



SWISSCO

Company Registration No: 200404711D

SWISSCO HOLDINGS LIMITED

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FOURTH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2013

PART I INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

The Board of Directors of Swissco Holdings Limited is pleased to announce the unaudited consolidated results of the Group for the 4th quarter ("4Q2013") and financial year ended 31 December 2013 ("FY2013").

1(a)(i) A statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding year.

Consolidated Statement of Comprehensive Income

	GROUP Unaudited 4Q2013 (\$'000)	GROUP Unaudited 4Q2012 (\$'000)	Inc/ (Decr) %	GROUP Unaudited FY2013 (\$'000)	GROUP Audited FY2012 (\$'000)	Inc/ (Decr) %
Sales	79,328	42,517	86.6	114,734	110,017	4.3
Cost of sales	(60,806)	(29,740)	104.5	(83,380)	(79,245)	5.2
Gross profit	18,522	12,777	45.0	31,354	30,772	1.9
Other income	342	64	434.4	2,072	292	609.6
Other gains – net	1,825	1,264	44.4	3,924	937	318.8
Less: Expenses						
Administrative	(4,879)	(3,996)	22.1	(9,130)	(9,353)	(2.4)
Finance	(559)	(720)	(22.4)	(2,187)	(3,111)	(29.7)
Share of (loss)/profit of joint ventures	(145)	(1,154)	(87.4)	42	(860)	n.m.
Profit before tax	15,106	8,235	83.4	26,075	18,677	39.6
Income tax expense	(2,173)	(1,831)	18.7	(2,886)	(2,290)	26.0
Profit, net of tax	12,933	6,404	101.9	23,189	16,387	41.5
<u>Other Comprehensive Income:</u>						
Items that may be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation	87	212	(59.0)	300	(578)	n.m.
Financial assets, available for sale – fair value gain/(loss)	384	(1,250)	n.m.	1,488	2,230	(33.3)
– reclassification on disposal	382	-	n.m.	966	735	31.4
Other Comprehensive Income/(Loss), Net of Tax	853	(1,038)	n.m.	2,754	2,387	15.4
Total Comprehensive Income Attributable to Equity Holders of the Company	13,786	5,366	156.9	25,943	18,774	38.2

1(a)(ii) The total comprehensive income/(loss) attributable to equity holders of the Company include the following credits/(charges):-

	GROUP Unaudited 4Q2013 (\$'000)	GROUP Unaudited 4Q2012 (\$'000)	Inc/ (Decr) %	GROUP Unaudited FY2013 (\$'000)	GROUP Audited FY2012 (\$'000)	Inc/ (Decr) %
Depreciation	(1,328)	(2,152)	(38.3)	(8,298)	(8,670)	(4.3)
Write back of/(allowance for) impairment on trade and other receivables	94	(3)	n.m.	(57)	(1,480)	(96.1)
(Reversal of impairment loss)/impairment loss on investment in a joint venture company	-	-	-	20	(20)	n.m.
Bad debt written off	-	-	-	(77)	-	n.m.
Impairment loss on non-current asset held for sale	(973)	(396)	145.7	(973)	(396)	145.7
Interest income	26	18	44.4	160	168	(4.8)
Interest expense	(559)	(720)	(22.4)	(2,187)	(3,111)	(29.7)
Foreign exchange losses	(133)	(1,800)	(92.6)	(378)	(2,474)	(84.7)
Net gain on disposal of property, plant and equipment	3,313	3,064	8.1	5,732	4,166	37.6
Net gain on disposal of non-current asset held for sale	-	-	-	489	-	n.m.
Loss on disposal of financial assets, available for sale	(382)	-	n.m.	(966)	(735)	31.4
Amortisation of facility fee	(40)	(253)	(84.2)	(196)	(336)	(41.7)
Over/(under) provision of income tax in prior years	178	(720)	n.m.	108	(95)	n.m.

n.m. = not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	GROUP Unaudited As at 31/12/2013 (\$'000)	GROUP Audited As at 31/12/2012 (\$'000)	COMPANY Unaudited As at 31/12/2013 (\$'000)	COMPANY Audited As at 31/12/2012 (\$'000)
ASSETS				
Current assets				
Cash and cash equivalents	6,533	35,111	248	3,662
Financial assets, available-for- sale	14,896	15,250	-	-
Trade and other receivables	31,001	16,797	8,650	19,221
Inventories	58	320	-	-
Other current assets ⁽¹⁾	39,316	18,469	54	26
Vessels held for sale	6,562	9,292	-	-
	<u>98,366</u>	<u>95,239</u>	<u>8,952</u>	<u>22,909</u>
Non-current assets				
Other receivables	357	4,135	357	4,135
Other non-current assets	1,681	3,795	-	-
Investment in subsidiaries	-	-	177,987	177,937
Investment in joint ventures	1,529	1,418	50	50
Property, plant and equipment	175,060	132,141	-	-
	<u>178,627</u>	<u>141,489</u>	<u>178,394</u>	<u>182,122</u>
Total assets	<u>276,993</u>	<u>236,728</u>	<u>187,346</u>	<u>205,031</u>
LIABILITIES				
Current liabilities				
Trade and other payables	32,790	32,967	75,001	85,281
Borrowings	57,459	40,174	6,802	13,905
Current income tax liabilities	2,725	3,228	-	-
	<u>92,974</u>	<u>76,369</u>	<u>81,803</u>	<u>99,186</u>
Non-current liabilities				
Other payables	1,687	7,285	-	-
Borrowings	40,302	34,019	2,400	6,030
Deferred income tax liabilities	2,204	2,204	-	-
	<u>44,193</u>	<u>43,508</u>	<u>2,400</u>	<u>6,030</u>
Total liabilities	<u>137,167</u>	<u>119,877</u>	<u>84,203</u>	<u>105,216</u>
NET ASSETS	<u>139,826</u>	<u>116,851</u>	<u>103,143</u>	<u>99,815</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	92,672	91,998	92,672	91,998
Other reserves	(9,865)	(12,449)	190	360
Retained earnings	57,019	37,302	10,281	7,457
Total equity	<u>139,826</u>	<u>116,851</u>	<u>103,143</u>	<u>99,815</u>

Note⁽¹⁾: Other current assets as at 31 December 2013 include \$31 million (31 December 2012: \$17 million) of progress payments to shipyards for vessels under construction that are contracted for sale.

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-

(a) the amount repayable in one year or less, or on demand;

As at 31/12/2013		As at 31/12/2012	
Secured	Unsecured	Secured	Unsecured
(\$'000)	(\$'000)	(\$'000)	(\$'000)
49,050	8,409	28,739	11,435

(b) the amount repayable after one year;

As at 31/12/2013		As at 31/12/2012	
Secured	Unsecured	Secured	Unsecured
(\$'000)	(\$'000)	(\$'000)	(\$'000)
40,302	-	33,137	882

Details of any collateral

The Group's borrowings were secured by the pledge of the Group's leasehold properties, margin deposits, certain vessels and financial assets, available for sale.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP Unaudited FY2013 (\$'000)	GROUP Audited FY2012 (\$'000)
Cash flows from operating activities		
Total profit	23,189	16,387
Adjustments for:		
Income tax expense	2,886	2,290
Share of (profits)/losses of joint ventures	(42)	860
Impairment loss on investment in a joint venture company	-	20
Impairment loss on non-current assets held for sale	973	396
Depreciation of property, plant and equipment	8,298	8,670
Interest expense	2,187	3,111
Interest income	(160)	(168)
Performance share and share option expense	222	282
Loss on disposal of financial assets, available for sale	966	735
Gain on disposal of non-current assets held for sale	(489)	-
Gain on disposal of property, plant and equipment	(5,732)	(4,166)
Operating cash flows before changes in working capital	32,298	28,417
Changes in working capital:		
Trade and other receivables	(14,204)	1,098
Inventories	262	(158)
Other assets	(18,392)	(1,668)
Restricted cash	-	5,612
Trade and other payables	(5,189)	13,675
Net cash flows (used in)/generated from operations before tax	(5,225)	46,976
Income tax paid	(3,203)	(285)
Net cash flows (used in)/generated from operating activities	(8,428)	46,691
Cash flows from investing activities		
Interest received	160	168
Repayment of loan from joint venture	3,778	8,997
Proceeds from disposal of financial assets, available for sale	1,842	1,425
Proceeds from disposal of non-current assets held for sale	9,781	-
Proceeds from disposal of property, plant and equipment	17,054	19,318
Purchases and construction of property, plant and equipment	(70,997)	(37,488)
Net cash flows used in investing activities	(38,382)	(7,580)
Cash flows from financing activities		
Proceed from issuance of ordinary shares	282	-
Interest paid	(2,187)	(3,111)
Proceeds from borrowings	91,879	36,184
Repayment of borrowings	(68,311)	(57,503)
Repayment of finance lease liabilities	-	(29)
Dividends paid to equity holders of the Company	(3,472)	(1,299)
Net cash flows generated from/(used in) financing activities	18,191	(25,758)
Net (decrease)/increase in cash and cash equivalents	(28,619)	13,353
Cash and cash equivalents, beginning balance	35,111	22,252
Effects of currency translation on cash and cash equivalents	41	(494)
Cash and cash equivalents, ending balance	6,533	35,111

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group (\$'000)	Share Capital	Other Reserves	Retained Earnings / (Accumulated Losses)	Total Equity
Previous Year:				
As at 01/01/2012	91,681	(14,801)	22,214	99,094
Total comprehensive income for the period	-	3,938	2,286	6,224
As at 31/03/2012	91,681	(10,863)	24,500	105,318
Performance share plan – issue of new shares	317	(317)	-	-
Performance share plan – value of employee services	-	(78)	-	(78)
Dividend relating to 2011 paid	-	-	(1,299)	(1,299)
Total comprehensive income for the period	-	(2,456)	4,238	1,782
As at 30/06/2012	91,998	(13,714)	27,439	105,723
Performance share plan – value of employee services	-	225	-	225
Employee share option plan – value of employee services	-	62	-	62
Total comprehensive income for the period	-	1,943	3,459	5,402
As at 30/09/2012	91,998	(11,484)	30,898	111,412
Performance share plan – value of employee services	-	40	-	40
Employee share option plan – value of employee services	-	33	-	33
Total comprehensive income for the period	-	(1,038)	6,404	5,366
As at 31/12/2012	91,998	(12,449)	37,302	116,851
Current Year:				
As at 01/01/2013	91,998	(12,449)	37,302	116,851
Performance share plan – value of employee services	-	40	-	40
Employee share option plan – value of employee services	-	36	-	36
Total comprehensive income for the period	-	1,786	1,807	3,593
As at 31/03/2013	91,998	(10,587)	39,109	120,520
Performance share plan – issue of new shares	317	(317)	-	-
Employee share option plan – issue of new shares	268	(56)	-	212
Employee share option plan – value of employee services	-	30	-	30
Dividend relating to 2012 paid	-	-	(3,472)	(3,472)
Total comprehensive income for the period	-	1,672	2,042	3,714
As at 30/06/2013	92,583	(9,258)	37,679	121,004
Employee share option plan – value of employee services	-	70	-	70
Total comprehensive income for the period	-	(1,557)	6,407	4,850
As at 30/09/2013	92,583	(10,745)	44,086	125,924
Employee share option plan – issue of new shares	89	(19)	-	70
Employee share option plan – value of employee services	-	46	-	46
Total comprehensive income for the period	-	853	12,933	13,786
As at 31/12/2013	92,672	(9,865)	57,019	139,826

Company (\$'000)	Share Capital	Other Reserves	Retained Earnings / (Accumulated Losses)	Total Equity
Previous Year:				
As at 01/01/2012	91,681	395	(7,872)	84,204
Total comprehensive income for the period	-	-	956	956
As at 31/03/2012	91,681	395	(6,916)	85,160
Performance share plan – issue of new shares	317	(317)	-	-
Performance share plan – value of employee services	-	(78)	-	(78)
Dividend relating to 2011 paid	-	-	(1,299)	(1,299)
Total comprehensive income for the period	-	-	(841)	(841)
As at 30/06/2012	91,998	-	(9,056)	82,942
Performance share plan – value of employee services	-	225	-	225
Employee share option plan – value of employee services	-	62	-	62
Total comprehensive income for the period	-	-	1,038	1,038
As at 30/09/2012	91,998	287	(8,018)	84,267
Performance share plan – value of employee services	-	40	-	40
Employee share option plan – value of employee services	-	33	-	33
Total comprehensive income for the period	-	-	15,475	15,475
As at 31/12/2012	91,998	360	7,457	99,815
Current Year:				
As at 01/01/2013	91,998	360	7,457	99,815
Performance share plan – value of employee services	-	40	-	40
Employee share option plan – value of employee services	-	36	-	36
Total comprehensive income for the period	-	-	242	242
As at 31/03/2013	91,998	436	7,699	100,133
Performance share plan – issue of new shares	317	(317)	-	-
Employee share option plan – issue of new shares	268	(56)	-	212
Employee share option plan – value of employee services	-	30	-	30
Dividend relating to 2012 paid	-	-	(3,472)	(3,472)
Total comprehensive income for the period	-	-	265	265
As at 30/06/2013	92,583	93	4,492	97,168
Employee share option plan – value of employee services	-	70	-	70
Total comprehensive income for the period	-	-	481	481
As at 30/09/2013	92,583	163	4,973	97,719
Employee share option plan – issue of new shares	89	(19)	-	70
Employee share option plan – value of employee services	-	46	-	46
Total comprehensive income for the period	-	-	5,308	5,308
As at 31/12/2013	92,672	190	10,281	103,143

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Changes in the Company's share capital

The movement in the Company's issued and fully paid-up share capital from 1 January 2013 to 31 December 2013 were as follows:

Issued share capital

	No. of Shares	Share capital (S\$'000)
At 1 January 2013	432,898,365	91,998
Issue of shares under the Performance Share Plan (1)	1,075,200	317
Issue of shares from the exercise of Share Option Scheme (2)	1,050,000	268
Issue of shares from the exercise of Share Option Scheme (3)	350,000	89
At 31 December 2013	435,373,565	92,672

- (1) On 29 April 2013, the Company issued 1,075,200 new ordinary shares pursuant to Swissco Holdings Performance Share Plan.
- (2) On 17 June 2013, the Company issued 1,050,000 new ordinary shares pursuant to exercise of options under Employee Share Option Scheme, at an exercise price of 20.2 cents per share.
- (3) On 25 November 2013, the Company issued 350,000 new ordinary shares pursuant to exercise of options under Employee Share Option Scheme at an exercise price of 20.2 cents per share.

1(d)(iii) Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 31/12/2013	As at 31/12/2012
Total number of issued shares (excluding treasury shares)	435,373,565	432,898,365

The Company did not have any treasury shares as at 31 December 2013 and 31 December 2012.

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Please state whether the figures have been audited or reviewed, and if so which auditing standard or practice has been followed.

The figures have not been audited or reviewed by the Company's auditors.

3. If the figures have been audited or reviewed, please provide a statement on whether there are any qualifications or emphasis of matter.

Not applicable.

4. Please state whether the same accounting policies and method of computation as in the issuer's most recently audited financial statements have been followed.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial information for the current period as the last audited financial statements for the period ended 31 December 2012, except for the adoption of the new financial reporting standards and amendments that are effective for the current period. The adoption of these standards and amendments had no material effect on the Group's results.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

See item 4 above.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	GROUP 4Q2013	GROUP 4Q2012	GROUP FY2013	GROUP FY2012
Earnings per share (cents) based on:-				
a) weighted average number of ordinary shares on issue	2.97	1.47	5.34	3.78
b) a fully diluted basis	2.97	1.47	5.33	3.77

Weighted average ordinary shares for calculation of:-

a) weighted average number of ordinary shares on issue	435,164,326	433,330,648	434,231,035	433,330,648
b) a fully diluted basis	435,386,084	434,405,848	434,431,581	434,405,848

7. Net asset value (for the issuer and group) per ordinary share based on total number of issued shares excluding treasury shares of the issuer at the end of the:-

(a) current financial period reported on; and

(b) immediately preceding financial year.

	GROUP As at 31/12/2013	GROUP As at 31/12/2012	COMPANY As at 31/12/2013	COMPANY As at 31/12/2012
Net asset value per share (cents) ⁽¹⁾	32.12	27.00	23.69	23.06

Note:-

(1) Based on share capital of 435,373,565 ordinary shares as at 31 December 2013 (31 December 2012: 432,898,365 ordinary shares).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Revenue

(\$ million)	4Q2013	4Q2012	FY2013	FY2012
Vessel Chartering	12.3	9.5	43.3	42.0
Ship Repair	1.2	0.6	4.1	4.6
Maritime Services	65.8	32.4	67.3	63.4
Total Revenue	79.3	42.5	114.7	110.0

4Q2013 vs. 4Q2012

Total revenue increased by \$36.8 million or 86.6% from \$42.5 million in 4Q2012 to \$79.3 million in 4Q2013, due mainly to the completion and delivery of vessels in the 4Q under the maritime services segment.

Revenue from vessel chartering registered an increase of \$2.8 million from \$9.5 million in 4Q2012 to \$12.3 million in 4Q2013. This was due to higher number of vessels owned and operated during the 4Q as the Group added more vessels during the period as part of its fleet renewal and expansion program.

Revenue from ship repair increased by \$0.6 million from \$0.6 million in 4Q2012 to \$1.2 million in 4Q2013 due to completion of more third party repair and maintenance jobs.

Revenue of \$65.8 million from maritime services was recognized upon delivery of vessels during 4Q2013.

Cost of sales increased by \$31.1 million to \$60.8 million in 4Q2013 from \$29.7 million in 4Q2012 due to an increase in activities of all segments. Higher revenue resulted in higher gross profit but gross profit margin was lower as margins for the maritime services segment that made up 83% of revenue are relatively lower compared to the other segments.

Other income increased by \$0.3 million from \$0.06 million in 4Q2012 to \$0.3 million in 4Q2013 due mainly to higher scrap metals disposed and other miscellaneous income.

Other gains-net – The Group registered other gains of \$1.8 million in 4Q2013, due mainly to \$3.3 million gains on disposal of vessels partly offset by loss on the disposal of financial assets available for sale of \$0.4 million and impairment in value of vessel held for sale of \$1.0 million. Other gains for 4Q2012 of \$1.3 million comprised mainly gains on the disposal of vessels of \$3.1 million partly offset by exchange loss of \$1.8 million.

Administrative expenses increased marginally to \$4.9 million in 4Q2013 from \$4.0 million in 4Q2012. This was mainly due to higher salary costs resulting from increased headcount and performance related compensation in line with the better performance for FY2013.

Finance expenses decreased by \$0.2 million from \$0.7 million in 4Q2012 to \$0.5 million in 4Q2013 as the Group partially refinanced a loan with lower interest borrowing in FY2013.

Share of (loss)/profit of joint venture. The Group's 50% owned joint venture Hadi International Marine Services Pte Ltd incurred lower losses amounting to \$0.1 million in 4Q2013 as compared to \$1.2 million loss in 4Q2012 as non-performing assets were disposed during the year.

Profit before tax increased by \$6.9 million from \$8.2 million in 4Q2012 to \$15.1 million in 4Q2013, due mainly to higher contributions from the maritime services and chartering segments.

Income tax expense of \$2.2 million related mainly to corporate tax provision in 4Q2013.

FY2013 vs. FY2012

Total revenue increased by \$4.7 million or 4.3% from \$110.0 million in FY2012 to \$114.7 million in FY2013 due to higher revenue generated by the maritime services and chartering segments.

Revenue from vessel chartering segment increased marginally to \$43.3 million from \$42.0 million in FY2012. Higher charter rates contributed to this increase despite fewer vessel days available for charter as the Group disposed 6 vessels during the year and took delivery of 8 vessels, mostly nearing the end of the year.

Revenue from ship repair decreased by \$0.5 million from \$4.6 million in FY2012 to \$4.1 million in FY2013 due to fewer repair and maintenance jobs completed in FY2013.

Revenue of \$67.3 million from maritime services was due mainly to the delivery of vessels in FY2013.

Cost of sales increased by \$4.2 million or 5.2% from \$79.2 million in FY2012 to \$83.4 million in FY2013 and is in line with the higher revenue. Gross profit as well as margin was lower as compared to FY2012 due mainly to higher crew and maintenance costs partially offset by higher average charter rates.

Other income increased by \$1.8 million from \$0.3 million in FY2012 to \$2.1 million in FY2013 due mainly to the forfeiture of \$1.2 million deposit received for the disposal of a vessel that was aborted by purchaser.

Other gains-net – The Group registered other gains of \$3.9 million in FY2013 compared to \$0.9 million in FY2012. Other gains comprised mainly of \$6.2 million gains on the disposal of vessels as part of the Group's fleet renewal program partially offset by loss on the disposal of financial assets available for sale of \$1.0 million, exchange loss of \$0.3 million and impairment in value of vessel for sale of \$1.0 million. Other gains of \$0.9 million recorded in FY2012 comprised mainly \$4.2 million gains on the disposal of vessels partly offset by loss on disposal of financial assets available for sale of \$0.7 million and exchange loss of \$2.5 million.

Administrative expenses for FY2013 were marginally lower mainly due to lower impairment of trade receivables.

Finance expenses for FY2013 decreased by \$0.9 million compared to FY2012 due mainly to the partial refinance of a loan with lower interest borrowing.

Share of (loss)/profit of joint venture – The Group's share of profit generated by the joint venture, Hadi International Marine Services Pte Ltd, amounted to \$0.04 million. The profit was due mainly to the disposal of non-performing vessels during the year.

Profit before tax increased by \$7.4 million, from \$18.7 million in FY2012 to \$26.1 million in FY2013, due to higher contributions from the chartering segment.

Income tax expense of \$2.9 million relates mainly to corporate tax provision for FY2013 as well as withholding tax paid. It was higher compared to FY2012 due mainly to higher withholding tax of \$0.3 million paid (FY2012: \$0.07 million)

Consolidated Balance Sheet

Assets

Total assets increased by \$40.3 million from \$236.7 million as at 31 December 2012 to \$277 million as at 31 December 2013. This was due mainly to higher property, plant and equipment, other current assets as well as trade and other receivables offset by a decrease in cash and cash equivalent.

The Group has continued its fleet expansion program and contracted new vessel buildings in FY2013. This resulted in higher property, plant and equipment as progress payments were made. Also, higher other current assets were due to higher progress payments made for vessels-under-construction that were contracted for sale. These payments were funded by progress payments received from customers, cash and bank borrowings.

Trade and other receivables were higher due mainly to the completion and delivery of a project before year end which the customer has paid after year end.

Liabilities

Total liabilities increased by \$17.3 million from \$119.9 million as at 31 December 2012 to \$137.2 million as at 31 December 2013. This was due mainly to higher bank borrowings of \$23.6 million partly offset by decrease in other payables of \$5.8 million. Other payables represented progress payments received from customers for the ship building contracts.

Share Capital and Reserves

Total equity increased by \$23.0 million from \$116.8 million as at 31 December 2012 to \$139.8 million as at 31 December 2013 due mainly to an increase in retained earnings in FY2013.

Cash Flow Statement

The Group generated \$32.3 million from its operating activities before working capital movement. Working capital movement included progress payments towards shipbuilding contracts that are earmarked for sale of \$18.4 million, increase in trade and other receivables of \$14.2 million and decrease in trade and other payables of \$5.2 million. After working capital movement and tax payments, the Group used \$8.4 million in its operating activities.

Net cash used in investing activities of \$38.4 million was due mainly to cash outflow of \$70.9 million arising from progress payments for the construction of vessels ordered by the Group which was partially offset by cash inflow of \$32.5 million comprising proceeds from the (i) disposal of financial assets available for sale; (ii) disposal of vessels; and (iii) partial repayment of loan by our middle-east joint venture.

Net cash from financing activities for FY2013 of approximately \$18.2 million was due mainly to net loan borrowing of \$23.6 million less dividend payment of \$3.5 million and interest payment of \$2.2 million.

As a result of the above, the Group recorded a decrease in cash and cash equivalents of \$28.6 million in FY2013.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable, the Group has not disclosed any forecast or prospect statements to its shareholders previously.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The outlook for offshore support vessels for 2014 remains positive as current oil price level continues to support investment in exploration and production activities. To better meet market demand, the Group continues to enhance fleet capabilities by adding higher value and modern vessels while replacing older vessels under its fleet expansion and renewal program. In 2013, the Group took delivery of eight vessels and disposed six vessels with six more vessels scheduled to be added in 2014 and four in 2015.

The Group's maritime service and ship repair segments are also expected to continue to contribute to the Group's earnings for FY2014.

To enhance long-term value for our shareholders, the Group will continue to focus on its fleet renewal and diversification program; seek to establish strategic alliances in new markets to drive its existing business. The Group will also seek acquisition opportunities to broaden and diversify the Group's earning base.

11. If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

<u>Name of dividend</u>	<u>First and final</u>
Dividend type	Cash
Dividend rate	0.5 cent ordinary dividend and 0.5 cent special dividend per ordinary share
Tax rate	Tax exempt (one-tier)

The proposed dividend is subject to shareholders' approval at the Company's Annual General Meeting.

(b)(i) Amount per share

1.0 cent per ordinary share.

(b)(ii) Previous corresponding period

0.8 cent per ordinary share.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

One-tier tax exempt.

(d) The date the dividend is payable.

To be announced at a later date, subject to Shareholders' approval at the Company's Annual General Meeting.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

To be announced at a later date.

12. If no dividend has been declared (recommended), a statement to that effect.

Not applicable.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920(1)(a)(ii).

There was no interested person transaction during the year ended 31 December 2013.

14. Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)

Not applicable.

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

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

The Group is organised into three main operating segments:

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

Others include investment holding activities.

The Exco assesses the performance of these operating segments based on profit after tax.

Sales between segments are carried out at arm's length. The revenue from external parties and total assets reported to the Exco is measured in a manner consistent with that of the financial statements.

FY2013

	<u>Vessel Chartering</u> (\$'000)	<u>Ship Repair and Maintenance Services</u> (\$'000)	<u>Maritime Services</u> (\$'000)	<u>Others</u> (\$'000)	<u>Total</u> (\$'000)
<u>Group</u>					
Revenue					
Segment revenue	54,195	6,482	67,327	4,895	132,899
Inter-segment revenue	(10,878)	(2,392)	-	(4,895)	(18,165)
Revenue from external parties	<u>43,317</u>	<u>4,090</u>	<u>67,327</u>	<u>-</u>	<u>114,734</u>
Profit after tax	17,519	1,053	11,057	(6,440)	23,189
Interest income	160	-	-	-	160
Interest expense	(1,847)	-	(21)	(319)	(2,187)
Depreciation	(8,172)	(119)	(7)	-	(8,298)
Amortisation of facility fee	(196)	-	-	-	(196)
Income tax expense	(858)	(62)	(1,966)	-	(2,886)
Share of gain of joint ventures	42	-	-	-	42
Segment assets					
Segment assets include:	207,767	2,909	50,680	15,637	276,993
Investment in a joint venture	1,529	-	-	-	1,529
Additions to property, plant and equipment	<u>69,905</u>	<u>1,092</u>	<u>-</u>	<u>-</u>	<u>(70,997)</u>

FY2012

<u>Group</u>	<u>Vessel Chartering</u> (\$'000)	<u>Ship Repair and Maintenance Services</u> (\$'000)	<u>Maritime Services</u> (\$'000)	<u>Others</u> (\$'000)	<u>Total</u> (\$'000)
Revenue					
Segment revenue	53,567	5,864	63,466	4,086	126,983
Inter-segment revenue	(11,600)	(1,280)	-	(4,086)	(16,966)
Revenue from external parties	41,967	4,584	63,466	-	110,017
Profit after tax	12,597	817	8,945	(5,972)	16,387
Interest income	133	-	35	-	168
Interest expense	(2,371)	-	(94)	(646)	(3,111)
Depreciation	(8,571)	(99)	-	-	(8,670)
Amortisation of facility fee	(110)	-	(226)	-	(336)
Income tax expense	(352)	(265)	(1,670)	(3)	(2,290)
Share of loss of joint ventures	(860)	-	-	-	(860)
Segment assets	185,110	1,949	25,144	24,525	236,728
Segment assets include:					
Investment in a joint venture	1,418	-	-	-	1,418
Additions to property, plant and equipment	32,623	597	-	-	33,220

<u>Revenue</u>	<u>GROUP</u>	
	<u>FY2013</u> (\$'000)	<u>FY2012</u> (\$'000)
Singapore	10,292	19,516
Malaysia	14,785	10,136
Indonesia	1,685	1,371
Australia	1,970	3,125
Saudi Arabia	69,761	64,582
Others	16,241	11,287
Total continuing operations	114,734	110,017
Non-current assets		
Singapore	175,060	132,141
China	1,681	3,795
Saudi Arabia	1,886	5,553
Total continuing operations	178,627	141,489

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable.

17. A breakdown of sales as follows:-

	GROUP		
	FY2013 (\$'000)	FY2012 (\$'000)	Inc/ (Decr) %
First Half			
(a) Revenue	21,644	42,297	(48.8)
(b) Operating profit/(loss) after tax before deducting minority interests reported for first half year	3,849	6,524	(41.0)
Second Half			
(c) Revenue	93,090	67,720	(37.5)
(d) Operating profit after tax before deducting minority interests reported for second half year	19,340	9,863	96.1

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

	FY2013 (\$'000)	FY2012 (\$'000)
First and final ordinary and special dividend	-	3,463
Proposed first and final ordinary and special dividend	4,354	-
Total:	4,354	3,463

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13):-

Name	Age	Family relationship with any director and/or chief executive officer and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Yeo Chong Boon	61	Uncle of Mr Alex Yeo Kian Teong, Executive Director and Chief Executive Officer of the Company.	<p>General Manager (Operations) of Swissco Offshore (Pte) Ltd (since March 2007)</p> <p>Responsible for the coordination of vessel movement, updating vessels' documents, communicating clients' instructions to crew, ensuring compliance with various authorities and the daily coordination of all vessels and crew matters.</p>	N.A.

BY ORDER OF THE BOARD

Alex Yeo Kian Teong
 Chief Executive Officer
 21 February 2014