special Dividends

CORPORATE GOVERNANCE **REPORT**

CH Offshore Ltd ("**CHO**" or "**the Company**") and its subsidiaries (collectively, the "**Group**") recognise the importance of, and is committed to, maintaining high standards of corporate governance to ensure greater transparency and maximize long-term shareholders' value.

As the Company's shares are listed on the Main Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Company seeks to comply with the listing rules of the SGX-ST as prescribed in the Listing Manual of the SGX-ST ("**Listing Rules**") and is guided in its corporate governance practices by the revised Code of Corporate Governance issued in 2012 ("**Code**").

The Board of Directors ("**Board**") is pleased to outline the main corporate governance framework and practices of the Company in this report, with specific reference made to each of the principles set out in the Code. This report describes the Company's corporate governance practices that were in place throughout the financial year ended 30 June 2015. Other than deviations which are explained in this report, the Company has generally adhered to the principles and guidelines set out in the Code.

(A) BOARD MATTERS

The Board's Conduct of Affairs

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

The Board oversees the business affairs of the Group. It provides leadership and guidance to Management, sets strategic objectives, ensures that the necessary financial and human resources are in place, and reviews Management performance. The Board also ensures the adequacy of the Group's control and risk framework and standards and ensures that obligations to its shareholders and other key stakeholders are understood and met.

The Board's primary role is to protect and enhance long-term shareholders' value. It is responsible for the Group's overall performance objectives, key operational initiatives, financial plans and annual budget, major investments, divestments and funding proposals, quarterly and full year financial performance reviews, risk management and corporate governance practices. Each Director exercises his independent judgement to act in good faith and the best interest of the Company to enhance the long-term value of the Group to its shareholders.

The Company has established financial authorisation and approval limits for borrowings, investments, acquisitions, disposals, capital and operating expenditures and expenses. Apart from its fiduciary duties and statutory responsibilities, the Board evaluates and approves important matters such as material acquisition and disposal of assets, financial plans, capital expenditures, and major funding and investment proposals. It also reviews and approves the financial statements and annual reports and authorises announcements of financial results to be issued.

CORPORATE GOVERNANCE REPORT

The Board is supported by the Board Committees established to assist the Board in discharging its responsibilities of overseeing the Group's affairs and enhancing corporate governance. These Committees are the Audit Committee ("**AC**"), the Remuneration Committee ("**RC**") and the Nominating Committee ("**NC**").

The Board meets at least four times in a year and holds special meetings at such other times as may be necessary to address any ad hoc significant matters. Matters before the Board are diligently deliberated by the Board to ensure that the interests of the Company are protected. Meetings via telephone or videoconference are permitted under the Company's Articles of Association. In between Board meetings, important matters are discussed in person or via telephone and are tabled for Board decision via circulating resolutions in writing. Supporting memorandum or papers are circulated to the directors where relevant.

The number of Board and Board Committee meetings held during the financial year ended 30 June 2015 and the attendance of each director where relevant are as follows:

		Board Meetings	
Directors	**Notes**	**No. of Meetings Held[1]**	**No. of Meetings Attended[1]**
Mr Tan Pong Tyea		4	2
Mr Peh Kwee Chim (Alternate — Mr Peh Siong Woon Terence)	(2)	3	2
Mr John Cheak Boon Heng	(2)	3	3
Mdm Joanna Young Sau Kwan	(2)	3	3
Mr Goh Boon Kiat	(2)	3	2
Mr Gan Wah Kwang	(6)	4	4
Mr Thia Peng Heok George	(3)	1	–
Mr Tan Kian Huay	(3)	1	1
Mr James William Noe	(4)	1	–
Ms Tan Sooh Whye	(5)	–	–

CORPORATE GOVERNANCE REPORT

Board Committee Meetings

		Audit Committee Meetings		Remuneration Committee Meetings		Nominating Committee Meetings	
Directors	Notes	No. of Meetings Held(1)	No. of Meetings Attended(1)	No. of Meetings Held(1)	No. of Meetings Attended(1)	No. of Meetings Held(1)	No. of Meetings Attended(1)
Mr Tan Pong Tyea	(3)	–	–	1	1	1	1
Mr John Cheak Boon Heng	(2)	–	–	1	1	–	–
Mdm Joanna Young Sau Kwan	(2)	3	3	1	1	–	–
Mr Goh Boon Kiat	(2)	3	2	1	1	–	–
Mr Gan Wah Kwang	(6)	4	4	–	–	–	–
Mr Thia Peng Heok George	(3)	1	–	1	–	1	–
Mr Tan Kian Huay	(3)	1	1	1	1	1	1
Ms Tan Sooh Whye	(5)	–	–	–	–	–	–

Notes:

(1) Refers to meetings held/attended while each Director was in office.

(2) The following directors have stepped down from their respective offices with effect from 27 February 2015:–
- Mr Peh Kwee Chim as Non-Executive Director.
- Mr John Cheak Boon Heng as Non-Executive Director and Member of RC and NC.
- Mr Peh Siong Woon Terence as Alternate Director to Mr Peh Kwee Chim.

(3) The following changes were made to the Composition of Board of Directors and its committees with effect from 30 March 2015:–
- Resignation of Mdm Joanna Young Sau Kwan as Non-Executive Independent Director, the Chairman of AC & NC and a member of RC.
- Resignation of Mr Goh Boon Kiat as Non-Executive Independent Director, the Chairman of RC and a member of AC and NC.
- Appointment of Mr Thia Peng Heok George as Non-Executive Independent Director, the Chairman of AC & NC and a member of the RC.
- Appointment of Mr Tan Kian Huay as Non-Executive Independent Director, the Chairman of RC and a member of the AC and NC.
- Appointment of Mr Tan Pong Tyea as a member of RC and NC.

(4) Mr James William Noe was appointed as a Non-Executive Director on 27 April 2015, appointed as CEO & re-designated as Executive Director on 7 July 2015.

(5) Ms Tan Sooh Whye was appointed as a Non-Executive Director and a member of AC on 3 July 2015.

(6) Mr Gan Wah Kwang was re-designated as Executive Director & stepped down as AC member on 1 July 2015

CORPORATE GOVERNANCE REPORT

The Company recognises the importance of appropriate training for its directors. Newly-appointed directors will be given briefings and orientation on the business activities of the Group and its strategic directions, as well as their duties and responsibilities as directors. In this regard, the Company does not provide a formal letter to directors outlining their duties and obligations. As part of training for the Board, Directors are briefed either during Board and Board Committee meetings or at specially convened sessions on changes to regulations and accounting standards, as well as industry related matters. Where appropriate, Directors are sent for conferences and seminars in relevant fields. Articles and reports relevant to the Group's business are also circulated to the Directors for information.

Board Composition and Guidance

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

The Board currently comprises 6 directors, 2 of whom are Non-Executive Directors and 2 of whom are Independent Directors. The directors of the Company as at the date of this report are as follows:

Mr Tan Pong Tyea	Non-Executive Director (Chairman)
Mr James William Noe	Executive Director & CEO
Mr Gan Wah Kwang	Executive Director
Ms Tan Sooh Whye	Non-Executive Director
Mr Thia Peng Heok George	Non-Executive Lead Independent Director
Mr Tan Kian Huay	Non-Executive Independent Director

CORPORATE GOVERNANCE REPORT

Following the completion of Voluntary Unconditional Cash Offer by Energian Pte. Ltd, which resulted in the acquisition of the additional 57.64% equity stake in CHO ("Voluntary Unconditional Cash Offer"), the following changes were made to the Board composition:

Mr Peh Kwee Chim	Resigned as Non-Executive Director on 27 February 2015
Mr Peh Siong Woon Terence	Ceased as Alternate Director to Mr Peh Kwee Chim on 27 February 2015.
Mr John Cheak Boon Heng	Resigned as Non-Executive Director on 27 February 2015
Mdm Joanna Young Sau Kwan	Resigned as Non-Executive Independent Director on 30 March 2015
Mr Goh Boon Kiat	Resigned as Non-Executive Independent Director on 30 March 2015
Mr Thia Peng Heok George	Appointed as Non-Executive Independent Director on 30 March 2015 & appointed as Lead Independent Director on 3 July 2015
Mr Tan Kian Huay	Appointed as Non-Executive Independent Director on 30 March 2015
Mr James William Noe	Appointed as Non-Executive Director on 27 April 2015, appointed as CEO & re-designated to Executive Director on 7 July 2015.
Mr Gan Wah Kwang	Re-designated from Non-Executive Director to Executive Director on 1 July 2015
Ms Tan Sooh Whye	Appointed as Non-Executive Director on 3 July 2015

The Company maintains a satisfactory independent element on the Board by having two Independent Directors out of a total of six Board members. It is in compliance with the Guideline 2.1 of the Code where at least one-third of the Board has to be independent. As the Company's Chairman is not an Independent Director, pursuant to the Code, half of the Board has to be independent. The Company is aware of the requirement and undertakes to make the necessary board composition changes by the stipulated deadline. The Company has to meet the requirement at its Annual General Meeting ("AGM") following the end of the financial year commencing on or after 1 May 2016.

A director who has no relationship with the Group, its related corporations, officers or its shareholders with shareholdings of 10% or more in the voting shares of the Company that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgment with a view to the best interests of the Company, is considered to be independent.

The NC reviews the independence of each director on an annual basis, and as and when circumstances require, based on the Code's definition of what constitutes an independent director. The NC has determined that all the 2 Independent Directors are independent, including independent from the 10% shareholders of the Company.

None of the Independent Directors have served on the Board beyond nine years from the date of first appointment.

The Directors bring with them a broad range of expertise and experience in areas such as accounting, finance, legal, business, management, human resource, industry knowledge and know-how. The diversity of the Directors' experiences allow for the useful exchange of ideas and views.

CORPORATE GOVERNANCE REPORT

The Board is of the opinion that given the scope and nature of the Group's operations, the current size of the Board is appropriate in facilitating effective decision making.

Chairman and Chief Executive Officer

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

Different individuals assume the Chairman and the Chief Executive Officer ("**CEO**") functions in CHO. There is a clear separation of the roles and responsibilities between the Chairman and the CEO. The Chairman's responsibilities include chairing the Board meetings and guiding the Board on its discussion on significant issues. The CEO is responsible for the day-to-day management of the business and the overall performance of the Group. The Chairman and the CEO are not related.

During financial year ended 30 June 2015, Mr Koh Kok Leong was the CEO of CHO. He resigned on 1 July 2015. Mr James William Noe was appointed as the CEO on 7 July 2015. Both Mr Koh Kok Leong and Mr James William Noe are not related to the Chairman.

The independence element on the Board is strengthened by the appointment of Mr Thia Peng Heok George as the Lead Independent Director of the Company on 3 July 2015. As the Lead Independent Director, he leads and encourages dialogue between independent directors without the presence of the other directors and provides feedback to the Chairman. He is also available as the alternate channel for shareholders, should shareholders fail to resolve concerns through the normal channels of the Chairman, CEO or CFO, or when such normal channels are inappropriate.

Board Membership

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

Until 30 March 2015, the NC was constituted by Mdm Joanna Young Sau Kwan as the Chairman of the NC with Mr John Cheak Boon Heng and Mr Goh Boon Kiat as members. All of them have resigned following the completion of Voluntary Unconditional Cash Offer.

The NC is currently chaired by Mr Thia Peng Heok George with Mr Tan Kian Huay and Mr Tan Pong Tyea as members, all of whom are Non-Executive Directors and the majority of whom, including the Chairman, are Independent Directors.

The NC's functions include reviewing Board succession plans for Directors, evaluating the performance of the Board, Board Committees and Directors, considering and making recommendations to the Board concerning the appointment and re-election of and determining the independence of the Directors.

CORPORATE GOVERNANCE
REPORT

When selecting new Directors, the NC takes into consideration the skills and experience required and the current composition of the Board, and strives to ensure that the Board has an appropriate balance of independent directors as well as directors with the right profile of expertise, skills, attributes and experience.

In evaluating a Director's contribution and performance for the purpose of re-election, the NC takes into consideration a variety of factors such as attendance, preparedness, participation and candour.

At each AGM of the Company, not less than one third of the Directors for the time being (being those who have been longest in office since their last re-election) are required to retire from office by rotation. A retiring Director is eligible for re-election by the shareholders of the Company at the AGM. Also, all newly appointed Directors during the year will hold office only until the next AGM and will be eligible for re-election.

The NC has reviewed the contribution by each Director taking into account their listed company board representations and other principal commitments. The NC and the Board are of the view that, setting a maximum number of listed company board representations a Director should have is not meaningful, as the contribution of each Director would depend on their individual circumstances, including whether they have a full time vocation or other responsibilities. Notwithstanding the number of listed company board representations and other principal commitments which the Directors held, the NC was of the view that they were able to devote sufficient time and attention to the affairs of the Company.

Each member of the NC shall abstain from voting on any resolutions in respect of the assessment of his performance or re-nomination as director.

The NC has recommended to the Board the nomination of Mr Thia Peng Heok George, Mr Tan Kian Huay, Mr James William Noe, Mr Gan Wah Kwang and Ms Tan Sooh Whye for re-election at the forthcoming AGM of the Company. The Board has accepted the NC's recommendation.

Board Performance

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

The Board believes that Board performance is ultimately reflected in the long-term performance of the Group. The Board has implemented a process carried out by the NC, for assessing the effectiveness of the Board as a whole, effectiveness of its Board Committees and the contribution by each individual director to the effectiveness of the Board on an annual basis. The performance evaluation process covers a range of issues including size and composition of the Board and Board Committees, information management, decision-making, processes, risk and crisis management, communication with Senior Management and stakeholder management. The evaluation and feedback are then consolidated and presented to the Board for discussion on strengths and weaknesses to improve the effectiveness of the Board and its Committees.

CORPORATE GOVERNANCE REPORT

For the year under review, a formal assessment of the effectiveness of the Board as a whole was undertaken by the NC. The NC was of the view that the performance of the Board as a whole was satisfactory.

Access to Information

Principle 6:
Board members should be provided with complete, adequate and timely information.

Directors are from time to time furnished with detailed information concerning the Group to enable them to be fully cognizant of the decisions and actions of the Group's executive management. All directors have unrestricted access to the Company's records and information to enable them to constantly keep track of the Group's financial position. Detailed Board papers are prepared for each meeting of the Board and are normally circulated before each meeting. The Board papers include sufficient information from the management on financial, business and corporate issues to enable the directors to be properly briefed on issues to be considered at Board meetings. All directors have separate and independent access to all levels of senior executives in the Group and the Company Secretary, and are encouraged to speak to other employees to seek additional information if they so require.

Company Secretary attends all Board meetings and is responsible for ensuring that established procedures and all relevant statutes and regulations which are applicable to the Company are complied with.

Each director has the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfil their duties and responsibilities as directors.

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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

Until 30 March 2015, the RC was constituted by Mr Goh Boon Kiat as the Chairman of the RC with Mdm Joanna Young Sau Kwan and Mr John Cheak Boon Heng as members. All of them have resigned following the completion of Voluntary Unconditional Cash Offer.

The RC is currently chaired by Mr Tan Kian Huay with Mr Thia Peng Heok George and Mr Tan Pong Tyea as members, all of whom are Non-Executive Directors and the majority of whom, including the Chairman, are Independent Directors.

CORPORATE GOVERNANCE REPORT

The primary functions of the RC are to review and recommend the remuneration packages for the directors, CEO and key executives, to cover all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses and benefits-in-kind.

In discharging its functions, the RC may, at the Company's expense, obtain such independent legal and other professional advice as it deems necessary.

No member of the RC is involved in deliberating in respect of any remuneration, compensation or any form of benefits to be granted to him.

Level and Mix of Remuneration

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

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

The remuneration for key management personnel of the Company takes into account the performance of the Company and the individual. The remuneration packages include a fixed salary and a variable performance related bonus which is designed to align the interests of the key management personnel with those of shareholders and promote the long-term success of the Group. There were no Executive Director appointed during the financial year ended 30 June 2015.

For the financial year ended 30 June 2015, all Non-Executive Directors and Independent Directors are paid a fixed fee, taking into account the effort, time spent and responsibilities of each Non-Executive Director and Independent Directors. The fees of Non-Executive Directors and Independent Directors are subject to shareholders' approval at the AGM.

The RC reviews the remuneration of Directors and key executives on an annual basis to ensure that it commensurate with their performance, giving due regard to the financial and commercial health and business needs of the Company. Their performance is reviewed periodically by the RC and the Board.

Presently, the Company does not have any share option scheme.

CORPORATE GOVERNANCE REPORT

Disclosure on Remuneration

Principle 9:

Each company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

The Directors' remuneration disclosed below is shown in bands of US$250,000.

REMUNERATION PAID OR ACCRUED TO DIRECTORS FOR FINANCIAL YEAR ENDED 30 JUNE 2015

Directors of Company	Note	Fixed Component (%)(1)	Variable Component (%)(2)	Directors' Fees (%)	Total Compensation (%)
Below US$250,000					
Mr Tan Pong Tyea		–	–	100	100
Mr Peh Kwee Chim	(3)	–	–	100	100
Mr John Cheak Boon Heng	(3)	–	–	100	100
Mdm Joanna Young Sau Kwan	(4)	–	–	100	100
Mr Goh Boon Kiat	(4)	–	–	100	100
Mr Gan Wah Kwang	(5)	–	–	100	100
Mr Thia Peng Heok George	(6)	–	–	100	100
Mr Tan Kian Huay	(6)	–	–	100	100
Mr James William Noe	(7)	–	–	100	100
Ms Tan Sooh Whye	(8)	–	–	–	–

Notes:

(1) Fixed component refers to base salary earned, including AWS and employer CPF.

(2) Variable component refers to variable bonus.

(3) Mr Peh Kwee Chim and Mr John Cheak Boon Heng resigned as Non-Executive Directors on 27 February 2015.

(4) Mdm Joanna Young Sau Kwan and Mr Goh Boon Kiat resigned as Non-Executive Independent Directors on 30 March 2015.

(5) Mr Gan Wah Kwang was re-designated from Non-Executive Director to Executive Director on 1 July 2015

(6) Mr Thia Peng Heok George and Mr Tan Kian Huay were appointed as Non-Executive Independent Directors on 30 March 2015.

(7) Mr James William Noe was appointed as Non-Executive Director on 27 April 2015, appointed as CEO & re-designated to Executive Director on 7 July 2015

(8) Ms Tan Sooh Whye was appointed as Non-Executive Director on 3 July 2015.

CORPORATE GOVERNANCE REPORT

The remuneration of each individual Director and key management personnel (who are not also Directors of the Company) is not disclosed in dollar terms as remuneration is a commercially sensitive matter, given that the Company operates in a highly competitive environment where potential poaching of employees by competitors is fairly common.

REMUNERATION PAID OR ACCRUED TO THE TOP THREE KEY EXECUTIVES FOR FINANCIAL YEAR ENDED 30 JUNE 2015

Key Executives of Company	Note	Fixed Component (%)[1]	Variable Component (%)[2]	Benefits (%)[3]	Total Compensation (%)
US$500,000 to below US$749,999					
Koh Kok Leong	(4)	44	55	1	100
Below US$250,000					
Teo Peck Bee		47	51	2	100
Kwan Chun Khuen		79	21	–	100

Notes:

(1) Fixed component refers to base salary earned, including AWS, allowance and employer CPF.

(2) Variable component refers to variable bonus or allowances.

(3) Benefits refer to the usage of cars.

(4) Mr Koh Kok Leong resigned as CEO on 1 July 2015.

During the financial year ended 30 June 2015, there were only 3 key management personnel in the Company.

The Group does not have any employee who is an immediate family member of a Director or the CEO and whose remuneration exceeds S$50,000 for the year ended 30 June 2015

CORPORATE GOVERNANCE REPORT

(C) ACCOUNTABILITY AND AUDIT

Accountability

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

As stated above, the Board's primary role is to protect and enhance long-term value and returns for the shareholders. In the discharge of its duties to the shareholders, the Board, when presenting annual financial statements and quarterly results announcements, seeks to provide the shareholders with a detailed analysis, explanation and assessment of the Group's financial position and prospects. The Management will provide the Board with appropriately detailed management accounts of the Group's performance, position and prospects on a regular basis.

Risk Management and Internal Controls

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

The Board has overall responsibility for the governance of the Group's risk management and internal controls. The Board and Management of the Company are fully committed to maintaining sound risk management and internal control systems to safeguard shareholders' interests and the Group's assets.

The Board determines the Company's levels of risk tolerance and risk policies, and oversees Management in the design, implementation and monitoring of the risk management and internal control systems.

The Board has set up a Risk Management Committee to assist the Board in overseeing risk management for the Group.

The Board has implemented an Enterprise Risk Management Framework for the identification, assessment, monitoring and reporting of significant risks. The Company maintains a risk register which identifies the material risks facing the Group and the internal controls in place to manage or mitigate those risks. The Risk Management Committee reviews and updates the risk register regularly and updates the Board.

CORPORATE GOVERNANCE REPORT

The work of the internal auditors and the report of the external auditors, have enabled the identification of key risks which are reported to the AC to facilitate the Board's oversight of the effectiveness of risk management and the adequacy of mitigating measures taken by management to address the underlying risks. The internal audits are conducted to assess the adequacy and effectiveness of the Group's system of internal controls in addressing financial, operational, information technology and compliance risks. In addition, material control weaknesses over financial reporting, if any, are highlighted by the external auditors in the course of the statutory audit.

All audit findings and recommendations made by the internal and external auditors are reported to the AC and significant findings are discussed at the AC meetings. Management follows up on all recommendations to ensure timely remediation of audit issues and reports the status to the AC.

The Board has received assurance from the CEO and the CFO that:

(a) The financial records of the Group have been properly maintained and the financial statements for the financial year ended 30 June 2015 give a true and fair view of the Group's operations and finances; and

(b) The system of risk management and internal controls in place within the Group is adequate and effective in addressing the material risks in the Group in its current business environment including material financial, operational, compliance and information technology risks.

Based on the risk management and internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by Management and the Board Committees as well as the assurance received from the CEO and the CFO, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls were adequate as at 30 June 2015 to address financial, operational, compliance and information technology risks, which the Group considers relevant and material to its operations.

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

CORPORATE GOVERNANCE REPORT

Audit Committee

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

Until 30 March 2015, the AC was constituted by Mdm Joanna Young Sau Kwan as the Chairman of the AC with Mr Goh Boon Kiat and Mr Gan Wah Kwang as members. Mdm Joanna Young Sau Kwan and Mr Goh Boon Kiat resigned following the completion of Voluntary Unconditional Cash Offer. Mr Gan Wah Kwang was re-designated to Executive Director with effect from 1 July 2015 and has since stepped down as a member of AC.

The AC is currently chaired by Mr Thia Peng Heok George with Mr Tan Kian Huay and Ms Tan Sooh Whye as members, all of whom are Non-Executive Directors and the majority of whom, including the Chairman, are Independent Directors. Mr Thia Peng Heok George is a Chartered Accountant (Singapore) and practised as an accountant with more than 20 years' experience in merchant banking and financial services. The Board is of the view that the members of the AC have recent and relevant accounting or related financial management expertise or experience to discharge the AC's functions.

The primary functions of the AC are:

(a) Review with the external auditors the audit plan including the nature and scope of the audit before its commencement, their annual reports and their Management letters and Management's response;

(b) Review significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance. This includes review of quarterly, half-year and annual financial statements before submission to the Board for its approval;

(c) Review the assistance given by Management to the external auditors;

(d) Review the independence and objectivity of the external auditors;

(e) Review the nature and extent of non-audit services performed by the external auditors;

(f) Examine the scope of internal audit procedures and the results of the internal audit;

(g) Review the adequacy of the Company's internal controls, including financial, operational, compliance and information technology controls, and reporting on any pertinent aspects of risks thereto, and ensure that a review of the effectiveness of the Company's internal controls is conducted at least annually and such a review can be carried out by the internal and/or external auditors;

(h) Meet with the external and internal auditors without the presence of Management at least annually;

(i) Review the effectiveness of the Company's internal audit function and ensure that it is adequately resourced and has appropriate standing within the Company;

CORPORATE GOVERNANCE REPORT

(j) Investigate any matter which falls within the AC's terms of reference, having full access to and co-operation by Management and the full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly;

(k) Review interested persons' transactions falling within the scope of Chapter 9 of the Listing Manual of the SGX-ST;

(l) Make recommendations to the Board on the appointment/re-appointment/removal of the external auditor, and approve the audit fees and terms of engagement of the external auditors; and

(m) Review arrangement by which staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters, so as to ensure that arrangements are in place for the independent investigation of such matters and for appropriate follow up action.

Apart from the duties listed above the AC may commission and review the findings of internal investigations into matters where there is suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore or other applicable law, rule or regulation, which has or is likely to have material impact on the Company's or Group's operating results and/or financial position.

The AC has been given full access to and has obtained the co-operation of the management. The AC has reasonable resources to enable it to discharge its functions properly.

The AC met four times during the year under review. The AC meets annually with the external and internal auditors separately, without the presence of the Management. These meetings enable the external auditors and internal auditors to raise issues encountered in the course of their work directly to the AC.

The AC has undertaken a review of all the non-audit services provided by the external auditors during the year under review and is satisfied that such services would not, in the AC's opinion, affect the independence and objectivity of the external auditors. The aggregate amount of fees paid to the external auditors in FY 2015 and a breakdown of the fees paid in respect of audit and non-audit services is stated in the notes to the financial statements. Having satisfied as to the foregoing and that Listing Rule 712 has been complied with, the AC has recommended the re-appointment of Messrs Deloitte & Touche LLP, Singapore, as external auditors at the forthcoming AGM.

Both the AC and Board have reviewed the appointment of different auditors for its subsidiaries and significant associated companies and are satisfied that the appointment of different auditors would not compromise the standard and effectiveness of the audit of the Company. Accordingly, the Company has complied with Listing Rule 716.

Changes to accounting standards and accounting issues which have a direct impact on the financial statements were reported to the AC, and highlighted by the external auditors in their meetings with the AC.

Each member of the AC abstains from voting on any resolutions and making any recommendation and/or participating in discussion on matters in which he is interested.

CORPORATE GOVERNANCE REPORT

Whistleblowing Policy

The Company has implemented a whistleblowing policy, which serves to encourage and provide a channel to employees to report in good faith and in confidence, without fear of reprisals, concerns about possible wrongdoing or breach of applicable laws, regulations, policies or other matters. The objective for such arrangement is to ensure independent investigation of such matters and for appropriate follow-up action.

Internal Audit

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

The internal audit function is outsourced to MS Risk Management Pte Ltd, an associate of international public accounting firm, Messrs Moore Stephens LLP. The internal auditors will report to the Chairman of the AC on any material weaknesses and risks identified in the course of the internal audit, which will also be communicated to Management. Management will accordingly update the AC on the status of the remedial action plans.

The internal auditors meet the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The AC has reviewed the adequacy of the internal audit function and is satisfied that the Company's internal audit function is adequately resourced.

(D) SHAREHOLDERS RIGHTS AND COMMUNICATION WITH SHAREHOLDERS

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

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

Shareholders are informed of shareholders' meetings through notices published in the newspapers and reports or circulars sent to all shareholders. Each item of special business included in the notice of meeting is accompanied, where appropriate, by an explanation for the proposed resolution. Separate resolutions are proposed for substantially separate issues at the meeting.

CORPORATE GOVERNANCE REPORT

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

The Company communicates information to shareholders and the investing community through announcements that are released to the SGX-ST via SGXNET. Such announcements include the quarterly and full-year results, material transactions, and other developments relating to the Group requiring disclosure under the corporate disclosure policy of the SGX-ST.

All shareholders of the Company are sent a copy of the Annual Report and notice of the AGM.

The notice of AGM, which sets out all items of business to be transacted at the AGM, is also advertised in the newspapers. The Company also maintains a corporate website where the public can access information on the Group.

The Group believes in encouraging shareholder participation at general meetings. A shareholder who is entitled to attend and vote may either vote in person or in absentia through the appointment of one or more proxies (who can either be named individuals nominated by the shareholder to attend the meeting or the Chairman of the meeting as the shareholder may select). The Company's Articles of Association allow a shareholder of the Company to appoint up to two proxies to attend and vote in place of the shareholder. Voting in absentia by mail, facsimile or email is currently not permitted to ensure proper authentication of the identity of shareholders and their voting intent.

The Board ensures that there are separate resolutions at general meetings of the Company. The external auditors are also present to address shareholders' queries on the conduct of audit and the preparation and content of the auditors' report.

The Chairman of each of the AC, RC and NC, or members of the respective Committees standing in for them, are present at each AGM, and other general meetings held by the Company, if any, to address shareholders' queries. Senior Management is also present at general meetings to respond, if necessary, to operational questions from shareholders that may be raised.

CONDUCT OF SHAREHOLDER MEETINGS

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

The Company's main forum for dialogue and interaction with shareholders takes place at its AGM, where the members of the Board, Senior Management and the external auditors are in attendance. At the AGM, shareholders are given the opportunity to air their views and ask questions regarding the Company.

CORPORATE GOVERNANCE REPORT

The Company has been conducting poll voting at all of its general meetings since 2014. Where a poll is conducted at a general meeting, the detailed voting results of each of the resolutions tabled will be announced at the meeting. The results of the poll voting stating total numbers of votes cast for or against the resolutions will also be announced after the meeting via SGXNET.

The Company's policy on the payment of dividends (excluding special dividends) is to endeavour to pay up to fifty percent (50%) of net profit after tax, barring unforeseen circumstances. In considering the level of dividend payments, the Board takes into account various factors including the level of available cash, the return on equity and retained earnings and projected level of capital expenditure and other investment plans.

(E) DEALING IN SECURITIES

The Company has clear guidelines for dealings in securities by Directors and employees. CHO's Directors and employees are prohibited from dealing in CHO's shares for the period of two weeks prior to the announcement of quarterly results and a period of one month prior to the announcement of year-end results. In addition, Directors and executives are also expected to observe insider trading laws at all times even when dealing in securities within permitted trading periods. Employees who attend management committee meetings have to observe the "closed window" periods.

(F) MATERIAL CONTRACTS

There were no material contracts of the Company or its subsidiaries involving the interests of the CEO, directors or controlling shareholders during the financial year ended 30 June 2015

(G) INTERESTED PERSON TRANSACTIONS

The Company has put in place an internal procedure to track interested person transactions ("IPTs") of the Company. The Finance Department is in charge of maintaining a register of the Company's IPTs in accordance with the reporting requirements stipulated in Chapter 9 of the SGX-ST Listing Manual. All IPTs are disclosed in the Company's Annual Report.

The aggregate value of interested person transactions entered into prior to the completion of Voluntary Unconditional Cash Offer, i.e. from 1 July 2014 to 27 February 2015 under review is as follows:

Interested Person Transactions	Aggregate value of all IPTs during the financial period under review (excluding transactions less than S$100,000/US$80,000)
	S$'000/US$'000
Chuan Hup Holdings Limited Group of Companies[(1)]	224 / 177

Note:

(1) Mr Peh Kwee Chim was a Non-Executive Director and controlling shareholder of the Company from 1 July 2014 to 27 February 2015.

CORPORATE GOVERNANCE REPORT

After the completion of Voluntary Unconditional Cash Offer, i.e. from 28 February 2015 to 30 June 2015 under review, there were no interested person transactions entered into by the Group, in accordance with Rule 907 of the Listing Rules.

CONCLUSION

The Company recognises the importance of good corporate governance practices for maintaining and promoting investor confidence. The Company will continue to review and improve its corporate governance practices on an ongoing basis.

DISCLOSURE ON COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

Guideline	Questions	How has the Company complied?
General	(a) Has the Company complied with all the principles and guidelines of the Code? If not, please state the specific deviations and the alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.	(a) The Company has complied with all the principles and guidelines of the Code, save for the following: (i) Number of Board Representation The NC and the Board have not made a determination of the maximum number of board representation a Director may hold. (ii) Disclosure of the remuneration of directors and key management personnel The remuneration of the top three key executives in the Group who are not Directors of the Company is shown in bands of US$250,000. Due to the sensitivity and confidentiality of remuneration matters, the Board is of the view that it is in the best interests of the Company not to disclose the remuneration of each individual Director and key management personnel in dollar terms.

CORPORATE GOVERNANCE REPORT

Guideline	Questions	How has the Company complied?
	(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines in the Code?	(b) The alternative practices adopted by the Company are as follows: (ii) Number of Board Representation The NC and the Board are of the view that, setting a maximum number of listed company board representations a Director should have is not meaningful, as the contribution of each Director would depend on their individual circumstances, including whether they have a full time vocation or other responsibilities. Notwithstanding the number of listed company board representations and other principal commitments which the Directors held, the NC was of the view that they were able to devote sufficient time and attention to the affairs of the Company. (ii) Disclosure of the remuneration of directors and key management personnel The RC reviews and recommends the remuneration packages for the directors, CEO and key management personnel. It is to ensure that the remuneration structure is competitive and sufficient to attract, retain and motivate Directors and key management personnel to run the Company successfully in order to maximize shareholders' value. The members of the RC do not participate in any decisions concerning their own remuneration.
Board Responsibility		
GUIDELINE 1.5	What are the types of material transactions which require approval from the Board?	Please refer to Principle 1 of the Corporate Governance Report.
Members of the Board		
GUIDELINE 2.6	(a) What is the Board's policy with regard to diversity in identifying director nominees?	(a) The Board believes in having an appropriate balance and diversity of skills, experience, gender and knowledge.

CORPORATE GOVERNANCE REPORT

Guideline	Questions	How has the Company complied?
	(b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate. (c) What steps has the Board taken to achieve the balance and diversity necessary to maximize its effectiveness?	(b) The Board consists of six members (five male and one female), two of whom are independent Directors. Members of the Board are professionals from diverse backgrounds with varied experience from accounting, finance, legal, business, management, human resource, industry knowledge and know-how. (c) The NC examines the Board size with a view towards determining the impact of its effectiveness. The composition of the Board is also reviewed on an annual basis to ensure the Board has appropriate mix of expertise and experience.
GUIDELINE 4.6	Please describe the board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) re-electing incumbent directors.	The following directors were appointed during financial year ended 30 June 2015:– (a) Mr Thia Peng Heok George; (b) Mr Tan Kian Huay; and (c) Mr James William Noe. Ms Tan Sooh Whye was appointed on 3 July 2015. Please refer to the Principle 4 of the Corporate Governance Report for details on the nomination process.
GUIDELINE 1.6	(a) Are new directors given formal training? If not, please explain why. (b) What are the types of information and training provided to (i) new directors and (ii) existing directors to keep them up-to-date?	(a) Appropriate external training in areas such as financial, legal and industry-specific knowledge is arranged for new directors, where necessary. (b) The directors have been made aware of and are familiar with their duties and obligations. They will also be briefed from time to time on regulatory changes.
GUIDELINE 4.4	(a) What is the maximum number of listed company board representations that the Company has prescribed for its directors? What are the reasons for this number?	(a) The NC and the Board share the view that it would not be appropriate to set a maximum number of directorships that a director may hold.

CORPORATE GOVERNANCE REPORT

Guideline	Questions	How has the Company complied?
	(b) If a maximum number has not been determined, what are the reasons?	(b) The reason that a maximum number has not been determined is because the contribution of each director would depend on his/her individual circumstances, including whether he/she has other principal commitments, full time positions and other additional responsibilities.
	(c) What are the specific considerations in deciding on the capacity of directors?	(c) The factors taken into consideration in deciding on the capacity of Directors include Directors' attendance, participation, contribution at meetings, preparedness for meeting, etc.
Board Evaluation		
GUIDELINE 5.1	(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?	(a) Please refer to Principle 5 of the Corporate Governance Report.
	(b) Has the Board met its performance objectives?	(b) Yes. The NC has assessed the current Board's performance to-date and is of the view that the performance of the Board as a whole was satisfactory.
Independence of Directors		
GUIDELINE 2.1	Does the Company comply with the guideline on the proportion of independent directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.	The Company maintains a satisfactory independent element on the Board by having two Independent Directors out of a total of six Board members. It is in compliance with the Guideline 2.1 where at least one-third of the Board has to be independent. As the Company's Chairman is not an Independent Director, half of the Board has to be independent. The Company is aware of the requirement and undertakes to make the necessary board composition changes by the stipulated deadline. The Company has to meet the requirement at its AGM following the end of the financial year commencing on or after 1 May 2016.

CORPORATE GOVERNANCE REPORT

Guideline	Questions	How has the Company complied?
GUIDELINE 2.3	(a) Is there any director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the director and specify the nature of such relationship. (b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	(a) No (b) Not applicable
GUIDELINE 2.4	Has any independent director served on the Board for more than nine years from the date of his first appointment? If so, please identify the director and set out the Board's reasons for considering him independent.	No
Disclosure on Remuneration		
GUIDELINE 9.2	Has the Company disclosed each director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	The Company has disclosed a breakdown of each Director's and the CEO's remuneration (in percentage terms) into Directors' fee, fixed and variable components, but did not disclose the exact dollar terms of their remuneration as such details are sensitive in nature.

CORPORATE GOVERNANCE REPORT

Guideline	Questions	How has the Company complied?
GUIDELINE 9.3	(a) Has the Company disclosed each key management personnel's remuneration, in bands of S$250,000 or in more detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	(a) The Company has disclosed a breakdown key management personnel's remuneration (in percentage terms) into base salary, variable and other benefits, but did not disclose in dollar terms as the remuneration of the key management personnel is a commercially sensitive matter, given that the Company operates in a highly competitive environment where potential poaching of employees by competitors is fairly common.
	(b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not directors or the CEO).	(b) The Company is not in favour of disclosing the aggregate remuneration paid to the top three key management personnel (who are not directors or the CEO) due to the sensitive nature of such information. It is not in the best interest of the Company as the industry which the Company operates in is highly competitive environment in respect of the recruitment of experienced executives.
GUIDELINE 9.4	Is there any employee who is an immediate family member of a director or the CEO, and whose remuneration exceeds S$50,000 during the year? If so, please identify the employee and specify the relationship with the relevant director or the CEO.	The Company does not have any employee who is an immediate family member of a Director.
GUIDELINE 9.6	(a) Please describe how the remuneration received by executive directors and key management personnel has been determined by the performance criteria.	(a) Please refer to Principle 9 of the Corporate Governance Report.

CORPORATE GOVERNANCE REPORT

Guideline	Questions	How has the Company complied?
	(b) What were the performance conditions used to determine their entitlement under the short-term and long-term incentive schemes? (c) Were all of these performance conditions met? If not, what were the reasons?	(b) Please refer to Principle 9 of the Corporate Governance Report. (c) Yes.
Risk Management and Internal Controls		
GUIDELINE 6.1	What types of information does the Company provide to independent directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?	Please refer to Principle 6 of the Corporate Governance Report.
GUIDELINE 13.1	Does the Company have an internal audit function? If not, please explain why.	Please refer to Principle 13 of the Corporate Governance Report.
GUIDELINE 11.3	(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.	(a) Please refer to Principle 11 of the Corporate Governance Report.

CORPORATE GOVERNANCE REPORT

Guideline	Questions	How has the Company complied?
	(b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the internal auditor that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?	(b) Please refer to Principle 11 of the Corporate Governance Report.
GUIDELINE 12.6	(a) Please provide a breakdown of the fees paid in total to the external auditors for audit and non-audit services for the financial year. (b) If the external auditors have supplied substantial volume of non-audit services to the Company, please state the bases for the Audit Committee's view on the independence of the external auditors.	(a) During the year under review, the aggregate of fees paid to the external auditors was S$127,700, comprising S$96,300 for audit services and S$31,400 for non-audit services. (b) The AC has undertaken a review of all the non-audit services provided by external auditors during the year is satisfied that such services would not, in the AC's opinion, affect the independence and objectivity of the external auditors.
Communication with Shareholders		
GUIDELINE 15.4	(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?	(a) Please refer to Principles 15 and 16 of the Corporate Governance Report.

CORPORATE GOVERNANCE REPORT

Guideline	Questions	How has the Company complied?
	(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	(b) The Group has specifically entrusted an investor relations team comprising the Non-Executive Chairman, the CEO and the CFO with the responsibility of facilitating communications with shareholders and analysts and attending to their queries or concerns.
	(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?	(c) Please refer to Principles 15 and 16 of the Corporate Governance Report.
GUIDELINE 15.5	If the Company is not paying any dividends for the financial year, please explain why.	The Directors have declared a one-tier tax exempt Interim Special Dividend of 9 SG cents per ordinary share during the financial year ended 30 June 2015. The Directors have recommended a one-tier tax exempt Final Dividend of 2 SG cents per ordinary share and a one-tier tax exempt Special Dividend of 12.5 SG cents per ordinary share for the financial year ended 30 June 2015.

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements of the Group and the statement of financial position, statement of profit or loss and other comprehensive income and statement of changes in equity of the Company for the financial year ended June 30, 2015.

1 DIRECTORS

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

Mr Tan Pong Tyea	
Mr Gan Wah Kwang	
Mr Thia Peng Heok George	(Appointed on March 30, 2015)
Mr Tan Kian Huay	(Appointed on March 30, 2015)
Mr James William Noe	(Appointed on April 27, 2015)
Ms Tan Sooh Whye	(Appointed on July 3, 2015)

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors to acquire benefits by means of the acquisition of shares in the Company or any other body corporate.

3 DIRECTORS' INTERESTS IN SHARES

The directors of the Company holding office at the end of the financial year and their interests in the share capital of the Company as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Cap. 50, are as follows:

	Shareholdings registered in name of directors		Shareholdings in which directors are deemed to have an interest	
Name of directors and companies in which interests are held	**At beginning of the year**	**At end of year**	**At beginning of the year**	**At end of year**
The Company (Ordinary shares)				
Mr Tan Pong Tyea	–	–	205,000,000#	611,406,281#

Deemed to have an interest in the shares by virtue of Section 7 of the Singapore Companies Act, Cap. 50.

REPORT OF THE DIRECTORS

The directors' interests in the shares of the Company as at July 21, 2015 were the same as at June 30, 2015.

Mr Tan Pong Tyea is deemed to have an interest in all the related corporations of the Company by virtue of Section 7 of the Singapore Companies Act, Cap. 50.

4 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, Cap. 50, 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 for salaries, bonuses and other benefits as disclosed in the financial statements.

5 OPTIONS TO TAKE UP UNISSUED SHARES

During the financial year, no option to take up unissued shares of the Company or any corporation in the Group was granted.

6 OPTIONS EXERCISED

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

7 UNISSUED SHARES UNDER OPTION

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

8 AUDIT COMMITTEE

The Audit Committee carries out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Cap. 50, and the Singapore Exchange Securities Trading Limited Listing Manual. The functions carried out are detailed in the Company's Corporate Governance Report which is included in the Annual Report for the financial year ended June 30, 2015.

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

The Audit Committee has recommended to the Board of Directors that the auditors, Deloitte & Touche LLP, be nominated for re-appointment as independent auditors at the forthcoming Annual General Meeting of the Company.

REPORT OF THE DIRECTORS

9 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

Mr James William Noe

Mr Gan Wah Kwang

August 12, 2015

STATEMENT OF DIRECTORS

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position, statement of profit or loss and other comprehensive income and statement of changes in equity of the Company set out on pages 54 to 96 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at June 30, 2015 and the financial performance, changes in equity of the Group and of the Company and cash flows of the Group for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

ON BEHALF OF THE DIRECTORS

Mr James William Noe

Mr Gan Wah Kwang

August 12, 2015

INDEPENDENT AUDITORS' REPORT

To The Members Of CH Offshore Ltd

Report on the Financial Statements

We have audited the accompanying financial statements of CH Offshore Ltd (the "Company") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and the Company as at June 30, 2015, the statements of profit or loss and other comprehensive income, and statements of changes in equity of the Group and the Company and the consolidated statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 54 to 96.

Management's Responsibility for the Financial Statements

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

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 ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position, statement of profit or loss and other comprehensive income and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at June 30, 2015 and the financial performance, changes in equity of the Group and of the Company and cash flows of the Group for the year ended on that date.

INDEPENDENT AUDITORS' REPORT

To The Members Of CH Offshore Ltd

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 the subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche LLP

DELOITTE & TOUCHE LLP
Public Accountants and
Chartered Accountants

Singapore
August 12, 2015

STATEMENTS OF FINANCIAL POSITION

As at June 30, 2015

	Note	Group 2015 US$'000	Group 2014 US$'000	Company 2015 US$'000	Company 2014 US$'000
ASSETS					
Current assets					
Cash and cash equivalents	7	139,047	79,949	138,540	79,394
Trade receivables	8	4,729	7,422	3,090	4,493
Other receivables and prepayments	9	308	302	28,540	34,233
Total current assets		144,084	87,673	170,170	118,120
Non-current assets					
Subsidiary companies	10	–	–	8,751	8,751
Associated companies	11	35,901	33,608	4,986	5,083
Club membership		3	3	3	3
Fixed assets	12	135,249	137,333	76,109	78,413
Total non-current assets		171,153	170,944	89,849	92,250
Total assets		315,237	258,617	260,019	210,370
LIABILITIES AND EQUITY					
Current liabilities					
Trade payables	13	17,088	8,981	20,206	14,175
Other payables	14	3,000	3,000	61,741	57,936
Other payables – deferred gain	15	403	403	–	–
Dividend payables		47,197	–	47,197	–
Total current liabilities		67,688	12,384	129,144	72,111
Non-current liability					
Other payables – deferred gain	15	5,849	6,252	–	–
Capital and reserves					
Issued capital	16	55,379	55,379	55,379	55,379
Accumulated profits		186,321	184,602	75,496	82,880
Total equity		241,700	239,981	130,875	138,259
Total liabilities and equity		315,237	258,617	260,019	210,370

See accompanying notes to the financial statements.

STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
Year ended June 30, 2015

	Note	Group 2015 US$'000	Group 2014 US$'000	Company 2015 US$'000	Company 2014 US$'000
Revenue	17	32,490	35,137	19,772	20,145
Cost of sales	18	(5,240)	(4,500)	(3,165)	(1,866)
Gross profit before direct depreciation		27,250	30,637	16,607	18,279
Others – direct depreciation		(7,466)	(7,322)	(4,298)	(4,213)
Gross profit		19,784	23,315	12,309	14,066
Other income	19	60,461	63	60,476	25
Other expenses	21(b)	(6,444)	(46)	(6,425)	(24)
Administrative expenses		(4,607)	(3,651)	(3,475)	(2,451)
Profit before income tax and results of associated companies		69,194	19,681	62,885	11,616
Share of results of associated companies	11	2,794	5,370	–	–
Profit before income tax		71,988	25,051	62,885	11,616
Income tax credit	20	–	30	–	30
Profit for the year, representing total comprehensive income for the year	21(a)	71,988	25,081	62,885	11,646
Earnings per share:					
Basic and fully diluted (US cents)	22	10.21	3.56		

See accompanying notes to the financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended June 30, 2015

	Issued capital US$'000	Accumulated profits US$'000	Total US$'000
Group			
Balance at July 1, 2013	55,379	170,611	225,990
Profit for the year, representing total comprehensive income for the year	–	25,081	25,081
Dividends representing transactions with owners, recognised directly in equity (Note 23)	–	(11,090)	(11,090)
Balance at June 30, 2014	55,379	184,602	239,981
Profit for the year, representing total comprehensive income for the year	–	71,988	71,988
Dividends representing transactions with owners, recognised directly in equity (Note 23)	–	(70,269)	(70,269)
Balance at June 30, 2015	55,379	186,321	241,700

See accompanying notes to the financial statements.

STATEMENTS OF
CHANGES IN EQUITY
Year ended June 30, 2015

	Issued capital US$'000	Accumulated profits US$'000	Total US$'000
Company			
Balance at July 1, 2013	55,379	82,324	137,703
Profit for the year, representing total comprehensive income for the year	–	11,646	11,646
Dividends representing transactions with owners, recognised directly in equity (Note 23)	–	(11,090)	(11,090)
Balance at June 30, 2014	55,379	82,880	138,259
Profit for the year, representing total comprehensive income for the year	–	62,885	62,885
Dividends representing transactions with owners, recognised directly in equity (Note 23)	–	(70,269)	(70,269)
Balance at June 30, 2015	55,379	75,496	130,875

See accompanying notes to the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended June 30, 2015

	2015 US$'000	2014 US$'000
Operating activities		
Profit before income tax and results of associated companies	69,194	19,681
Adjustments for:		
Depreciation	7,491	7,368
Interest income	(672)	(517)
Net foreign exchange gain – unrealised	(460)	(29)
Settlement income[1]	(60,000)	–
Operating profit before working capital changes	15,553	26,503
Trade receivables	46,643	(1,350)
Other receivables and prepayments	(4)	744
Trade payables	8,107	(744)
Cash generated from operations	70,299	25,153
Interest received	670	484
Settlement income – other[1]	16,050	–
Income tax paid	–	(49)
Net cash from operating activities	87,019	25,588
Investing activities		
Purchases of fixed assets	(5,407)	(1,075)
Repayment of non-trade receivable from an associated company	98	843
Net cash used in investing activities	(5,309)	(232)
Financing activity		
Dividends paid, representing net cash used in financing activity (Note 23)	(22,451)	(11,090)
Net increase in cash and cash equivalents	59,259	14,266
Cash and cash equivalents at beginning of the year	79,949	65,655
Effects of exchange rate changes on the balance of cash held in foreign currencies	(161)	28
Cash and cash equivalents at end of the year	139,047	79,949

Notes to the consolidated statement of cash flows:

(1) Included in the settlement income (Note 19) is an amount of US$43,950,000 relating to the receipt of trade receivables that was fully provided for in 2013. The remaining amount arising from this settlement income relates to additional charter hire in relation to the previous charter contract and compensation recovered from the counter party.

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended June 30, 2015

1 GENERAL

The Company (Registration No. 197600666D) is listed on the Singapore Exchange Securities Trading Limited and is incorporated in the Republic of Singapore with its principal place of business and registered office at 388 Jalan Ahmad Ibrahim, Singapore 629157. The financial statements are expressed in United States Dollars.

On February 27, 2015, Energian Pte. Ltd., which is a wholly-owned subsidiary of Falcon Energy Group Limited ("FEG"), acquired some of the issued ordinary shares in the capital of CH Offshore Ltd ("CHO") via a cash takeover. The aggregate holdings of CHO shares held by FEG amounted to 611,406,281, which represents approximately 86.71% (June 30, 2014: 29.07%) of the total number of issued CHO shares. Pursuant to the takeover, the immediate and ultimate holding companies of CHO is Energian Pte. Ltd. and FEG respectively.

The principal activities of the Company are investment holding and the owning and chartering of vessels.

The principal activities of the subsidiaries and associated companies are set out in Notes 10 and 11 to the financial statements respectively.

The consolidated financial statements of the Group and statement of financial position, statement of profit or loss and other comprehensive income and statement of changes in equity of the Company for the year ended June 30, 2015 were authorised for issue by the board of directors on August 12, 2015.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING – The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50, and Singapore Financial Reporting Standards ("FRS").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 *Share-based Payment*, leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets*.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

ADOPTION OF NEW AND REVISED STANDARDS – On July 1, 2014, the Group adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior years except as disclosed below:

Impact of the application of FRS 112

FRS 112 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of FRS 112 has resulted in more extensive disclosures in the consolidated financial statements.

At the date of authorisation of these financial statements, the following new/revised FRSs and amendments to FRS that are relevant to the Group and the Company were issued but not effective:

- Amendments to FRS 1 *Presentation of Financial Statements: Disclosure Initiative*
- FRS 115 *Revenue from Contracts with Customers*
- FRS 109 *Financial Instruments*

Consequential amendments were also made to various standards as a result of these new/revised standards.

Management anticipates that the adoption of the above FRSs that were issued but effective only in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption except for the following:

NOTES TO THE
FINANCIAL STATEMENTS
Year ended June 30, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Amendments to FRS 1 *Presentation of Financial Statements: Disclosure Initiative*

The amendments have been made to the following:

- Materiality and aggregation – An entity shall not obscure useful information by aggregating or disaggregating information and materiality considerations apply to the primary statements, notes and any specific disclosure requirements in FRSs.
- Statement of financial position and statement of profit or loss and other comprehensive income – The list of line items to be presented in these statements can be aggregated or disaggregated as relevant. Guidance on subtotals in these statements has also been included.
- Presentation of items of other comprehensive income ("OCI") arising from equity-accounted investments – An entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single items based on whether or not it will subsequently be reclassified to profit or loss.
- Notes – Entities have flexibility when designing the structure of the notes and guidance is introduced on how to determine a systematic order of the notes. In addition, unhelpful guidance and examples with regard to the identification of significant accounting policies are removed.

Amendments to FRS 1 *Presentation of Financial Statement: Disclosure Initiative* will take effect from financial years beginning on or after January 1, 2016.

Management is still currently evaluating the impact from applying the new FRS.

FRS 115 *Revenue from Contracts with Customers*

In November 2014, FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 *Revenue*, FRS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of FRS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

NOTES TO THE
FINANCIAL STATEMENTS
Year ended June 30, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. More prescriptive guidance has been added in FRS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by FRS 115.

FRS 115 will take effect from financial years beginning on or after January 1, 2017.

Management is still currently evaluating the impact from applying the new FRS.

FRS 109 *Financial Instruments*

FRS 109 *Financial Instruments* issued in December 2014 replaces FRS 39 *Financial Instruments* introduced new requirements for the classification and measurement of financial instruments, as well as a new impairment model for financial assets. In addition, it also sets out new requirements for general hedge accounting.

Key requirements for FRS 109 that may be relevant to the Group and the Company:

In relation to the impairment of financial assets, FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

FRS 109 will take effect from financial years beginning on or after January 1, 2018.

Management is still currently evaluating the impact from applying the new FRS.

BASIS OF CONSOLIDATION – The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

NOTES TO THE
FINANCIAL STATEMENTS
Year ended June 30, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

NOTES TO THE FINANCIAL STATEMENTS

Year ended June 30, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable FRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's financial statements, investments in subsidiaries and associates are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

BUSINESS COMBINATIONS – Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with FRS 39 *Financial Instruments: Recognition and Measurement*, or FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

NOTES TO THE FINANCIAL STATEMENTS

Year ended June 30, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the FRS are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 *Income Taxes* and FRS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in FRS 102 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date – and is subject to a maximum of one year from acquisition date.

The accounting policy for initial measurement of non-controlling interests is described above.

The policy described above is applied to all business combinations that take place on or after January 1, 2010.

FINANCIAL INSTRUMENTS – Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

NOTES TO THE FINANCIAL STATEMENTS

Year ended June 30, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest rate basis for debt instruments.

Financial assets

All financial assets are recognised and de-recognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit and loss which are initially measured at fair value.

Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value, and subsequently measured at amortised cost using the effective interest method, except for short-term receivables when the recognition of interest would be immaterial. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

For all financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables where the carrying amount is reduced through the use of an allowance account. When a trade and other receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

In a subsequent period, if the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risk and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the assets and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

NOTES TO THE FINANCIAL STATEMENTS

Year ended June 30, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method, except for short-term balances when the recognition of interest would be immaterial.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired.

ASSOCIATED COMPANIES – An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associated companies are incorporated in the consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, investments in an associated company is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associated companies. When the Group's share of losses of an associated company equals or exceeds its interest in that associated company (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses.

Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associated company.

An investment in an associated company is accounted for using the equity method from the date on which the investee becomes an associated company. On acquisition of the investment in an associated company, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

NOTES TO THE FINANCIAL STATEMENTS

Year ended June 30, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The requirements of FRS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associated company. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with FRS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less cost to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with FRS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associated company, or when the investment is classified as held for sale. When the Group retains an interest in the former associated company and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with FRS 39. The difference between the carrying amount of the associated company at the date the equity method was discontinued and the fair value of any retained interest and any proceeds from the disposal of a part interest in the associate or joint venture is included in the determination of the gain and loss on disposal of the associate or joint venture. In addition, the Group accounts of all amounts previously recognised in other comprehensive income in relation to that associated company on the same basis as would be required if that associated company had directly disposed of the related assets and liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associated company would be reclassified to profit or loss on the disposal of the related assets and liabilities, the Group reclassifies the gain or loss from the equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use equity method when an investment in an associated company becomes an investment in joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associated company but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with its associated company of the Group, profits and losses resulting from the transactions with the associated company are recognised in the Group's consolidated financial statements only to the extent of interests in the associated company that are not related to the Group.

NOTES TO THE
FINANCIAL STATEMENTS
Year ended June 30, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

LEASES – Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The Group and Company do not enter into any finance leases.

The Group as lessor

Charter hire income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

The Group as lessee

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

FIXED ASSETS – Fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses.

Construction-in-progress consists of construction costs, related acquisition expenses and finance costs incurred during the period of construction. Finance costs that are directly attributable to the construction of an asset are capitalised as part of the cost of the asset.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Vessels	–	4% to 6.10%
Drydocking expenditure	–	20%
Furniture, fittings and equipment	–	10% to 33%
Motor vehicles	–	20%

Depreciation is not provided on construction-in-progress.

Subsequent additions to the vessel is stated at cost and depreciated on a straight-line basis over the vessel's remaining useful life at the date on which cost are incurred.

Drydocking expenditure refers to major inspections and overhauls which are required at regular intervals of 5 years over the useful life of the vessels to allow the continued use of the vessels. When each major inspection and overhaul is performed, its cost is recognised in the carrying amount of the vessels as a replacement if the following recognition criteria are met:

(i) it is probable that future economic benefits associated with the asset will flow to the entity; and

NOTES TO THE
FINANCIAL STATEMENTS
Year ended June 30, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(ii) the cost of the asset to the entity can be measured reliably.

Any remaining carrying amount of the cost of the previous inspection is derecognised.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on disposal or retirement of an item of fixed assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Fully depreciated assets still in use are retained in the financial statements.

IMPAIRMENT OF TANGIBLE ASSETS – At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

CLUB MEMBERSHIP – Club membership is held on a long term basis, which is stated at purchase cost less accumulated impairment loss.

PROVISIONS – Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

NOTES TO THE FINANCIAL STATEMENTS

Year ended June 30, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

REVENUE RECOGNITION – Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue from charter hire is recognised on an accrual basis but is deferred when the terms of billing have not been agreed by third parties or when certain conditions necessary for realisation are yet to be fulfilled. Vessel charter income is recognised on a daily basis in accordance to the terms and conditions of the charter agreement.

Revenue from the rendering of services that are of a short duration is recognised when the services are completed.

Management fee and agency fee earned from rendering of services is recognised over the service period.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

RETIREMENT BENEFIT COSTS – Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

EMPLOYEE LEAVE ENTITLEMENT – Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

REPAIRS AND MAINTENANCE OF VESSELS – The cost of minor repairs and maintenance is recognised in profit or loss as and when it is incurred.

NOTES TO THE FINANCIAL STATEMENTS

Year ended June 30, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

INCOME TAX – Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis. Current and deferred tax are recognised as an expense or income in profit or loss.

NOTES TO THE
FINANCIAL STATEMENTS
Year ended June 30, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION – The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the Company are presented in United States Dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in United States Dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity, shall be reclassified from equity to profit or loss (as a reclassification adjustment) when the gain or loss on disposal is recognised.

CASH AND CASH EQUIVALENTS – Cash and cash equivalents comprise cash on hand, bank balances and demand deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

NOTES TO THE
FINANCIAL STATEMENTS
Year ended June 30, 2015

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The following critical judgement, apart from those involving estimations (see below), has been made by management in the process of applying the Group's accounting policies and that has the most significant effect on the amounts recognised in the financial statements:

Deferred taxation

No Singapore income tax is payable on the profits if the Group's income is derived from shipping operations from Singapore registered vessels under Section 13A of the Singapore Income Tax Act, Cap. 134. During the financial year ended June 30, 2012, a vessel held by one of the subsidiaries changed its flag from Singapore to a foreign flag. During the financial year ended June 30, 2014, 3 other vessels held by the Company, also changed their flags from Singapore to foreign flags.

Consequently, income derived from shipping operations from such vessels is no longer exempted from tax under Section 13A. Management is of the view that the vessels are unlikely to be sold in the near future and economic benefits will continue to be derived through use of vessels, except for one vessel, whereby the customer has an option to buy the vessel at the end of the contract. The impact of the sale of a vessel, if any, is assessed to be immaterial. In the event of expiry or early termination of the charter agreements, the vessels will be registered in Singapore. Accordingly, no deferred tax liabilities have been recognised as at the end of the reporting period.

Key sources of estimation uncertainty

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

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Useful lives and residual value of fixed assets

As described in Note 2, the Group reviews the estimated useful lives and residual value of fixed assets at the end of each annual reporting period so as to write off the cost of fixed assets over their estimated useful lives, using the straight-line method. In determining the residual values and useful lives of vessels, management considers used vessels market prices, expected usage, maintenance and repair cost, technical or commercial obsolescence and legal and similar limits to their use.

The depreciation expense and carrying value of fixed assets are disclosed in Note 12.

Impairment of investments in subsidiaries and associates

Determining whether investments in subsidiaries and associates are impaired requires an estimation of the recoverable amount of the investments. Management has evaluated the recoverability of the investments based on estimated recoverable amount of the subsidiaries and associates, and is confident that no allowance for impairment is necessary.

The carrying amount of the investments in subsidiaries and associates are disclosed in Notes 10 and 11 to the financial statements respectively.

Impairment of fixed assets

As described in Note 2, determining whether the fixed assets have suffered an impairment loss requires management to assess on an annual basis if there is any indication of impairment, and when any indication exists, management is required to exercise their judgement in estimating the recoverable amount of the fixed assets.

Fixed assets and accumulated depreciation accounts have been reduced in respect of all items which have been sold, scrapped or which are otherwise no longer usable. The carrying amounts of fixed assets are not in excess of their recoverable accounts. Management has assessed based on external and internal sources of information relating to the fixed assets and is of the view that there is no indication of impairment.

Recoverability of trade receivables

As at June 30, 2015, the Group recorded gross trade receivables from third parties of US$4,716,000 (2014: US$51,275,000).

The assessment of recoverability of trade receivables is based on the ongoing evaluation of collectability and ageing analysis of the outstanding debts and on management's estimate of the ultimate realisation of these trade receivables, including creditworthiness and the past collection history of each debtor.

The carrying amount of the trade receivables is disclosed in Note 8 to the financial statements.

NOTES TO THE

FINANCIAL STATEMENTS

Year ended June 30, 2015

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2015	2014	2015	2014
	US$'000	US$'000	US$'000	US$'000
Financial assets				
Trade and other receivables (including cash and cash equivalents)	143,989	87,578	170,101	118,071
Financial liabilities				
Trade and other payables	62,076	8,462	123,935	68,592

(b) Financial risk management policies and objectives

The Group's overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the Group. Management has in place processes and procedures to monitor the Group's risk exposures whilst balancing the costs associated with such monitoring and management against the costs of risk occurrence. Such processes and procedures are reviewed periodically for changes in market conditions and the Group's operations.

The main areas of financial risk faced by the Group are foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Group recognises that management of financial risk is an important aspect in its drive towards creating shareholders' value. Management oversees financial risk management and regularly reviews its policy governing risk management practices.

The Group does not hold or issue derivatives financial instruments for speculative purposes.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures these risks. Market risk exposures are measured using sensitivity analysis indicated below:

(i) Foreign exchange risk management

The Group is exposed to foreign currency risk on purchases that are denominated in a currency other than United States Dollars. The currencies giving rise to this risk are primarily Singapore Dollar, Malaysian Ringgit, Arab Emirates Dirham, Philippines Peso, Australian Dollar, Euro and Sterling Pound.

NOTES TO THE FINANCIAL STATEMENTS

Year ended June 30, 2015

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

The Group uses natural hedging opportunities like denominating the liabilities or costs in the same currency as the assets or revenue when there are currency exposures in the transactions whenever practicable.

The Group enters into derivatives financial instruments such as forward foreign currency exchange contracts to hedge foreign exchange risk. These financial instruments are utilised to provide a degree of certainty on cash flows. No such derivatives financial instruments were outstanding at the end of the reporting period. The Group is prohibited from entering into speculative transactions.

Carrying amounts of significant foreign currencies denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Group				Company			
	Liabilities		Assets		Liabilities		Assets	
	2015	2014	2015	2014	2015	2014	2015	2014
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Singapore Dollar	47,581	300	36,260	1,273	47,240	39	35,971	944
Australian Dollar	–	–	30	–	–	–	29	–
Malaysian Ringgit	–	40	28	70	–	–	–	–
Arab Emirates Dirham	135	–	–	–	48	–	–	–
Philippines Peso	–	–	52	63	–	–	–	–
Euro	386	–	–	–	8	–	–	–
Sterling Pound	94	–	7	–	–	–	–	–

Foreign currency sensitivity

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currencies exchange rate against the functional currency of each group entity. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency exchange rates.

If the foreign currencies strengthen by 10% against the functional currency of each group entity, profit before income tax will increase (decrease) by:

	Group impact		Company impact	
	2015	2014	2015	2014
	US$'000	US$'000	US$'000	US$'000
Singapore Dollar	(1,132)	97	(1,127)	91

NOTES TO THE FINANCIAL STATEMENTS

Year ended June 30, 2015

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

If the foreign currencies weaken by 10% against the functional currency of each group entity, profit before income tax will decrease (increase) by an equal amount above.

No sensitivity analysis has been presented for Australian dollar, Malaysian Ringgit, Arab Emirates Dirham, Philippines Peso, Euro and Sterling Pound as management does not expect any material effect on the Group's or Company's profit or loss with the fluctuation in those foreign currencies against the functional currency of each group entity.

(ii) Interest rate risk management

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing assets.

The interest rates of the interest bearing financial assets, representing bank balances and fixed deposits bearing fixed interest rates are disclosed in Note 7.

The Group and Company do not have any significant exposure to interest rate risk.

No sensitivity analysis is prepared as the Group and Company do not expect any material effect on the Group or Company's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the reporting period as these bear fixed interest rates.

(iii) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a pro-active approach in the extension of credit terms to trade customers, monitors its exposure to credit risk on an ongoing basis and only transacts with creditworthy institutions.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's maximum exposure to credit risk without taking into account of the value of any collateral obtained.

(iv) Concentration of credit risk

Concentration of credit risk exists when changes in economic, industry or geographical factors similarly affect Group of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure.

NOTES TO THE FINANCIAL STATEMENTS

Year ended June 30, 2015

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

The Group's credit exposure is concentrated mainly in the Africa, Americas, Vietnam and Middle East and is centralised on oil majors. It adopts a pro-active approach in its credit evaluation process, credit policies and credit control as well as collection procedures to manage the risk arising from the concentration of its credit exposure.

There is significant concentration of credit risk arising from a single customer which represents 57% (2014: 58%) of total trade receivables of the Group as at current financial year end. The management regularly reviews collectability and aging of the outstanding receivables and allowances for doubtful debts will be made if there are doubts over collectability.

(v) Liquidity risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group maintains sufficient cash and cash equivalents, and internally generated cash flows to finance their activities.

The Group closely monitors its working capital requirements and funds available. Management ensures sufficient liquidity through efficient cash management and centrally manages the liquidity of the Group and maintains adequate lines of credit with banks.

All the financial assets and financial liabilities of the Group and Company are on demand or due within one year from the end of the reporting period. The management is of the opinion that liquidity risk is minimal due to the short term nature.

(vi) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other receivables and payables and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

(c) Capital risk management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the equity balance.

The capital structure of the Group consists of equity attributable to owners of the Company, comprising issued capital and accumulated profits.

The Group's overall strategy remains unchanged from prior year.

NOTES TO THE
FINANCIAL STATEMENTS
Year ended June 30, 2015

5 TRANSACTIONS WITH SUBSIDIARIES

Some of the Group's transactions and arrangements are between members of the Group and the effect of these on the basis determined between the parties is reflected in these financial statements. The intercompany balances are unsecured, interest-free and repayable on demand.

Some transactions with subsidiaries, other than those disclosed elsewhere in the notes to the statements of profit or loss and other comprehensive income are as follows:

	Group		Company	
	2015	2014	2015	2014
	US$'000	US$'000	US$'000	US$'000
Agency fees paid to a subsidiary company	–	–	330	315

6 OTHER RELATED PARTIES TRANSACTIONS

The Group's immediate and ultimate holding companies are Energian Pte. Ltd. and Falcon Energy Group Limited respectively. Both companies are incorporated in Singapore. Related companies in these financial statements refer to members of the ultimate holding company's group of companies.

Some of the Group and Company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Some related parties transactions with entities with common direct or indirect shareholders, other than those disclosed elsewhere in the notes to the statements of profit or loss and other comprehensive income are as follows:

	Group		Company	
	2015	2014	2015	2014
	US$'000	US$'000	US$'000	US$'000
Management and agency fee earned from associated companies (Note 17)	(648)	(648)	–	–
Rental paid to a subsidiary of a previous major shareholder	141	208	52	80

NOTES TO THE FINANCIAL STATEMENTS
Year ended June 30, 2015

6 OTHER RELATED PARTIES TRANSACTIONS (CONT'D)

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year is as follows:

	Group	
	2015 US$'000	2014 US$'000
Short-term benefits	1,031	1,110
Post-employment benefits	14	17
	1,045	1,127

The remuneration of directors and key management is determined by the remuneration committee having regard to the performance of individuals and market trends.

7 CASH AND CASH EQUIVALENTS

	Group		Company	
	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000
Cash on hand	14	7	–	–
Cash at bank	81,255	11,546	80,762	11,033
Fixed deposits	57,778	68,396	57,778	68,361
	139,047	79,949	138,540	79,394

The fixed deposits bear interest at rates ranging from 0.4% to 2.8% (2014: 0.23% to 2.72%) per annum.

8 TRADE RECEIVABLES

	Group		Company	
	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000
Outside parties	4,716	51,275	3,012	48,353
Allowance for doubtful receivables				
– outside party	–	(43,950)	–	(43,950)
Associated companies (Notes 6 and 11)	13	97	–	–
Subsidiary companies (Notes 5 and 10)	–	–	78	90
	4,729	7,422	3,090	4,493

NOTES TO THE FINANCIAL STATEMENTS

Year ended June 30, 2015

8 TRADE RECEIVABLES (CONT'D)

During the year, the average credit terms granted to customers ranged from 30 to 45 days (2014: 30 to 45 days) upon receipt of invoice. No interest is charged on the overdue trade receivables.

Included in the Group's and Company's trade receivable balance are US$2,249,000 (2014: US$2,810,000) and US$1,460,000 (2014: US$1,493,000) respectively which are past due at the end of the financial year for which the Group and Company have not provided for any impairment loss as there has not been a significant change in credit quality and the amounts are still considered recoverable.

The Group deals with customers who are mainly creditworthy oil majors or their preferred service providers. In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the financial year. Accordingly, management believes that there is no further credit provision required in excess of the allowance for the doubtful debts. The trade receivables that are neither past due nor impaired related to customers that the Group has assessed to be creditworthy, based on the credit evaluation process performed by management.

The table below is an analysis of trade receivables, from outside parties as at end of the reporting period:

	Group		Company	
	2015	2014	2015	2014
	US$'000	US$'000	US$'000	US$'000
Not past due and not impaired	2,467	4,515	1,552	2,910
Past due but not impaired (i)	2,249	2,810	1,460	1,493
	4,716	7,325	3,012	4,403
Impaired receivables	–	43,950	–	43,950
Less: Allowance for impairment	–	(43,950)	–	(43,950)
	–	–	–	–
Total trade receivables, net	4,716	7,325	3,012	4,403

(i) Aging of receivables that are past due but not impaired:

	Group		Company	
	2015	2014	2015	2014
	US$'000	US$'000	US$'000	US$'000
< 3 months	1,937	2,810	1,145	1,493
3 months to 6 months	312	–	315	–
	2,249	2,810	1,460	1,493

NOTES TO THE FINANCIAL STATEMENTS

Year ended June 30, 2015

8 TRADE RECEIVABLES (CONT'D)

Movement in allowance for doubtful debts:

	Group		Company	
	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000
Balance at beginning of year	43,950	43,950	43,950	43,950
Credit to profit or loss	(43,950)	–	(43,950)	–
Balance at end of year	–	43,950	–	43,950

The Group and the Company had recognised an allowance for doubtful receivables of US$43,950,000 in prior year, which was assessed individually and determined on the basis that legal proceedings had commenced for a claim in relation to the impaired receivables.

During the year, the Group had reached an out-of-court settlement with the counter party and a settlement income of US$60,000,000 was received (Note 19). Pursuant to the settlement, the allowance previously made was reversed to profit or loss.

9 OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000
Subsidiary companies (Notes 5 and 10)	–	–	28,303	33,990
Prepayments	95	95	69	49
Others	213	207	168	194
	308	302	28,540	34,233

The Company's other receivables due from subsidiaries are unsecured, interest-free and repayable on demand. The Company has not made any allowance as management is of the view that these receivables are recoverable.

NOTES TO THE
FINANCIAL STATEMENTS
Year ended June 30, 2015

10 SUBSIDIARY COMPANIES

	Company 2015 US$'000	Company 2014 US$'000
Unquoted equity shares, at cost	8,751	8,751

Transactions between the Company and its subsidiaries, which are related companies of the Company, have been eliminated on consolidation and are not disclosed in the financial statements.

Details of the Company's subsidiaries at the end of the financial year are as follows:

	Country of incorporation and operation	Proportion of ownership interest and voting power held		Principal activities
		2015	2014	
		%	%	
Held by the Company				
Chuan Hup Agencies (Private) Limited	Singapore	100	100	Ship management
Delaware Marine Pte Ltd	Singapore	100	100	Dormant
Sea Glory Private Limited	Singapore	100	100	Ship owning and chartering
Garo Pte Ltd	Singapore	100	100	Dormant
Offshore Gold Shipping Pte Ltd	Singapore	100	100	Ship owning and chartering
Pembrooke Marine Pte Ltd	Singapore	100	100	Ship owning and chartering
JN Offshore Services Pte Ltd	Singapore	100	100	Dormant
Venture Offshore Pte Ltd	Singapore	100	100	Investment holding

All the subsidiary companies are audited by Deloitte & Touche LLP, Singapore

NOTES TO THE

FINANCIAL STATEMENTS

Year ended June 30, 2015

11 ASSOCIATED COMPANIES

	Group 2015 US$'000	Group 2014 US$'000	Company 2015 US$'000	Company 2014 US$'000
Unquoted equity shares, at cost	1,675	1,675	278	278
Amounts receivable – non-trade(i)	12,677	12,775	4,708	4,805
Share of results of associated companies(ii)	21,549	19,158	–	–
	35,901	33,608	4,986	5,083

(i) The amounts receivable are unsecured, interest-free and repayable at the discretion of the associated companies. The amounts receivable from the associated companies, in substance, form part of the Group's net investment in the associated companies.

(ii) Share of results of associated companies recognised in profit or loss includes:

	Group 2015 US$'000	Group 2014 US$'000
Share of results of associated companies after income tax	2,391	4,967
Amortisation of deferred gain from sale of vessels to associated companies (Note 15)	403	403
	2,794	5,370

Movement of share of results of associated companies is as follows:

	Group 2015 US$'000	Group 2014 US$'000
At the beginning of year	19,158	14,191
Current year share of results	2,391	4,967
At the end of year	21,549	19,158

NOTES TO THE FINANCIAL STATEMENTS

Year ended June 30, 2015

11 ASSOCIATED COMPANIES (CONT'D)

	Country of incorporation and operation	Proportion of ownership interest and voting power held		Principal activities
		2015	2014	
		%	%	
Held by the Company				
MarineCo Limited[(a)]	Malaysia	49	49	Ship owning and chartering
Gemini Sprint Sdn. Bhd.[(a)]	Malaysia	49	49	Ship chartering
Held by subsidiary Company				
Held by Venture Offshore Pte. Ltd.:				
PT Bahtera Nusantara Indonesia[(b)]	Indonesia	49	49	Ship owning and chartering

(a) The audited financial statements of the associated companies held by the Company are for the financial year ended March 31, 2015. Accordingly, unaudited management accounts for the financial period from April 1, 2015 to June 30, 2015 were used for determining the full year's profit for the purpose of equity accounting for MarineCo Limited and Gemini Sprint Sdn. Bhd.

(b) Audited by Deloitte & Touche LLP, Singapore for consolidation purpose.

Summarised financial information in respect of each of the Group's material associates is set out below. The summarized financial information below represents amounts shown in the associate's financial statements prepared in accordance with FRS:

	Marine Co. Ltd & Gemini Sprint Sdn. Bhd.[(a)]		PT Bahtera Nusantara Indonesia[(b)]		Group	
	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000
Current assets	4,244	3,202	9,371	10,795	13,615	13,997
Non-current assets	17,831	17,102	53,081	56,746	70,912	73,848
Current liabilities	11,328	10,939	22,790	25,107	34,118	36,046
Non-current liabilities	–	–	3,316	9,585	3,316	9,585
Revenue	7,590	7,967	12,523	17,015	20,113	24,982
Profit for the year, representing total comprehensive income for the year	1,382	1,449	3,498	8,688	4,880	10,137
Group's share of associated companies' profit for the year	677	710	1,714	4,257	2,391	4,967
Net assets of the associated companies	10,747	9,365	36,346	32,849	47,093	42,214
Carrying amount of the group's interest in the associated companies[(1)]	5,414	4,737	17,810	16,096	23,224	20,833

(1) The accumulated losses of an associated company in excess of the Group's interest in that associated company which is not included in these financial statements using equity method of accounting amounted to US$148,000 (2014: US$148,000).

NOTES TO THE
FINANCIAL STATEMENTS
Year ended June 30, 2015

12 FIXED ASSETS

	Vessels US$'000	Drydocking expenditure US$'000	Furniture, fittings and equipment US$'000	Motor vehicles US$'000	Construction-in-progress US$'000	Total US$'000
Group						
Cost:						
Balance at July 1, 2013	170,865	8,912	410	138	104	180,429
Additions	–	114	65	–	896	1,075
Transfer	679	–	–	–	(679)	–
Disposals	–	–	(35)	–	–	(35)
Balance at June 30, 2014	171,544	9,026	440	138	321	181,469
Additions	–	4,558	–	–	849	5,407
Disposals	–	–	(24)	–	–	(24)
Balance at June 30, 2015	171,544	13,584	416	138	1,170	186,852
Accumulated depreciation:						
Balance at July 1, 2013	33,340	2,963	380	120	–	36,803
Depreciation	5,516	1,806	28	18	–	7,368
Disposals	–	–	(35)	–	–	(35)
Balance at June 30, 2014	38,856	4,769	373	138	–	44,136
Depreciation	5,315	2,152	24	–	–	7,491
Disposals	–	–	(24)	–	–	(24)
Balance at June 30, 2015	44,171	6,921	373	138	–	51,603
Carrying amount:						
Balance at June 30, 2015	127,373	6,663	43	–	1,170	135,249
Balance at June 30, 2014	132,688	4,257	67	–	321	137,333

NOTES TO THE
FINANCIAL STATEMENTS
Year ended June 30, 2015

12 FIXED ASSETS (CONT'D)

	Vessels US$'000	Drydocking expenditure US$'000	Furniture, fittings and equipment US$'000	Motor vehicles US$'000	Construction-in-progress US$'000	Total US$'000
Company						
Cost:						
Balance at July 1, 2013	97,819	6,381	59	138	93	104,490
Additions	–	114	15	–	896	1,025
Transfer	666	–	–	–	(666)	–
Disposals	–	–	(6)	–	–	(6)
Balance at June 30, 2014	98,485	6,495	68	138	323	105,509
Additions	–	2,000	–	–	–	2,000
Disposals	–	–	(2)	–	–	(2)
Balance at June 30, 2015	98,485	8,495	66	138	323	107,507
Accumulated depreciation:						
Balance at July 1, 2013	21,179	1,511	54	120	–	22,864
Depreciation	2,913	1,300	7	18	–	4,238
Disposals	–	–	(6)	–	–	(6)
Balance at June 30, 2014	24,092	2,811	55	138	–	27,096
Depreciation	2,850	1,448	6	–	–	4,304
Disposals	–	–	(2)	–	–	(2)
Balance at June 30, 2015	26,942	4,259	59	138	–	31,398
Carrying amount:						
Balance at June 30, 2015	71,543	4,236	7	–	323	76,109
Balance at June 30, 2014	74,393	3,684	13	–	323	78,413

NOTES TO THE FINANCIAL STATEMENTS

Year ended June 30, 2015

13 TRADE PAYABLES

	Group		Company	
	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000
Outside parties	16,995	8,981	14,066	7,331
Associated companies (Notes 6 and 11)	93	–	–	–
Subsidiary companies (Notes 5 and 10)	–	–	6,140	6,844
	17,088	8,981	20,206	14,175

The average credit terms granted by suppliers ranged from 30 to 90 days (2014: 30 to 90 days). The Group has financial risk management policies in place to ensure that all payables are within the credit time frame.

Included in trade payables due to outside parties is an amount of US$5,209,000 (2014: US$3,519,000) which is foreign tax payable arising from the chartering of vessels.

14 OTHER PAYABLES

	Group		Company	
	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000
Outside party	3,000	3,000	3,000	3,000
Subsidiary companies (Notes 5 and 10)	–	–	58,741	54,936
	3,000	3,000	61,741	57,936

15 OTHER PAYABLES – DEFERRED GAIN

	Group	
	2015 US$'000	2014 US$'000
Deferred gain	6,655	7,058
Amortisation during the year (Note 11)	(403)	(403)
	6,252	6,655
Current portion	(403)	(403)
Non-current portion	5,849	6,252

The deferred gain relates to the Group's share of the unrealised profit resulting from the sale of vessels to associated companies. The deferred gain will be amortised over the remaining useful life of the vessels against the share of results of associated companies in the statement of profit or loss and other comprehensive income.

NOTES TO THE
FINANCIAL STATEMENTS
Year ended June 30, 2015

16 ISSUED CAPITAL

	Group and Company			
	2015	2014	2015	2014
	'000	'000	US$'000	US$'000
	Number of ordinary shares			
Issued and paid-up capital:				
At the beginning and end of the year	705,091	705,091	55,379	55,379

Fully paid ordinary shares are denominated in Singapore Dollar which have no par value, carry one vote per share and carry a right to dividends as and when declared by the Company.

17 REVENUE

	Group		Company	
	2015	2014	2015	2014
	US$'000	US$'000	US$'000	US$'000
Charter hire income earned	31,158	33,967	19,101	19,630
Rendering of services	12	5	–	–
Management and agency fee (Note 6)	648	648	–	–
Others – interest income	672	517	671	515
	32,490	35,137	19,772	20,145

18 COST OF SALES

	Group		Company	
	2015	2014	2015	2014
	US$'000	US$'000	US$'000	US$'000
Vessel operating expenses	5,232	4,497	3,165	1,866
Others	8	3	–	–
	5,240	4,500	3,165	1,866

19 OTHER INCOME

	Group		Company	
	2015	2014	2015	2014
	US$'000	US$'000	US$'000	US$'000
Foreign exchange gain	443	46	466	22
Settlement income (Note 8)	60,000	–	60,000	–
Others	18	17	10	3
	60,461	63	60,476	25

NOTES TO THE

FINANCIAL STATEMENTS

Year ended June 30, 2015

19 OTHER INCOME (CONT'D)

Included in the settlement income of US$60,000,000 is an amount of US$43,950,000 (Note 8) which pertains to the reversal of receivables previously provided for in prior years, an additional US$6,782,000 of charter hire in relation to the previous charter contract and the remainder relates to compensation recovered from the counter party.

20 INCOME TAX CREDIT

(a) Taxation charge comprises:

	Group		Company	
	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000
Overprovision in respect of prior years	–	(30)	–	(30)

(b) The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2014: 17%) to profit before income tax as a result of the following differences:

	Group		Company	
	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000
Income tax expense at statutory rate	12,238	4,258	10,690	1,975
Income not subject to tax[1]	(9,958)	(1,774)	(9,421)	(947)
Tax effect of share of results of associates	(475)	(912)	–	–
Deferred tax benefit not recognised (utilised)	(345)	(3)	191	–
Deferred tax liability not recognised	(1,460)	(1,569)	(1,460)	(1,028)
Overprovision in respect of prior years	–	(30)	–	(30)
Income tax expense recognised in profit or loss	–	(30)	–	(30)

[1] This represents mainly vessel income exempted under Section 13A and tax exemption under Section 43(6) of Singapore Income Tax Act.

NOTES TO THE FINANCIAL STATEMENTS

Year ended June 30, 2015

20 INCOME TAX CREDIT (CONT'D)

(c) Subject to agreement with the relevant tax authorities, the Group has unutilised tax loss carryforwards and capital allowances estimated as follows:

	Group	
	2015 US$'000	2014 US$'000
Unutilised tax loss carryforwards	332	412
Capital allowances	9,862	11,813
	10,194	12,225
Deferred tax benefit on above:	1,733	2,078

These future income tax benefits are available for an unlimited future period only if the Group derives future assessable income of a nature and of sufficient amounts to enable the benefits to be realised and the conditions for deductibility imposed by the law, including the retention of majority shareholders, as defined, are complied with. Deferred tax benefits of the above future income tax benefits are not recorded due to uncertainty of future taxable income stream.

21 PROFIT FOR THE YEAR

(a) In addition to charges and credits disclosed elsewhere in the notes to the statements of profit or loss and other comprehensive income, this item includes the following charges (credit):

	Group		Company	
	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000
Directors' fees	133	154	133	154
Staff cost:				
Permanent staff (including directors' remuneration)	2,539	2,713	1,701	1,846
Contract based crew	2,277	2,365	1,295	1,375
	4,816	5,078	2,996	3,221
Cost of defined contribution plans included in staff costs	193	212	85	109
Net foreign exchange adjustment gain	(443)	(46)	(466)	(22)
Audit fees:				
Paid to auditors of the Company	73	60	46	31
Non-audit fees:				
Paid to auditors of the Company	24	6	10	3
Writeback of allowance for doubtful trade receivables	(43,950)	–	(43,950)	–

NOTES TO THE
FINANCIAL STATEMENTS
Year ended June 30, 2015

21 PROFIT FOR THE YEAR (CONT'D)

(b) Other expenses include:

	Group 2015 US$'000	Group 2014 US$'000	Company 2015 US$'000	Company 2014 US$'000
Expenses related to settlement claim (Note 19)	6,419	–	6,419	–
Others	25	46	6	24
Total	6,444	46	6,425	24

22 EARNINGS PER SHARE

Earnings per share is calculated by dividing the Group's profit attributable to shareholders of the Company for the year by the weighted average number of ordinary shares in issue during the financial years as follows:

	Group 2015	Group 2014
Profit attributable to shareholders (US$'000)	71,988	25,081
Number of ordinary shares used to compute earnings per share ('000)	705,091	705,091
Basic and fully diluted: Earnings per share (US cents)	10.21	3.56

Group basic earnings per share is the same as the fully diluted earnings per share as the Group did not have any potential dilutive ordinary shares outstanding as at end of the reporting period.

23 DIVIDENDS

During financial year ended June 30, 2015, the Company:

(a) paid a final and special dividend of S$0.02 and S$0.02 per ordinary share of the Company totalling approximately S$28,204,000 (equivalent to US$22,451,000) for the financial year ended June 30, 2014; and

(b) declared an interim special dividend of S$0.09 per ordinary share of the Company totalling approximately S$63,458,000 (equivalent to US$47,818,000), which was paid subsequent to the financial year ended June 30, 2015.

NOTES TO THE
FINANCIAL STATEMENTS
Year ended June 30, 2015

23 DIVIDENDS (CONT'D)

During financial year ended June 30, 2014, the Company paid a final dividend of S$0.015 per ordinary share of the company totalling approximately S$10,576,000 (equivalent to US$8,333,000) for the financial year ended June 30, 2013 and declared and paid an interim dividend of S$0.005 per ordinary share of the company totalling approximately S$3,525,000 (equivalent to US$2,757,000) for the financial year ended June 30, 2014.

Subsequent to the financial year ended June 30, 2015, the directors recommended a final and special dividend of S$0.02 and S$0.125 respectively per ordinary share of company totalling approximately S$102,238,000 (equivalent to US$76,039,000) for the financial year ended June 30, 2015.

The dividends declared, paid or payable by the Company were one-tier tax exempt dividends.

24 SEGMENTAL INFORMATION

The operations of the Group are associated specifically with the support of offshore oil and gas industry which is the major operating segment of the Group. The Chief Executive Officer ("CEO") is the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

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

Information about major customers

Included in revenue of US$32,490,000 (2014: US$35,137,000) are revenues of approximately US$10,364,000 (2014: US$12,182,000) which arose from the chartering of vessels to the Group's largest customer.

25 GUARANTEES

	Group and Company	
	2015	2014
	US$'000	US$'000
Guarantees (unsecured)	4,525	8,840

NOTES TO THE FINANCIAL STATEMENTS

Year ended June 30, 2015

25 GUARANTEES (CONT'D)

The guarantees provided by the Group to respective parties are as follows:

	Group and Company	
	2015	2014
	US$'000	US$'000
Associated company[(a)]	4,495	8,580
Third parties	30	260
	4,525	8,840

(a) To provide corporate guarantees to an associated company to obtain bank loans. The fair value of the financial guarantees are assessed to be insignificant.

26 COMMITMENTS

Operating lease commitments:

	Group		Company	
	2015	2014	2015	2014
	US$'000	US$'000	US$'000	US$'000
Minimum lease payments paid under operating leases included in profit or loss	211	208	78	80

As at the end of the reporting period, the Group and the Company have outstanding commitments under non-cancellable operating leases in respect of office premises, which fall due as follows:

	Group and Company	
	2015	2014
	US$'000	US$'000
Within one year	201	106
In the second to fifth year inclusive	101	–
	302	106

Operating lease payments represent rentals payable by the Group and the Company for certain of its office premises. Leases are negotiated for a term of 2 years and rentals are fixed for 2 years.

STATISTICS OF SHAREHOLDINGS

As at 18 August 2015

SHARE CAPITAL

Total Number of Issued Shares	:	705,090,514
Issued and Fully Paid-up Capital	:	S$95,251,166.00
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per share
Treasury Shares	:	Nil

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	17	0.43	323	0.00
100 – 1000	928	23.64	723,174	0.10
1,001 – 10,000	2,040	51.96	10,343,282	1.47
10,001 – 1,000,000	931	23.71	38,494,519	5.46
1,000,001 and above	10	0.26	655,529,216	92.97
Total	**3,926**	**100.00**	**705,090,514**	**100.00**

TWENTY-FOUR LARGEST SHAREHOLDERS

No.	Shareholder's Name	Number of Shares held	%
1	CIMB SECURITIES (SINGAPORE) PTE LTD	611,914,181	86.79
2	PEH KWEE YONG	15,801,866	2.24
3	UNITED OVERSEAS BANK NOMINEES PTE LTD	6,545,899	0.93
4	CITIBANK NOMINEES SINGAPORE PTE LTD	6,085,200	0.86
5	MAYBANK NOMINEES (SINGAPORE) PTE LTD	5,050,000	0.72
6	DBS NOMINEES PTE LTD	3,545,200	0.50
7	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	3,039,800	0.43
8	OCBC NOMINEES SINGAPORE PTE LTD	1,225,170	0.17
9	MAYBANK KIM ENG SECURITIES PTE LTD	1,175,700	0.17
10	OCBC SECURITIES PRIVATE LTD	1,146,200	0.16
11	RAFFLES NOMINEES (PTE) LTD	945,200	0.13
12	LEOW KIM SIANG OR NG MAY CHOO	730,000	0.10
13	NG HWEE KOON	692,300	0.10
14	TAN YONG CHIANG OR TAN HUI LIANG	678,000	0.10
15	DB NOMINEES (SINGAPORE) PTE LTD	500,000	0.07
16	PHILLIP SECURITIES PTE LTD	378,000	0.05
17	LEAW KHA TEOW	320,000	0.05
18	CHAN SEK KEONG	300,000	0.04
19	HWA SENG BUILDER PTE LTD	300,000	0.04
20	JOSEPHINE GOH LEH HUA	300,000	0.04
21	KOW THONG JEN @ KOW CHONG JIN	300,000	0.04
22	LEE SAM KONG	300,000	0.04
23	LEE SON NGIAP	300,000	0.04
24	SEAH MUI KIM	300,000	0.04
	Total	**661,872,716**	**93.85**

STATISTICS OF SHAREHOLDINGS

As at 18 August 2015

Substantial Shareholders of the Company (as recorded in the Register of Substantial Shareholders) as at 18 August 2015:

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Energian Pte. Ltd.	611,406,281[(a)]	86.71	–	–
Falcon Energy Group Limited	–	–	611,406,281[(b)]	86.71
Tan Pong Tyea	–	–	611,406,281[(b)]	86.71

Notes:

(a) Held in the name of CIMB Securities (Singapore) Pte Ltd.

(b) Falcon Energy Group Limited and Mr Tan Pong Tyea are each deemed pursuant to Section 4 of the Singapore Securities and Futures Act, Cap. 289 and Section 7 of the Singapore Companies Act, Cap. 50, to have an interest in the 611,406,281 shares of the Company held by Energian Pte. Ltd.

Free Float

Based on the information available to the Company as at 18 August 2015 and to the best knowledge of the Directors and the substantial shareholders of the Company, approximately 13.29% of the issued ordinary shares of the Company was held by the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

NOTICE OF
ANNUAL GENERAL MEETING

CH OFFSHORE LTD
(Co. Reg. No. 197600666D)
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Thirty-Ninth Annual General Meeting of the Company will be held at 7 Shenton Way, Singapore Conference Hall, Singapore 068810 on Wednesday, 23 September 2015 at 2.30 p.m. for the following purposes:

Ordinary Business:

1	To receive and adopt the Audited Financial Statements for the financial year ended 30 June 2015 together with the reports of the Directors and the Auditors thereon.	(Resolution 1)
2	To declare a one-tier tax exempt Final Dividend of 2 SG cents per ordinary share and a one-tier tax exempt Special Dividend of 12.5 SG cents per ordinary share for the financial year ended 30 June 2015.	(Resolution 2)
3	To approve Directors' fees of S$180,301 for the financial year ended 30 June 2015 (FY2014: S$195,000).	(Resolution 3)
4	To re-elect Mr. Thia Peng Heok George, being a Director who retires by rotation pursuant to Article 88 of the Articles of Association of the Company.	(Resolution 4)
5	To re-elect Mr. Tan Kian Huay, being a Director who retires by rotation pursuant to Article 88 of the Articles of Association of the Company.	(Resolution 5)
6	To re-elect Mr. James William Noe, being a Director who retires by rotation pursuant to Article 88 of the Articles of Association of the Company.	(Resolution 6)
7	To re-elect Ms. Tan Sooh Whye, being a Director who retires by rotation pursuant to Article 88 of the Articles of Association of the Company.	(Resolution 7)
8	To re-elect Mr. Gan Wah Kwang, being a Director who retires by rotation pursuant to Article 89 of the Articles of Association of the Company.	(Resolution 8)
9	To re-appoint Messrs Deloitte & Touche LLP as Auditors of the Company and to authorise Directors to fix their remuneration.	(Resolution 9)
10	To transact any other business that may be transacted at an Annual General Meeting.	

NOTICE OF
ANNUAL GENERAL MEETING

As Special Business:

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

11 Share Issue Mandate (Resolution 10)

That pursuant to the Company's Articles of Association and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited, authority be given to the Directors of the Company to issue shares ("Shares") whether by way of rights, bonus or otherwise, and/or make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares at any time and upon such terms and conditions and to such persons as the Directors may, in their absolute discretion, deem fit provided that:

(a) the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, of which the aggregate number of Shares and convertible securities to be issued other than on a pro-rata basis to all shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares) in the share capital of the Company;

(b) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (a) above, the total number of issued shares (excluding treasury shares) shall be based on the total number of issued shares (excluding treasury shares) of the Company as at the date of the passing of this Resolution, after adjusting for:

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

(ii) new shares arising from exercising share options or vesting of Share awards outstanding or subsisting at the time this Resolution is passed; and

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

NOTICE OF
ANNUAL GENERAL MEETING

(c) And that such authority shall, unless revoked or varied by the Company in general meeting, continue in force (i) until the conclusion of the Company's next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in accordance with the terms of convertible securities issued, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of such convertible securities."

NOTICE OF BOOKS CLOSURE DATE

NOTICE IS HEREBY GIVEN that, subject to the approval of shareholders to the Final and Special dividends being obtained at the Thirty-Ninth Annual General Meeting to be held on 23 September 2015, the Transfer Books and the Register of Members of the Company will be closed on 2 October 2015 for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) of 80 Robinson Road, #02-00, Singapore 068898, up to 5.00 p.m. on 1 October 2015 will be registered to determine shareholders' entitlements to the Final and Special dividends. Subject as aforesaid, shareholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 1 October 2015 will be entitled to the Final and Special dividends.

The Final and Special dividends, if so approved by shareholders, will be paid on 13 October 2015.

By Order of the Board

Lim Mee Fun
Company Secretary
Singapore
7 September 2015

NOTICE OF
ANNUAL GENERAL MEETING

Explanatory Notes:

Resolution 4 Mr. Thia Peng Heok George is considered independent for the purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"). He will, upon re-election as a Director of the Company, remain as the Chairman of the Audit and Nominating Committees and a member of the Remuneration Committee.

Resolution 5 Mr. Tan Kian Huay is considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. He will, upon re-election as a Director of the Company, remain as the Chairman of the Remuneration Committee and a member of the Audit and Nominating Committees.

Resolution 7 Ms. Tan Sooh Whye will, upon re-election as a Director of the Company, remain as a member of the Audit Committee.

Resolution 10 The Ordinary Resolution 10 proposed in item 11, if passed, will empower the Directors from the date of the above Meeting until the date of the next Annual General Meeting, to allot and issue Shares and convertible securities in the Company up to an amount not exceeding fifty per centum (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to twenty per centum (20%) may be issued other than on a pro-rata basis. For the purpose of this resolution, the total number of issued shares (excluding treasury shares) is based on the Company's total number of issued shares (excluding treasury shares) at the time this proposed Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this proposed Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

Personal data privacy:

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

Kindly note that by attending the Annual General Meeting, the members of the Company, their proxy(ies) and/or representative(s) consent to the video-recording of the proceedings of the Annual General Meeting, for the Company's records.

CH OFFSHORE LTD

(Co. Reg. No. 197600666D)
(Incorporated in the Republic of Singapore)

THIRTY-NINTH ANNUAL GENERAL MEETING PROXY FORM

IMPORTANT:

1. For investors who have used their CPF monies to buy the Company's shares, the Annual Report 2015 is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR THEIR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 7 September 2015.

I/We ______________________________ (Name) ______________ (NRIC/Passport No.)

of ____ (Address)

being a member/members of CH Offshore Ltd (the "Company") hereby appoint

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or failing him/her (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the Thirty-Ninth Annual General Meeting of the Company ("Annual General Meeting"), as my/our proxy/proxies to attend and to vote for me/us and on my/our behalf at the Annual General Meeting to be held at 7 Shenton Way, Singapore Conference Hall, Singapore 068810 on Wednesday, 23 September 2015 at 2.30 p.m. and at any adjournment thereof.

The proxy shall vote on the Resolutions set out in the Notice of Meeting in accordance with my/our directions as indicated with an "X" in the appropriate space below. Where no such direction is given, the proxy may vote or abstain from voting on any matter at the Meeting or at any adjournment thereof.

No.	Resolutions	For	Against
	ORDINARY BUSINESS		
1	Adoption of Financial Statements and Reports.		
2	Declaration of Final and Special Dividends.		
3	Approval of Directors' Fees.		
4	Re-election of Mr. Thia Peng Heok George as Director.		
5	Re-election of Mr. Tan Kian Huay as Director.		
6	Re-election of Mr. James William Noe as Director.		
7	Re-election of Ms. Tan Sooh Whye as Director.		
8	Re-election of Mr. Gan Wah Kwang as Director.		
9	Re-appointment of Messrs Deloitte & Touche LLP as Auditors.		
	SPECIAL BUSINESS		
10	Approval of Renewal of Share Issue Mandate		

Dated this ________ day of ________________ 2015

Total Number of Ordinary Shares Held	
CDP Registers	
Register of Members	

____

Signature(s) of *member(s) or
Common Seal of Corporate Shareholder(s)

** Please delete accordingly*

IMPORTANT: PLEASE READ NOTES ON THE REVERSE SIDE

Fold Flap 2nd fold here

CH OFFSHORE LTD

Please affix
Postage
Stamp

The Company Secretary
CH Offshore Ltd
388 Jalan Ahmad Ibrahim
Singapore 629157

1st fold here

NOTES TO PROXY FORM:

1. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint one or two proxies to attend and vote instead of him. A proxy need not be a member of the Company. The appointment of a proxy or proxies by this instrument shall not preclude a member from attending and voting in person at the Annual General Meeting. If a member attends the Annual General Meeting in person, the appointment of a proxy or proxies shall be deemed to be revoked, and the Company reserves the right to refuse to admit such proxy or proxies to the Annual General Meeting.
2. Where a member appoints two proxies, the appointment shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
3. This instrument of proxy or proxies must be signed by the appointor or his duly authorised attorney, or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or duly authorised officer.
4. A corporation which is a member may also authorise by resolution of its directors or other governing body an authorised representative or representatives in accordance with its Articles of Association and Section 179 of Singapore Companies Act, Cap. 50, to attend and vote on its behalf.
5. This instrument appointing a proxy or proxies (together with the power of attorney if any, under which it is signed or a certified copy thereof) must be deposited at the registered office of the Company at 388 Jalan Ahmad Ibrahim, Singapore 629157, not less than 48 hours before the time appointed for holding the Annual General Meeting.
6. A member should insert the total number of shares held in this instrument of proxy. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Singapore Companies Act, Cap 50), he should insert that number of shares. If the member has shares registered in his name in the Register of Members, he should insert that number of shares. If the member has shares entered against his name in the Depository Register as well as shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this instrument of proxy will be deemed to relate to all the shares held by the member.
7. The Company shall be entitled to reject this instrument of proxy or proxies if it is incomplete, or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this instrument of proxy. In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register at 48 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.
8. Agent Banks acting on the request of the CPF investors who wish to attend the Annual General Meeting as Observers are requested to submit in writing, a list with details of the investors' names, NRIC/Passport numbers, addresses and number of shares held. The list, signed by an authorised signatory of the Agent Bank, should reach the Company's Share Registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.) at 80 Robinson Road #02-00 Singapore 068898, at least 48 hours before the time fixed for holding the Annual General Meeting.

CH OFFSHORE LTD
CO. REG. NO. 197600666D

388 Jalan Ahmad Ibrahim
Singapore 629157
T : (65)-6861 1711
F : (65)-6862 2336
E : investor@choffshore.com.sg
W: www.choffshore.com.sg