



Årsregnskap for regnskapsåret 2013

Organisasjonsnr: 974 453 940
Navn/foretaksnavn: EMAS-AMC AS
Forretningsadresse: Lilleakerveien 2A
0283 OSLO

Brønnøysundregistrene
20.11.2020

Brønnøysundregistrene

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Organisasjonsnummer: 974 760 673



2014 103391



Brønnøysundregistrene – Regnskapsregisteret

VEDLEGG TIL ÅRSREGNSKAP

2013

EMAS-AMC AS Postboks 247 Lilleaker 0216 OSLO	Organisasjonsnr. 974 453 940	AS
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Registrerte opplysninger per 12.03.2014		Eventuelle endringer dette regnskapsåret	
Startdato 01.09.2012	Avslutningsdato 31.08.2013	Startdato	Avslutningsdato
Konsernforhold Foreninger som følger regler for frivillig virksomhet, kan ikke være morselskap	Morselskap JA	Endret konsernforhold ☐ Morselskap ☐ Ikke morselskap	

Kun for aksjeselskap som har meldt fravalg av revisjon

Selskapet har besluttet at årsregnskapet ikke skal revideres ☐ Ja

Årsregnskapet er utarbeidet av ekstern autorisert regnskapsfører ☐ Ja

Ekstern autorisert regnskapsfører har i løpet av regnskapsåret bistått ved den løpende regnskapsføringen eller utført andre tjenester for selskapet enn å utarbeide årsregnskapet ☐ Ja

Årsregnskapet er satt opp etter reglene for frivillig virksomhet ☐ Avkrysning er kun aktuelt for foreninger (FLI) som er registrert i Frivillighetsregisteret

Hvis enheten ikke følger norsk regnskapslov eller frivillighetsregisterloven, kryss av ☐ IFRS selskap ☐ IFRS konsern
Hvis enheten velger å avvike fra regnskapsloven § 6-1, kryss av ☐ Funksjon selskap ☐ Funksjon konsern

Følges regnskapsreglene for små foretak? ☐ Ja ☒ Nei

Jeg bekrefter at vedlagte årsregnskap er fastsatt av kompetent organ den Dato 26.02.2014

Sted/dato, Underskrift av representant for enheten
Oslo, 12.04.2014

Bare til bruk for Regnskapsregisteret

G ☒ NYVE ☐ Admr ☐ Kregn Ja ☒ Nei ☐ Aktiv. regn ☐

M ☒ Rets ☐ Ant.s 218

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BR-1001-11



INCOME STATEMENT

Amounts in NOK 1000	NOTE	01.09.12 - 31.08.2013	01.01.12 - 31.08.2012 *
Revenue	2	1,660,232	840,911
Other operating income	2	1,158	26,014
Total revenue		1,661,390	866,925
Cost of sales	18	1,507,089	642,336
Employee benefits expenses	3.7	289,424	124,547
Depreciation expenses	5	16,205	13,431
Impairment charges	5	0	242
Other operating expenses		45,461	28,290
Total operating expenses		1,858,179	808,845
Operating profit		-196,789	58,080
Financial income	4	31,467	21,878
Financial expenses	4	62,631	30,684
Operating result before tax		-227,953	49,273
Income tax expense	6	-4,063	-1,913
Operating result after tax		-223,890	51,186
Transfers			
To other equity		-223,890	51,186
Uncovered loss			
Total transfers		-223,890	51,186

*Financial year 2012 consist only of 8 months.



BALANCE SHEET

Amounts in NOK 1000

NOTE

31.08.2013

31.08.2012

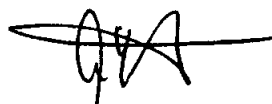
ASSETS

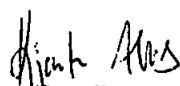
Deferred tax assets	6	14,222	14,222
Total intangible assets		14,222	14,222
Machinery & plant and Capitalized vessel equipment	5	17,757	115,009
Equipment	5	17,829	18,279
Total tangible fixed assets		35,585	133,288
Net pension plan assets	7	1,338	1,672
Investments in subsidiaries	8	1,040	891
Other financial non-current assets		5,164	
Total financial fixed assets		7,543	2,564
Total non-current assets		57,350	150,073
Inventories	17	16,187	8,868
Trade receivables	10	729,117	384,168
Other receivables	10	166,519	98,213
Total receivables		895,637	482,381
Cash and bank deposits	11	14,183	9,836
Total current assets		926,007	501,085
Total assets		983,357	651,158

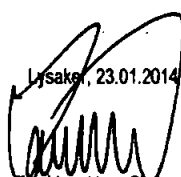


BALANCE SHEET

Amounts in NOK 1000	NOTE	31.08.2013	31.08.2012
EQUITY AND LIABILITIES			
Share capital	13	218,277	218,277
Share premium reserve	13	72,213	72,213
Other paid-in equity	13	87,785	87,785
Total paid-in equity		378,276	378,276
Uncovered loss	13	-349,386	-125,496
Total retained earnings		-349,386	-125,496
Total equity		28,890	252,780
LIABILITIES			
Long-term liabilities			
Pension liabilities	7	12,525	12,160
Total provisions		12,525	12,160
Current liabilities			
Trade creditors	10	561,343	141,614
Public duties payable		17,129	13,155
Other short-term liabilities	10	363,471	231,449
Total short-term liabilities		941,943	386,218
Total liabilities		954,467	398,378
Total equity and liabilities		983,357	651,158


Asle Bjørnstad

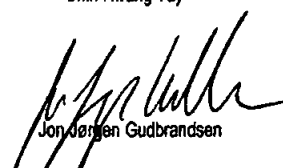

Martin Aines

Lysaker, 23.01.2014

Fok Lionel Lee Chye
Chairman of the Board


Svein Haug
General Manager


Kumar Chandra Lal Amarnath Adarash


Chin Kwang Tay


Jon Jørgen Gudbrandsen

NOTE 1 ACCOUNTING PRINCIPLES

Emas-AMC AS is incorporated in Norway. The Annual Financial Statement is based on the Norwegian Accounting Act of 1998 and good accounting practice. Emas-AMC AS is a subsidiary of Ezra Holdings Limited and has two wholly owned subsidiaries Emas-AMC Pty and Emas-AMC Inc. This financial statement solely refers to Emas-AMC AS (the company), as exemption has been given for producing an annual report for the group. The overall financial figures for Emas-AMC AS with its two subsidiaries will be consolidated via the parent company, Ezra Holdings Limited. The financial statement for Ezra Holdings Limited can be found at the following address: www.ezra.listedcompany.com.

This annual financial statement follows the financial calendar of Ezra Holdings Limited which goes from 1 September to 31 August, as an exemption has been given in accordance with the Norwegian Accounting Act. This report is in English only, as an exemption has been given for having a Norwegian version.

Revenues

Work performed on offshore operations related to fixed price contracts with extended contract time are assessed according to percentage of completion and recognized in accordance with the construction, when the outcome of the contract can be reliably measured. The percentage of completion is measured based on incurred cost compared to total cost. Other fixed price contracts (a small portion of the turnover) are recognized based on completed contract method.

Subsidiaries

Investments in subsidiaries are measured in accordance with the cost method in the parent company's financial statement. The investments are measured at cost, unless any impairment has occurred. Impairments are made down to the fair value only when the decline in fair value is considered permanent. Impairments are reversed when the cause for the impairment no longer exists.

Taxes

Tax expenses consist of both tax payable and changes in deferred tax. Deferred tax/deferred tax assets are calculated based on the difference between recognized amount and the tax base for assets and liabilities.

A deferred tax asset is recognized when it is probable the company will have sufficient taxable income in future

periods to utilize the deferred tax asset. Deferred tax assets not recognized in prior periods are recognized if it becomes probable that the Group will be able to utilize the deferred tax asset. Deferred tax assets recognized in earlier period are expensed if it is no longer probable that the deferred tax asset will be utilized.

Taxes payable related to foreign operations are calculated based on the tax rate applicable in the relevant jurisdictions. These are expensed in the financial statement for 2013. In 2013, this applies to the US activities. The applied tax rates are 35 %.

Classification of assets and liabilities

Receivables and debt related to the operating cycle are classified as current assets and current liabilities. Prepayments from customers are classified as current liabilities. Other receivables and debt due within one year are classified as current assets or liabilities. Current assets are measured at the lowest of cost and fair value. Current liabilities are measured at the nominal amounts.

Inventories are initially recognized at cost, and subsequently at the lower of cost and net realizable value. Cost comprises all costs of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location and condition. Cost of inventories is allocated based on the FIFO method.

Trade receivables and other receivables are measured at face value less expected loss. Assessments of expected losses are made on an individual basis for each receivable.

Cash and cash equivalents in the balance sheet comprise of cash in bank accounts, on hand and short-term deposits with an original maturity of three months or less.

Assets meant for lasting ownership and use are classified as non-current assets. Non-current assets are measured at cost less any depreciation for an asset with limited life. Impairment is recognized for non-current assets if the fair value booked value is greater than the fair value, and the decline in fair value is not considered temporary. Depreciation is made on a linear basis over the expected economic life of the asset. The depreciation period for the different assets range from 3-10 years, based on expected economic life.

Leases where substantially all the risks are on the lessor, are classified as operating leases. Rental payments are



classified as an operating expense and are recognized over the contract period.

Cash Flow

The cash flow statement is prepared based on the indirect method.

Pension

The Company is required by law to have a pension plan for its employees; the pension plan is in line with the legal requirements. From July 1, 2008 the employee pension plan was changed from a Defined Benefit Plan to a Defined Contribution Plan. Employees above the age of 58 years at the time of transition will continue in the defined benefit plan. A compensation scheme was to ensure that no employee incurred a loss of rights based on this change in pension plan. The company also offers an early retirement pension plan (AFP). A new early retirement plan was put in place as of January 1, 2011; this plan is a multi-employer plan. There are no reliable calculations available for this plan, so it is accounted for as a defined contribution plan.

The company has a defined contribution plan in place for the remainder of its employees. Defined benefit plans are valued at the present value of accrued future pension benefits at the balance sheet date. Pension plan assets are valued at their fair value.

Changes in the pension obligations due to changes in pension plans are recognized over the estimated average remaining service period. The accumulated effect of changes in estimates and in financial and actuarial assumptions (actuarial gains or losses) that is less than 10% of the higher of defined benefit pension obligations and pension plan assets at the beginning of the year is not recognized. When the accumulated effect is above 10% limit in the beginning of the financial period, the excess amount is recognized in the income statement over the estimated average remaining service period. The net pension cost for the period is classified as salaries and personnel costs.

Foreign currency

Transactions in a currency other than the respective functional currencies ("foreign currency") of the Company are recorded on initial recognition in the functional currencies at foreign exchange rates approximating those ruling at the dates of the transactions. Foreign currency monetary items are translated into the functional currency using foreign exchange rate ruling at the end of the reporting period. Non-monetary assets and liabilities

measured at historical cost in foreign currencies are translated into the functional currency using foreign exchange rates at the dates of the transactions.

The company occasionally uses hedging instruments to mitigate any remaining currency exposure. Currency risk arises mainly from operational activities related to the projects. Derivative financial instruments are recognized at fair value. Changes in fair value in terms of gains / losses are booked in the income statement as financial income / -expenses.

Presentation

All amounts are presented in NOK 1000 unless otherwise specified.

Event after reporting date

Any events incurred after the reporting date with material effect on the company's financial position are disclosed in the notes.



NOTE 2 OPERATING INCOME

Amounts in NOK 1000

	01.09.2012 - 31.08.2013	01.01 - 31.08.2012
Revenue	1,660,232	840,911
Other operating income	1,158	26,014
Total	1,661,390	866,925

Geographical distribution

Norway	1,123,237	399,398
USA	92,447	129,555
Australia	818	50,606
Great Britain	2,875	
Singapore		42,091
Sweden	298,530	245,274
Nederland/Holland	51,853	
Ghana	64,554	
Nigeria	29,276	
Total	1,661,390	866,925

All revenues are related to the core operations of the company's marine installations.

Other operating income consists of reimbursable costs

NOTE 3 SALARIES, EMPLOYEES AND REMUNERATIONS

Amounts in NOK 1000

	01.09.2012 - 31.08.2013	01.01.2012 - 31.08.2012
Payroll expenses		
Salaries	134,458	103,658
Social security	20,591	10,940
Pension costs	11,534	7,070
Other benefits	122,842	2,879
Total payroll expenses	289,424	124,547

Number of employees during the year

146

113

Total payroll expenses also includes payments for consultants

Remunerations key management 01.09.12-31.08.13	Salary	Bonus	Other benefits	Pension
General Manager	2,599	417	13	62

The General Manager's contract may be terminated by either party given a six month notice period

No remuneration is paid to the Board of Directors.

	01.09.2012 - 31.08.2013	01.01 - 31.08.2012
Audit fees, exclusive VAT		
Mandatory audit	1,212,000	840,000
Other fees		220,804
Total fees to auditor	1,212,000	1,060,804



NOTE 4 FINANCIAL ITEMS

Amounts in NOK 1000

	01.09.2012- 31.08.2013	01.01 - 31.08.2012
Financial income		
Interest income from other group entities	-1,300	1,959
Other interest income	-145	215
Other financial income (agio)	-30,023	19,704
Total financial income	-31,467	21,878
	01.09.2012- 31.08.2013	01.01 - 31.08.2012
Financial expenses		
Interest expenses from other group entities	-	-
Other interest expenses	7,122	2
Other financial expenses (agio)	55,508	30,643
Total financial expenses	62,631	30,645

NOTE 5 FIXED ASSETS AND LEASES

Amounts in NOK 1000

Tangible fixed assets	Equipment	Machinery and plant	Capitalized vessel equipment	Total
Accumulated cost as of 01.09.12	22,869	175,433	5,214	203,516
Corrections in fixed assets register*	156	-9,717	-	-9,561
Corrected acc. cost as of 01.09.12	23,025	165,716	5,214	193,955
Additions	5,952	14,639	-	20,591
Disposals	-	-158,415	-975	-159,390
Accumulated cost as of 31.08.13	28,978	21,941	4,239	55,158
Accumulated depreciations 01.09.12	4,746	-1,369	314	3,691
Accumulated depreciations 31.08.13	11,148	7,270	1,154	19,571
Accumulated write downs 31.08.13	-	-	-	-
Net amount as of 31.08.13	17,829	14,671	3,085	35,585
Depreciations for the financial year	8,639	6,402	1,164	16,205
Write down for the financial year	-	-	-	-
Expected economic life	3-5 year	5-10 year	3-5 year	
Depreciation method	linear	linear	linear	

*Corrections were done due to write-downs registered in the fixed assets register in 2012, which were not entered in the general ledger.

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>> NOTE 5 (Continued)

Amounts in NOK 1000

Operating lease arrangements	31.08.13	31.08.12
Lease payments recognized in operating expenses for the year	413,880	163,563

The operating lease payments which are related to hire of vessels equals TNOK 402 439. The fixed hire periods varies with one expiring in August 2013, one in October 2022 and one in December 2017. None of the lease agreements contains a purchase option.

The total operating lease commitments as per 31.08.2013 were TNOK 2,517,052. These consist mainly of charter hire obligations. The remaining obligations are related to office facilities as at 31.08.2013, TNOK 63 663. The lease agreement lasts until 30.04.2018 with option to extend with 5 years, however Emass-AMC can terminate the agreement 30.04.2016 with 4 months compensation to the lessor.

The company outstanding lease commitments fall due as follows

	31.08.13
Within one year	470,506
Years two to five inclusive	1,342,695
After five years	703,650
Total	2,517,051

In addition to the existing obligations, the company has signed a charter party agreement for the vessel Lewek Inspector starting November 2014. The agreement is 5 years firm, with options to extend up to five years. In the last quarter of the financial year the company also added the two vessels Lewek Centurion and Lewek Express. However no payments were made in the financial year as they were on a nonpayment waiver effective until the 1. of September 2013.

NOTE 6 TAX

Amounts in NOK 1000

Tax expenses for the year	01.09.2012 - 31.08.2013	01.01.2012 - 31.08.2012
Taxes payable		-
Changes in deferred tax		-2,646
Federal tax		733
Correction tax payable prior years	-4,539	-
Foreign Withholding tax	476	-
Total tax expenses	-4,063	-1,913
Tax calculation		
Operating profit before tax	-227,953	49,273
Permanent differences	661	242
Changes in temporary differences	45,303	-100,554
Tax base current year	-181,988	-51,039
Temporary differences	31.08.2012	31.08.2013
Property, plant and equipment	11,751	-75,441
Construction contracts	109,361	149,860
Other differences	-22,488	-21,067
Total temporary differences	98,624	53,322

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>> NOTE 6 (Continued)

	31.08.2012	31.08.2013
Tax loss carried forward	-150,412	-332,475
Tax credits carried forward	-14,016	-12,947
Base for deferred tax asset	-65,804	-292,101
Adjustments to deferred tax asset	31.08.2012	31.08.2013
28% deferred tax asset	-18,425	-81,788
Deferred tax asset not recognized	4,203	67,568
Recognized deferred tax asset	-14,222	-14,222

According to Norwegian law, the tax loss can be carried forward indefinitely

NOTE 7 PENSION

The company is required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon"). The company's pension scheme meets the requirements of that law.

Pension expenses relate to the employees' right to future pension payments based on the year's performance. In a defined contribution plan, the company is liable to pay a fixed amount based on the salaries paid. In a defined benefit plan, the company is liable for a pension payment as a fixed ratio of the salary earned in the year prior to retirement.

In connection with the change from defined benefit to defined contribution, a compensation scheme was established to compensate the employees for the change in pension plan. The compensation was calculated as the difference between pension liability under the defined benefit plan and funds under the defined contribution plan at the age of 67. The amount of compensation is adjusted annually based on changes in salaries and interest accrued at market rates. Should the employee resign prior to the age of 67, the compensation amount is reduced.

The plan for early retirement was subject to substantial change from 2011. The existing plan was closed to new members, and calculated liability as a cost reduction in the P&L. A provision of NOK 6,000 per employee was made to cover the early retirement plan.

The previous early retirement plan yielded a pension from the age of 62 and 67, whereas the new plan offers a lifelong addition in pension. The new pension plan is a multi-employer plan. Data for calculating the liability is not available, and the plan is therefore treated as a defined contribution plan.

The pension plans includes 219 members, of which 183 members fall under the defined contribution plan and 36 are covered by the closed defined benefit plan.

From 2011 the defined benefit plan is funded through DNB Livsforsikring AS.

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>> NOTE 7 (Continued)

Pension cost	01.08.2012 - 31.08.2013			01.01.2012 - 31.08.2012		
	Funded	Unfunded	Total	Funded	Unfunded	Total
Current service cost	1,001	1,868	2,869	844	1,587	2,231
+ Interest cost	769	221	990	469	161	630
- Return on plan assets	(1,086)	-	(1,086)	(700)	-	(700)
= Pension cost	685	2,089	2,774	613	1,748	2,161
-	-	-	-	-	-	-
+ Adm. cost	177	-	177	178	-	178
Net pension cost	862	2,089	2,951	591	1,748	2,339
+ Social security (AGA)	122	295	418	83	247	330
- Amortization of net actuarial losses (gains)	1,362	290	1,642	614	55	669
Net periodic pension cost	2,336	2,674	5,010	1,288	2,050	3,338
Contribution defined contribution plan			5,544			3,386
New early retirement plan			979			346
Cost related to defined contribution plans			6,524			3,732
Total pension cost			11,533			7,070

	31.08.2013			31.08.2012		
	Funded	Unfunded	Total	Funded	Unfunded	Total
Opening balance pension liability/ (asset) as of 01.01	(1,672)	12,160	10,488	(2,960)	12,899	9,939
+ NPFC during year	2,336	2,674	5,010	1,287	2,051	3,338
- Paid pension premium	(2,002)	(2,309)	(4,311)	-	(2,790)	(2,790)
Closing balance pension liability/ (asset) 31.08	(1,338)	12,525	11,188	(1,673)	12,160	10,487

Financial Status	Funded pension liabilities		Unfunded pension liabilities	
	31.08.2013	31.08.2012	31.08.2013	31.08.2012
Projected Pension Liabilities (PBO)	27,470	30,004	8,062	9,524
- Plan assets	(27,504)	(26,120)	-	-
Net over/(under) coverage	(34)	3,884	8,062	9,524
+ Unrecognized prior service cost	-	-	-	-
+ Unrecognized transition obligation (asset)	-	-	-	-
+ Unamortized actuarial gains and losses	(1,139)	(5,350)	2,915	1,134
+ Social security	(165)	(207)	1,548	1,503
Recognized pension liabilities	(1,338)	(1,672)	12,525	12,160

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>> NOTE 7 (Continued)

Pension liabilities	31.08.2013			31.08.2012		
	Funded	Unfunded	Total	Funded	Unfunded	Total
Opening balance	30,004	9,524	39,528	27,544	10,523	38,067
Current service cost	1,001	1,868	2,869	644	1,587	2,231
Interest	769	221	991	469	161	630
Pension paid	(853)	(2,009)	(2,862)	(1,007)	(2,445)	(3,452)
Actuarial gains and losses	(3,451)	(1,542)	(4,993)	2,355	(303)	2,052
Closing balance pension liabilities	27,470	8,062	35,533	30,005	9,523	39,528

Pension funds	31.08.2013			31.08.2012		
	Funded	Unfunded	Total	Funded	Unfunded	Total
Opening balance	26,120	-	26,120	26,215	-	26,215
Expected return on assets	1,086	-	1,086	700	-	700
Deposits	1,755	-	1,755	-	-	-
Payment	(853)	-	(853)	(1,007)	-	(1,007)
Actuarial gains and losses	(426)	-	(426)	389	-	389
Adm. cost	(177)	-	(177)	(178)	-	(178)
Closing balance pension funds	27,504	-	27,504	26,120	-	26,120

Actual return on plan assets						
Expected return on assets	1,086	-	1,086	700	-	700
Actuarial gains and losses, pension fund total	(426)	-	(426)	389	-	389
Actuarial gains and losses, pension fund other	(660)	-	(660)	(1,089)	-	(1,089)
Actual returns	-	-	-	-	-	-

Distribution pension funds	31.08.2013			31.08.2012		
	Funded	Unfunded	Total	Funded	Unfunded	Total
Current bonds	14.2 %	-	14.2 %	15.2 %	-	15.2 %
Cash unit trust	26.2 %	-	26.2 %	17.5 %	-	17.5 %
Shares	6.3 %	-	6.3 %	10.2 %	-	10.2 %
Hold to maturity bonds	34.5 %	-	34.5 %	37.1 %	-	37.1 %
Investments property	14.8 %	-	14.8 %	18.6 %	-	18.6 %
Alternative investments	3.4 %	-	3.4 %	-	-	-
Other	0.6 %	-	0.6 %	1.4 %	-	1.4 %
Total	100 %	-	100 %	100 %	-	100 %

Financial Assumptions	31.08.2013		31.08.2012	
	Funded	Unfunded	Funded	Unfunded
Discount rate	4.00 %	4.00 %	2.60 %	2.60 %
Expected return	4.00 %	4.00 %	4.10 %	4.10 %
Salary increase	3.50 %	0-3.5%	3.50 %	3.50 %
G-regulation	3.25 %	0-3.25%	3.25 %	3.25 %
Adjustment of current pension	0.20 %	0-2.5%	2.50 %	2.50 %
Discount rate	4.00 %	4.00 %	2.60 %	2.60 %
Expected return	4.00 %	4.00 %	4.10 %	4.10 %



NOTE 8 SUBSIDIARIES AND ASSOCIATED COMPANIES

Amounts in NOK 1000

Company name	Business offices	Shares	Book value*	Voting right	Equity (accumulated loss)	Net profit (loss) 31.08.13
EMAS-AMC Pty.Ltd.	Perth, Australia	100 %	12	100 %	17,019	54,907
EMAS-AMC US Inc.	Houston, USA	100 %	891,238	100 %	-204,483	-68,408
FODE & EMAS Joint Venture Co. Ltd	Nigeria	40 %	143,999	40 %		

*Book value is presented in full amount not NOK 1000.

EMAS-AMC US Inc commenced its operation in January, 2002. Both subsidiaries were incorporated by Aker Marine Contractors AS (currently EMAS-AMC AS), and there is no goodwill or non-controlling interest in the group. Investments in subsidiaries are recognized using the cost method.

FODE & EMAS Joint Venture Co. Ltd is a joint venture with Field Offshore Design Engineering Nigeria Limited (FODE), established in June 2013. FODE holds the remaining 60% of the company shares. There are no official financial statements as per 31.08.2013 for FODE & EMAS Joint Venture Co. Ltd.

NOTE 9 FINANCIAL RISK

CREDIT RISK

The company has a low exposure to credit risk as the customer base is largely made up of a limited number of large oil companies with good creditworthiness. The company has a process in place where credit assessments are made prior to entering into contracts with new customers and smaller companies. If deemed necessary, credit risk is mitigated by implementing adequate payment securities such as bank guarantees, parent company guarantees and/or upfront customer payments. The Company has not suffered any losses due to payment defaults by any of its clients.

CURRENCY RISK

During the tender phase and upon contract execution of a new project, currency inflows and outflows are analyzed and any resulting currency exposure is minimized by the use of natural hedging i.e. multi-currency contracts. The company occasionally uses hedging instruments to mitigate any remaining currency exposure.

LIQUIDITY RISK

Liquidity risk is the risk that the company will encounter in meeting financial obligations due to shortage of funds. The company's activities and cash inflow may fluctuate during the year and therefore potentially affecting the cash balance. Further, any potential short term fluctuations in cash balance could potentially be covered by an intercompany loan from the parent company.

INTEREST RATE RISK

The company has no significant interest rate exposure.



NOTE 10 RECEIVABLES AND DEBT

Amounts in NOK 1000

Trade receivables	31.08.2013	31.08.2012
Inter-company	165,588	51,226
External	251,308	254,275
Performed not invoiced construction	312,222	78,667
Provision for losses	0	0
Total trade receivables	729,117	384,168

Other receivables	31.08.2013	31.08.2012
Inter-company	40,753	37,592
Excess payment of tax (US)	2,259	302
External	123,508	60,319
Total other receivables	166,519	98,213

All receivables are due within one year.

Trade creditors	31.08.2013	31.08.2012
Inter-company	333,469	28,271
External	227,874	113,343
Total trade creditors	561,343	141,614

Other short-term liabilities	31.08.2013	31.08.2012
Inter-company	147,747	0
Unearned income	98,920	70,225
Accrued expenses	98,985	149,027
Employee benefits	17,819	12,197
Total short-term creditors	363,471	231,449

All debts are to be settled within one year.

NOTE 11 BANK DEPOSITS

None of the company's cash balances are restricted. DNB Singapore Branch has provided a guarantee of NOK 10 million for the withholding of tax.

NOTE 12 SHARES AND SHAREHOLDERS

Parent company	Number		Face value	Recognized
The share capital consists of EMAS-AMC AS has 1 shareholder as of 31.8.2013	216,116		NOK 1010	218,277,160
	Shares	Total	Share	Voting right
Ezra Holdings Ltd	216,116	-	216,116	100 %
Total	216,116	-	216,116	100 %



NOTE 13 EQUITY

Amounts in NOK 1000

	Share Capital	Share Premium Account	Other EQ	Other EQ/ Uncovered loss	Total Equity
Equity as per 31.08.12	218,277	72,213	87,785	-125,497	252,779
Net profit for the year				-223,890	-223,890
Equity as of 31.08.13	218,277	72,213	87,785	-349,387	28,890

NOTE 14 CONSTRUCTION CONTRACTS

At year end of August 2013 there were nine ongoing construction contracts.

Amounts in NOK 1000

Book amounts construction contracts	31.08.2013	31.08.2012
Performed not invoiced construction	312,222	78,667
Invoiced not performed construction	98,020	70,225
Current projects	31.08.2013	31.08.2012
Total production*	1,771,686	651,487
Total expenses	1,621,826	542,126
Estimated profit	149,860	109,361

*At year end August 2013 the company was in a contractual dispute with its client on the ABB DoWin 1 project. Due to this dispute TNOK 22,669 is invoiced but not paid by client, in addition TNOK 156,944 is recognized as performed not invoiced construction. The company feels confident that the dispute will be solved in a favorable matter and that the recognized revenue will be paid by client. The company is recognizing revenue in regards to the Dolwin 1 project to the extent it's probable the disputed amounts will result in revenue.

NOTE 15 GUARANTEE LIABILITIES

Guarantee liabilities not recognized

Emas-AMC AS provides guarantees for project performance to customers on projects in the normal course of its business. These guarantees are usually from a financial institution.

As of 31.08.2013 total bank guarantees issued in favor of EMAS AMC's clients amounted to NOK 250 Million. As of 31.08.2013 bank guarantees issued by our suppliers in our favor on projects amounted to NOK 10.7 Million.

Guarantee liabilities recognized

There are no recognized guarantee liabilities.



NOTE 16 TRANSACTIONS WITH RELATED PARTIES

There are no transactions with key management. Accounts with group companies are disclosed in note 10.

Emas-AMC has hired the vessel Lewek Connector on a bareboat charter from the company AMC Connector AS. The latter is owned 50% by Ezra Holdings Ltd (parent company of Emas-AMC). Lewek Connector was in October 2012 sold to a company owned 100% by Ocean Yield ASA. EMAS AMC still charters the boat, but the owning company does not constitute a related party. The amount paid to the related company in the fiscal year 2013 equals TNOK 25,654. In December the company sold an FDS at book value TNOK 97,044 to EMAS-AMC Pte Ltd.

Transactions with related companies

Amounts in NOK 1000	31.08.2013	31.08.2012
Sales to subsidiaries	100,198	146,649
Sales to parent company	-698	55
Sales to other group companies	164,930	38,374
Total sales to related companies	264,430	185,078
Purchases from subsidiaries	3,484.71	68.97
Purchases from parent company	10,994.45	0.00
Purchases from other group companies	152,383	47,036
Total purchases from related companies	166,862	47,103

NOTE 17 INVENTORIES

	31.08.2013	31.08.2012
Inventories, mainly fuel and inventory aboard ships	16,187	8,868

NOTE 18 COST OF SALES

Amounts in NOK 1000	01.09.2012 - 31.08.2013	01.01.2012 - 31.08.2012
Bunkers	75,267	17,733
Rental of ships	573,920	237,540
Purchase of materials	677	1,444
Purchase of services	759,209	319,173
Others	98,016	68,446
Total	1,507,089	642,336

NOTE 19 SUBSEQUENT EVENT

As mentioned under Note 5 the company has signed a charter agreement for the vessel Lewek Inspector starting November 2014.

As of 15th November 2013 Emas-AMC AS is co-guaranteeing for a bank facility of MUS\$ 373 together with Ezra Holdings Limited, Emas-AMC Pte Ltd and Emas-AMC Inc.



CASH FLOW

<i>Amounts in TNOK</i>	01.09.13-31.08.13	01.01.13-31.08.2012
Profit before income taxes	-227,953	49,348
Taxes paid in the period	-	-2,992
Depreciation	18,205	13,431
Impairment of fixed assets	-	242
Change in inventory, trade debtors, trade creditors	67,354	-226,468
Change in other accruals	68,043	88,271
Net cash flow from operations	-76,351	-78,168
Proceeds from sale of fixed assets	101,438	156
Purchase of fixed assets	-20,591	-16,950
Net cash flow from investments	80,847	-16,794
Repayment of loan intercompany	-	55,207
Repayment of short term loans	-	-5,978
Proceeds from issuance of equity	-	0
Repayment of equity	-	-
Investment i companies	-149	-
Net cash flow from financing	-149	49,229
Net change in cash and cash equivalents	4,347	-45,735
Cash and cash equivalents 01.01	9,836	55,572
Cash and cash equivalents 31.08.13/31.08.12	14,183	9,836



Dette dokumentet er utarbeidet både på norsk og engelsk. Dersom det skulle vise seg å være uoverensstemmelser mellom de to versjonene, skal den norske versjonen ha forrang.

This document has been prepared in both Norwegian and English. In case of any discrepancy between the two versions, the Norwegian version shall prevail.

PROTOKOLL FOR GENERALFORSAMLING I EMAS-AMC AS

MINUTES GENERAL MEETING IN EMAS-AMC AS

Den 26 februar 2014 ble det avholdt generalforsamling i Emas-AMC AS ("Selskapet") ved sirkulasjon av saksdokumentene.

Generalforsamlingen ble avholdt etter reglene i aksjelovens § 5-7 om forenklet generalforsamlingsbehandling, det vil si uten å følge saksbehandlingsreglene i aksjeloven §§ 5-8 til 5-26.

Eneakjsønær Ezra Holdings Limited har samtykket til til at sakene på dagsorden kan behandles etter de overnevnte regler, og har blitt gitt muligheten til å delta i behandlingen av sakene på dagsorden. Styremedlemmene, daglig leder og revisor har videre blitt gitt mulighet til å uttale seg om saken, uten at det har avstedkommet krav om at sakene skal behandles av generalforsamling i møte.

Ezra Holdings Limited, representert av Chye Tek Lionel Lee i henhold til fullmakt deltok i behandlingen. Samtlige aksjer og stemmer var representert og således også 100 % av Selskapets totale aksjekapital.

Følgende saker ble behandlet:

1. Godkjenning av dagsorden

Det fremkom ingen bemerkninger til dagsorden.

2. Godkjenning av årsregnskap, styrets årsberetning og revisors beretning

Regnskapet for finansåret 2013 (1. september 2012 – 31. august 2013) ble lagt frem for generalforsamlingen. Emas-AMC AS driftresultat er for finansåret 2013 på NOK – 223 890, 000. Emas-AMC AS har ikke fri egenkapital per 31. august 2013.

On the 26th February 2014, a General Meeting was held in Emas-AMC AS (the "Company") by circulation of the supporting documents.

The General Meeting was held pursuant to the Companies Act § 5-7 allowing for a simplified process in terms of conducting a general meeting, i.e. without complying the procedural rules of the Companies Act § 5-8 to 5-26.

Sole shareholder Ezra Holdings Limited have agreed to that the items on the agenda may be treated by the above section of the Companies Act and have been given the opportunity of participating in the consideration of the items on the agenda. The Directors, Regional Head and auditor has also been given the opportunity to comment without having it resulted in a demand for the matters to be considered by the General Meeting in a physical meeting.

Ezra Holdings Limited, represented by Chye Tek Lionel Lee by proxy, participated in the proceedings. All shares and votes were represented and thus 100% of the Company's total share capital.

The following issues were resolved:

1. Approval of the agenda

There were no comments to the agenda.

2. Approval of the statutory accounts, annual report and auditors report.

The accounts for 2013 were presented to the General Meeting. Emas-AMC AS's result for the financial year 2013 (1st September 2012 – 31st August 2013) is NOK – 223 890, 000. Emas-AMC AS has no distributable equity as of the 31st August 2013.



Revisors beretning uttaler:

Årsregnskapet for Emas-AMC AS er avgitt i samsvar med lov og forskrifter og gir et rettviseende bilde av selskapets og konsernets finansielle stilling per 31. august 2013 og av deres resultater og kontantstrømmer for regnskapsåret som ble avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Styret og daglig leder har oppfylt sin plikt til å sørge for ordentlig og oversiktlig registrering og dokumentasjon av selskapets regnskapsopplysninger i samsvar med lov og god bokføringsskikk i Norge. Opplysningene i årsberetningen om årsregnskapet, forutsetningen for fortsatt drift er konsistente med årsregnskapet og er i samsvar med lover og forskrifter.

Vedtak: «Generalforsamlingen godkjente med dette regnskapet for finansåret 2013 for Emas-AMC AS»

3. Anvendelsen av årsresultatet i henhold til den fastsatte balansen

Vedtak: Selskapets resultat på NOK – 223 890, 000 ble besluttet disponert som foreslått av styret:

Overføring til annen egenkapital: – 223 890, 000
Sum disposisjoner: – 223 890, 000

4. Revisjonshonorar for 2013

Vedtak: «Revisjonshonorar for regnskapet for finansåret 2013 ble fastsatt til NOK 1 212, 000».

5. Endring av selskapets vedtekter

Generalforsamlingen vedtok å endre § 5 i selskapets vedtekter:

§ 5 Styre, signatur og daglig leder

«Styret skal ha fra tre til ni medlemmer

Selskapets firma tegnes av to styremedlemmer i fellesskap eller et styremedlem i fellesskap med daglig leder.

Selskapet skal ha en daglig leder»

The auditor's report states:

The financial statements of Emas-AMC AS have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company and the Group as of 31st August 2013 and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted.

The Board and General Manager have fulfilled their duty to ensure that the Company's accounting information is properly recorded and documented as required by law and generally accepted bookkeeping practice in Norway. The information presented in the Director's report concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with laws and regulations.

Resolution: The General Meeting approved the statutory accounts for the financial year 2013 for Emas-AMC AS»

3. The allocation of the net loss in accordance with the approved balance sheet

Resolution: The Company and the Group's net result of NOK – 223 890, 000 was decided to be allocated as proposed by the Board:

Transfer to other equity : – 223 890, 000
Total transactions: – 223 890, 000

4. Audit fee for 2013

Resolution: "the auditor's fee for statutory accounts for the financial year 2013 was set at NOK 1 212, 000".

5. Changes in the Articles of Association

The General Meeting decided to make the following changes in the Articles of Association:

§ 5 The Board, signature and managing director

"The Board shall consist of three to nine members.

Company is signed by two directors jointly or a board member jointly with Managing Director

The company shall have a Managing Director"



6. Valg av nye styrerepresentanter for Emas-AMC AS

Generalforsamlingen vedtok at Tay Chin Kwang skal fratre som styremedlem med umiddelbar virkning og at det nye styret heretter skal bestå av følgende aksjeelvalgte medlemmer:

Chye Tek Lionel Lee (Styreformann)
Asle Bjørnstad
Svein Haug
Kumar C. L. A. Adarash
Cornelis Johannes Wilhelmus De Cort
Siew Leng Yap

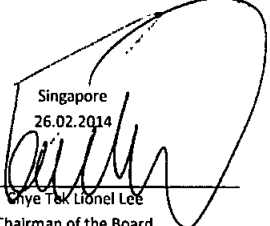
Det forelå ikke flere saker til behandling, og generalforsamlingen ble hevet.

6. Election of new board members in Emas-AMC AS

The General Meeting decided that Tay Chin Kwang will resign from the Board with immediate effect and that the composition of the board members elected by the shareholder shall be as follows:

Chye Tek Lionel Lee (Chairman)
Asle Bjørnstad
Svein Haug
Kumar C. L. A. Adarash
Cornelis Johannes Wilhelmus De Cort
Siew Leng Yap

There was no further business on the agenda and the General Meeting was adjourned.

Singapore
26.02.2014

Chye Tek Lionel Lee
Chairman of the Board



ANNUAL REPORT 2013 EMAS AMC

THE COMPANY

EMAS AMC delivers subsea construction and marine services to the offshore petroleum and energy industry. Our clients include oil and gas companies, leading energy companies and operators of floating production facilities, as well as their suppliers. The company aims to be a reliable subsea contractor for our clients, provide a good working environment for our staff and good returns to our owners.

Emas-AMC AS is a subsidiary of Ezra Holdings Limited. Emas-AMC AS has two wholly owned subsidiaries Emas-AMC Pty and Emas-AMC Inc. This annual report solely refers to Emas-AMC AS (the company), as an exemption has been given for producing an annual report for the group. The overall financial figures for Emas-AMC AS with its two subsidiaries will be consolidated by the parent company, Ezra Holdings Limited.

The annual report of the company follows the financial calendar of Ezra Holdings Limited (1st of September to 31st of August). This report is in English only as an exemption has been granted from having a Norwegian version.

EMAS AMC is one of four business divisions within Ezra Holdings Ltd., which operates under the brand name EMAS. EMAS is a leading global provider of offshore construction, production, well intervention and marine services. EMAS operates globally with offices at 16 locations on five continents, Africa, North America, South America, Europe and Asia and Oceania, and has its headquarters in Singapore. In 2011, EMAS implemented a strategic acquisition of Aker Marine Contractors (AMC), and established its subsea construction and installation division, EMAS AMC.

In 2013 the company has continued its focus on strengthening the provision of the full range of subsea services and EPCI (Engineering, Procurement, Construction, and Installation) expertise within the SURF (Subsea, Umbilicals, Risers, Flowlines) segment. In the year that has passed EMAS AMC has now established itself as a full EPCI SURF player in the market. Since coming on as a relatively new entrant to the global scene in terms of subsea construction work, the company has progressed from less complex subsea work from previous years to now more complex Subsea Umbilicals, Risers and Flowlines and full Engineering, Procurement, Commissioning and Installation projects. In mid-March EMAS AMC announced the award of the contract of the US\$133 million subsea pipeline contract for Ivar Aasen, a major oil development in the Norwegian North Sea where Det norske is the operator. Ivar Aasen was a milestone contract award for EMAS AMC, as it first rigid pipelay job in the North Sea.

The company's ambition is to become the premier subsea tieback contractor in the global SURF industry in the coming years. The company has a very competent global organisation with an impressive history as well as some of the world's most advanced construction vessels, with Lewek Connector as a key differentiating asset. The main focus has been on delivering safely, efficiently and best value solutions to our clients.

The company's activities are run from the office in Lysaker, and it also has operations out of an office in Stavanger which will gradually be expanded over the next years.



THE SOLUTIONS

EMAS AMC installs subsea systems for oil and gas companies all over the world, within the SURF (Subsea, Umbilical, Risers and Flowlines) segment. We install structures (templates and manifolds), flexible and rigid pipes, umbilicals and risers, and undertake purchases and testing of subsea systems.

EMAS AMC also installs mooring systems for floating installations, conducts maintenance and makes modifications, and installs and removes floating and fixed platforms.

Furthermore, EMAS AMC installs subsea power cables, for example for the electrification of oil and gas production platforms, export cables for transferring offshore wind power to the electricity grid, and cables for transferring power between countries.

These installation projects involve various tasks, including studies, engineering, project management, purchasing and manufacturing follow-up as well as operations at sea, where EMAS AMC utilize its modern fleet of construction vessels ensuring safety and quality throughout the entire project.

Through the parent company, Ezra, the company has access to 12 construction vessels, including vessels under construction. Five of these vessels are chartered by the company on long term charter parties.

The two BOA vessels, BOA Deep C and BOA Sub C have been leased long term by the company. The BOA Sub C has for the full year and the BOA Deep C for part of the year been leased to the subsidiary in the United States. During the year, the company has decided not to call of the option for further chartering the BOA Deep C, and the vessel will at the beginning of financial year 2014 no longer be part of the EMAS AMC fleet of vessels. The vessel Lewek Connector is on a long-term bareboat charter from Ocean Yield. The company has, in turn, sub-chartered the Lewek Connector to ABB for parts of the financial year 2013.

EMAS AMC has also in 2013 strengthened its asset base by having added two new rigid pipe layers to its vessel portfolio, the Lewek Centurion and Lewek Express. Both these rigid pipe layers are chartered by the company. The Lewek Centurion, a S-lay deepwater pipelay vessel, and the Lewek Express, a reeled pipelay vessel, were delivered by the end of financial year 2013. These two project enabling vessels further enhance the company's capabilities to execute complex subsea projects and meet clients' requirements.

RESEARCH AND DEVELOPMENT

EMAS AMC has no research and development activities at their own expense. Development of methods occurs mainly as part of project implementation.

RESULTS

Although the financial year 2013 results is not fully comparable to financial year 2012 (which only covered from 01.01.12 to 31.08.12 due to change of financial reporting calendar), the financial results demonstrates that the company has increased its revenue significantly from NOK 867 million to NOK 1661 million.

Per 31.08 2013, EMAS AMC had a total revenue of NOK 1 661 million, which resulted in an operating result before tax at NOK - 228 million.

The main reasons for ending up with a negative bottom-line, despite the high increase in revenue, are lower than expected vessel utilization rate as well as projects being postponed, which combined has had an overall negative impact on the bottom line. The Lewek Connector was idle for parts of the North Sea winter season. The company has also seen higher than expected cost at the project level in the financial year. As a consequence of this, the financial year 2013 performance has been suffering.



CASH FLOW

Cash flow from operations is dependent on many factors, including the progress and delivery of projects, working capital changes and advance payments from customers. As per 31.8.13, the total net cash flow from operations was negative by NOK 76 million compared to a negative total net cash flow of NOK 78 million in 2012. The negative operating cash flow was a direct result of the company reducing the overdue vendor payments from the previous financial year by using the proceeds from positive earnings in the project portfolio.

The net cash flow from investments was NOK 81 million, mainly caused by the sale of fixed assets to intragroup company. Net cash from financing activities was negative by NOK 0,149 million, where the change is due to investments in the new Joint Venture FODE.

BALANCE SHEET AND LIQUIDITY

The company's cash position per 31.08.2013 was NOK 14,2 million compared to NOK 9,8 million for the last financial year.

The change in the Company's cash position is due to change in working capital. The Company's operating cash flow arrives from approximately 10 – 15 medium size projects. Billing is typically based on milestones and/or progress; The Company may occasionally receive advance payments. Significant month to month fluctuations in working capital is expected since the Company typically has fewer large receivables.

The Company continues to secure profitable projects and require all projects to be positive or neutrally funded. The Company therefore expects to generate positive operating cash flow from all of these projects in the future. Should the Company require short term funding for any reason, intercompany loans are available from the Parent Company.

Total assets for the company at the end of August 2013 was NOK 983 million compared to NOK 651 million for the end of the financial year 2012.

The Company has had a higher level of sales activity than last year which has led to a higher volume of outstanding trade receivables.

The equity ratio for the company per 31.08.2013 was 3%, compared to 39% per 31.12.2012. The company has a positive equity of NOK 29 million as per the 31.08.2013.

FINANCIAL RISK

The company has a low exposure to credit risk as the customer base is largely made up of a limited number of large oil companies with good creditworthiness. The company has a process in place where credit assessments are made prior to entering into contracts with new customers and smaller companies. Credit assessments are also performed on key suppliers. If deemed necessary, credit risk is mitigated by implementing adequate payment securities such as bank guarantees or by monitoring customer payments. The Company has not suffered any losses due to payment defaults by any of our clients.

During the tender phase and upon contract execution of a new project, currency inflows and outflows are analyzed and any resulting currency exposure is minimized by the use of natural hedging i.e. multi-currency contracts. The company occasionally uses hedging instruments to mitigate any remaining currency exposure.

Liquidity risk is the risk that the company will encounter in meeting financial obligations due to shortage of funds. The company's activities and cash inflow may fluctuate during the year and therefore potentially affecting the cash balance.



Further, any potential short term fluctuations in cash balance could potentially be covered by an intercompany loan from the parent company.

The company has no significant interest rate exposure.

A CHALLENGING YET EVENTFUL YEAR

The stronger focus towards the SURF EPCI segment has resulted in significant contract awards. In mid-March EMAS AMC announced the award of the contract of the US\$133 million subsea pipeline contract for Ivar Aasen, a major oil development in the Norwegian North Sea where Det norske is operator. Ivar Aasen was a milestone contract award for EMAS AMC as it first rigid pipelay job in the North Sea. Rigid pipelay is a key focus area, and over the recent two years the company has managed to attract solid competence on rigid.

In May EMAS AMC announced the win of US\$75 million SURF EPCI contract from Statoil for the Smerbuk South Extension in the Norwegian Sea, strengthening our position as a SURF player. Towards the end of the financial year 2013 the company was awarded a US\$81,6 million floater installation contract from Statoil; transport and installation of floating storage units (FSUs) for the Heidrun and Mariner projects in the North Sea.

The company is also now the largest player in this region for the installation of large structures, which the contract award for installation of templates in the prestigious Aasta Hansteen development demonstrates.

The tender and project activity level has remained high throughout year, and towards the end of the financial year the company successfully completed the riser replacement program for Statoil safely and on time. The contract awards as well as a higher activity level are in line with the expectations and future prospects commented in last year's annual report.

The activity level in the North Sea has been strong over time, and the company sees good future opportunities in this market, further development of existing fields and in the longer view the development of new fields, maintenance and installation projects.

Keys to ensure EMAS AMC's future growth is to secure a high vessel utilization rate, especially during the winter season as well as making sure company is able to differentiate itself from its competitors combined with market prospects.

With project enabling assets, such as the Lewek Connector and the two new rigid pipe vessels the Lewek Express and Lewek Centurion, and the right people in place, the company is well placed to capture the opportunities opening up in the subsea industry over the next few years.

Overall the growth in activity and level of investment within the company's business offerings is expected to continue over the next years, strengthening EMAS AMC's prospects. The company anticipates future growth based on the activity in pipe-laying and installation of subsea equipment. These new projects are in addition to a large amount of IMR (Inspection, Maintenance & Repair) work on already existing infrastructure. The oil companies have decided on a number of quick expansions particularly on the Norwegian Continental Shelf. We also see that new technology is extending the life of existing fields, which will also have a positive effect on the level of activity.

The oil companies have announced strong growth in exploration activities. A large proportion of this growth will be in deep water areas and this will generate an increased demand for our services in a long term perspective.

It is also expected strong growth in the market for subsea power cable installation due to the drive towards a stronger commitment to renewable energy. A market EMAS AMC expects to capture significant shares of.

The Board will, however, emphasize that there will always be risk associated with the estimation of future results.



GOING CONCERN ASSUMPTION

The Board finds the company's financial standing to be acceptable. The prerequisites for continued operations have been met by the company and the financial statements are prepared according to the going concern assumption, the board confirms this assumption. There were no post-balance sheet events that are likely to significantly affect the company's financial position and results beyond those reflected in the annual accounts.

The year has been a challenging one with a tight cash situation. Liquidity is expected to improve in FY2014 where outstanding customer payments are expected to be collected. The financial year ended in a loss for the company, thus having a negative effect on equity and equity ratio. The Company has budgeted with a profit for FY2014, and the board believes this will help strengthen the currently low equity ratio. A parent company guarantee is also in place covering all potential financial obligations for the company and its subsidiaries for the FY2014. The Company focuses on being able to continually adapt to market fluctuations and to adjust the level of activity in an efficient manner. The company has refocused its product portfolio, and significantly increased resource commitment to better cater to the EPCI SURF segment having significantly strengthened its rigid pipe lay capabilities.

The company has been awarded a satisfactory number of new contracts. This trend is likely to continue, given the company's positioning and good market prospects.

WORKING ENVIRONMENT AND PERSONNEL

The company has a staff of 183 permanent employees, an increase of 59% compared to 2012. In addition the company have drawn upon the expertise of consultants, expatriates and seconded personnel equivalent to 76,6 full time positions in 2013. The company has experienced a positive development in its employment branding and attraction approaches the last year. The amount of consultants has been necessary following a continued high activity level in tendering and project execution.

During 2013 the company expanded its office capacity in Lilleaker as a consequence of the growth, and the EMAS AMC employees based in Stavanger moved into brand new premises. The Stavanger office has also seen a positive development throughout the year with 7 new employees successfully onboarded within technical disciplines.

The number of sick days in the fiscal year 2013 constitutes to 0,95% (0,93% in 2012) of overall worked hours. The sick leave percentage for long term illness constitutes 0,49% for the year. This means that the company maintains its good position in terms of a low number of overall sick leave days. There are no indications or evidence that long term illness is related to internal factors such as the physical work environment. EMAS AMC focuses on the benefits of utilizing a flexible working time arrangement; additionally the company has no employees performing physical or repetitive work. These factors are considered important to the low figures.

EMAS AMC had no long term injuries amongst own personnel in 2013.

EQUAL OPPORTUNITIES

The female population is 24,4% out of 180 permanent employees. The percentage of females amongst employees below 35 years is 20,7%. The female percentage in the management team is 25%. As per today, there are no females on the board.

When hiring employees the company pay attention to hiring the right candidate for the specific position and potential future roles, however there is a high overall awareness internally with regards to increasing the female population. 22,4% of all new hires in 2012 were females, a figure the company is pleased with given a competitive employment market.

On a principle level the company's attitude is to practice equal pay for work of equal value. Base salaries for new hires and graduates and independent of gender, are established on the background of internal and external benchmark.



The board and company management is aware of the societal expectations regarding measures to promote equal opportunities in the company and the board. As per today, no specific measures are taken to promote this work, however the board has the ambition to meet society's expectations over time.

DISCRIMINATION

EMAS AMC has an established principle that all employees have the same opportunities. This applies to all, potential hires and current employees, independent of race, color, religion, gender, age, national origin or disability. Furthermore, EMAS AMC has separate guidelines for whistle-blowing that particularly address harassment, bullying, and discrimination.

HEALTH, SAFETY AND ENVIRONMENT

In 2013 the company focused on furthering its work with Health, Safety and Environment. The company's quality and safety system has been certified by DNV to satisfy the requirements in ISM / ISO 9001/ ISO 14001.

The management is involved in continuous educational work in the field of HSE and puts a particular emphasis on sharing experience that lays the groundwork for continuous improvement.

The environmental strategy of EMAS AMC includes a zero emission philosophy with reporting and follow-up on near misses regarding injuries and accidents. A limited amount of hazardous materials are utilized in the company's operations, and the risk of damage to the external environment is considered minimal.

The company is certified towards the international environmental standard ISO 14001, and all environmental aspects in EMAS AMC's activities are governed and controlled through this standard.

The company's land-based activities do not pollute the environment beyond normal levels for similar activities.

OWNERSHIP

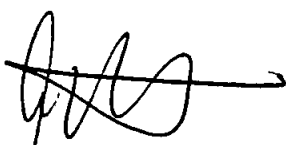
Emas-AMC AS was by the end of financial year (31.08.2013) owned 100% by Ezra.

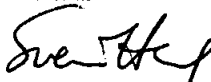
Per. 31/8/13 Board of Directors consisted of Lionel Lee Chye Tek, Asle Bjørnstad, Svein Haug, Tay Chin Kwang, Kjartan Aines, Kumar Lal Amamath Chranji Adarash and Jon Jørgen Gudbrandsen.

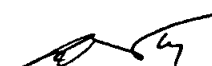
By 31.08.2013 EMAS AMC has a result after taxes of NOK - 224 million

Lysaker, January 23 2014

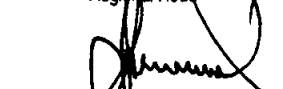

Lionel Lee Chye
Chairman


Asle Bjørnstad


Svein Haug
Regional Head


Chin Kwang Tay


Kjartan Aines


Kumar Lal Amamath Chranji Adarash


Jon Jørgen Gudbrandsen



Building a better
working world

Statsautoriserte revisorer
Ernst & Young AS

Dronning Eufemias gate 6, NO-0191 Oslo
Oslo Atrium, P.O.Box 20, NO-0051 Oslo

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00
Fax: +47 24 00 29 01
www.ey.no
Medlemmer av den norske revisorforening

To the Annual Shareholders' Meeting of
EMAS-AMC AS

AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements of EMAS-AMC AS, which comprise the balance sheet as at 31 August 2013, the statements of income and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

The Board of Directors' and General Manager's responsibility for the financial statements

The Board of Directors and General Manager are responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as the Board of Directors and General Manager determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International 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 judgment, 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 and fair presentation of the financial statements 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.



Building a better
working world

2

Opinion

In our opinion, the financial statements of EMAS-AMC AS have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 August 2013 and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Directors' report concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the Board of Directors and General Manager have fulfilled their duty to ensure that the Company's accounting information is properly recorded and documented as required by law and generally accepted bookkeeping practice in Norway.

Oslo, 23 January 2014
ERNST & YOUNG AS

Erik Søreng
State Authorised Public Accountant (Norway)



Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Torstein Kinden Helleland	14.08.2012	24.08.2012
Telefon	Deres referanse	Vår referanse
22078139	Fredrik Hedberg	2012/581786

EMAS-AMC AS
Postboks 247 Lilleaker
0216 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for EMAS-AMC AS, org. nr. 974 453 940

Det vises til deres brev av 14. august 2012 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for EMAS-AMC AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering EMAS-AMC AS, dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at opplysninger som vedtaket baserer seg på ikke endres vesentlig.

Bakgrunn

EMAS-AMC AS er et heleid datterselskap av Singapore-noterte Ezra Holdings Inc. EMAS-AMC AS driver med offshore virksomhet. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. Selskapet benytter også engelsk som arbeidsspråk. Den norske versjonen utarbeides kun for å tilfredsstille regnskapsloven.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

Postadresse	Besøksadresse	Sentralbord
Postboks 9200 Grønland	Se www.skatteetaten.no	800 80 000
0134 Oslo	Org. nr: 996250318	Telefaks
For elektronisk henvendelse se www.skatteetaten.no		22 17 08 60



Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *“informative regnskaper for ulike grupper av regnskapsbrukere”*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at morselskapet er hjemmehørende i Singapore. Eierkretsen er således begrenset. All regnskapsrapportering til morselskapet gjøres på engelsk. Videre er det vektlagt at konsernet benytter engelsk som arbeidsspråk og opererer i en internasjonal bransje.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland



Brønnøysundregistrene
Regnskapsregisteret

8910 BRØNNØYSUND

DDI: +47 22 12 76 21
e-mail: bente.astrom@emas.com

Our Ref.: Bente F. Åstrøm
Date: 24.03.2014

Emas-AMC AS – org.nr. 974 453 940

Vedlagt oversendes regnskapet for 2013 med alle vedlegg på nytt.
Denne gangen inkludert tillatelse til å utarbeide årsregnskapet og årsberetning på engelsk.

Med vennlig hilsen

Emas-AMC AS

Bente F. Åstrøm
Head of Accounting and external reporting

Emas-AMC AS

NO 974 453 940 VAT
Visit Address: Lillakerveien 2A, Lilleaker, N-0283 Oslo, Norway
Postal Address: P.O. Box 247, Lilleaker, N-0216 Oslo, Norway
Tel +47 22 12 75 00 Fax +47 22 94 59 00 www.emas.com

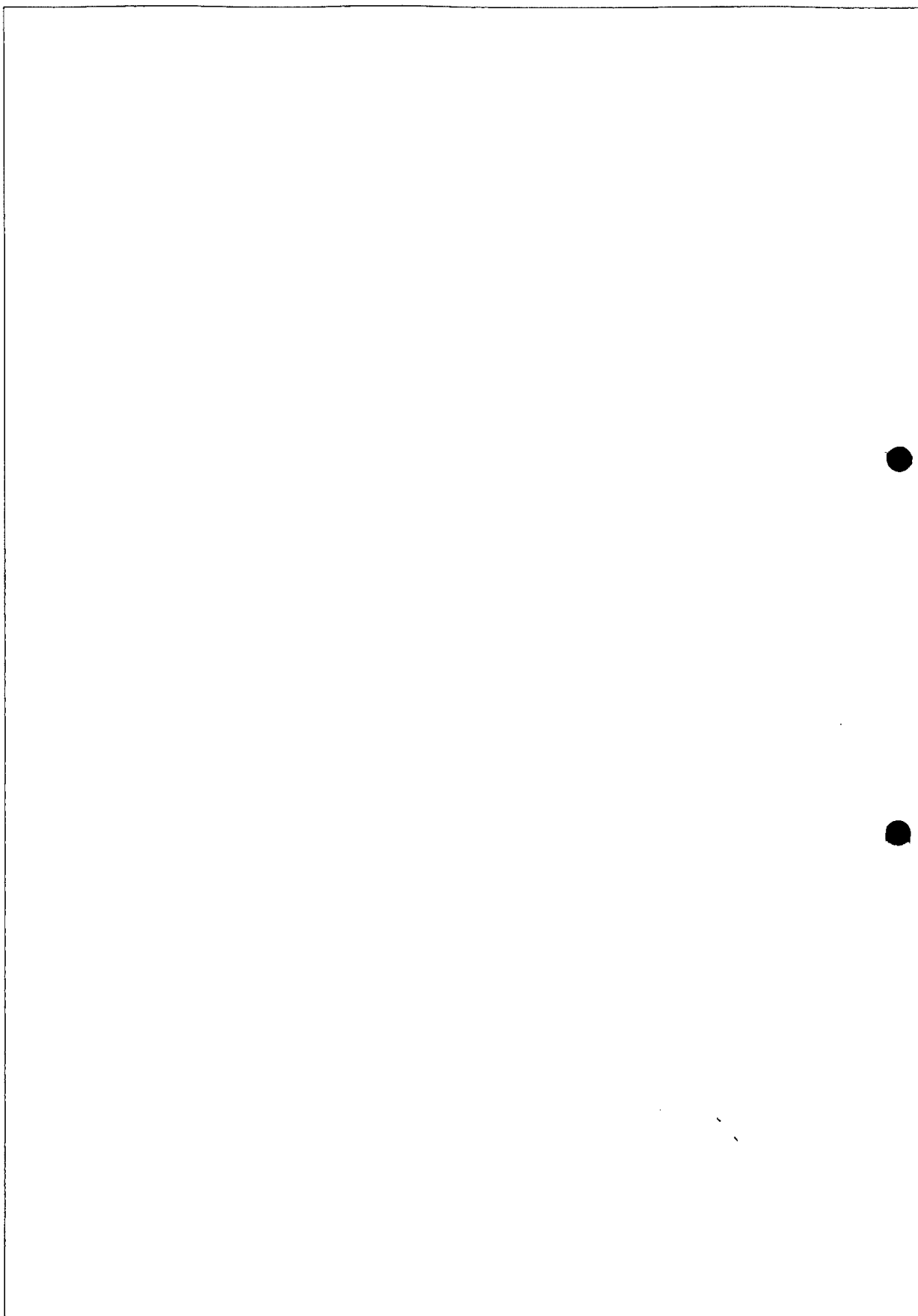
Together We Deliver
Marine AMC Production Energy



EZRA HOLDINGS LIMITED ANNUAL REPORT 2013

• TOWARDS THE FUTURE







TOWARDS THE FUTURE

EZRA HOLDINGS LIMITED ANNUAL REPORT 2013

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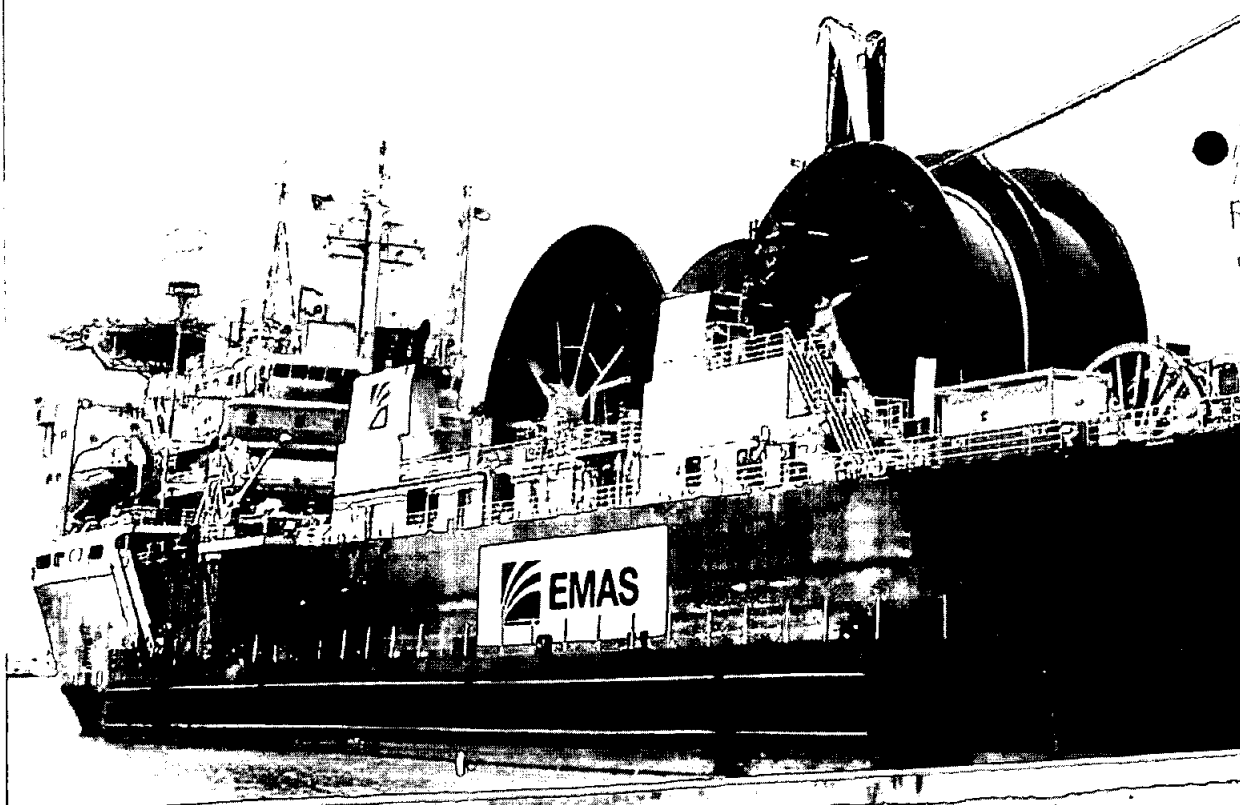
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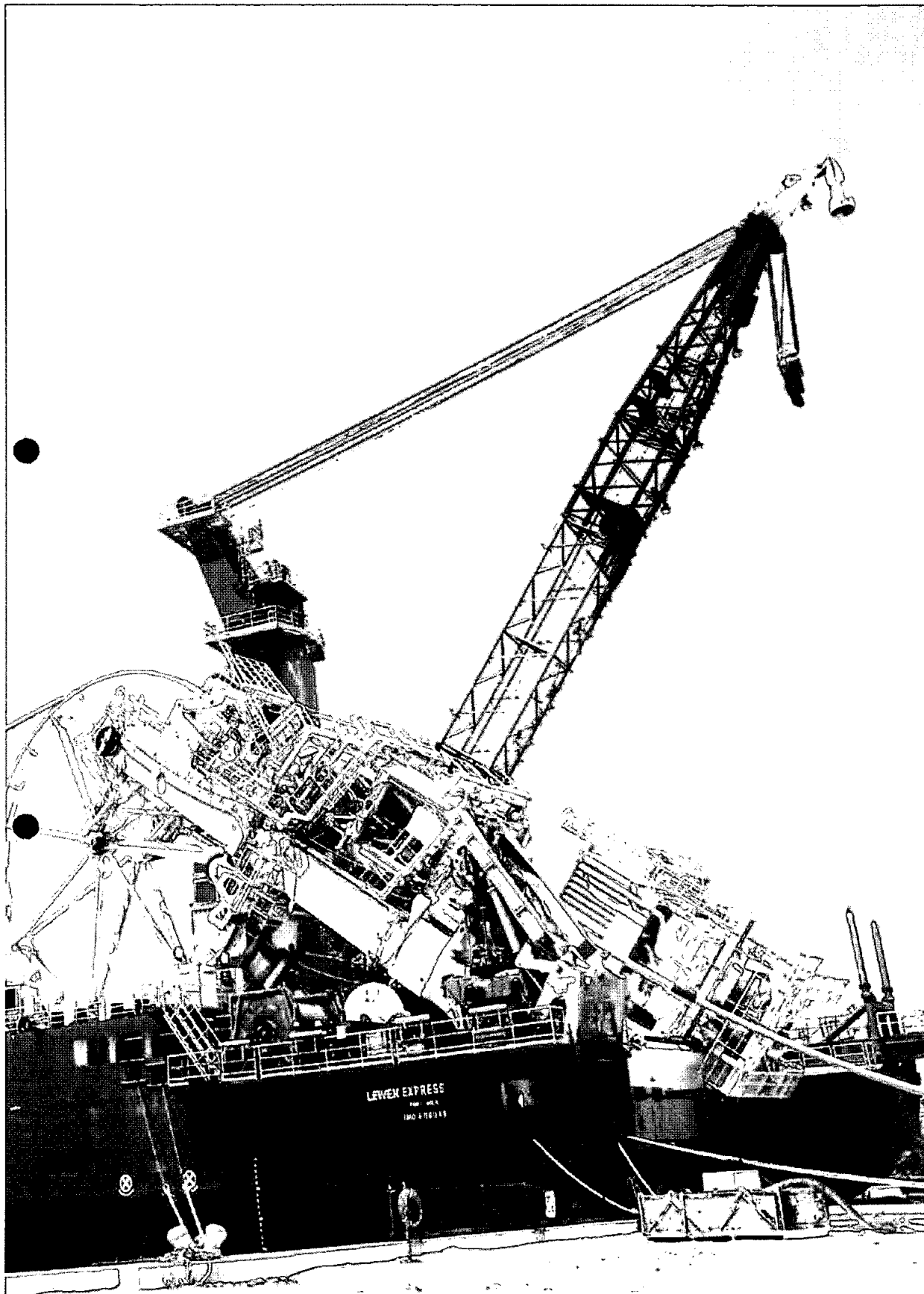


“

This has been the overarching strategy at Ezra. To keep ahead of the competition, we move into areas where there are fewer competitors, and do premium work.

Mr. Koh Poh Tong
Chairman, Ezra Holdings Limited







CORPORATE PROFILE

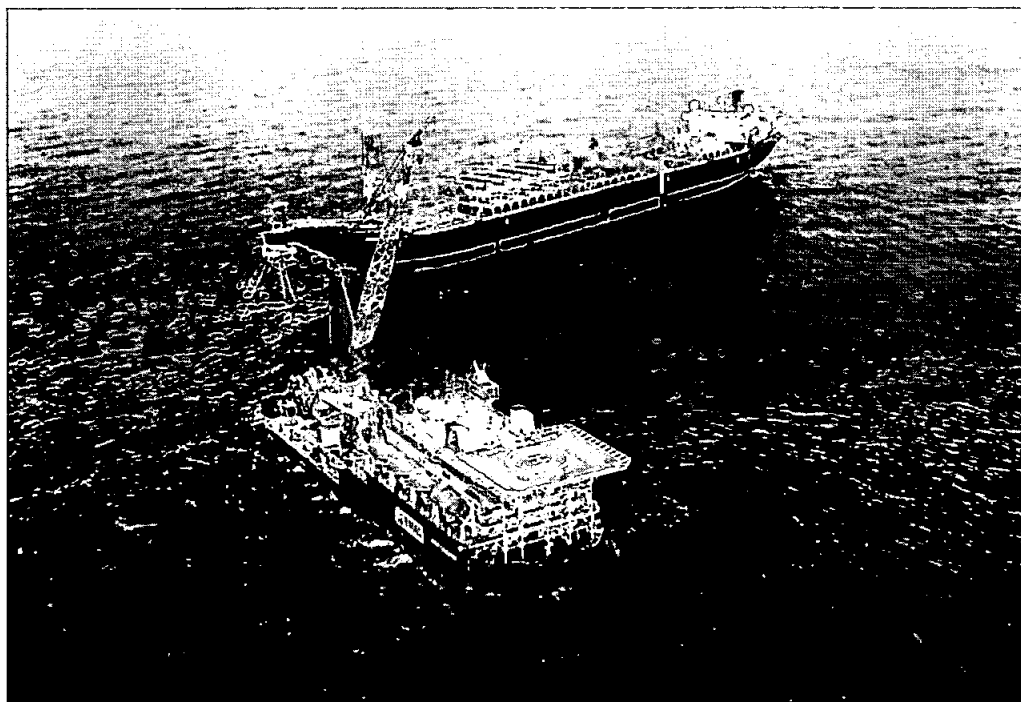
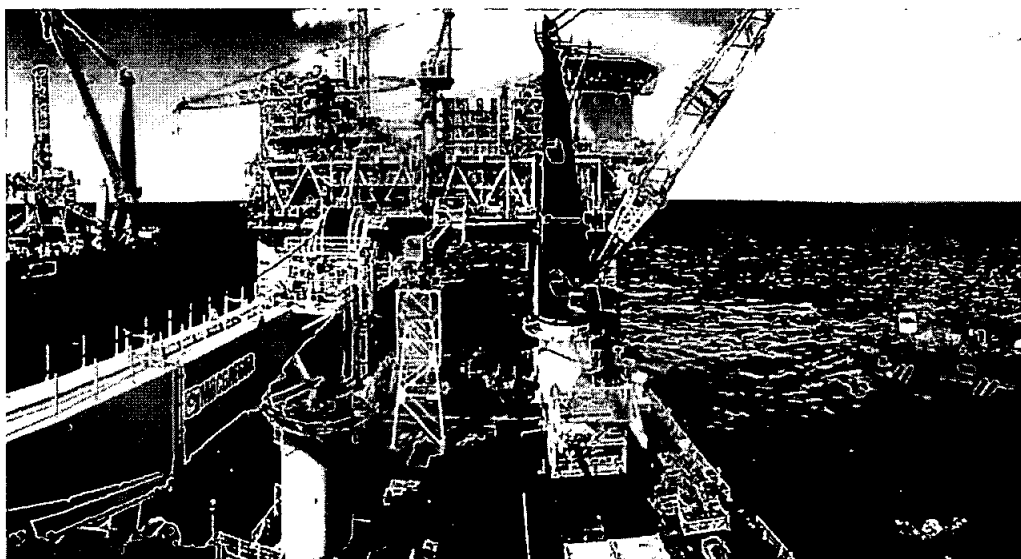


Founded on a relentless commitment to quality and value, Ezra has built up a well-respected track record and a strong network of clients, including oil majors as well as national and independent oil companies.

Founded in 1992, Ezra Holdings Limited (the "Company" and together with its subsidiaries, "Ezra" or the "Group") is a leading offshore contractor and provider of integrated offshore solutions to the global Oil and Gas ("O&G") industry. The Group has four main business divisions, namely Subsea Services, Offshore Support Services, Marine Services and Production (through EOC Limited), offering a full range of seabed-to-surface engineering, construction, marine and production services globally. Under the EMAS branding, the Group operates in more than 16 locations across six continents spanning Africa, the Americas, Asia, Australia and Europe. With our operational expertise as well as our fleet of young and sophisticated vessels, we are able to support our clients' increasingly complex needs with effective, efficient and reliable service solutions in challenging environments around the world.

Founded on a relentless commitment to quality and value, Ezra has built up a well-respected track record and a strong network of clients, including oil majors as well as national and independent oil companies. Through the combined efforts of our four main business divisions, Ezra consistently strives to create value for our clients and stakeholders.







FINANCIAL HIGHLIGHTS

The Group's revenue increased by US\$277.9 million (28%) for the financial year ended 31 August 2013 ("FY2013").

The Offshore Support Services Division contributed US\$285.3 million to the Group's revenue; the Marine Services Division contributed US\$189.2 million while the Subsea Services Division contributed US\$787.5 million.

The Group's net debt to equity ratio has reduced slightly from 1.10 times as at 31 August 2012 to 1.02 times as at 31 August 2013.

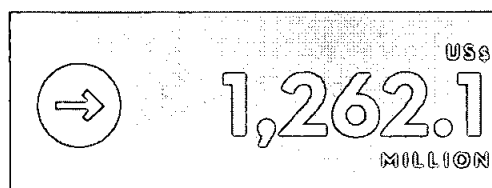
Revenue

The Group's revenue increased by US\$277.9 million (28%) for FY2013 compared to the financial year ended 31 August 2012 ("FY2012"). The increase was due to an increase in revenue of US\$10.1 million from Offshore Support Services Division, US\$31.8 million from Marine Services Division and US\$236.0 million from Subsea Services Division.

The increase in revenue from Offshore Support Services Division for FY2013 was due mainly to the inclusion of full year revenue contribution from one (1) Anchor Handling Tug and Supply ("AHTS") vessel and two (2) Platform Supply Vessels ("PSV") as compared to the previous financial year where the vessels contributed to between one (1) to seven (7) months of revenue from operations. In addition, vessels delivered during the financial year also contributed to the increase. The increase in revenue was partially offset by offhire of certain vessels to undergo drydocking, repair and maintenance in preparation for upcoming long-term charter contracts.

The increase in revenue from Subsea Services Division for FY2013 was due mainly to the increase in the number of projects undertaken as the Division continues to grow and leverage on its platform towards scale. In addition, the value of certain projects undertaken had also increased significantly as compared to FY2012. The increase was partially offset by the delay in execution of certain projects.

REVENUE



The increase in revenue from Marine Services Division for FY2013 was due to the completion of three Offshore Support Vessels ("OSV") and the commencement of the construction of three Self Elevating Units ("SEU") as compared to FY2012 where the revenue contribution was from projects at different stages of completion. In addition, the value of the projects undertaken in FY2013 was higher as compared to FY2012.

Gross profit

The Group's gross profit decreased from US\$186.2 million in FY2012 to US\$169.2 million in FY2013. Gross profit margin has decreased from 19% in FY2012 to 13% in FY2013.

The decrease in gross profit margin was mainly due to the decrease in gross profit margin from Subsea Services Division as the Subsea Services Division had seen higher than expected cost at the project level in the financial year.

In addition, the change in sales mix resulting from the increased revenue contribution from Subsea Services Division where Subsea Services Division's gross profit margin was lower as compared to both the Offshore Support Division and the Marine Services Division also contributed to the decrease.

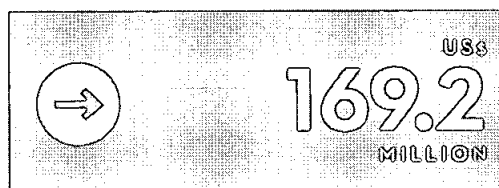
Other income, net

The increase in other income was due mainly to an increase in the gain on disposal of fixed assets, and Available-for-sale ("AFS") investment. In addition, there was an increase in the realised gain on derivative instrument which arose mainly from the realisation of interest rate swap on the S\$50 million Guaranteed Notes upon redemption of the Guaranteed Notes.

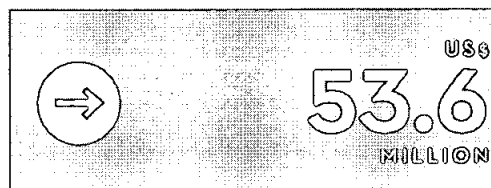
The increase was partially offset by a turnaround of a foreign exchange gain of US\$9.9 million to a foreign exchange loss of US\$3.5 million; and a lower fair value gain relating to the fair value adjustment in respect of derivative instruments held by the Group.



GROSS PROFIT



NET ATTRIBUTABLE PROFIT



Administrative expenses

The increase in administrative expenses in FY2013 was mainly attributed to the higher personnel expenses, office infrastructure expenses and travelling expenses incurred as a result of building up the Subsea Services Division infrastructure in preparation of upcoming projects. In addition, allowance for doubtful and bad debts written off during the financial year contributed to the increase.

Financial expenses

Financial expenses increased by US\$5.5 million (14%) in FY2013. The increase in financial expenses was mainly due to the interest expense arising from the S\$200 million Fixed Rate Notes and S\$150 million Fixed Rate Notes issued by the Company in September 2012 and April 2013 respectively. In addition, interest accrued for the deferred consideration pertaining to the second closing of the acquisition of Aker Marine Contractors ("AMC") which took place in May 2012 also contributed to the increase. This increase was partially offset by lower interest expenses due to repayment of bank term loans and US\$100 million Bonds during the financial year.

Profit before tax

Profit before tax increased by 5% to US\$92.3 million in FY2013 when compared to FY2012. The increase was mainly due to the increase in other income and share of profit from associated and joint venture companies. This increase was partially offset by lower gross profit and increase in administrative and finance expenses.

Tax

Tax expense in FY2013 amounting to US\$28.2 million related mainly to the corporate tax expense of the Company and its subsidiaries and withholding tax expense incurred by vessels operating in overseas waters. Charter income derived from Singapore and foreign flagged vessels which operated in international waters continued

to remain tax exempt under Section 13 of the Singapore Income Tax Act and Maritime Sector Incentive - Approved International Shipping Enterprise Scheme.

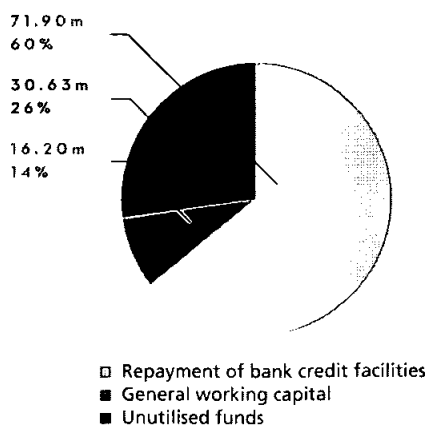
UTILISATION OF PROCEEDS

Proceeds from Share Placement

On 16 March 2012, the Company had issued and allotted 110,000,000 new ordinary shares in the capital of the Company ("the Placement Shares") pursuant to a private placement at an issue price of S\$1.10 for each Placement Share to raise gross proceeds of S\$121 million.

To date, S\$88.1 million had been utilised for paying down existing debt and general working capital purposes.

UTILISATION OF SHARE PLACEMENT PROCEEDS (in SGD Millions)





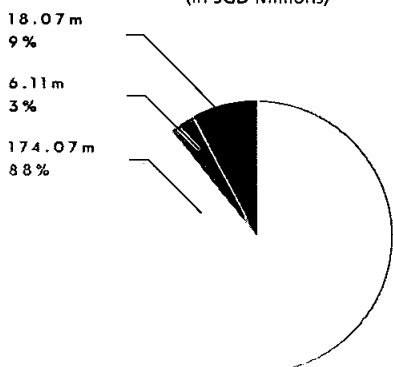
S\$200 million Fixed Rate Notes Issue

On 7 September 2012, the Company had issued S\$200 million Fixed Rate Notes due 2015 (the "S\$200m Notes"). The Notes were issued under the US\$500 million Multicurrency Debt Issuance Programme established by the Company on 28 August 2012. The net proceeds from the issuance of the Notes (after deducting issue expenses) had been fully utilised for paying down existing debt, capital expenditure and general working capital purposes.

On 16 September 2013, the Company further issued S\$25 million Fixed Rate Notes due 2015 (the "S\$25m Notes"). The Notes were issued under the US\$500 million Multicurrency Debt Issuance Programme established by the Company on 28 August 2012 and are consolidated to form a single series with the existing S\$200m Notes due 2015 issued on 7 September 2012. The net proceeds from the issuance of the S\$25m Notes (after deducting issuance expenses) had been fully utilised by the Company to refinance existing borrowings of the Company and its subsidiaries and for general working capital purposes.

UTILISATION OF S\$200 MILLION FIXED RATE NOTES PROCEEDS

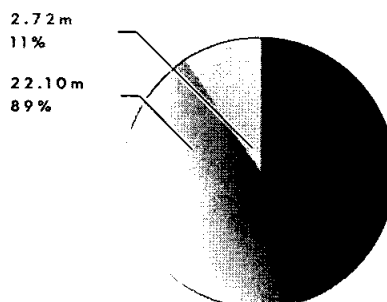
(in SGD Millions)



- Repayment of bank credit facilities
- Purchase of equipment
- General working capital purposes

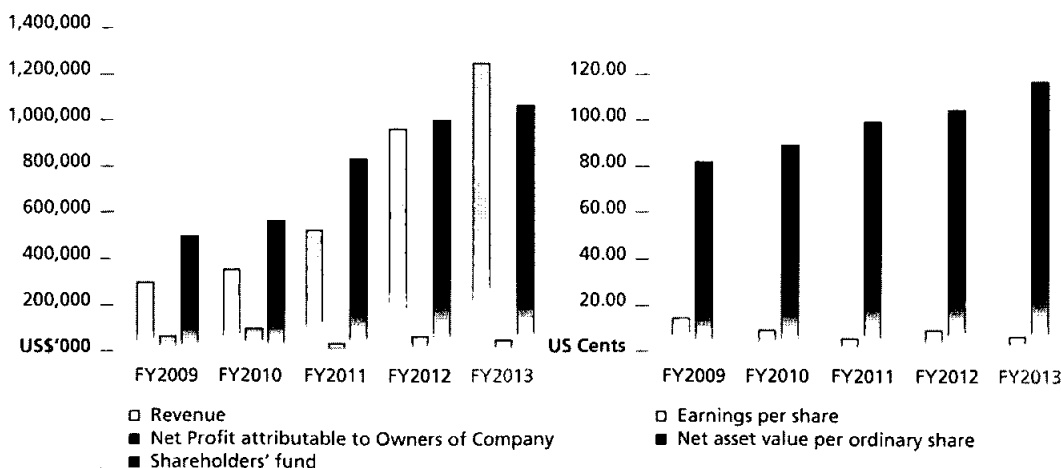
UTILISATION OF S\$25 MILLION FIXED RATE NOTES PROCEEDS

(in SGD Millions)



- Repayment of bank credit facilities
- General working capital purposes

FINANCIAL SUMMARY



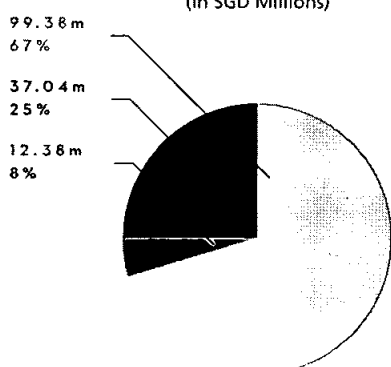


S\$150 million Fixed Rate Notes Issue

On 24 April 2013, the Company issued S\$150 million of Fixed Rate Notes due 2018 (the "S\$150m Notes"). The Notes were issued under the US\$500 million Multicurrency Debt Issuance Programme established by the Company on 28 August 2012. The net proceeds from the issuance of the S\$150m Notes (after deducting issuance expenses) had been fully utilised by the Company to repay existing debts of the Company and its subsidiaries, capital expenditure and for general working capital purposes.

UTILISATION OF S\$150 MILLION FIXED RATE NOTES PROCEEDS

(in SGD Millions)



- Repayment of bank credit facilities and Guaranteed Notes
- Purchase of vessel
- General working capital purposes

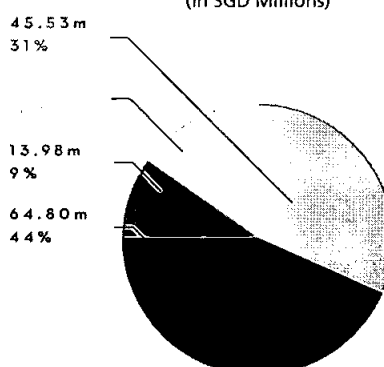
Perpetual Securities Issue

On 18 September 2012, the Company had issued S\$150 million of Fixed Rate Subordinated Perpetual Securities (the "Securities"). The Securities were issued under the US\$500 million Multicurrency Debt Issuance Programme established by the Company on 28 August 2012. The net proceeds from the issuance of the Securities (after deducting issue expenses) were used by the Company to refinance existing borrowings of the Company and its subsidiaries, capital expenditure and for general working capital and general corporate purposes.

To date, S\$124.3 million had been utilised for paying down existing debt, capital expenditure and general working capital purposes.

UTILISATION OF S\$150 MILLION PERPETUAL SECURITIES PROCEEDS

(in SGD Millions)



- Repayment of bank credit facilities
- General working capital purposes
- Purchase of equipment
- Unutilised funds

FINANCIAL SUMMARY

US\$'000	FY2009	FY2010 (Restated)	FY2011 (Restated)	FY2012 (Restated)	FY2013
Revenue	329,437	353,618	559,100	984,182	1,262,065
Net Profit Attributable to Owners of Company	70,088	76,710	43,130	66,108	53,649
Shareholders' Fund	534,143	593,417	848,350	1,012,491	1,091,161
Earnings per Share (US Cents)	11.70	10.98	5.28	7.24	5.51
Net Asset Value per Ordinary Share (US Cents)	81.18	90.20	98.43	103.98	116.98



2

CHAIRMAN'S MESSAGE

CHAIRMAN'S MESSAGE

“

We are exploring new business models and evolving our mode of operations for our subsector business, so as to maintain our financial strength.





Dear Valued Shareholders,

It is my honour to address you this year as Chairman of the Board of Ezra Holdings Limited.

The past year has been a challenging one for Ezra, to say the least, as we face pressures from gestation losses, resulting from the major acquisition we completed in 2011 of AMC as well as the investments necessary to propel the Subsea Services Division ("EMAS AMC") into a subsea contractor with greater higher-end capabilities. In addition, our Offshore Support Services business also suffered setbacks as a result of unforeseen maintenance downtime and lower than usual utilisation. TRIYARDS, however, had a good year after coming off the blocks since listing last year, ending the financial year with a respectable US\$217 million net orderbook and subsequently adding almost US\$59 million in contracts including its 10th SEU order.

Despite the headwinds we faced in the subsea business, we have continued to win quality contracts. Since coming on as a relatively new entrant to the global scene in terms of subsea contracting work, we have progressed from less complex subsea work from previous years to now more complex Subsea Umbilicals, Risers and Flowlines ("SURF") and full Engineering, Procurement, Construction and Installation ("EPCI") projects. The value of these contracts has also been growing, and we are now bidding for project of value in excess of US\$200 million. Our contract wins in the subsea sector have contributed significantly towards our achieving more than US\$1 billion in revenue for FY2013. This is also testament to our clients' growing belief that we can provide them a larger span of services in the highly technical and complex field of subsea construction and installation work.

It is understandable that some may have concerns on whether we should move into the relatively unfamiliar territory of subsea construction. My answer to this is simple – Ezra could not have afforded to do otherwise. Yes, we could have kept to the status quo, remaining as a local, at best regional, player in the offshore support services industry, but such a move must take into account the increasing commoditisation of the industry. When Ezra went into owning offshore assets in 1999, the entry barriers into the offshore support services industry were high, and few companies could do it. Ezra rode on the growth then, but these barriers have since become surmountable.

Ezra recognised this early on in 2007, and has since sought and pursued a new path for growth. The subsea services sector was decided upon with recognition that we needed to be relevant to the growth opportunities in the world of offshore exploration and production, and the management has since remained focused on developing and strengthening our capabilities there. 2011 was pivotal – the acquisition of AMC catapulted Ezra onto the world stage, and we have been bidding for and securing larger, more valuable contracts since.

This has been the overarching strategy at Ezra. To keep ahead of the competition, we move into areas where there are fewer competitors, and do premium work. With that in mind, I have no doubt that the acquisition and focus on subsea were the right move strategically. It moved Ezra into an area where few could compete in, just as Ezra was in the early 2000s. I am sure shareholders would appreciate that Ezra needed to ensure it made a quantum leap forward, and move into higher value-added services which being in the subsea services industry offered. In doing so, we keep our competitive edge over other vessel owners coming in to compete in the offshore O&G sector by evolving into a subsea engineering service provider.

Our results over the last two and a half years after acquiring AMC have been choppy at best, as we have had to deal with legacy issues. Past projects prior to the acquisition had to be completed, even as we built up a new pipeline of projects. All legacy projects have now been completed, and we have put in place new vessels like the *Lewek Centurion* and *Lewek Express* as well as more engineers and project staff that will be able to effectively bridge the gaps in our capabilities for carrying out higher value projects. We can now take serious stock of how our Subsea Services Division is doing based on our own merit.

The internal challenges were also compounded by external factors. Some subsea analysts have pointed out that the subsea "boom" may actually be a slower "bloom" instead. The past year, we have seen several projects being delayed by our clients. These delays impacted us quite significantly, as we have not achieved a critical mass of projects. The good news is that we are now close to that required critical mass.



These are all in line with our strategy at Ezra, that we continue to grow our offerings and keep ahead of our competitors.

Notwithstanding all that, we have learnt much in the past two years. These lessons have helped us to calibrate, and we are exploring new business models and evolving our mode of operations for our subsea business, so as to maintain our financial strength. It is also important that we retain leadership in the offshore support services industry in Asia. As a steady income generator, it is an essential component for our shareholders to continue to trust in us. In this area, management has reverted to the strategy of securing long-term charters in the region and our fleet has been redeployed to reflect this focus.

Our engineering and fabrication services arm, TRIYARDS, has done well for itself since its listing in October 2012. Its service offering has expanded with repair and maintenance services added to its portfolio. Its line of product offerings has also expanded with the TDU-400 and TSU 475, the former making us only one of three players in Singapore to be able to design and build its own proprietary drilling jack-ups and SEUs. These are all in line with our strategy at Ezra, that we continue to grow our offerings and keep ahead of our competitors.

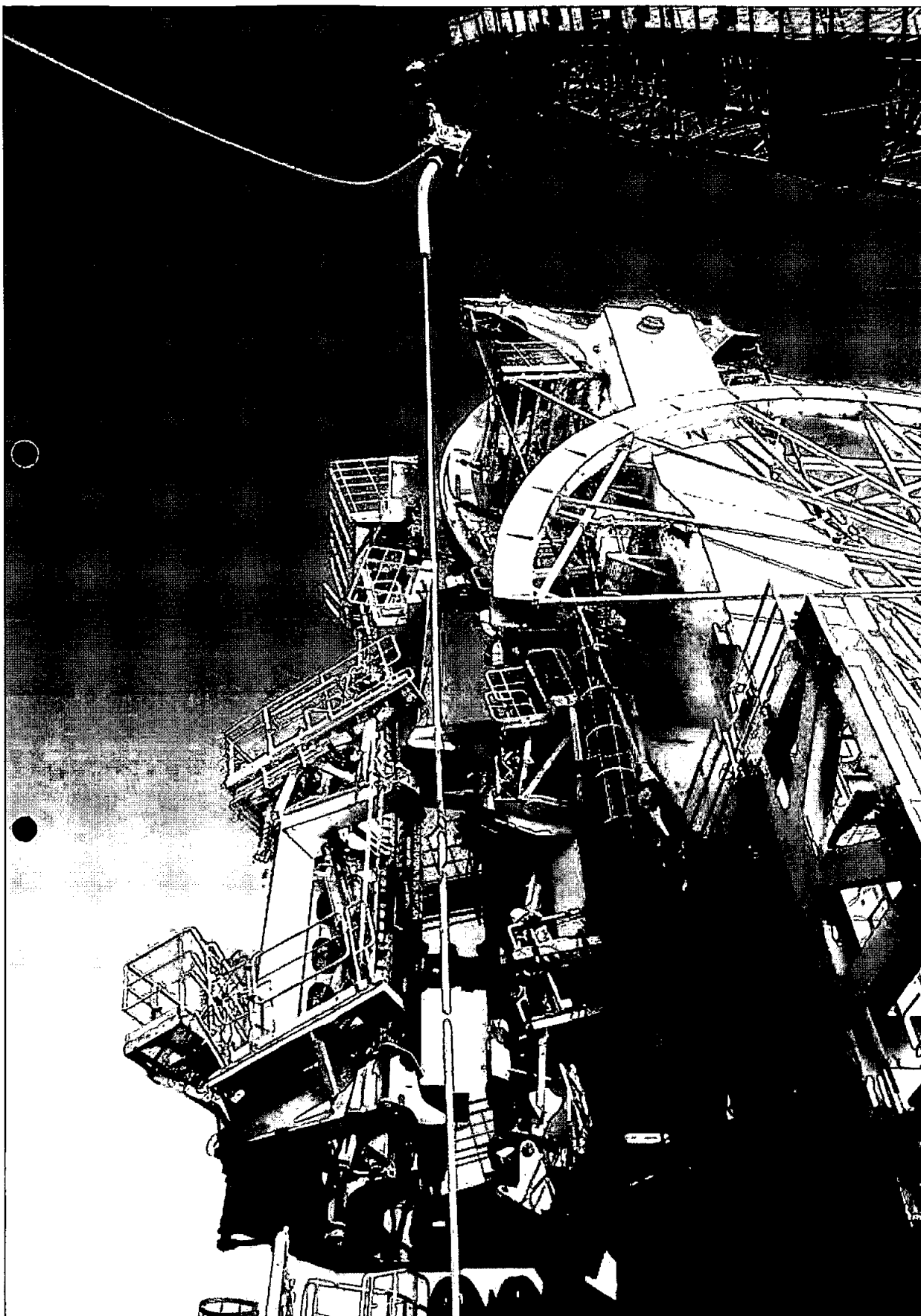
Finally, I would like to take this opportunity to thank members of the Board for their valuable counsel through the year, and their strong support for what Ezra is doing. I would also like to place on record my appreciation for the management team and staff of Ezra, who have worked doubly hard to resolve legacy issues in the system, and not flinch even in the face of a difficult year. And of course, my thanks to you, our dear shareholders. Without your patience and support, Ezra would not be able to develop as rapidly over the past two years.

To conclude, as we look towards the future, I urge our shareholders to continue to have patience with us.

Together we deliver!

Mr. Koh Poh Tiong
Chairman







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GROUP CEO AND MANAGING
DIRECTOR'S MESSAGE



GROUP CEO AND MANAGING DIRECTOR'S MESSAGE

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We are well placed to capture the opportunities opening up in the subsea industry over the next few years. Barring any unforeseen circumstances, and with your firm support, we are set to grow



Greetings Shareholders,

It is my pleasure to pen this message to you for the first time in this year's Annual Report. I have had the privilege of meeting many of you over the course of the last 10 years, and I hear and understand the concerns regarding the current financial performance of the Group.

Let me begin by first discussing some broad industry trends.

Overview of the Offshore O&G Industry

The O&G industry remains resilient and buoyant despite global uncertainty. Global energy demand will continue to expand as population and incomes grow around the world, with the non-OECD countries fueling this through to 2030. While oil's share of the world's source of energy declines as extraction and production of gas rise, oil demand is projected to grow nonetheless, simply because oil remains the dominant transport fuel. According to Barclays Capital, this demand is expected to keep oil price in the US\$100/bbl range for the foreseeable future. This may even hike further as uncertainty in the Middle East continues.

What this means is that it will remain commercially viable to carry out exploration and production activities at the deep and ultra-deep waters of the world. In fact, subsea capital expenditure is expected to rise from some US\$19 billion in 2012 to US\$40 billion in 2017. Also, according to Douglas-Westwood, 2012-2016 will see some US\$367 billion of investment on offshore infrastructure, compared with US\$254 billion the preceding five years. We will see a record amount spent on in-field tiebacks to the tune of US\$140 billion.

I would also like to highlight a report by IHS in May 2013, which pointed out that some 60% of visible offshore project start-up within the next five years will take place in Asia and North-West Europe.

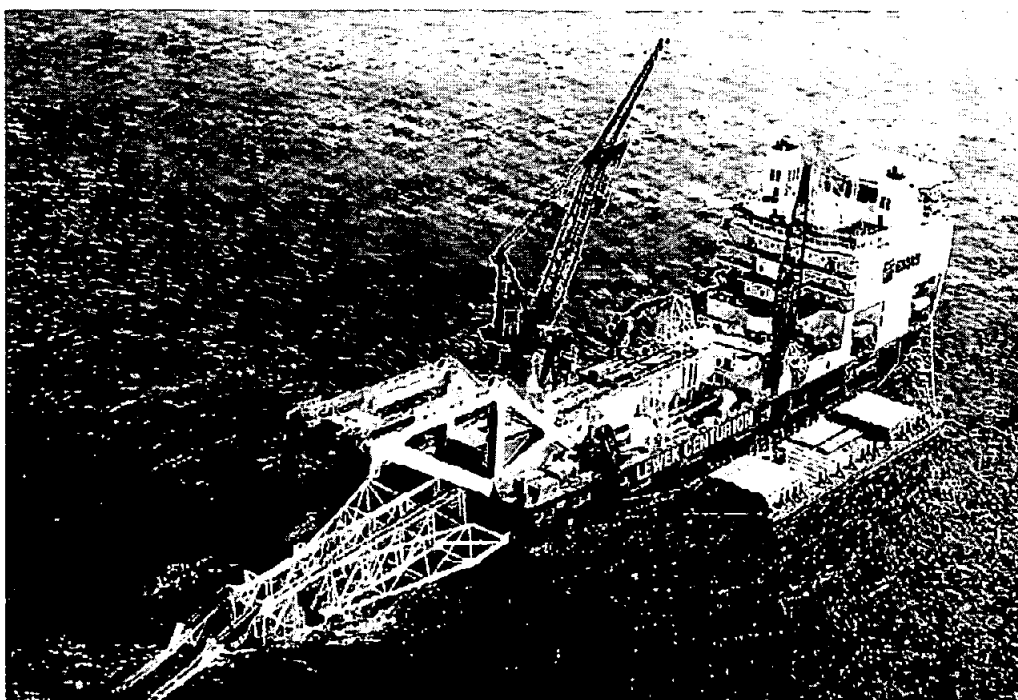
All these point towards a sustainable and growing offshore O&G market especially in deepwater. This means greater opportunities for Ezra. Since the acquisition of AMC in 2011, we have been building the capabilities and capacities to capitalise on such a time as this, and capture a credible share of projects out there.

Near Term Challenges

Yet, the Group has faced some challenging issues the past financial year.

For our Subsea Services Division, as with any major acquisitions, we have had to endure some gestation losses, even as we build up our capabilities. We had to build up an orderbook from scratch, which meant time was needed to reach a critical mass of projects. Until such a critical mass could be attained, any delays in project commencement, which we faced, impacted us substantially. Coupled with the fact that we had to clear up some legacy projects which had been committed by AMC prior to acquisition, the journey has indeed been a rough one. But we are beginning to see light at the end of the tunnel. The Division began posting operational profits in the last month of 3QFY2013, and continued to do so in 4QFY2013. Our orderbook in FY2013 stands at more than US\$1.4 billion, and we believe we are reaching a critical mass of projects which should allow us to manage project delays better.

In our Offshore Support Services Division, we also had to consolidate its poor performance and weaker than usual utilisation rates early in the year. We have since corrected this, enacting sweeping management changes, and recalled most of our vessels back into Asia-Pacific. We have since seen our utilisation rate rebound to more than 90% as at 31 August 2013.



Financial Performance

FY2013 has been personally disappointing for me as our operations are not turning in the bottom line that shareholders expect. Still, we can see our subsea strategy bearing fruit as the Group's revenue soared past the billion dollar mark comfortably to US\$1.26 billion. The Subsea Services Division now accounts for more than 60% of the Group's revenue and also crucially globalises our revenue streams.

This translates to a growth of 28% in revenue in FY2013 compared to the previous year. Our net profit after tax dipped slightly from US\$66.0 million in FY2012 to US\$64.1 million this year.

Group Achievements

Nevertheless, the Group has made quite a few milestones this financial year.

Our Subsea Services Division has seen an increase in both the quality and value of projects. From simple installation jobs, we are now contracted to do EPCI and SURF projects. Especially satisfying is the momentum of North Sea projects that we have managed to secure in

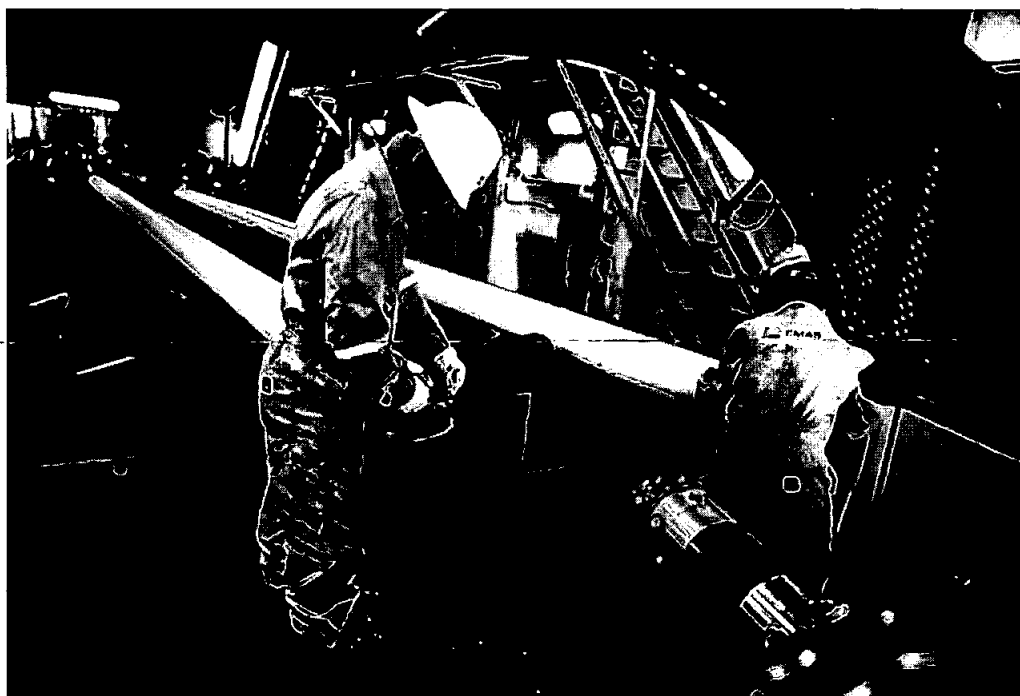
the year. We are also seeing an increase in activity in the Gulf of Mexico and West Africa, and we have ensured we are part of the action with some projects in those regions. Our construction fleet's latest additions, *Lewek Centurion* and *Lewek Express*, are already busy working on projects since we took delivery of them. We also saw the Division rebound operationally in 4QFY2013.

The Offshore Support Services Division has also consolidated its leadership position in Asia-Pacific, as well as strengthened its presence in Africa.

Finally, our Marine Services Division, TRIYARDS, continued to break new ground, with the announcement of the TDU-400 drilling rig. It marks our entry into the drilling rig business, and makes us only one of three players in Singapore to be able to build these proprietary-designed drilling rig units. We have also expanded our range of SEUs with the introduction of the TSU 475, our proprietary design 3rd generation high specification SEU. In addition, TRIYARDS has expanded its business offerings to include ship repair and maintenance.

As a Group, we are proud winners of Offshore Support Journal's ("OSJ") Shipowner of the Year award, and Group Founder Mr. Lee Kian Soo was also honoured with OSJ's Lifetime Achievement Award at the Annual





OSJ Conference and Awards 2013 in February this year. In addition, the Group has achieved the ISO 22301-2012 certification for Business Continuity Management Systems.

Our Corporate Social Responsibility

Our commitment to being a socially responsible corporate citizen in areas where we operate continues apace. This year, we have committed to about US\$250,000 across various projects around the world, helping causes such as children's cancer.

We were also awarded the Singapore Association for the Deaf's ("SADeaf") 'I LOVE YOU' (Sapphire) Award for our contributions to their work. As you may know, we have some deaf colleagues in whom we believe they can contribute as much, if not more, to our growth.

Towards The Future

We are standing at the cusp of a new beginning. Yes, FY2013 has been tough, but we are seeing clear signs that the worst is behind us. With project enabling assets, such as the *Lewek Connector*, *Lewek Centurion* and

Lewek Express, and the right people in place, we are well-placed to capture the opportunities opening up in the subsea industry over the next few years. I look forward to welcoming the *Lewek Constellation* to the fleet as she will be the game changer that will redefine EMAS in the years to come. Barring any unforeseen circumstances, and with your firm support, we are set to grow.

Together we deliver!

Mr. Lee Chye Tek Lionel
Group CEO and Managing Director



BOARD OF DIRECTORS





BOARD OF DIRECTORS



MR. KOH POH TIONG

*Non-Executive and Non-Independent Chairman
(Appointed as Director on 7 October 2011 and not re-elected on 27 December 2013)*

Mr. Koh, 67, has more than 42 years of corporate experience in sectors ranging from food and beverages to shipping. Mr. Koh was most recently the Chief Executive Officer ("CEO") of the food and beverage division of Fraser and Neave Limited. Prior to this, he was the CEO of Asia Pacific Breweries Limited ("APB") for 15 years and grew its footprint from a network of five breweries in three countries to 30 breweries in 12 countries at the time of his retirement. Mr. Koh transformed the company into one of the top brewers in Asia-Pacific and established Tiger Beer as APB's flagship beer brand and Heineken as the leading international beer brand around the region.



MR. LEE KIAN SOO

*Group founder, Non-Executive and Non-Independent Director
(Appointed as Director on 1 August 2006 and not re-elected on 27 December 2013)*

Mr. Lee, 68, is one of the founders of the Group and is instrumental in bringing the Group to where it is today. With more than 30 years of experience in the shipping and offshore support services industry, Mr. Lee has been responsible for the strategic planning, business development and marketing of the Group since its inception in 1992. He currently advises the Group's business development and marketing functions. Prior to founding the Group, Mr. Lee worked in various shipyards. He holds a Second Mate Certificate of Competency.

Brønnøysundregistrene
Årsregnskap regnskapsåret 2013

BOARD OF DIRECTORS

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BOARD OF DIRECTORS



MR. LEE CHYE TEK LIONEL

*Group Chief Executive Officer ("CEO") and Managing Director
(Appointed as Director on 28 March 1999 and last re-elected on 31 December 2011)*

Mr. Lionel Lee, 40, is the Group CEO and Managing Director of Ezra Holdings Limited, responsible for the overall management and operations of the Group. He has been the driving force behind the Group's dynamic growth and was instrumental in its listing on the Singapore Exchange in 2003. He also spearheaded the Group's entry into subsea construction industry, with the acquisition of AMC in 2011. Also recognised for his work in corporate social responsibility, he was awarded Singapore's Public Service Medal in 2011 for his work with underprivileged children in Singapore. He holds a Graduate Diploma in Business Administration from the Western Sydney International College.



CAPT. ADARASH KUMAR A/L CHRANJI LAL AMARNATH

*Group Chief Operating Officer ("COO") and Executive Director
(Appointed as Director on 24 March 2008 and last re-elected on 31 December 2012)*

Capt. Kumar, 53, assists the Group CEO and Managing Director with the day to day running of the Group. Prior to being appointed Group COO, Capt. Kumar was the CEO of the Group's Offshore Support Services Division. He has more than 25 years of experience in the marine industry. Before joining the Group, he was an Assistant General Manager of Bumi Armada Navigation Sdn Bhd, an offshore support services provider based in Malaysia, and was responsible for its operations. He also held various positions onboard vessels while working for the Malaysian International Shipping Corporation. Capt. Kumar is a qualified Master Mariner and holds a Certificate of Competency as Master of a Foreign Going Ship issued by the Malaysian Marine Department.

BOARD OF DIRECTORS



MR. TAY CHIN KWANG

Executive Director

(Appointed as Director on 12 July 2007, last re-elected on 31 December 2012, and re-designated to Executive Director on 1 November 2013)

Mr. Tay, 48, has responsibility over strategic partnerships and joint ventures for the Group effective from 1 November 2013. Prior to this, he was the Group's Finance Director. Mr. Tay has over 23 years of experience in various accounting, finance management and business advisory functions across a broad spectrum of industries. Mr. Tay has vast experience in corporate and business structuring, mergers and acquisitions and corporate finance. He was also previously the Chief Financial Officer of a Singapore Exchange Mainboard-listed company. Mr. Tay holds a Bachelor of Accountancy from the National University of Singapore and is a fellow member of the Institute of Singapore Chartered Accountants.



MR. ENG HENG NEE PHILIP

Lead Independent Director

(Appointed as Director on 1 July 2012 and last re-elected on 31 December 2012)

Mr. Eng, 67, is the Independent Non-Executive Chairman of Frasers Centrepoint Asset Management Ltd and mDR Limited, in addition to serving on the Boards of various public and private companies in Singapore. He is also Singapore's Non-Resident High Commissioner to Canada. Mr. Eng spent 23 years with the Jardine Cycle & Carriage Group before retiring in February 2005 as Group Managing Director. He graduated from the University of New South Wales with a Bachelor of Commerce in Accountancy and is an Associate Member of the Institute of Chartered Accountants in Australia.



DR. NGO GET PING

Independent Director

(Appointed as Director on 18 July 2007 and last re-elected on 31 December 2011)

Dr. Ngo, 55, is presently a Director of OSK International Investments Hong Kong Limited and an Independent Director of Medi-Flex Limited, OSK Holdings Bhd, OSK Property Holdings Berhad and OSK Ventures International Berhad. He is also a Non-Executive Director of RHB OSK International Investments Pte Ltd and RHB OSK Asset Management Pte Ltd, and has held positions with various financial institutions. Dr. Ngo's last employment was with CLSA (S) Pte Ltd from 1996 to 2006, where he held several positions including, Head of Sales and Deputy Country Head. Dr. Ngo holds a Doctorate of Philosophy in Metallurgy from the University of Oxford, the United Kingdom.



BOARD OF DIRECTORS

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BOARD OF DIRECTORS



MR. SOON HONG TECK

*Independent Director
(Appointed as Director on 16 May 2008 and last re-elected on 31 December 2012)*

Mr. Soon, 55, has over 20 years of manufacturing industry experience as Financial Controller, overseeing financial operations, management reporting and internal control system. He began his finance/accounting career with United Industrial Corporation Limited, a public listed company with its core business in property development in 1984. From 1987 to 1996, he held various positions at a French multinational corporation for its Singapore and South East Asia operations. He was the Senior Finance Director of GlobalFoundries Singapore Pte Ltd (previously known as Chartered Semiconductor Manufacturing Ltd) since 1999. Mr. Soon holds a Bachelor Degree in Accountancy from the National University of Singapore. He is a Singapore Chartered Accountant of the Institute of Singapore Chartered Accountants and a member of the Association of Chartered Certified Accountants.



MR. KARL ERIK KJELSTAD

*Non-Executive and Non-Independent Director
(Appointed as Director on 1 March 2011 and last re-elected on 31 December 2012)*

Mr. Kjelstad, 47, is part of the leadership team in Aker Solutions. He joined Aker Solutions as Executive Vice-President in July 2009 from the position of Senior Partner & President, Maritime Technologies at Aker ASA. He has been with the Aker group since 1998 and was President and CEO of Aker Yards ASA from January 2003 to June 2007. Prior to joining Aker, Mr. Kjelstad was senior consultant at PA Consulting Group and from 1992 to 1996 held various management positions in the TTS Group. Mr. Kjelstad holds a Masters of Science in Marine Engineering from the Norwegian University of Science and Technology.

MANAGEMENT TEAM



MR. C. J. D'CORT

CEO, EMAS AMC

Mr. D'Cort brings nearly 30 years of 'on the job' experience in engineering, project management, construction and subsea marine operations (deep and shallow water) in the upstream O&G industry throughout the world. Prior to his appointment at EMAS AMC, Mr. D'Cort was the CEO at SapuraAcergy and has extensive global experience in operational and corporate management. His experience in the field of offshore construction has seen him evolve from an active engineering background to his recent and current CEO positions.



MR. BOB DAVIDSON

COO, EMAS Energy

Mr. Davidson is responsible for overseeing the EMAS Energy division. He has over 20 years of operational experience in the O&G well services and drilling industry. His first 10 years were spent in the drilling industry in the North Sea for a major drilling contractor. He then ventured into the hydraulic workover and snubbing service line and has remained there for the past 15 years. He has led and managed a series of well blow-out campaigns with Halliburton in Iraq prior to locating to Thailand to start and run their Hydraulic Workover ("HWO") Services business. He joined PSL in 2005 and was instrumental in securing the HWO contract from Chevron and establishing PSL Energy Services in-country. Originally from Scotland, Mr. Davidson has lived and worked in Thailand for the last 10 years and has built up a network of contacts of both clients and vendors. He is currently establishing EMAS Energy as a major well service company in Asia with substantial contract awards in the region to date.



MANAGEMENT TEAM

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MANAGEMENT TEAM



MR. EUGENE CHENG CHEE MUN

Group Chief Financial Officer ("CFO")
(Appointed as Group CFO on 1 November 2013)

Mr. Cheng is responsible for all financial matters of the Group, including the financial reporting, strategic financial planning and treasury functions. He has more than 10 years of experience in bulge-bracket investment banks where he worked on a range of cross-border mergers and acquisitions advisory and financing mandates across Asia. Prior to joining Ezra, Mr. Cheng was Senior Vice-President in J.P. Morgan's South East Asia Corporate Finance and Mergers & Acquisitions franchise. He was also previously involved in multiple advisory and financial transactions for major clients with Citigroup Global Markets Singapore as Vice President of its South East Asia Investment Banking Asia team. Mr. Cheng started his career with Anderson as a staff Accountant. Mr. Cheng holds both Masters and Bachelors (1st Class Honours) of Accountancy degrees from Singapore's Nanyang Technological University and has published papers in renowned accounting and financial journals.



MR. RANJIT SINGH

Deputy CEO, EMAS Marine

Mr. Singh is the Deputy CEO of Ezra's Offshore Support Services Division, EMAS Marine since August 2013. He brings with him nearly 40 years of experience in marine support operations with his first six years spent with the Republic of Singapore Navy. Mr. Singh then spent a year travelling in the region before venturing into agency support services for a number of shipping lines at Inchcape Shipping. Mr. Singh then joined Swire Pacific Offshore in 1980 and was instrumental in establishing global operations where he remained for over 30 years. During this time, Mr. Singh was responsible in starting an office in Nigeria in 2004. He steered operations for Swire in the Middle East, Africa, Caspian and Black Seas and also played a strategic role at Swire's Survey/ Seismic division in Singapore between 2008 till 2010.



CORPORATE MILESTONES

2013

1 Nov 2013

Mr. Eugene Cheng Chee Mun is appointed Ezra's Group CFO. He is responsible for all financial matters of the Group, including financial reporting, strategic financial planning and treasury functions. He took over from the Finance Director, Mr. Tay Chin Kwang, who is re-designated as an Executive Director of the Group.

30 Oct 2013

Ezra awarded US\$110 million worth of new projects in Subsea Construction and Offshore Support Services.

28 Oct 2013

Ezra's Marine Services Division, TRIYARDS, secured order for its 10th SEU as well as an offshore fabrication job, with both contracts worth a total of US\$59 million.

24 Oct 2013

Ezra's Marine Services Division, TRIYARDS, launched new proprietary design high specification SEU, the TSU 475.

21 Aug 2013

EOC, which is 45.7% owned by the Group, completed the sale of its 51% equity interest in entities owning and operating the Floating, Production, Storage and Offloading ("FPSO") *Perisai Kamelia* (previously known as the *Lewek Arunothai*) to Perisai Production Holdings Sdn Bhd.

12 Jul 2013

Ezra announced awards of more than half a billion worth of new projects, securing orders up to 2016. Part of the awards for Subsea Services Division, EMAS AMC, included a US\$120 million contract with VAALCO for a full spectrum of field installation work, as well as a US\$126 million contract with Statoil for Floater installations. Other works included US\$102 million in charters for the Offshore Support Services Division, EMAS Marine.

1 Jul 2013

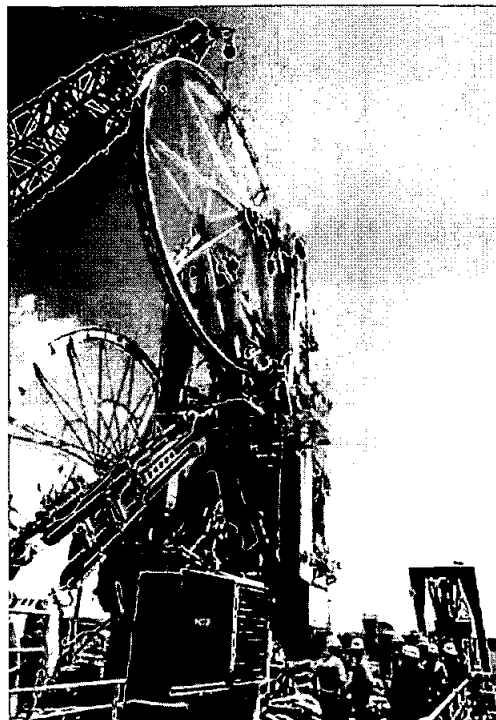
Ezra's Marine Services Division, TRIYARDS, secured first ship repair job for its newly commissioned floating dock.

7 May 2013

Ezra's Marine Services Division, TRIYARDS, launched proprietary design 400-foot drilling jack-up rig, the TDU-400, making TRIYARDS one of three Singapore yards to be able to design and build its own proprietary drilling jack-ups and SEUs.

May 2013

EMAS AMC continued contract-winning momentum in the North Sea, securing jobs with Cecon for pipelay work, and a US\$75 million SURF EPCI project from Statoil for their Smørbukk South Extension development. These two came after EMAS AMC won two projects in the North Sea earlier in March 2013.



12 Apr 2013

Both EMAS AMC and EMAS Marine secured projects totaling some US\$120 million. The contracts were for work to be carried out in the Gulf of Mexico, West Africa and the Philippines, demonstrating Ezra's global capabilities. Of note was that two projects were from West Africa, securing the Group's foothold in the region.

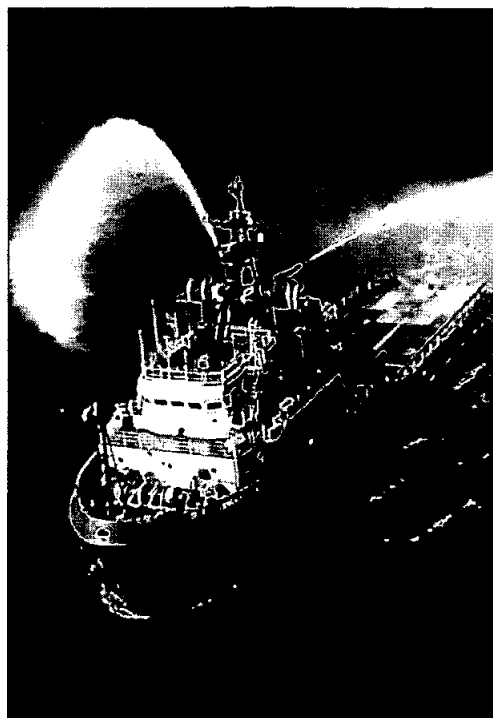
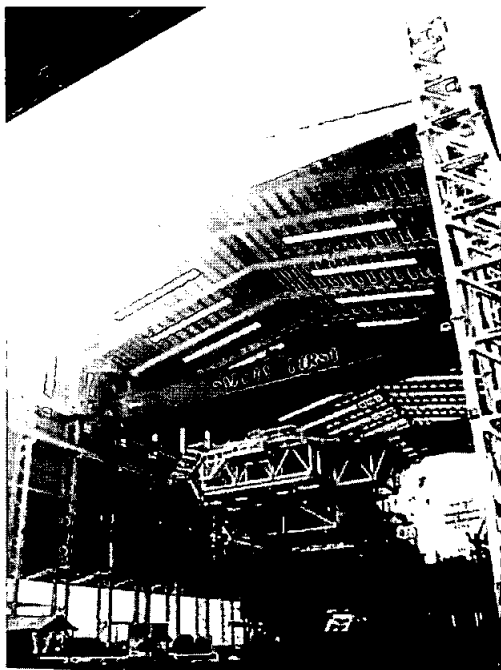
14 Mar 2013

Ezra's winning momentum in the North Sea began with two major projects. First, a contract for the transportation and installation of subsea templates for Statoil in the Norwegian Sea's deepest offshore project, the Aasta Hansteen field development. This was a boost in recognition for EMAS AMC due to the project complexity.

The second project was a major US\$165 million EPCI project for Det norske oljeselskap ASA, a key exploration and drilling operator on the Norwegian Continental Shelf. The contract was for rigid pipelay and related subsea work in the Ivar Aasen field.

14 Jan 2013

The Group demonstrated all-round strength of its business divisions with multiple wins in Subsea Services, Offshore Support Services and Energy Services. More than US\$160 million worth of contracts were won across the group and around the world.



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CORPORATE MILESTONES

2012

31 Dec 2012

Founder and Executive Chairman Mr. Lee Kian Soo stepped down after 20 years at the helm, handing the baton of leadership to corporate veteran Mr. Koh Poh Tiong, former CEO of Asia Pacific Breweries, who stepped in as Non-Executive and Non-Independent Chairman.

14 Nov 2012

Ezra's 45.7% owned EOC secured award from HESS for FPSO *Lewek Arunothai* for work in the North Malay Basin, with a firm value of US\$272.1 million and the potential of another US\$271.1 million should the full extension be exercised.

8 Nov 2012

Ezra celebrated EMAS' 20th anniversary with a half-day conference at the Shangri-La discussing subsea and offshore trends, and hosted a gala dinner at Gardens by the Bay for clients, associates and staff. The celebrations were further enhanced with EMAS AMC securing contracts worth US\$200 million from South Korea.

25 Oct 2012

EMAS AMC announced contracts worth more than US\$65 million for work in the Gulf of Mexico and in West Africa. The project in the Gulf of Mexico will see EMAS AMC's *Lewek Falcon*, a versatile subsea construction vessel, introduced into the area for a long-term campaign on the Walker Ridge Gathering System, which is an ultra-deep (2,500 metres) setup to provide natural gas gathering services.

The West Africa project is an extension of an existing general service agreement with ExxonMobil for subsea engineering, subsea construction and ROV support activities all the way through to mid-2014.

18 Oct 2012

Ezra's Marine Services Division, TRIYARDS, was listed on the Mainboard of the Singapore Stock Exchange as TRIYARDS Holdings Limited, by way of introduction. The Group retains a 67% stake in TRIYARDS.

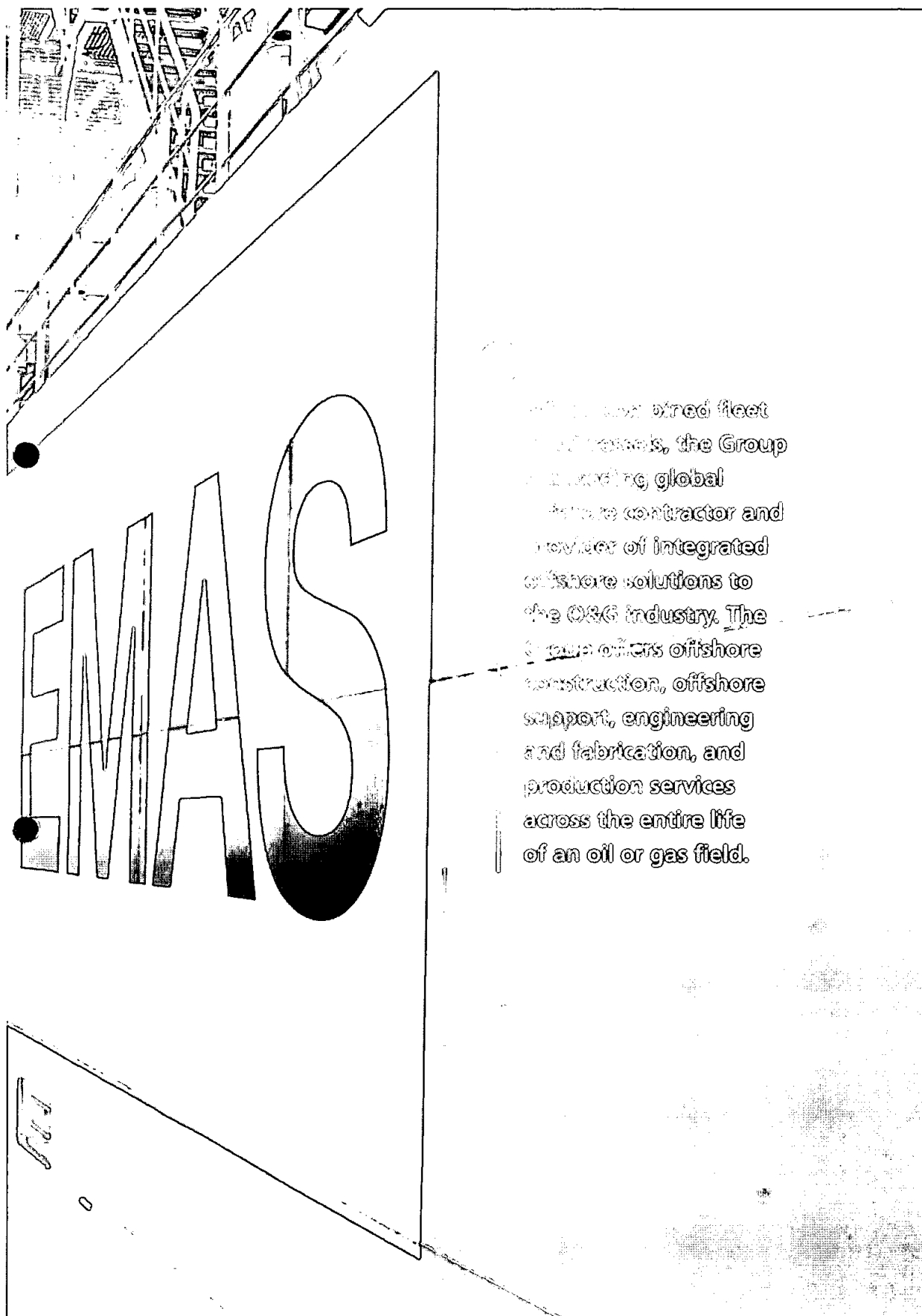
1 Oct 2012

The Group reinforced its Asia subsea installation market share with a contract win in Vietnam. The US\$47 million contract was with Petroleum Technical Services Corporation Mechanical and Construction, and was for subsea engineering and installation work for the Dua project.



OPERATIONS REVIEW



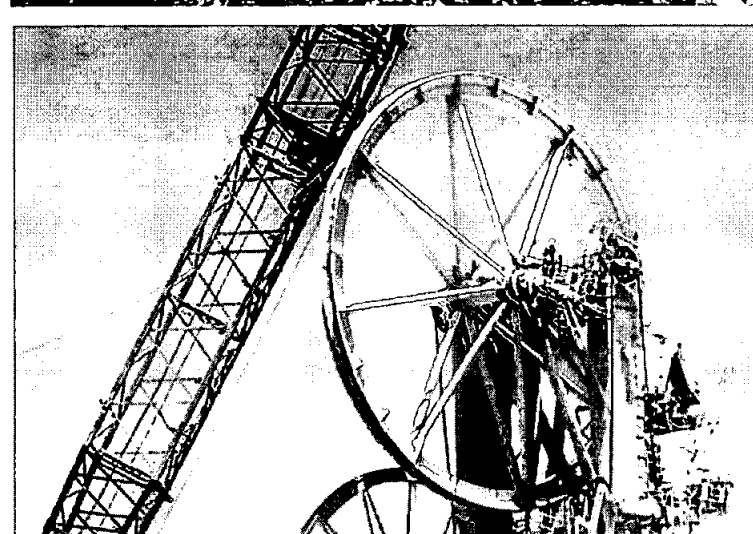
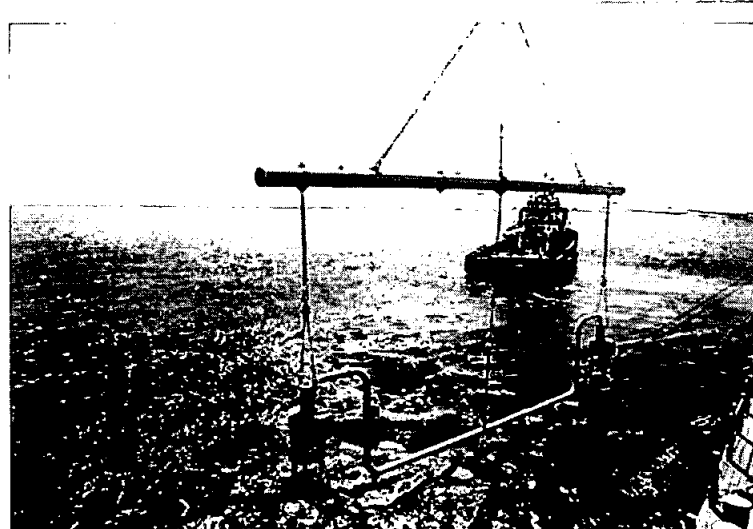
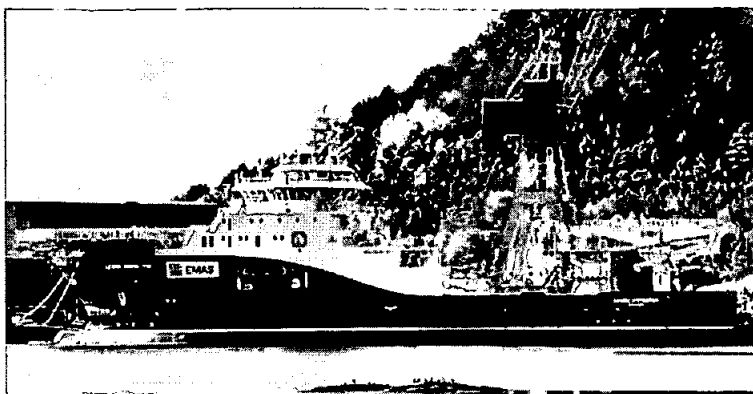


With its own owned fleet of vessels, the Group is providing global offshore contractor and provider of integrated offshore solutions to the O&G industry. The Group offers offshore construction, offshore support, engineering and fabrication, and production services across the entire life of an oil or gas field.



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OPERATIONS REVIEW





OPERATIONS REVIEW

With a combined fleet of 65 vessels, the Group is a leading global offshore contractor and provider of integrated offshore solutions to the O&G industry. The Group offers offshore construction, offshore support, engineering and fabrication, and production services across the entire life of an oil or gas field.

Headquartered in Singapore, the Group has 16 offices globally and assets deployed across six continents of Africa, the Americas, Asia, Australia and Europe. The Group's four main business divisions, namely Subsea Services, Offshore Support Services, Marine Services and Production (under EOC Limited), provide leading engineering competencies combined with a fleet of young and sophisticated vessels, as well as fabrication and FPSO management capabilities.

Building on its global growth strategy and transformation into a global offshore contractor, the Group's revenue has grown to a record US\$1.26 billion in FY2013, an increase of 28% from US\$984.2 million in FY2012. Net attributable profit decreased by 19% from US\$66.1 million in FY2012 to US\$53.6 million in FY2013.

Subsea Services

The Group's Subsea Services Division provides comprehensive offshore seabed-to-surface construction services, including SURF installation, power cable installation, floater and mooring systems installation, pipelay (reel-lay and S-lay) and heavy lift, and decommissioning and removal.

The strategic move to acquire AMC from Aker Solutions AS in March 2011 established the Group as a leading global contractor. Since the acquisition, Ezra has focused on integration and on tendering and executing complex deepwater construction projects. Those efforts have been rewarded with the Subsea Services Division winning approximately US\$2.5 billion in contracts since 2011.

The Subsea Services Division's success in winning contracts in the North Sea, Gulf of Mexico, Africa and the Asia-Pacific is an attestation of its capabilities in the global subsea market. Notable wins in FY2013 include:

- Installation of subsea power cables for the world's largest gas production platform, Troll A, in the North Sea for ABB.

- EPCI contract from Det norske oljeselskap ASA for rigid pipelay and related subsea work in the Ivar Aasen field in the North Sea. This is also the Division's first significant rigid pipelay project in the Norwegian North Sea.

- Transport and floater installation for two Floating Storage Units ("FSU"), with an option for a third, for Statoil in the Heidrun and Mariner fields in the North Sea.

The Subsea Services Division has also added key assets to augment its subsea execution capabilities in FY2013. The *Lewek Centurion*, a S-lay deepwater pipelay vessel, and the *Lewek Express*, a reeled pipelay vessel, were delivered in 4QFY2013. These two project enabling vessels further enhanced the Subsea Services Division's capabilities to execute complex subsea projects. The EMAS Marine Base, established in Ingleside, Texas, is a world-class, deepwater support and pipeline fabrication facility designed to serve the pipelay and construction needs of the US Gulf of Mexico and Mexico's Bay of Campeche.

Upon delivery, the *Lewek Centurion* was deployed for pipeline installation work in the North Sea with Cecon. The *Lewek Express* has since successfully completed the Subsea Services Division's first rigid reeled pipeline project in the Gulf of Mexico, which also utilised EMAS Marine Base's services for spooling pipe and fabrication of pipeline end manifold and termination.

In addition, the Subsea Services Division is preparing for the delivery of the *Lewek Constellation*, a DP3 ice-class subsea multi-lay vessel with heavy-lift capabilities of up to 3,000 tonnes. Together with *Lewek Express* and *Lewek Connector*, *Lewek Constellation* will complete the capabilities of our global reel-lay business and position us well for the many opportunities in the subsea reel-lay market.

Since FY2012, the Subsea Services Division has contributed significantly to the Group's revenue. The Subsea Services Division's revenue leapt to US\$787.5 million in FY2013, a substantial growth of 43% from US\$551.6 million in FY2012. This contributed to 62% of the Group's total revenue in FY2013, as compared to 56% a year earlier.

The Subsea Services Division has laid the foundation for growth in FY2013 by building key capabilities, assets and its orderbook. Moving forward, the Division will continue to grow and contribute significantly and focus on executing its global growth strategy.



Offshore Support Services

The Group's Offshore Support Services Division owns, operates and manages a young and diverse fleet of OSVs and provides ship management services for third-party vessels. Through the years, the Group has built a strong presence in the Asia-Pacific OSV market.

In FY2013, the Offshore Support Services Division has weathered some challenges in the earlier part of the year and its operations have been impacted by vessels offhire in the third quarter. The management has since taken steps to reposition the Division to its traditional areas of strength in Asia-Pacific and strengthen the divisional management team with key additions. As a result, many of the vessels have been deployed and vessel utilisation improved subsequently. Some highlights of the awarded contracts in FY2013 include:

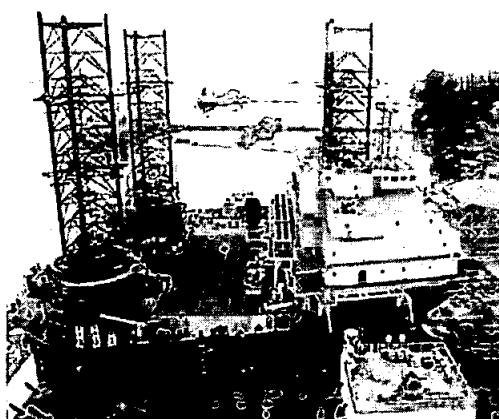
- Five contracts worth a total of approximately US\$75 million (including options) from international and independent oil companies, with an average tenor of approximately 2.6 years (including options).
- An eight-year contract (including options) for offshore exploration work with a major oil company in the Philippines. The Division also secured a five-year contract extension for one of the vessels in West Africa.

- Five contracts for a PSV and four AHTS vessels for work in the Asia-Pacific with oil majors, and national and independent oil companies. The contracts are worth a total of US\$102 million (including options) and the average tenor is approximately 2.2 years (including options).

The revenue of the Offshore Support Services Division reached US\$285.3 million in FY2013, an increase of 4% from US\$275.2 million in FY2012. This accounted for approximately 23% of the Group's total revenue in FY2013. The increase in revenue for this Division was mainly due to the inclusion of additional revenue contributions from new fleet additions, which were partially offset by the offhire of some vessels for maintenance and dry docking.

The Group will continue to tap on its areas of strength to consolidate its position as a leading offshore support services provider in Asia-Pacific. Moving forward, the emphasis will be on improving vessel management and procurement, optimising processes and addressing future OSV demand.





Marine Services

Marketed under the TRIYARDS brand, the Group's Marine Services Division provides advanced engineering, fabrication and ship construction solutions for the offshore and marine industries worldwide. TRIYARDS offers integrated services through three yard facilities located in Vietnam and the US. These services include the fabrication and construction of high-end offshore support and construction vessels, SEUs, offshore modules like jackets and topsides and offshore equipment such as heavy-lift cranes and winches. TRIYARDS also engages in ship repair and industrial fabrication. TRIYARDS was listed on the Mainboard of SGX-ST on 18 October 2012 and is 67%-owned by Ezra Holdings.

TRIYARDS has achieved progress in all fronts of its strategy, including the following highlights:

- The fabrication of the highly sophisticated *Lewek Constellation* continues apace. After undergoing sea trials, the vessel will head to China and Europe for installation of its 3,000 tonnes crane and multi-lay system respectively.
- TRIYARDS secured a second order for the BH 450, a newly designed 450-foot SEU series, and two contracts to build the BH 335 series. These contract wins will see TRIYARDS build its 10th SEU since 2007. TRIYARDS also clinched a contract for the construction of a turret for a Floating Storage Offloading ("FSO") unit in Indonesia.

TRIYARDS has also successfully expanded both the breadth and depth of its offerings:

- With a newly commissioned floating dock, the *Lewek Hercules*, TRIYARDS has completed its first ship repair and maintenance work of the *Mermaid Challenger*, a 1,554 dwt OSV, and another two more jobs.
- TRIYARDS launched the new premium class drilling jack-up rig, TDU-400 in May 2013, becoming one of only three yards in Singapore with the capability to design and build its own proprietary jack-up rig. TRIYARDS has also launched its latest proprietary design 3rd generation high specification SEU, the TSU 475, enabling its offerings of SEU to venture ever further into deeper waters.

With the completion of three OSVs and commencement of the construction of three SEUs, the Marine Services Division's revenue increased by 20% from US\$157.4 million in FY2012 to US\$189.2 million in FY2013. Revenue contribution from the Marine Services Division comprised 15% of the Group's total revenue in FY2013. TRIYARDS' net orderbook at the end of FY2013 was US\$217 million.

Going forward, TRIYARDS will continue to 1) distinguish itself as a specialised yard fully capable of delivering sophisticated, state-of-the-art vessels, 2) reinforce its leading position in the SEU segment in Asia, 3) extend its product range to meet different needs in the offshore industry, and 4) execute its growth strategy to diversify revenue streams.



Production

The Group's Production Division is involved in the post-exploration phases of the production life cycle from facility development to operations and abandonment. Separately listed on the Oslo Børs, the Division is represented by EOC Limited ("EOC"), which is 45.7% owned by the Group. EOC owns and operates two FPSO vessels, two heavy-lift accommodation crane barges and a heavy-lift accommodation pipelay vessel.

In November 2012, EOC secured its first award from Hess Exploration and Production Malaysia B.V. for the charter of the Group's FPSO vessel, *Perisai Kamelia*. Formerly known as *Lewek Arunothai*, this vessel was the Group's first FPSO and has completed its first contract with PTT Exploration and Production in the Gulf of Thailand. The project with Hess will be a three-year fast-track gas production project in North Malay Basin, Malaysia, with extension options for up to a further three years. In preparation for this new assignment, the vessel was renamed and underwent upgrading works, including the addition of an external turret mooring system.

EOC has entered into an agreement with a subsidiary of Perisai Petroleum Teknologi Bhd for the sale of 51% of the equity interest in the entities owning and operating the FPSO, *Perisai Kamelia*, and the purchase of 50% of the equity interest in SJR Marine (L) Ltd that owns the *Enterprise 3*, a derrick lay barge.

The Group's second FPSO, the *Lewek EMAS*, has been hired by Premier Oil Vietnam Offshore B.V. since 2011 and is deployed in the Chim Sao field in Vietnam. With the conclusion of its second year of operation during a six-year firm charter, the vessel has successfully produced more than 18 million barrels of oil whilst achieving excellence in safety records.

Outlook for the Global Offshore O&G Industry Remains Upbeat

Despite the volatile global economic situation, BP expects global energy demand to continue to increase in the coming years due to population and income growths. Fossil fuels will remain the dominant source of energy, while the rising need for transport fuel will also drive the demand for oil. According to the International Energy Agency, global oil demand is projected to increase from 89.8 million barrels per day in 2012 to 96.7 million barrels per day in 2018.

Given the depletion of oil reserves onshore and in shallow water locations, O&G companies have to move to deeper locations offshore to develop production capacity. An average of about 40% of the new exploration volumes in the last decade have been in deepwater. Barclays projects that the global exploration and production capital expenditure will reach a record of US\$678 billion in 2013 and is expected to continue to grow.

Due to these factors, the Group believes that the outlook of the global offshore O&G industry is promising over the next few years. The Group has invested much effort to build up its assets, people and processes in the past years and believes that it is well-poised to take advantage of the opportunities in the industry.

Staying focused on the Group's Growth

Since the acquisition of AMC in March 2011, the Group has embarked on the challenging task of integrating the new AMC division and transforming from an Asia-Pacific focused O&G services provider to becoming a global offshore construction and offshore support services player.

Ezra's focus now will be to continue to build a strong group of companies with an experienced management team, capable employees, technologically advanced enabling assets and efficient processes and systems. This focus will be supported by an active management of its capital structure and resources to allow flexibility and diversification. For this purpose, Ezra has established a US\$500 million Multicurrency Debt Issuance Programme ("Programme") on 28 August 2012. Ezra has since tapped on the Programme to extend the Group's debt maturity profile through the issuance of a combination of fixed rate notes and perpetual securities totaling S\$525 million. Backed by this strong foundation, the Group will concentrate on bidding for and winning contracts to build its orderbook and the safe and successful execution of these projects to enhance value for its shareholders.

A fleet of young and technologically advanced subsea construction vessels and OSVs has enabled the Group to achieve high vessel utilisation and charter rates. Thus, it is a key strategic area for the Group to maintain and operate a young fleet of vessels. Currently, Ezra's OSVs have an average age of approximately 5.2 years against the industry average of more than 13 years. Ezra will continue to explore renewing and enhancing its fleet to complement its expertise in engineering and project management to deliver projects safely, on budget and on time.





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Ezra's focus now will be to continue to build a strong group of companies with an experienced management team, capable employees, technologically advanced enabling assets and efficient processes and systems.



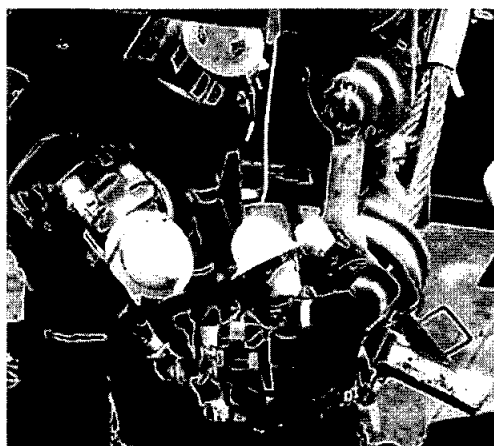
Health, Safety and Environment ("HSE")

The Group is strongly committed to achieving Health, Safety and Environment excellence in our business operations and strives for 'Target Zero' of accident, harm to people, damage to environment and damage to property.

To reach the goal of 'Target Zero', we have taken proactive steps to:

- manage HSE matters as a core business activity,
- implement a systematic approach to HSE to ensure compliance with rules and regulations, international codes and standards, mandatory conventions and client requirements. In particular, the Group adopts the International Safety Management Code and has attained the OHSAS 18001 and ISO 14001 certificates,
- identify hazards and manage risks to people, property and the environment,
- develop the competency of our employees to ensure we meet HSE objectives and targets.

The Group's accomplishments include TRIYARDS SSY achieving Zero Lost Time Incidents ("LTI") over three million man-hours in calendar year 2012 and TRIYARDS SOFEL achieving Zero LTI over two and a half million man-hours in the same period. The Group will continue to reinforce the HSE culture within the organisation to attain strong HSE track records.



Global Corporate Social Responsibility ("CSR")

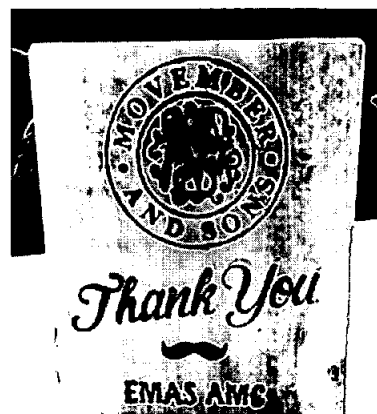
The Group will always strive to be a good corporate citizen wherever we operate in. This is not only necessary to generate goodwill with the communities we operate in, but more importantly, because as a company, we care. This has led to the implementation of the EMAS Global CSR initiative. Now in its second year of implementation, the initiative continues to grow in strength and gain support from our employees from across our global offices. Some highlights of activities in FY2013 are:

Singapore

Ezra has supported various causes through donations and participation in fund raising activities. Donations of S\$10,000 each were made to the POSB Passion Kids Fund to help less fortunate children and the Singapore Exchange Bull Charge to support sustainable charity organisations. Since 2004, Ezra has been supporting ACE@Boon Lay, a day care centre for underprivileged children. Ezra also supported the TOUCH Community Services, a non-profit charitable organisation that helps individuals from all religions and races, including children, youths, elderly, families and people with special needs. Ezra sponsored two teams of employees to participate in the TOUCH Charity Futsal, while more than 70 employees and their family members participated in the TOUCH Run & Raisin, a charity run at the Gardens by the Bay.

Since the launch of the EMAS "S\$20,000 for 20 Causes" programme in 2012 in celebration of EMAS' 20th anniversary, the programme has made donations to the National Kidney Foundation, Singapore Polytechnic and The Singapore Association for the Deaf ("SADeaf"). In recognition of Ezra's contribution, the company was presented with a 'I LOVE YOU' (Sapphire) Award by SADeaf in August 2013. This year, Ezra will be adding the Singapore Children's Cancer Foundation to the list of organisations benefiting from this programme.





Vietnam

Representatives from TRIYARDS SOFEL visited the Blind Group in Baria Vung Tau province to donate food, daily necessities, and cash that was generously contributed by both TRIYARDS employees and management. Representatives from TRIYARDS SSSY also visited the Thien An Old Folk's Home, where about 150 elderly people without homes or relations were taken care of. Food, daily necessities and cash were donated by TRIYARDS to the Home.

Bangkok

EMAS Energy and EMAS AMC sent in a total of six teams to participate in the Thailand Oilmen's Charity International Golf Tournament, which raised funds for several Thai charities. Ezra also provided sponsorship for the drinks stands, ditty bag items for all golfers, golf hole prizes and reception.

Houston

A group of EMAS AMC employees helped to prepare meals at the Houston Food Bank – Keegan Kitchen to benefit organisations assisting senior citizens, homeless war veterans and poverty-stricken children. Around 40 employees also participated in the "Teddy Bear Toss", a Christmas event in which fans were encouraged to throw teddy bears and toys on to the ice when the home hockey team scored its first goal. The toys were then collected to be donated to the local children's hospitals and charities.

Oslo

EMAS AMC officially took part in "Movember" that gave attention to the field of prostate cancer and to get men to focus on their health issues. A team of male employees grew their moustaches during the month of November 2012 to spread the message and raise funds for cancer research. In all, EMAS AMC collected over NOK 60,000 donations, placing it amongst the top ten companies in Norway in raising funds for the cause.

Offshore

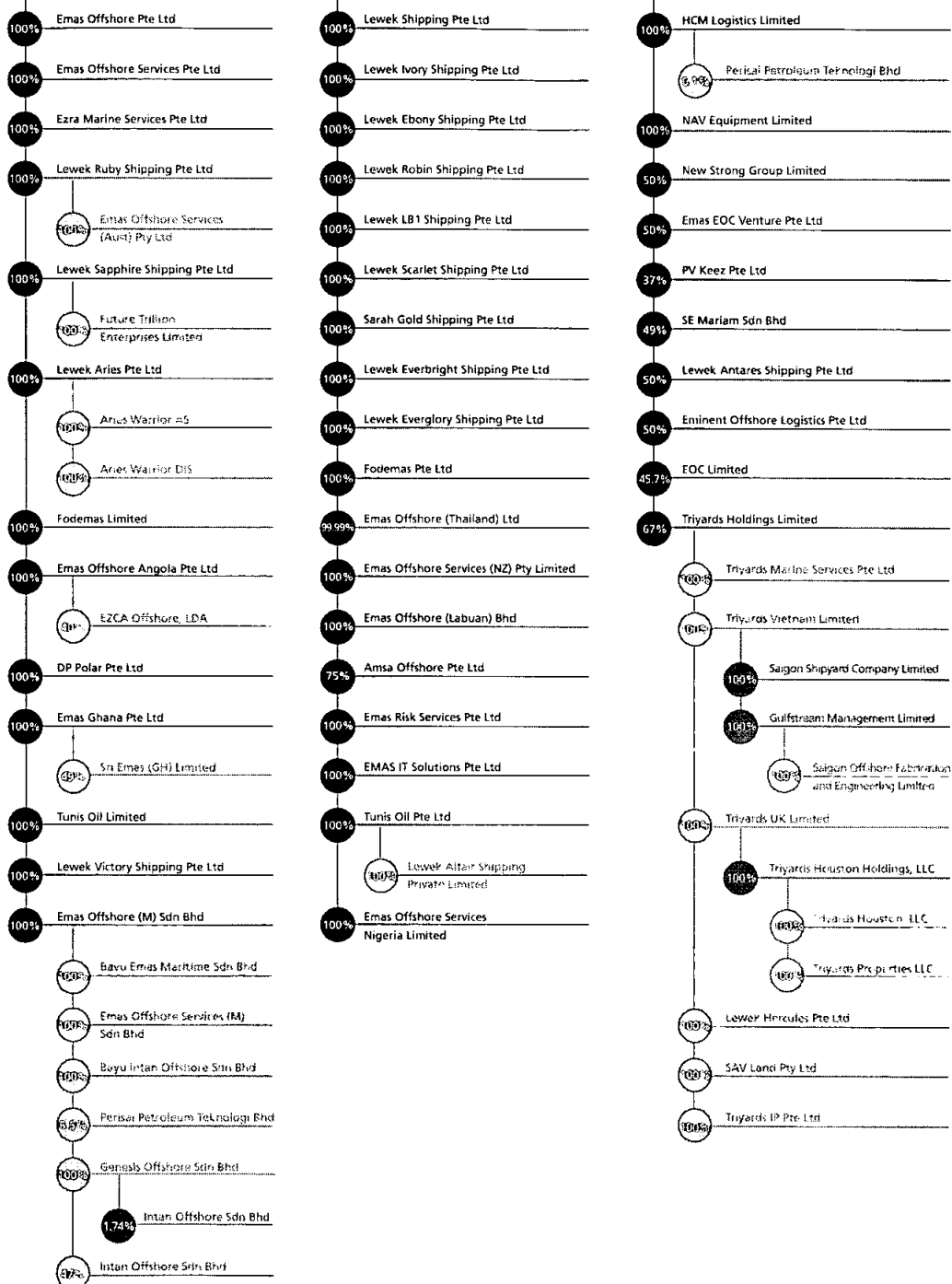
Out at sea, the *Lewek Toucan* assisted with the search and rescue work of a capsized tugboat approximately 30 kilometers off Nigeria. The divers found and rescued a cook that was trapped in an air pocket in the wreck.

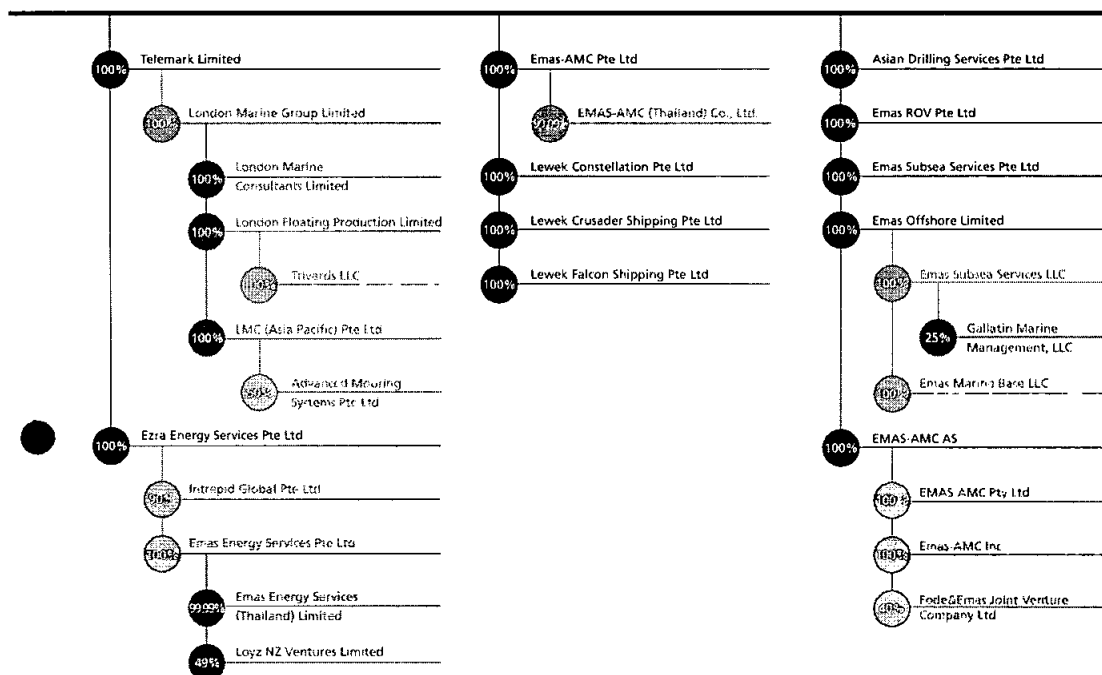


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CORPORATE STRUCTURE

EZRA HOLDINGS LIMITED







CORPORATE DIRECTORY

DIRECTORS

Mr. Koh Poh Tiong
Non-Executive and
Non-Independent Chairman

Mr. Lee Kian Soo
Non-Executive and
Non-Independent Director

Mr. Lee Chye Tek Lionel
Group CEO and Managing Director

Capt. Adarash Kumar A/L
Chranji Lal Amarnath
Group COO and Executive Director

Mr. Tay Chin Kwang
Executive Director

Mr. Eng Heng Nee Philip
Lead Independent Director

Dr. Ngo Get Ping
Independent Director

Mr. Soon Hong Teck
Independent Director

Mr. Karl Erik Kjelstad
Non-Executive and
Non-Independent Director

AUDIT COMMITTEE

Mr. Soon Hong Teck
Independent Director (Chairman)

Dr. Ngo Get Ping
Independent Director

Mr. Koh Poh Tiong
Non-Executive and
Non-Independent Chairman

Mr. Eng Heng Nee Philip
Lead Independent Director

NOMINATING COMMITTEE

Mr. Eng Heng Nee Philip
Lead Independent Director
(Chairman)

Dr. Ngo Get Ping
Independent Director

Mr. Soon Hong Teck
Independent Director

Mr. Koh Poh Tiong
Non-Executive and
Non-Independent Chairman

REMUNERATION COMMITTEE

Dr. Ngo Get Ping
Independent Director (Chairman)

Mr. Soon Hong Teck
Independent Director

Mr. Koh Poh Tiong
Non-Executive and
Non-Independent Chairman

Mr. Eng Heng Nee Philip
Lead Independent Director

COMPANY SECRETARY

Mr. Yeo Keng Nien

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Partner-in-charge: Mr. Lim Tze Yuen
(appointed since financial year
ended 31 August 2010)

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Singapore 068811

Overseas Chinese Banking
Corporation Limited
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OCBC Centre
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Standard Chartered Bank
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Marina Bay Financial Centre Tower 1
Singapore 018981

United Overseas Bank Limited
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Singapore 048624





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CORPORATE GOVERNANCE REPORT

The Board of Directors (the "Board") of Ezra Holdings Limited (the "Company") is committed to maintain high standard of corporate governance and transparency within the Company and its subsidiaries (collectively, the "Group"). The Board believes that good corporate governance inculcates an ethical environment and enhances the interest of all shareholders.

This report describes the Group's corporate governance framework and practices that were in place throughout the financial year, with specific reference made to the Code of Corporate Governance 2005 (the "Code"). Where there are deviations from the Code, appropriate explanations are provided.

The Company is reviewing the recent revisions to the Code as approved by the Monetary Authority of Singapore on 2 May 2012 and will take steps to comply with the Revised Code, where applicable.

(A) BOARD MATTERS

Board's Conduct of its Affairs

The Board assumes responsibility for stewardship of the Group and Company and is primarily responsible for the protection and enhancement of long-term value and returns for the shareholders. The Board works with Management to achieve this and the Management is accountable to the Board.

The Board comprises nine (9) Directors and its role is to:

- (a) set, review and approve corporate strategic aims which involves financial objectives and directions of the Group and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;
- (b) establish goals for Management and review and monitor the performance and achievement of these goals;
- (c) provide entrepreneurial leadership and ensure Management leadership of high quality, effectiveness and integrity;
- (d) set the Company's values and standards, and ensure that the obligations to shareholders and other stakeholders are understood and met; and
- (e) establish a framework of prudent and effective controls which enables risk to be assessed and managed.

The Company has adopted internal guidelines setting forth matters that require Board's approval. The types of material transactions that require approval by the Directors under such guidelines are listed below:

- (a) quarterly financial results announcements and audited financial statements;
- (b) material announcement;
- (c) annual budget;
- (d) major transactions proposal which include funding, merger, acquisition and disposal transactions;
- (e) declaration of interim dividends and proposed final dividends; and
- (f) convening of shareholders' meeting.

To assist in the execution of its responsibilities, the Board has established a number of Board committees which includes a Nominating Committee ("NC"), a Remuneration Committee ("RC"), an Audit Committee ("AC") and Enterprise Risk Committee ("ERC"), each of which functions within clearly defined terms of reference and operating procedures which are reviewed on a regular basis.

When new Directors are appointed to the Board, they will be provided a formal letter setting out the Director's duties and responsibilities. Orientation programme will be given to newly appointed Directors where they are briefed on the Group's business activities, its strategic direction and regulatory environment in which the Group operates. In addition, newly appointed Directors are also introduced to the senior management team.

On an ongoing basis, the Company updates the Directors regarding new legislation and/or regulations which are relevant to the Group. Further, when there are seminar or training in various areas such as accounting, legal and industry specific knowledge which are relevant to the Group, the Directors are encouraged to attend the programmes at Company's expense.

The Board meets regularly to review and deliberate on the corporate strategies, key activities and major issues of the Group. Ad-hoc Board meetings are arranged whenever appropriate. The Board ensures that effective management is in place to oversee the proper conduct of the Group's business.



CORPORATE GOVERNANCE REPORT



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Board Composition and Guidance

The Board comprises nine (9) Directors, three of whom are independent. Their collective experience and contributions are valuable to the Group. The Directors as at the date of this report are listed as follows:

Executive Directors

Mr. Lee Chye Tek Lionel	(Group CEO and Managing Director)
Capt. Adarash Kumar A/L Chranji Lal Amarnath	(Executive Director)
Mr. Tay Chin Kwang	(Executive Director)

Non-Executive Directors

Mr. Koh Poh Tiong	(Non-Executive and Non-Independent Chairman)
Mr. Lee Kian Soo	(Non-Executive and Non-Independent Director)
Mr. Karl Erik Kjelstad	(Non-Executive and Non-Independent Director)
Mr. Eng Heng Nee Philip	(Lead Independent Director)
Dr. Ngo Get Ping	(Independent Director)
Mr. Soon Hong Teck	(Independent Director)

The Board has examined its size and is of the view that the current arrangement is adequate given that the Independent Directors form at least one-third of the Board composition. The Independent Directors consist of respected individuals from different backgrounds whose core competencies, qualifications, skills and experience are extensive and complementary.

The NC adopts the definition of what constitutes an Independent Director from the Code and reviews the independence of each Director on an annual basis.

The Non-Executive Directors constructively challenge and help develop proposals on strategy and also review the performance of Management in meeting agreed goals and objectives, and monitor the reporting of performance. Non-Executive Directors also meet regularly without the presence of Management.

The profile of each Director and other relevant information are set out on page 18 of this Annual Report. The Board is of the view that its composition of the Board of Directors as a whole provides core competencies necessary to meet the Group's requirements, taking into account the nature and scope of the Group's operations.

Role of Chairman and Chief Executive Officer

The roles of the Chairman and Chief Executive Officer are held by separate individuals. Mr. Koh Poh Tiong is the Non-Executive and Non-Independent Chairman and Mr. Lee Chye Tek Lionel is the Group CEO and Managing Director ("Group MD").

The Chairman is responsible for:

- (i) leading the Board to ensure its effectiveness on all aspects of its role and set its agenda;
- (ii) ensure that the Directors receive accurate, timely and clear information;
- (iii) ensure effective communications with shareholders;
- (iv) encourage constructive relations between the Board and Management;
- (v) facilitate the effective contribution of Non-Executive Directors;
- (vi) encourage constructive relations between Executive Directors and Non-Executive Directors; and
- (vii) promote high standard of corporate governance.

The Chairman ensures that Board meetings are held regularly in accordance with an agreed schedule of meetings. The Group MD is responsible for strategic planning, business development and generally charting the growth of the Group.



CORPORATE GOVERNANCE REPORT



With effect from 1 September 2013, the Company has appointed Mr. Eng Heng Nee Philip as the Lead Independent Director. The Lead Independent Director would be available to shareholders where they have concerns when contact through the normal channel of the Chairman, Group MD or the Chief Financial Officer (or equivalent) has failed to resolve the issues or for which such contact is inappropriate.

The Independent Directors will meet periodically without the presence of the other Directors, and the Lead Independent Director will provide feedback to the Chairman after such meetings.

Board Membership

Nominating Committee ("NC")

The NC comprises Mr. Eng Heng Nee Philip as Chairman, Dr. Ngo Get Ping, Mr. Soon Hong Teck and Mr. Koh Poh Tiong as members.

The Board had approved written terms of reference of the NC. The NC is responsible for:

- (a) making recommendations to the Board on the appointment of new Executive and Non-Executive Directors;
- (b) recommending Directors who are retiring by rotation to be put forward for re-election;
- (c) reviewing regularly the Board structure, size and composition and make recommendations to the Board with regards to any adjustment that are deemed to be necessary;
- (d) determining annually whether or not a Director is independent;
- (e) deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director, particularly when the Director has multiple Board representations;
- (f) reviewing of the Board's succession plan; and
- (g) assessing the effectiveness and performance of the Board as a whole by analysing the strengths and weaknesses of the Board.

The NC will meet at least once every financial year and during the financial year; the NC has held one (1) meeting.

In the nomination and selection process for new Directors, the NC identifies the key attributes that an incoming Director should have, based on a matrix of the attributes of the existing Board and the requirements of the Group. After endorsement of the Board and of the key attributes, the NC taps on the resources of Director's personal contacts and recommendations of potential candidates. The curriculum vitae received goes through short listing process. Informal interview is conducted before a decision is reached.

The Directors are appointed by the shareholders at a general meeting and an election of Directors is held annually. One third, or if their number is not a multiple of three, the number nearest to but not less than one-third of the Directors, shall retire from office by rotation once in every three years. A retiring Director is eligible for re-election at the meeting at which he retires.

The NC takes factors such as competency, preparedness, participation and candour into consideration when evaluating the past performance and contributions of a Director for recommendation to the Board. In addition, the NC reviews whether each Director has given sufficient time and attention to the affairs of the Company and decides if a Director has been adequately carrying out, and is able to carry out, his duties as a Director of the Company.

Each member of the NC shall abstain from voting on any resolution in respect of the assessment of his performance or re-nomination as Director. The NC has determined that all Directors have adequately carried out their duties, based on their attendance as disclosed in this report.

Board Performance

A process is in place to assess the performance and effectiveness of the Board as a whole. The evaluation of the Board is conducted annually. The performance criteria for the Board evaluation are based on financial and non-financial indicators such as evaluation of the size and composition of the Board, the Board's access to information, Board's processes, strategy and planning, risk management, accountability, Board's performance in relation to discharging its principal functions, communication with Management and standards of conduct of the Directors.



CORPORATE GOVERNANCE REPORT



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The Board and NC strive to ensure that the Directors appointed to the Board possess the experience, knowledge and skills critical to the Group's business so as to enable the Board to make sound and well-considered decisions.

Certain functions have been delegated to various Board committees, namely, the Nominating Committee, Remuneration Committee, Audit Committee and Enterprise Risk Committee. The members of these committees are set out below:

Nominating Committee ("NC")

Mr. Eng Heng Nee Philip (Chairman)
Dr. Ngo Get Ping
Mr. Soon Hong Teck
Mr. Koh Poh Tiong

Remuneration Committee ("RC")

Dr. Ngo Get Ping (Chairman)
Mr. Eng Heng Nee Philip
Mr. Soon Hong Teck
Mr. Koh Poh Tiong

Audit Committee ("AC")

Mr. Soon Hong Teck (Chairman)
Mr. Eng Heng Nee Philip
Dr. Ngo Get Ping
Mr. Koh Poh Tiong

Enterprise Risk Committee ("ERC")

Mr. Eng Heng Nee Philip (Chairman)
Mr. Soon Hong Teck
Dr. Ngo Get Ping
Mr. Koh Poh Tiong

The number of meetings held during the financial year under review and the attendance of the Directors are set out in the table below:

Name of Directors	Board*		Nominating Committee*		Remuneration Committee*		Audit Committee*		Enterprise Risk Committee*	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Mr. Koh Poh Tiong	5	5	1	1	2	2	4	4	4	4
Mr. Lee Kian Soo	5	3	NA	NA	NA	NA	NA	NA	NA	NA
Mr. Lee Chye Tek Lionel	5	5	NA	NA	NA	NA	NA	NA	NA	NA
Capt. Adarash Kumar A/L Chranji Lal Amarnath	5	5	NA	NA	NA	NA	NA	NA	NA	NA
Mr. Tay Chin Kwang	5	5	NA	NA	NA	NA	NA	NA	NA	NA
Dr. Ngo Get Ping	5	5	1	1	2	2	4	4	4	4
Mr. Soon Hong Teck	5	5	1	1	2	2	4	4	4	4
Mr. Karl Erik Kjelstad	5	5	NA	NA	NA	NA	NA	NA	NA	NA
Mr. Eng Heng Nee Philip	5	5	1	1	2	2	4	4	4	4

Note:-

* Refers to meetings held/attended while each Director was in office.

NA denotes Not Applicable.

In place of physical meetings, the Board and Board committees also circulate written resolutions for approval by the relevant members of the Board and Board committees.



CORPORATE GOVERNANCE REPORT



Access to Information

Prior to each Board meeting, the Management provides the Directors with information relevant to the matters on the agenda in advance in order for Directors to be adequately prepared for the meeting.

To assist the Board in fulfilling its responsibilities, the Board is provided with management reports containing complete, adequate and timely information, and papers containing relevant background or explanatory information required to support the decision-making process. The Board is also provided with updates on the relevant new laws, regulations and changing commercial risks in the Company's operating environment through regular meetings. Orientation to the Company's business strategies and operations is conducted as and when required.

All Directors have separate and independent access to senior management and to the Company Secretary. The Company Secretary administers, attends and prepares minutes of Board meetings, and assists the Chairman in ensuring that Board procedures are followed and reviewed so that the Board functions effectively, and the Company's Articles of Association and relevant rules and regulations, including requirements of the Companies Act and the Singapore Exchange Securities Trading Limited ("SGX-ST"), are complied with.

In the event that the Directors, whether as a group or individually, require independent professional advice in the furtherance of their duties, the cost of such professional advice will be borne by the Company. The appointment of such professional advisor is subject to approval by the Board.

(B) REMUNERATION

Procedures for Developing Remuneration Policies

Remuneration Committee ("RC")

The RC comprises Dr. Ngo Get Ping as Chairman and Mr. Eng Heng Nee Philip, Mr. Soon Hong Teck and Mr. Koh Poh Tiong as members.

The Board has approved written terms of reference of the RC. The RC is responsible for:

- (a) recommending to the Board a framework of remuneration for the Board and the key executives of the Group covering all aspects of remuneration including but not limited to Director's fees, salaries, allowances, bonuses, options and benefits-in-kind;
- (b) proposing to the Board, appropriate and meaningful measures for assessing the performance of the Executive Directors;
- (c) determining the specific remuneration package for each Executive Director;
- (d) to review and administer any performance share plan or other staff incentive schemes of the Group for Directors, senior management and senior executives; and
- (e) considering and recommending to the Board the disclosure of details of the Company's remuneration policy, level and mix of remuneration and procedure for setting remuneration and details of the specific remuneration packages of the Directors and key executives of the Company as required by law or by the Code.

The RC will meet at least once every financial year and during the financial year; the RC has held two (2) meetings.

The RC reviews all matters concerning the remuneration of Non-Executive Directors to ensure that the remuneration commensurate with the contribution and responsibilities of the Directors. Directors' fees are also reviewed on a regular basis to ensure that Directors' fees paid remains to be competitive. The Company submits the quantum of Directors' fees for each year to the shareholders for approval at each Annual General Meeting ("AGM").

The members of the RC do not participate in any decisions concerning their own remuneration and the remuneration packages of persons related to them.



CORPORATE GOVERNANCE REPORT



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Level and Mix of Remuneration

In setting remuneration packages, the RC takes into consideration the pay and employment conditions within the industry and in comparable companies. External remuneration specialists namely, Mercer and AON Hewitt have been engaged to study and recommend a comprehensive reward system for the Executive Directors based on suitable market benchmarks and practices to ensure external competitiveness and alignment with the Company's strategy and longer terms plan. As part of its review, the RC ensures that the performance related elements of remuneration form a significant part of the total remuneration package of Executive Directors and is designed to align the Directors' interest with those of shareholders and link rewards to corporate and individual performance. Recommendations are then put forward to the Board by RC.

Disclosure on Remuneration

The following tables show a breakdown of the remuneration of Directors and the Key Executives, in bands of S\$250,000, for the financial year ended 31 August 2013.

Non-Executive Directors

	Salary & CPF %	Fee ¹ %	Others ² %	Total %
<u>Above S\$500,000 to S\$750,000</u>				
Mr. Koh Poh Tong	0.0	32.4	67.6	100.0
Mr. Lee Kian Soo ³	30.4	6.1	63.5	100.0
<u>Up to S\$250,000</u>				
Dr. Ngo Get Ping	0.0	100.0	0.0	100.0
Mr. Soon Hong Teck	0.0	100.0	0.0	100.0
Mr. Karl Erik Kjelstad	0.0	100.0	0.0	100.0
Mr. Eng Heng Nee Philip	0.0	100.0	0.0	100.0

Executive Directors and Key Executives

Name of Executive	Salary & CPF %	Bonus %	Other Benefits %	Total %
<u>Above S\$1,250,000 to S\$1,500,000</u>				
Mr. C.J. D'Cort	84.9	7.1	8.0	100.0
<u>Above S\$750,000 to S\$1,000,000</u>				
Mr. Tay Chin Kwang	72.8	24.5	2.7	100.0
<u>Above S\$500,000 to S\$750,000</u>				
Capt. Adarash Kumar A/L Chranji Lal Amarnath	47.1	0.0	52.9	100.0
<u>Above S\$250,000 to S\$500,000</u>				
Mr. Lee Chye Tek Lionel ³	82.7	0.0	17.3	100.0
Mr. Bob Davidson	67.5	0.0	32.5	100.0
<u>Up to S\$250,000</u>				
Mr. Eugene Cheng	97.9	2.1	0.0	100.0
Mr. Ranjit Singh	47.3	44.5	8.2	100.0

Note:-

¹ These fees have been approved by shareholders as a lump sum at the AGM for FY2012.

² Others include consultancy fees and other benefits.

³ Mr. Lee Chye Tek Lionel is the son of Mr. Lee Kian Soo.



CORPORATE GOVERNANCE REPORT



(C) ACCOUNTABILITY AND AUDIT

Accountability

The Board is accountable to the shareholders and other stakeholders while the Management is accountable to the Board.

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 announcements, seek to provide the shareholders with a detailed analysis, explanation and assessment of the Group's financial position and prospects. Management provides the Board with management accounts of the Group's performance, position and prospects on a regular basis.

Audit Committee ("AC")

The AC comprises Non-Executive Directors, namely Mr. Soon Hong Teck, Mr. Eng Heng Nee Philip, Dr. Ngo Get Ping and Mr. Koh Poh Tiong. The Chairman of the AC is Mr. Soon Hong Teck.

All members of the AC have many years of experience in senior management positions in financial and industrial sectors. The Board is of the view that the AC members, having accounting and related financial management expertise or experience, are appropriately qualified to discharge their responsibilities.

The Group has adopted the Code in relation to the roles and responsibilities of the AC. The AC holds periodic meetings to perform the following functions:

- (a) review the audit plan of the internal and external auditors;
- (b) review the internal and external auditors' reports;
- (c) review the co-operation given by the Company's officers to the internal and external auditors;
- (d) review the independence and objectivity of the external auditors and nominate external auditors for re-appointment or recommend for removal and approving the remuneration and terms of engagement of the external auditors;
- (e) review significant financial reporting issues and judgments to ensure the integrity of the financial statements of the Group and Company and any formal announcement relating to the Group's financial performance before the submission to the Board of Directors;
- (f) review adequacy and effectiveness of the Group's internal controls, including financial, operational and compliance controls and risk management policies;
- (g) review the effectiveness of internal audit function;
- (h) review all interested person transactions, if any, to ensure that they comply with the approved internal control procedures and have been conducted on an arms' length basis;
- (i) perform such other functions and duties as may be required by the relevant laws or provisions of the Listing Manual of the SGX-ST (as may be amended from time to time);
- (j) to meet with the external and internal auditors and without the presence of Management, at least annually, to discuss any problems and concerns they may have; and
- (k) to undertake such other reviews and projects as may be requested by the Board of Directors.

Apart from the above functions, the AC will commission and review the findings of internal investigations into matters where there is suspicion of fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation, which has or is likely to have a material impact on the operating results and/or financial position. In the event that a member of the AC is interested in any matter being considered by the AC, he will abstain from reviewing that particular transaction or voting on that particular resolution.

During the past financial year, the AC held four (4) meetings with the Management. The AC reviewed and approved the quarterly financial announcements prior to recommending their release to the Board, as applicable. Interested person transactions of the Group in the financial year have also been reviewed by the AC. The AC has been given full access to and obtained the co-operation of the Company's Management. The AC has reasonable resources to enable it to discharge its functions properly.



CORPORATE GOVERNANCE REPORT



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The AC has met with the internal and external auditors without the presence of the Management. The AC has met with the internal auditors independently to discuss on the result of their examination and their evaluation of the system of internal accounting controls. The AC also met with the external auditors to discuss the results of their examinations and their evaluation of the system of internal accounting controls relevant for their financial statements attestation purposes.

Audit and Non-Audit Fees

The AC has reviewed the volume of non-audit services to the Group by the external auditors, and being satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors, is pleased to recommend their re-appointment. The fees payable to the external auditors in respect of audit and non-audit services are set out in page 157 of this Annual Report.

The Company has engaged the same auditing firm for all Singapore-incorporated subsidiaries and significant foreign-incorporated subsidiaries. The Company confirms that it has complied with Rule 712 and Rule 715 read with Rule 716 of the SGX Listing Manual in relation to its auditing firms.

Risk Management and Internal Controls

The Board believes in the importance of maintaining a sound system of internal controls to safeguard the interests of the shareholders and the Group's assets. The AC has met with the Management, internal and external auditors once as at the date of this Annual Report to review the internal and external auditors' audit plans. Also, as part of the annual statutory audit on financial statements, the external auditors report to the Audit Committee and the appropriate level of management any material weaknesses in financial internal controls over the areas which are significant to the audit.

Based on the internal controls policies and procedures established and maintained by the Group, the regular audits, monitoring and the reviews performed by the internal and external auditors, Management and the various Board Committees and the Board, the Board, with the concurrence of the AC, is satisfied that the internal controls of the Group as at 31 August 2013, are adequate to address financial, operational (including information technology) and compliance risks, which the Group considers relevant and material.

The system of internal controls provides reasonable, but not absolute assurance that the Company will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives.

However, the Board notes that no system of internal controls could provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision-making, human errors, losses, fraud or other irregularities.

Enterprise Risk Committee ("ERC")

The Group has in place ERC and an Enterprise Risk Management ("ERM") Framework to assist the Board in its oversight of risk governance and risk management in the Group.

The ERC comprises Non-Executive Directors, namely Mr. Eng Heng Nee Philip, Mr. Soon Hong Teck, Dr. Ngo Get Ping and Mr. Koh Poh Tiong. The Chairman of the ERC is Mr. Eng Heng Nee Philip.

The responsibilities of ERC are as follows:-

- (a) determining the approach to risk governance for the company;
- (b) setting and instilling the right culture throughout the company for effective risk governance;
- (c) ensuring that the risks relevant to the Group are properly identified, including those risks inherent in the Group's business model and strategy, and risks from external factors as the Group pursues its strategic objectives;
- (d) monitoring the company's exposure to risk and the key risks that could undermine its strategy, reputation or long-term viability, including the provision of periodic environmental scans to gauge any possible impact on the risk profile of the company;
- (e) ensuring that Management put in place action plans to mitigate the risks identified where possible; and
- (f) providing oversight of the risk management system, and system of internal controls, and reviewing their adequacy and effectiveness at least on an annual basis.



CORPORATE GOVERNANCE REPORT



A dedicated ERM function has been set-up to facilitate the implementation of the ERM Framework over the identification, prioritisation, assessment, management and monitoring of key risks. Through this Framework, risk management capabilities and competencies are continuously enhanced. The risk management process in place covers, inter alia, financial, operational (including information technology) and compliance risks faced by the Group. The key risks identified are deliberated by Management, with the support of the ERM function, and reported to the Enterprise Risk Committee on a quarterly basis. The Enterprise Risk Committee reviews the adequacy and effectiveness of the ERM Framework against leading practices in risk management and vis-à-vis the external and internal environment which the Group operates in.

Complementing the ERM framework is a Group-wide system of internal controls, which includes Crisis Management, Business Continuity and Disaster Recovery plans, code of conduct, documented policies and procedures, proper segregation of duties, approval authorities as well as checks and balances built into the business processes. The Group has also considered the various financial risks, details of which are found on page 162 of the Annual Report.

Internal Audit

The Group has outsourced its internal audit function to an international public accounting firm, Deloitte & Touche LLP, to review the effectiveness of the key internal controls, including financial, operational and compliance controls, and risk management on an on-going basis. Procedures are in place for internal auditors to report independently their findings and recommendations to the AC. Management will update the AC on the status of the remedial action plans.

Whistle-blowing Policy

The Group is committed to a high standard of ethical conduct and has in place whistle-blowing procedures and arrangements by which employees may report and raise any concerns on possible wrongdoings such as suspected fraud, corruption, dishonest practices or other similar matters in good faith and in confidence. All concerns can be reported directly to the Audit Committee Chairman and Group Managing Director, via a whistleblowing email account (ld@whistleblowingsg.com). They will assess whether action or review is required, and if so, whether this should be conducted by an internally appointed Board of Inquiry (BOI) or external authority. The whistle-blowing procedure is posted on the Company's intranet for staff's easy reference, and on an ongoing basis, the whistle-blowing procedure is covered during staff orientation as part of the Group's efforts to promote fraud control awareness.

(C) COMMUNICATION WITH SHAREHOLDERS

Communication with Shareholders

The Group believes that a high standard of disclosure is crucial to raising the level of corporate governance and seeks to be fair and transparent in communicating with the shareholders. Management believes in nurturing a long-term relationship with the investment community and actively participates in briefings, roadshows, conferences and investor events to communicate with the investors and analysts.

The Group does not practice selective disclosure. All information, including presentation slides relating to the Group's performance, progress and prospects are first disseminated via SGXNET, followed by a news release (if appropriate) to assist the shareholders and investors in their investment decisions. Price-sensitive information is publicly released and announced within the mandatory period, which is also available on the Company's website.

Greater Shareholder Participation

The AGM of the Company is a principal forum for dialogue and interaction with all shareholders. All shareholders will receive the notice of AGM, which is also advertised on the newspapers and issued via SGXNET. At the AGM, shareholders will be given the opportunity to voice their views and to direct questions regarding the Group to the Directors including the chairpersons of each of the Board committees.

The Articles of Association allows a member of the Company to appoint up to two (2) proxies to attend and vote instead of the registered shareholder. Voting in absentia by mail, email or fax is currently not permitted under the Company's Articles of Association to ensure proper authentication of the identity of shareholders and their voting intentions.



CORPORATE GOVERNANCE REPORT



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The Company ensures that there are separate resolutions at general meetings on each distinct issue. The external auditors are also present to address the shareholders' queries about the conduct of the audit and the preparation and content of the auditors' report. Minutes of the AGM are prepared and available upon request, which include substantial comments or queries from the shareholders and responses from the Board and Management.

(D) SECURITIES TRANSACTIONS

The Group has adopted an internal code pursuant to the best practices on dealings in securities issued by the SGX-ST, applicable to all the officers of the Company and its subsidiaries with regards to dealings in the Company's securities. Officers are prohibited from dealing in securities of the Company while in possession of price sensitive information.

Dealings in the Company's securities are prohibited one month prior to the release of quarterly and/or full year results. The Group has further reminded its Directors and executive officers not to deal in the Company's securities on short-term considerations.

(E) MATERIAL CONTRACTS

There were no material contracts entered into by the Company or its subsidiaries that involve the interests of any Director or controlling shareholders subsisting as at the financial year ended 31 August 2013.

(F) INTERESTED PERSON TRANSACTIONS

The Company has put in place an internal procedure to track interested person transactions of the Company. The aggregate value of interested person transactions entered into for the financial year under review is as follows:

Name of interested persons	Aggregate value of all interested person transactions during the financial year (US\$'000)
Jit Sun Investments Pte Ltd and its associated companies	681



DIRECTORS' REPORT



The directors are pleased to present their report to the members together with the audited consolidated financial statements of Ezra Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") and the statement of financial position, statement of comprehensive income and statement of changes in equity of the Company for the financial year ended 31 August 2013.

1. DIRECTORS

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

Mr. Koh Poh Tiong
Mr. Lee Kian Soo
Mr. Lee Chye Tek Lionel
Capt. Adarash Kumar A/L Chranji Lal Amarnath
Mr. Tay Chin Kwang
Mr. Karl Erik Kjelstad
Mr. Soon Hong Teck
Dr. Ngo Get Ping
Mr. Eng Heng Nee Philip

In accordance with Articles 106 of the Company's Articles of Association, Mr. Lee Kian Soo, Mr. Karl Erik Kjelstad and Dr. Ngo Get Ping retire. The directors, being eligible, offer themselves for re-election.

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Except as described below, neither at the end of nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

3. DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments shown in the financial statements or any emoluments received from related corporations) by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.



DIRECTORS' REPORT



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4. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Chapter 50, an interest in shares of the Company and related corporations, as stated below:

	Direct interest			Deemed interest		
	At 1 September 2012	At 31 August 2013	At 21 September 2013	At 1 September 2012	At 31 August 2013	At 21 September 2013
The Company						
Ordinary shares						
Mr. Koh Poh Tiong	348,000	348,000	348,000	-	-	-
Mr. Lee Kian Soo	15,050,000	15,050,000	15,050,000	-	-	-
Mr. Lee Chye Tek Lionel	184,790,384	184,790,384	184,790,384	36,465,920	36,465,920	36,465,920
Capt. Adarash Kumar A/L Chranji Lal Amarnath	7,888,070	7,888,070	7,888,070	-	-	-
Mr. Tay Chin Kwang	449,033	449,033	449,033	-	-	-
S\$150,000,000 8.75% Perpetual Securities						
Mr. Koh Poh Tiong	-	-	-	-	\$250,000	\$250,000
Mr. Lee Chye Tek Lionel	-	\$12,500,000	\$12,500,000	-	-	-
Triyards Holdings Limited						
Ordinary shares						
Mr. Koh Poh Tiong	-	800	800	-	-	-
Mr. Lee Kian Soo	-	1,505,000	1,505,000	-	-	-
Mr. Lee Chye Tek Lionel	-	18,479,038	18,479,038	1	201,302,827	201,302,827
Capt. Adarash Kumar A/L Chranji Lal Amarnath	-	788,807	788,807	-	-	-
Mr. Tay Chin Kwang	-	44,903	44,903	-	-	-

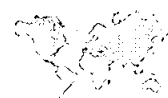
Certain directors have interest in conditional award of shares as disclosed in section 5.2 below.

By virtue of Section 7 of the Singapore Companies Act, Chapter 50, Mr. Lee Chye Tek Lionel is deemed to be interested in the shares held by the Company in its subsidiaries.

Except as disclosed in this report, no other director who held office at the end of financial year had interests in shares, share options or debentures of the Company or related corporations, either at the beginning or at the end of the financial year.



DIRECTORS' REPORT



5. SHARE OPTIONS AND EMPLOYEE SHARE PLAN

The Remuneration Committee is responsible for administering the share option and employee share plan. At the date of this report, the members of the Remuneration Committee are as follows:

Dr. Ngo Get Ping (Chairman)
Mr. Soon Hong Teck
Mr. Koh Poh Tiong
Mr. Eng Heng Nee Philip

5.1 Share Options

The Company has an employee share incentive plan, the Ezra Employees' Share Option Scheme (the "Scheme"), which was implemented in 2003. Except for controlling shareholders or their associates, the employees, executive directors and independent directors of the Company and its subsidiaries shall, subject to certain conditions, be eligible to participate in the Scheme.

The total number of ordinary shares over which the Company may grant options under the Scheme shall not exceed 15% of the issued share capital (excluding treasury shares) of the Company on the day preceding the relevant date of grant.

The Scheme has expired on 19 June 2013.

5.2 Employee Share Plan

The Company implemented the Employee Share Plan (the "Plan") with the approval of shareholders at the Extraordinary General Meeting held on 28 January 2009. The Plan shall continue to be in force up to a maximum of ten years from 28 January 2009. This Plan gives the flexibility to either allot and issue new shares or purchase and deliver existing treasury shares upon the vesting of awards.

Participants will receive fully paid shares free of charge, upon the Participant satisfying the criteria set out in the Plan. The vesting period for the shares granted is three years. The number of shares to be allocated to each participant will be determined at the end of the performance period based on the level of attainment of the performance targets and the prevailing market price of the Company's share at grant date.

As at date of this report, 8,197,981 shares have been granted under the Plan for performance period ended 31 August 2008 to 31 August 2013. During the financial year, 1,604,461 (2012: 925,675) shares were vested. The shares that were vested during the financial year were settled by the delivery of existing shares held as treasury shares or payment in cash.



DIRECTORS' REPORT



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5. SHARE OPTIONS AND EMPLOYEE SHARE PLAN (CONT'D)

5.2 Employee Share Plan (cont'd)

Date of Grant	Share awards granted	Share awards vested	Share awards cancelled	Balance as at 31 August 2013
<i>For staff and key executives</i>				
22 December 2009	573,246	(524,236)	(49,010)	–
14 January 2010	190,726	(165,732)	(24,994)	–
14 January 2011	484,467	(402,035)	(82,432)	–
14 January 2013	942,800	(926,800)	(16,000)	–
14 June 2013	3,912,853	–	–	3,912,853
Sub-total for staff and key executives	6,104,092	(2,018,803)	(172,436)	3,912,853
<i>For Executive Director - Capt. Adarash Kumar A/L Chranji Lal Amarnath</i>				
22 December 2009	662,876	(662,876)	–	–
14 January 2010	144,460	(144,460)	–	–
14 January 2011	291,983	(291,983)	–	–
14 June 2013	238,509	–	–	238,509
	1,337,828	(1,099,319)	–	238,509
<i>For Executive Director - Mr. Tay Chin Kwang</i>				
22 December 2009	331,438	(331,438)	–	–
14 January 2010	72,230	(72,230)	–	–
14 January 2011	145,991	(145,991)	–	–
14 June 2013	206,402	–	–	206,402
	756,061	(549,659)	–	206,402
Sub-total for Executive Directors	2,093,889	(1,648,978)	–	444,911
Total	8,197,981	(3,667,781)	(172,436)	4,357,764

DIRECTORS' REPORT



6. AUDIT COMMITTEE

The Audit Committee ("AC") comprises four board members, all of whom are non-executive directors. The members of the AC at the date of this report are:

Mr. Soon Hong Teck (Chairman)
Dr. Ngo Get Ping
Mr. Koh Poh Tiong
Mr. Eng Heng Nee Philip

The Company has adopted the Best Practices Guide and the Code of Corporate Governance 2005 in relation to the roles and responsibilities of the AC. The AC will perform the following functions:

- (a) review the audit plans of the internal and external auditors;
- (b) review the internal and external auditors' reports;
- (c) review the co-operation given by the Company's officers to the internal and external auditors;
- (d) review the independence and objectivity of the external auditors and nominate external auditors for re-appointment or recommend for removal and approving the remuneration and terms of engagement of the external auditors;
- (e) review significant financial reporting issues and judgments to ensure the integrity of the financial statements of the Group and Company and any formal announcement relating to the Group's financial performance before the submission to the Board of Directors;
- (f) review adequacy and effectiveness of the Group's internal controls, including financial, operational and compliance controls and risk management policies;
- (g) review the effectiveness of internal audit function;
- (h) review all interested person transactions, if any, to ensure that they comply with the approved internal control procedures and have been conducted on an arms' length basis;
- (i) perform such other functions and duties as may be required by the relevant laws or provisions of the Listing Manual of the SGX-ST (as may be amended from time to time);
- (j) to meet with the external auditors and without the presence of management, at least annually, to discuss any problems and concerns they may have; and
- (k) to undertake such other reviews and projects as may be requested by the Board of Directors.

Apart from the above functions, the AC will commission and review the findings of internal investigations into matters where there is suspicion of fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation, which has or is likely to have a material impact on the Group's operating results and/or financial position. In the event that a member of the AC is interested in any matter being considered by the AC, he will abstain from reviewing that particular transaction or voting on that particular resolution.

During the past financial year, the AC has held four (4) meetings. The AC reviewed and approved the quarterly financial announcements prior to recommending their release to the Board, as applicable. Interested person transactions of the Group during the financial year have also been reviewed by the AC. The AC has been given full access to and obtained the co-operation of the Company's management. The AC has reasonable resources to enable it to discharge its functions properly.



DIRECTORS' REPORT



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6. AUDIT COMMITTEE (CONT'D)

The AC has met with the internal and external auditors without the presence of the management. The AC has met with the internal auditors independently to discuss on the results of their examinations and their evaluation of the system of internal accounting controls. The AC also met with the external auditors to discuss the results of their examinations relevant for their financial statements attestation purposes.

The AC has reviewed the non-audit services rendered to the Group by the external auditors, and being satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors, is pleased to recommend their re-appointment.

Further details regarding the AC are disclosed in the Corporate Governance Report.

7. AUDITOR

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors,

Lee Chye Tek Lionel
Director

Tay Chin Kwang
Director

Singapore
15 November 2013



STATEMENT BY DIRECTORS



We, Lee Chye Tek Lionel and Tay Chin Kwang, being two of the directors of Ezra Holdings Limited, do hereby state that, in the opinion of the directors,

- (i) the accompanying statements of financial position, income statements, statements of comprehensive income, statements of changes in equity and consolidated statement of cash flows together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 August 2013, and of the results of the business and changes in equity of the Group and the Company, and the cash flows of the Group for the financial year ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors,

Lee Chye Tek Lionel
Director

Tay Chin Kwang
Director

Singapore
15 November 2013



INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 August 2013



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EZRA HOLDINGS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying financial statements of Ezra Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 60 to 176 which comprise the statements of financial position of the Group and the Company as at 31 August 2013, the income statements, statements of comprehensive income and statements of changes in equity of the Group and the Company, and consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated 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 consolidated 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 statement of financial position, income statement, statement of 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 state of affairs of the Group and of the Company as at 31 August 2013 and the results and changes in equity of the Group and of the Company and cash flows of the Group for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

15 November 2013

2013 | EZRA ANNUAL REPORT



STATEMENTS OF FINANCIAL POSITION

As at 31 August 2013



(Amounts expressed in United States dollars)

		Group		Company	
		2013	2012	2013	2012
	Note	US\$'000	US\$'000 (Restated)	US\$'000	US\$'000
ASSETS LESS LIABILITIES					
Non-current assets					
Fixed assets	4	1,346,231	1,166,952	2,074	2,143
Goodwill	5a	231,017	231,138	-	-
Other intangible assets	5b	10,919	5,365	-	-
Investments in subsidiaries	6	-	-	306,965	288,543
Investments in associated companies	7	148,009	122,905	29,743	29,743
Investments in joint venture companies	8	24,311	22,546	18,987	19,044
Available-for-sale ("AFS") investments	9	-	33,825	-	33,825
Fair value through profit or loss ("FVTPL") investments	42	2,282	2,311	2,282	2,311
Long term receivable from a subsidiary	10	-	-	13,458	13,398
Long term receivable from an associated company	11	37,800	37,800	37,800	37,800
Funding scheme pension	12	178	199	-	-
Trade receivable	15	33,074	51,479	-	-
Deferred tax assets	26	2,767	4,741	-	-
Current assets					
Assets held for sale	13	102,548	200,724	101,785	99,200
Inventories and work-in-progress	14	75,311	88,963	-	-
Trade receivables	15	459,465	439,351	-	-
Other receivables	15	48,371	38,795	1,109	289
Other current assets	16	71,494	51,183	637	346
Balances due from					
- subsidiaries	15	-	-	792,215	638,920
- associated companies	15	135,455	85,796	16,007	6,451
- joint venture companies	15	21,750	11,845	2	-
Derivative financial instruments	41	-	3,722	-	3,722
Cash and cash equivalents	17	173,078	133,356	96,619	80,706
Cash pledged	18	2,660	50	-	-
		1,090,132	1,053,785	1,008,374	829,634



STATEMENTS OF FINANCIAL POSITION

As at 31 August 2013 (Cont'd)

(Amounts expressed in United States dollars)

	Note	Group		Company	
		2013 US\$'000	2012 US\$'000 (Restated)	2013 US\$'000	2012 US\$'000
Current liabilities					
Trade payables	19	152,167	120,198	-	-
Other payables	19	197,039	221,800	20,590	30,650
Bills payable to banks	20	192,758	287,788	66,491	104,703
Deferred income	21	1,644	6,155	-	-
Progress billing in excess of work-in-progress	15a	41,026	16,950	-	-
Balances due to					
- subsidiaries	19	-	-	46,062	11,103
- associated companies	19	39,476	30,331	-	5
- joint venture companies	19	2,500	3,614	2,500	3,558
Derivative financial instruments	41	11,122	1,481	11,122	1,481
Lease obligations	22	1,048	543	180	173
Bank term loans	23	258,919	278,474	130,134	158,233
Convertible bonds	25	49,204	-	49,204	-
Notes payable	24	-	39,754	-	39,754
Provision for tax		14,115	19,403	288	600
		961,018	1,026,491	326,571	350,260
Net current assets		129,114	27,294	681,803	479,374
Non-current liabilities					
Other payables	19	(12,152)	(24,038)	(12,152)	(22,472)
Pension liability	12	(2,047)	(2,239)	-	-
Deferred income	21	(27,006)	(28,655)	-	-
Lease obligations	22	(751)	(764)	(13)	(192)
Bank term loans	23	(510,386)	(509,473)	(2,363)	(52,091)
Notes payable	24	(272,769)	-	(272,769)	-
Convertible bonds	25	-	(128,775)	-	(128,775)
Deferred tax liabilities	26	(675)	(333)	-	-
NET ASSETS		1,139,916	1,012,278	805,815	702,651
EQUITY					
Share capital	27	490,085	490,085	490,085	490,085
Perpetual securities	28	122,940	-	122,940	-
Accumulated profits		492,695	488,965	205,073	175,671
Capital reserves	29a	(3,210)	13,089	(2,353)	14,330
Fair value adjustment reserve	29b	3,491	29,075	-	29,075
Hedging reserve	29c	(2,790)	2,703	(2,554)	2,854
Translation reserve	29d	(4,674)	(2,062)	-	-
Treasury shares	30	(7,376)	(9,364)	(7,376)	(9,364)
		1,091,161	1,012,491	805,815	702,651
Non-controlling interests		48,755	(213)	-	-
TOTAL EQUITY		1,139,916	1,012,278	805,815	702,651

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



INCOME STATEMENTS

For the financial year ended 31 August 2013



(Amounts expressed in United States dollars)

	Note	Group		Company	
		2013 US\$'000	2012 US\$'000 (Restated)	2013 US\$'000	2012 US\$'000
Revenue	31	1,262,065	984,182	12,398	9,769
Cost of sales		(1,092,833)	(797,937)	–	–
Gross profit		169,232	186,245	12,398	9,769
Other income, net	32	105,224	65,496	78,318	44,485
Administrative expenses		(165,739)	(133,863)	(12,243)	(28,694)
Profit from operations	33	108,717	117,878	78,473	25,560
Financial income	35	5,002	3,545	3,888	8,088
Financial expenses	36	(43,535)	(38,064)	(29,183)	(23,164)
Share of profit of associated companies		18,508	1,350	–	–
Share of profit of joint venture companies		3,591	3,339	–	–
Profit before tax		92,283	88,048	53,178	10,484
Tax	26	(28,219)	(22,026)	(1,194)	–
Profit after tax		64,064	66,022	51,984	10,484
Attributable to:					
Owners of the Company		53,649	66,108	51,984	10,484
Non-controlling interests		10,415	(86)	–	–
		64,064	66,022	51,984	10,484
Earnings per share (US cents)	37				
- basic		5.51	7.24		
- diluted		5.51	7.24		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 August 2013



(Amounts expressed in United States dollars)

	Group		Company	
	2013 US\$'000	2012 US\$'000 (Restated)	2013 US\$'000	2012 US\$'000
Profit after tax	64,064	66,022	51,984	10,484
Other comprehensive income:				
Exchange differences on translating foreign operations	(1,222)	(3,286)	-	-
AFS investments				
- Fair value changes during the financial year	28,886	14,212	28,886	14,212
- Reclassification on disposal of AFS investment included in profit or loss	(57,961)	(22,293)	(57,961)	(22,293)
	(29,075)	(8,081)	(29,075)	(8,081)
Fair value change on cash flow hedges	(1,059)	(1,238)	(1,197)	(1,235)
Reclassification of gain on cash flow hedge to profit or loss	(4,211)	-	(4,211)	-
Share of other comprehensive income of associated companies and joint venture companies	2,262	276	-	-
Other comprehensive income, net of tax	(33,305)	(12,329)	(34,483)	(9,316)
Total comprehensive income for the financial year	30,759	53,693	17,501	1,168
Attributable to:				
Owners of the Company	20,344	53,872	17,501	1,168
Non-controlling interests	10,415	(179)	-	-
	30,759	53,693	17,501	1,168

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 August 2013



(Amounts expressed in United States dollars)

Group	Attributable to owners of the Company											
	Share capital US\$'000	Perpetual securities US\$'000	Accumulated profits US\$'000	Capital reserves US\$'000	Fair value adjustment reserve US\$'000	Hedging reserve US\$'000	Translation reserve US\$'000	Treasury shares US\$'000	Total equity attributable to owners of the Company		Non-controlling interests US\$'000	Total Equity US\$'000
									US\$'000	US\$'000		
Balance at 1 September 2011	394,906	-	420,088	(17)	37,156	3,928	868	(11,348)	845,581	747	846,328	
Effects on purchase price allocation	-	-	2,769	-	-	-	-	-	2,769	-	2,769	
As restated	394,906	-	422,857	(17)	37,156	3,928	868	(11,348)	848,350	747	849,097	
Total comprehensive income for the financial year	-	-	66,108	-	(8,081)	(1,225)	(2,930)	-	53,872	(179)	53,693	
issuance of shares by way of placement	96,957	-	-	-	-	-	-	-	96,957	-	96,957	
Share issuance expense	(1,778)	-	-	-	-	-	-	-	(1,778)	-	(1,778)	
Performance shares awarded using treasury shares	-	-	-	(1,218)	-	-	-	1,984	766	-	766	
Derivative component of convertible bond	-	-	-	15,565	-	-	-	-	15,565	-	15,565	
Total transactions with owners in their capacity as owners	95,179	-	-	14,347	-	-	-	1,984	111,510	-	111,510	
Acquisition of non-controlling interests without a change in control	-	-	-	(1,241)	-	-	-	-	(1,241)	(781)	(2,022)	
Balance at 31 August 2012	490,085	-	488,965	13,089	29,075	2,703	(2,062)	(9,364)	1,012,491	(213)	1,012,278	



STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 August 2013 (Cont'd)



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(Amounts expressed in United States dollars)

Attributable to owners of the Company

Group	Share capital US\$'000	Perpetual securities US\$'000	Accumulated profits US\$'000	Capital reserves US\$'000	Fair value adjustment			Hedging reserve US\$'000	Translation reserve US\$'000	Treasury shares US\$'000	Total equity attributable to owners of the Company		Non-controlling interests US\$'000	Total Equity US\$'000
					US\$'000	US\$'000	US\$'000				US\$'000	US\$'000		
Balance at 1 September 2012	490,085	-	487,865	13,089	29,075	2,703	(2,062)	(9,364)	1,011,391	(213)	1,011,178	-	1,100	1,011,178
Effects on purchase price allocation (Note 46)	-	-	1,100	-	-	-	-	-	1,100	-	1,100	-	-	1,100
As restated	490,085	-	488,965	13,089	29,075	2,703	(2,062)	(9,364)	1,012,491	(213)	1,012,278	-	-	1,012,278
Total comprehensive income for the financial year	-	-	53,649	384	(25,584)	(5,493)	(2,612)	-	20,344	10,415	30,759	-	-	30,759
Issuance of perpetual securities	-	120,231	-	-	-	-	-	-	120,231	-	120,231	-	-	120,231
Perpetual securities issuance expense	-	(2,082)	-	-	-	-	-	-	(2,082)	-	(2,082)	-	-	(2,082)
Accrued perpetual securities distribution	-	10,051	(10,051)	-	-	-	-	-	-	-	-	-	-	-
Payment of perpetual securities distribution	-	(5,260)	-	-	-	-	-	-	(5,260)	-	(5,260)	-	-	(5,260)
Dividend in specie (Note 45)	-	-	(12,531)	-	-	-	-	-	(12,531)	-	(12,531)	12,531	-	-
Dividend in specie issuance expense	-	-	(1,315)	-	-	-	-	-	(1,315)	-	(1,315)	-	-	(1,315)
Performance shares awarded using treasury shares	-	-	-	(1,119)	-	-	-	1,988	869	-	869	-	-	869
Derivative component of convertible bond on redemption	-	-	-	(15,564)	-	-	-	-	(15,564)	-	(15,564)	-	-	(15,564)
Total transactions with owners in their capacity as owners	-	122,940	(23,897)	(16,683)	-	-	-	1,988	84,348	12,531	96,879	-	-	96,879
Dilution of equity interest of subsidiary group to non-controlling interest without change in control	-	-	(26,022)	(3,210)	-	-	-	-	(26,022)	-	(26,022)	26,022	-	-
Balance at 31 August 2013	490,085	122,940	492,695	(3,210)	3,491	(2,790)	(4,674)	(7,376)	1,091,161	48,755	1,139,916	-	-	1,139,916

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 August 2013 (Cont'd)



(Amounts expressed in United States dollars)

Company

Balance at 1 September 2011

Effects on purchase price allocation

As restated

Total comprehensive income for the financial year

Issuance of shares by way of placement

Share issuance expense

Performance shares awarded using treasury shares

Derivative component of convertible bond

Total transactions with owners in their capacity as owners

Balance at 31 August 2012

Balance at 1 September 2012

Total comprehensive income for the financial year

Issuance perpetual securities

Perpetual securities issuance expense

Accrued perpetual securities distribution

Payment of perpetual securities distribution

Dividend in specie (Note 45)

Performance shares awarded using treasury shares

Derivative component of convertible bond on redemption

Total transactions with owners in their capacity as owners

Balance at 31 August 2013

Attributable to owners of the Company											
	Share capital US\$'000	Perpetual securities US\$'000	Accumulated profits US\$'000	Capital reserves US\$'000	Fair value			Hedging reserve US\$'000	Total reserves US\$'000	Treasury shares US\$'000	Total Equity US\$'000
						adjustment US\$'000	reserve US\$'000				
394,906	-	-	162,121	(17)	37,156	4,089	203,349	(11,348)	586,907	-	586,907
-	-	-	3,066	-	-	-	3,066	-	3,066	-	3,066
394,906	-	-	165,187	(17)	37,156	4,089	206,415	(11,348)	589,973	-	589,973
-	-	-	10,484	-	(8,081)	(1,235)	1,168	-	1,168	-	1,168
96,957	-	-	-	-	-	-	-	-	96,957	-	96,957
(1,778)	-	-	-	-	-	-	-	-	(1,778)	-	(1,778)
-	-	-	-	(1,218)	-	-	(1,218)	1,984	766	-	766
-	-	-	-	15,565	-	-	15,565	-	15,565	-	15,565
95,179	-	-	-	14,347	-	-	14,347	1,984	111,510	-	111,510
490,085	-	-	175,671	14,330	29,075	2,854	221,930	(9,364)	702,651	-	702,651
490,085	-	-	175,671	14,330	29,075	2,854	221,930	(9,364)	702,651	-	702,651
-	-	-	51,984	-	(29,075)	(5,408)	17,501	-	17,501	-	17,501
-	120,231	-	-	-	-	-	-	-	120,231	-	120,231
-	(2,082)	-	-	-	-	-	-	-	(2,082)	-	(2,082)
-	10,051	(10,051)	-	-	-	-	(10,051)	-	-	-	-
-	(5,260)	-	-	-	-	-	-	-	(5,260)	-	(5,260)
-	-	(12,531)	-	-	-	-	(12,531)	-	(12,531)	-	(12,531)
-	-	-	-	(1,119)	-	-	(1,119)	1,988	869	-	869
-	-	-	-	(15,564)	-	-	(15,564)	-	(15,564)	-	(15,564)
-	122,940	(22,582)	-	(16,683)	-	-	(39,265)	1,988	85,663	-	85,663
490,085	122,940	205,073	(2,353)	-	-	(2,554)	200,166	(7,376)	805,815	-	805,815

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 August 2013



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(Amounts expressed in United States dollars)

Note	Group	
	2013 US\$'000	2012 US\$'000 (Restated)
Cash flows from operating activities		
Profit before tax	92,283	88,048
Adjustments:		
Depreciation of fixed assets	58,232	45,334
Loss on disposal of assets held for sale	3,416	–
Fixed assets written off	47	24
Amortisation of other intangible assets	1,646	2,868
Gain on disposal of fixed assets	(28,835)	(284)
Impairment loss on fixed assets	2,000	–
Share of profit of associated companies	(18,508)	(1,350)
Share of profit of joint venture companies	(3,591)	(3,339)
Gain on dilution of interest in associated companies	(4,684)	(6,488)
Gain on disposal of AFS investments	(67,369)	(34,805)
Gain on disposal of a subsidiary	(151)	–
Realised gain on derivative instruments, net	(4,180)	(532)
Fair value changes in respect of derivative instruments, net	(613)	(8,465)
Fair value changes in respect of FVTPL investments, net	29	(151)
Unrealised exchange gain	(7,924)	(3,297)
Interest expense	43,535	38,064
Interest income	(5,002)	(3,545)
Gross dividend income from AFS investments	(32)	(32)
Gross dividend income from FVTPL investments	(115)	(100)
Negative goodwill on acquisition of a subsidiary	(610)	–
Allowance for doubtful debts, net	6,898	2,098
Bad debts recovered	(225)	–
Bad debts written off	1,629	–
Share-based payment expense	–	622
Operating profit before working capital changes	67,876	114,670
(Decrease)/increase in:		
Inventories and work-in-progress	10,911	(31,293)
Trade receivables	(10,147)	(189,419)
Other receivables and other current assets	(31,292)	(9,748)
Due from associated companies, net	(40,521)	(13,177)
Due from joint venture companies, net	(9,905)	21,546
Increase/(decrease) in:		
Trade payables	33,199	49,168
Other payables	(5,775)	38,691
Progress billing in excess of work-in-progress	24,077	(3,913)
Due to joint venture companies, net	(1,114)	1,114
Cash from/ (used in) operations	37,309	(22,361)



CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 August 2013 (Cont'd)



(Amounts expressed in United States dollars)

	Note	Group	
		2013 US\$'000	2012 US\$'000
Cash from/ (used in) operations		37,309	(22,361)
Interest paid		(25,523)	(28,853)
Interest income received		3,407	2,163
Tax paid		(30,041)	(11,783)
Net cash used in operating activities		(14,848)	(60,834)
Cash flows from investing activities			
Purchase of fixed assets	A	(241,589)	(288,879)
Purchase of intangible asset		(7,200)	–
Proceeds from disposal of assets held for sale		24,434	–
Acquisition of subsidiaries, net of cash paid	B	–	(29,393)
Proceeds from disposal of a subsidiary, net of cash disposed	C	2,593	–
Proceeds from disposal of fixed assets		64,015	25,220
Proceeds from dilution of associated companies		–	10,076
Proceeds from disposal of AFS investments		72,119	41,931
Proceeds from liquidation of a joint venture company		57	–
Dividend received (net) from AFS investments		32	32
Dividend received (net) from FVTPL investments		115	100
Dividend received (net) from a joint venture company		1,232	1,175
Investment in a joint venture company		–	(12,050)
Advances to associated companies		(2,586)	(4,400)
(Increase)/ decrease in cash pledged		(2,610)	50
Interest paid and capitalised as fixed assets and assets held for sale		(6,236)	(9,481)
Net cash used in investing activities		(95,624)	(265,619)
Cash flows from financing activities			
(Repayment of)/ proceeds from bills payable, net		(95,029)	78,920
(Repayment of)/ proceeds from lease obligations, net		(568)	138
Proceeds from issuance of perpetual securities, net of transaction cost		118,149	–
Proceeds from bank term loans		386,718	360,462
Repayment of bank term loans		(403,799)	(188,420)
Repayment of guaranteed notes		(40,582)	–
Receipt from/ (payment for) derivative instruments, net		4,334	(81)
Redemption of convertible bonds		(100,000)	–
Proceeds from issuance of fixed rate notes, net of transaction costs		281,115	–
Proceeds from issuance of placement shares, net of transaction costs		–	95,179
Payment for perpetual securities distribution		(5,260)	–
Acquisition of non-controlling interests		–	(2,022)
Net cash generated from financing activities		145,078	344,176
Net increase in cash and cash equivalents		34,606	17,723
Effects of exchange on cash and cash equivalents		5,116	(418)
Cash and cash equivalents at beginning of financial year		133,356	116,051
Cash and cash equivalents at end of financial year	17	173,078	133,356

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 August 2013 (Cont'd)



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(Amounts expressed in United States dollars)

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

A. Purchase of fixed assets

	Group	
	2013	2012
	US\$'000	US\$'000
Aggregate cost of fixed assets acquired	246,146	299,671
Increase in bills payable	-	(59,456)
Amount payable to a third party shipbuilder (included in other payables)		
- remaining unpaid at the end of financial year	(1,611)	(4,350)
- opening balance paid during the financial year	4,350	62,704
Interest capitalised	(6,236)	(9,481)
Purchase by way of lease obligations	(1,060)	(209)
Purchase of fixed assets in cash	241,589	288,879

B. Acquisition of subsidiaries, net of cash paid

EMAS-AMC AS¹, Emas-AMC Inc.², EMAS-AMC Pty Ltd³ and Hinna Base AS (collectively known as "AMC Group")

On 22 October 2010, the Company has entered into the Share Purchase Agreement ("Agreement") with Aker Solutions AS ("AKSO") and Aker Oilfield Services AS ("AKOFS"), the Company has agreed to (i) acquire the shares of AMC Group from AKSO for a consideration of US\$250 million ("First Closing"); and (ii) acquire 50% of the issued share capital of AMC Connector AS ("ACAS") from AKOFS for a maximum consideration of up to approximately US\$75 million ("Second Closing").

On 1 March 2011, the Company has completed the First Closing and has acquired 100% equity interest in AMC Group. The fair value adjustment relating to the acquisition has been finalised as at 31 August 2012.

On 16 May 2012, the Company has completed the Second Closing and has in accordance to the Agreement made a payment of US\$29.4 million.

The fair value adjustments relating to the acquisition has been finalised during the financial year. Accordingly, the comparative figures have been restated retrospectively (Note 46).

¹ Formerly known as Aker Marine Contractors AS

² Formerly known as Aker Marine Contractors US Inc.

³ Formerly known as Aker Marine Contractors Pty. Ltd.



CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 August 2013 (Cont'd)



B. Acquisition of subsidiaries, net of cash paid (cont'd)

The net cash outflows on the acquisitions are set out below:

	Group
	2012
	US\$'000
Total cash consideration	29,393
Less: Cash in subsidiaries acquired	-
Net cash outflow	29,393

C. Disposal of subsidiary, net of cash received

The Group disposed of Hinna Base AS, a wholly owned subsidiary, on 21 December 2012. The disposal consideration was fully settled in cash.

The value of assets and liabilities of Hinna Base AS recorded in the consolidated financial statements as at 21 December 2012, and the cash flow effect of the disposal were:

	2013
	US\$'000
Fixed assets	986
Trade and other receivables	1,821
Deferred tax assets	92
Inventories	3,559
Cash and cash equivalents	8,379
	14,837
Trade and other payables	(2,543)
Provision for tax	(1,241)
Pension liability	(232)
Carrying value of net assets disposed	10,821
Total consideration	10,972
Cash and cash equivalents disposed	(8,379)
Net cash inflow on disposal of subsidiary	2,593



NOTES TO THE FINANCIAL STATEMENTS

31 August 2013



1. CORPORATE INFORMATION

Ezra Holdings Limited (the "Company") is a limited company, incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office and principal place of business of the Company is located at 15 Hoe Chiang Road, #28-01, Tower Fifteen, Singapore 089316.

The principal activities of the Company are those of investment holding and provision of management services. The principal activities of the subsidiaries are as shown in Note 6 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

The Group operates in Singapore, South East Asia, Australia, India, Africa, Norway, United Kingdom and Americas.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group and statement of financial position, statement of comprehensive income and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") as required by the Companies Act.

The financial statements have been prepared on a historical cost basis, except as disclosed in the accounting policies below.

The financial statements are presented in United States Dollars ("USD" or "US\$" or "\$") and all values are rounded to the nearest thousand (US\$'000) except when otherwise indicated.

2.2 Changes in accounting policies

(a) Adoption of revised FRS and INT FRS

The accounting policies have been consistently applied by the Group and the Company and are consistent with those used in the previous financial year, except in the current financial year, the Group and the Company have adopted all the new and revised standards and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 September 2012. The adoption of these standards and Interpretations did not have any effect on the financial performance or position of the Group and the Company.



NOTES TO THE FINANCIAL STATEMENTS

31 August 2013



2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Changes in accounting policies (cont'd)

(b) FRS and INT FRS not yet effective

The Group and the Company have not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Revised FRS 19 <i>Employee Benefits</i>	1 January 2013
FRS 113 <i>Fair Value Measurement</i>	1 January 2013
Amendments to FRS 107 <i>Disclosures – Offsetting Financial Assets and Financial Liabilities</i>	1 January 2013
Improvements to FRSs 2012	
- Amendment to FRS 1 <i>Presentation of Financial Statements</i>	1 January 2013
- Amendment to FRS 16 <i>Property, Plant and Equipment</i>	1 January 2013
- Amendment to FRS 32 <i>Financial Instruments: Presentation</i>	1 January 2013
Revised FRS 27 <i>Separate Financial Statements</i>	1 January 2014
Revised FRS 28 <i>Investments in Associates and Joint Ventures</i>	1 January 2014
FRS 110 <i>Consolidated Financial Statements</i>	1 January 2014
FRS 111 <i>Joint Arrangements</i>	1 January 2014
FRS 112 <i>Disclosure of Interests in Other Entities</i>	1 January 2014
Amendments to FRS 32 <i>Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014

Except for FRS 110, FRS 111, FRS 112, Revised FRS 27 and Revised FRS 28, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the FRS 110, FRS 111, FRS 112, Revised FRS 27 and Revised FRS 28 are described below.

FRS 110 Consolidated Financial Statements and Revised 27 Separate Financial Statements

FRS 110 *Consolidated Financial Statements* and Revised 27 *Separate Financial Statements* are effective for financial periods beginning on or after 1 January 2014.

FRS 110 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by FRS 110 will require management to exercise significant judgment to determine which entities are controlled, and therefore required to be consolidated by the Group, compared with the requirements that were in FRS 27. Therefore, FRS 110 may change which entities are consolidated within a group. The Revised FRS 27 was amended to address accounting for subsidiaries, jointly controlled entities and associates in separate financial statements.

The Group is currently determining the impact of the changes to control.



NOTES TO THE FINANCIAL STATEMENTS

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Changes in accounting policies (cont'd)

(b) FRS and INT FRS not yet effective (cont'd)

FRS 111 Joint Arrangements and Revised FRS 28 Investments in Associates and Joint Ventures

FRS 111 *Joint Arrangements* and Revised FRS 28 *Investments in Associates and Joint Ventures* are effective for financial periods beginning on or after 1 January 2014.

FRS 111 classifies joint arrangements either as joint operations or joint ventures. Joint operation is a joint arrangement whereby the parties that have rights to the assets and obligations for the liabilities whereas joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

FRS 111 requires the determination of joint arrangement's classification to be based on the parties' rights and obligations under the arrangement, with the existence of a separate legal vehicle no longer being the key factor. FRS 111 disallows proportionate consolidation and requires joint ventures to be accounted for using the equity method. The Revised FRS 28 was amended to describe the application of equity method to investments in joint ventures in addition to associates.

As the Group currently applies equity method for its joint ventures, it does not expect any impact on its financial position or performance upon adoption of FRS 111.

FRS 112 Disclosure of Interests in Other Entities

FRS 112 *Disclosure of Interests in Other Entities* is effective for financial periods beginning on or after 1 January 2014.

FRS 112 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. FRS 112 requires an entity to disclose information that helps users of its financial statements to evaluate the nature and risks associated with its interests in other entities and the effects of those interests on its financial statements. As this is a disclosure standard, it will have no impact to the financial position and financial performance of the Group when implemented in 2014.



NOTES TO THE FINANCIAL STATEMENTS

31 August 2013



2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Foreign currencies

The Group's consolidated financial statements are presented in United States Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Foreign currency transactions and balances

Transactions in a currency other than the respective functional currencies ("foreign currency") of the Company and its subsidiaries are recorded on initial recognition in the functional currencies at foreign exchange rates approximating those ruling at the dates of the transactions. Foreign currency monetary items are translated into the functional currency using foreign exchange rate ruling at the end of the reporting period. Non-monetary assets and liabilities measured at historical cost in foreign currencies are translated into the functional currency using foreign exchange rates at the dates of the transactions. Non-monetary items measured at fair value in foreign currencies are translated into the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

Foreign exchange differences arising on the settlement or from translation of monetary items are recognised in profit or loss.

(b) Foreign operations

For consolidation purpose, the assets and liabilities of operations with functional currencies other than USD are translated to USD at exchange rates ruling at the end of reporting period except for share capital and reserves which are translated at historical rates of exchange (see Note 2.3(c) for translation of goodwill and fair value adjustments). Income and expenses in the income statement are translated using the average exchange rates for the financial year, which approximate the exchange rates at the dates of the transactions. All resulting translation differences are recognised in other comprehensive income. On disposal of a foreign operation, the accumulated translation differences deferred in the translation reserve relating to that operation are recognised in the consolidated income statement as part of the gain or loss on disposal.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

(c) Translation of goodwill and fair value adjustments

Goodwill and fair value adjustments arising on the acquisition of foreign entities completed on or after 1 September 2005 are treated as assets and liabilities of the foreign entities and are recorded in the functional currencies of the foreign entities and translated at the exchange rates prevailing at the reporting date. However, for acquisitions of foreign entities completed prior to 1 September 2005, goodwill and fair value adjustments arising on the acquisition of foreign entities are deemed to be assets and liabilities of the Company and continue to be recorded at the exchange rates at the respective dates of the acquisition.



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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Basis of consolidation and business combinations

(a) Basis of consolidation

Basis of consolidation from 1 September 2009

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- De-recognises the carrying amount of any non-controlling interest;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

NOTES TO THE FINANCIAL STATEMENTS

31 August 2013



2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Basis of consolidation and business combinations (cont'd)

(a) Basis of consolidation (cont'd)

Basis of consolidation prior to 1 September 2009

Certain of the above-mentioned requirements were applied on a prospective basis. The following differences, however, are carried forward in certain instances from the previous basis of consolidation:

- Acquisition of non-controlling interests, prior to 1 September 2009, were accounted for using the parent entity extension method, whereby, the difference between the consideration and the book value of the share of the net assets acquired were recognised in goodwill.
- Losses incurred by the Group were attributed to the non-controlling interest until the balance was reduced to nil. Any further losses were attributed to the Group, unless the non-controlling interest had a binding obligation to cover these. Losses prior to 1 September 2009 were not reallocated between non-controlling interest and the owners of the Company.
- Upon loss of control, the Group accounted for the investment retained at its proportionate share of net asset value at the date control was lost. The carrying value of such investments as at 1 September 2009 have not been restated.

(b) Business combinations

Business combinations from 1 September 2009

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it is not remeasured until it is finally settled within equity.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. The accounting policy for goodwill is set out in Note 2.10(a). In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.



NOTES TO THE FINANCIAL STATEMENTS

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Basis of consolidation and business combinations (cont'd)

(b) Business combinations (cont'd)

Business combinations prior to 1 September 2009

In comparison to the above mentioned requirements, the following differences applied:

Business combinations are accounted for by applying the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest (formerly known as minority interest) was measured at the proportionate share of the acquiree's identifiable net assets.

Business combinations achieved in stages were accounted for as separate steps. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in equity. Any additional acquired share of interest did not affect previously recognised goodwill.

When the Group acquired a business, embedded derivatives separated from the host contract by the acquiree were not reassessed on acquisition unless the business combination resulted in a change in the terms of the contract that significantly modified the cash flows that otherwise would have been required under the contract.

Contingent consideration was recognised if, and only if, the Group had a present obligation, the economic outflow was more likely than not and a reliable estimate was determinable. Subsequent adjustments to the contingent consideration were recognised as part of goodwill.

2.5 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.6 Subsidiaries

A subsidiary is an entity, in which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

Investments in subsidiaries are stated in the financial statements of the Company at cost less impairment losses.

2.7 Associated companies and joint venture companies

An associated company is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence.

A joint venture company is an entity, whereby there is a contractual arrangement between the Group with one or more parties to establish joint control over the economic activities of the entity.

Investments in associated companies and joint venture companies are stated in the financial statements of the Company at cost less impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

31 August 2013



2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Associated companies and joint venture companies (cont'd)

The associated companies and joint venture companies are equity accounted for from the date the Group obtains significant influence or joint control respectively until the date the Group ceases to have significant influence or joint control over the associated companies and joint venture companies respectively. Significant influence generally coincides with the Group having long term interest of not less than 20% and not more than 50% of the equity or has representation on the board of directors.

Under the equity method, investments in associated companies and joint venture companies are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associated companies and joint venture companies, less any impairment loss.

Goodwill relating to the associated and joint venture companies is included in the carrying amount of the investment and is neither amortised nor tested individually for impairment. Any excess of the Group's share of the fair value of the net identifiable assets, liabilities and contingent liabilities over the cost of the investment is included as income in the determination of the Group's share of the associated company's or joint venture company's profit or loss in the period in which the investment is acquired.

The profit or loss reflects the share of the results of operations of the associated and joint venture companies. Where there has been a change recognised in other comprehensive income by the associated and joint venture companies, the Group recognised its share of such change in other comprehensive income. Unrealised gains arising from transactions with the associated companies and joint venture companies are eliminated to the extent of the Group's interest in the associated companies and joint venture companies.

The Group's share of the profit or loss of its associated and joint venture companies is shown on the face of profit or loss after tax and non-controlling interest in the subsidiaries of the associated companies and joint venture companies.

When the Group's share of losses equals or exceeds the carrying amount of the investments, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated companies.

After application of the equity method, the Group determines whether it is necessary to recognise any impairment loss with respect to the Group's net investment in the associated companies or joint venture companies. The Group determines at each reporting period whether there is any objective evidence that the investment in the associated company or joint venture company is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associated company or joint venture company and its carrying value and recognises the amount in profit or loss.

Where the financial year end of the associated company or joint venture company is not co-terminous with those of the Group, the share of results is arrived at from the last audited financial statements available and unaudited management financial statements to the end of the accounting period. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence or joint control over the associated companies and joint venture companies respectively, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associated companies and joint venture companies upon loss of significant influence or joint control respectively and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in profit or loss.



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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and Company if that person:
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.
- (b) An entity is related to the Group and the Company if any of the following conditions applies:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2.9 Fixed assets and depreciation

Fixed assets are initially recorded at cost. Subsequent to recognition, plant and equipment and furniture and fixtures are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the fixed assets and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying fixed asset. The accounting policy for borrowing costs is set out in Note 2.20. The cost of a fixed asset is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to the profit or loss.

The carrying values of fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

A fixed asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss resulting from derecognition of the asset is included in profit or loss in the financial year the asset is derecognised.

Freehold land has an unlimited life and therefore is not depreciated.



NOTES TO THE FINANCIAL STATEMENTS

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Fixed assets and depreciation (cont'd)

Depreciation is calculated on the straight-line method to write off the cost of fixed assets over their estimated useful lives. The estimated useful lives of fixed assets are as follows:

Vessels	:	15 – 25 years
Assets on board the vessels	:	3 – 20 years
Drydocking expenditure	:	5 years
Motor vehicles	:	5 – 10 years
Leasehold building	:	56 years
Plant and machinery	:	5 – 25 years
Yard improvements and renovation	:	5 – 15 years
Office equipment, furniture and fittings	:	3 – 10 years
Computers	:	3 years

Vessels and assets under construction are stated at cost. These costs include all progress billings received in accordance with the construction contracts, interest charges arising from borrowings used to finance the construction and other directly attributable costs. Vessels and assets under construction are not depreciated until such time they are completed and available for operational use.

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

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

The useful life and depreciation method are reviewed annually to ensure that the method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of fixed assets.

2.10 Intangible assets

(a) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less impairment losses. On disposal of a subsidiary, associated company or joint venture company, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.



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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Intangible assets (cont'd)

(b) Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of other intangible assets are assessed to be finite. Intangible assets with finite useful lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Land lease rights

Land lease rights refers to a contract with the Vietnamese government to lease 97,069 square metre of land located in Thanh My Loi Precinct, District 2, Ho Chi Minh City at a rate lower than prevailing market rate. The future economic benefits arising from the land lease rights at preferential rates are capitalised and amortised on a straight line basis over its lease term of 26 years. The land lease rights is stated at cost less accumulated amortisation and any impairment losses.

Customer contracts, customer relationships, order backlogs and non-compete agreements

Customer contracts, customer relationships, order backlogs and non-compete agreements acquired in business combinations are carried at fair value at date of acquisition and amortised on a straight-line basis over the period of expected benefits, which is estimated to be between one to six years.

Development costs

Deferred development costs arising from development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditures during the development.

Following initial recognition of the deferred development costs as an intangible asset, it is carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation of the intangible asset begins when development is complete and the asset is available for use. Deferred development costs have a finite useful life and are amortised over the period of 5 years on a straight line basis.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to dispose and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. In determining fair value less costs to dispose, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.12 Financial assets

Initial recognition and measurement

Financial assets are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

All regular way purchases and sales of financial assets are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.



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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Financial assets (cont'd)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

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

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss.

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by FRS 39. Derivatives, including separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. The accounting policy for derivative financial instruments and hedging activities is included in Note 2.17.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

(b) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(c) Available-for-sale financial assets

The Group classifies its investment securities as available-for-sale financial assets.

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified in any of the other categories. After initial recognition, available-for-sale financial assets are measured at fair value with gains or losses from changes in fair value of the financial assets being recognised in other comprehensive income, except that impairment losses, foreign exchange gains or losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

The fair value of investment securities that are actively traded in organised financial markets is determined by reference to the relevant Exchange's quoted market bid prices at the close of business on the reporting date.



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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Assets held for sale

An asset is deemed to be held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Immediately before the initial classification of the asset (or disposal group) as held for sale, the carrying amounts of the asset (or all the assets and liabilities in the group) are measured in accordance with the applicable FRS. Upon classification as held for sale, non-current assets and disposal groups are measured at the lower of carrying amount and fair value less costs to dispose. Any differences are recognised in profit or loss.

Fixed assets and intangible assets once classified as held for sale are not depreciated or amortised.

2.14 Inventories and work-in-progress

Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price in the ordinary course of business, less anticipated cost of disposal and after making allowance for any damaged and obsolete inventories.

Costs incurred in bringing the inventories to their present location and conditions are accounted for as follows:

- Inventories held for trading: cost is determined on a specific identification basis.
- Consumables: purchase costs on a first-in first-out basis.

Inventories comprise mainly inventories held for the Marine Services Division and Subsea Services Division.

Work-in-progress comprises uncompleted engineering and equipment supply contracts. It is stated at cost less progress billings. Cost comprises direct material, direct labour and other directly attributable expenses. Allowance is made for anticipated losses, if any, on work-in-progress when the possibility of loss is ascertained.

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks, fixed deposits maturing within three months and subject to an insignificant risk of changes in value.

2.16 Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.



NOTES TO THE FINANCIAL STATEMENTS

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Impairment of financial assets (cont'd)

(a) Financial assets carried at amortised cost (cont'd)

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(b) Available-for-sale financial assets

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss. Increase in their fair value after impairment are recognised directly in other comprehensive income.



NOTES TO THE FINANCIAL STATEMENTS

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Derivative financial instruments and hedging activities

The Group uses derivative financial instruments such as forward currency contracts, cross currency swap contracts and interest rate derivative contracts to hedge its risks associated with foreign currency and interest rate fluctuations. The Group also uses embedded equity conversion derivative in the convertible bond issued by the Group. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivative financial instruments are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivative financial instruments that do not qualify for hedge accounting are taken to profit or loss for the financial year.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate derivative contracts and cross currency swap contracts are determined by reference to market values for similar instruments.

Hedge accounting

The Group designates certain derivatives as cash flow hedges when there is hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and could affect profit or loss.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The effective portion of the gain or loss on the derivative financial instruments that qualify as cash flow hedges are recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the profit or loss in "Other income, net".

Amounts accumulated in the hedging reserve in the equity are transferred to profit or loss in the periods when the hedged items affect profit or loss, such as when the hedged financial expense is recognised.

If the forecast transaction is no longer expected to occur, amounts previously recognised in hedging reserve are transferred to profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in hedging reserve remain in equity until the forecast transaction occurs. If the related transaction is not expected to occur, the amount is taken to profit or loss.



NOTES TO THE FINANCIAL STATEMENTS

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit and loss, directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit and loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

The Group has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

(b) Other financial liabilities

After initial recognition, other financial liabilities, on normal trade terms, are subsequently measured at amortised cost using the effective interest rate method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

2.19 De-recognition of financial assets and liabilities

(a) Financial assets

A financial asset is de-recognised where the contractual rights to receive cash flows from the asset have expired.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised in other comprehensive income is recognised in profit or loss.



NOTES TO THE FINANCIAL STATEMENTS

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 De-recognition of financial assets and liabilities (cont'd)

(b) Financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.20 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are being incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.21 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 an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.22 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 January 2005, the date of inception is deemed to be 1 January 2005 in accordance with the transitional requirements of INT FRS 104.

(a) Finance lease – when the Group is a lessee

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments at the inception of the lease term and disclosed as leased fixed assets. Any initial direct costs are also added to the amount capitalised.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss.

Capitalised leased assets are depreciated over the shorter of estimated useful life of the asset as outlined in Note 2.9 and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.



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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.22 Leases (cont'd)

(b) Operating lease – when the Group is a lessee

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(c) Operating lease – when the Group is a lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Assets leased out under operating lease are included in fixed assets and are stated at cost less accumulated depreciation and impairment loss.

2.23 Convertible bonds

Convertible bonds are accounted for as financial liability with an embedded equity conversion derivative based on the terms of the contract. The liability component and conversion option are separately presented on the statement of financial position.

At inception of the convertible bond, the conversion option is recognised at its fair value and is accounted for either as a derivative liability or as equity according to the terms of the contract.

The difference between the total proceeds and the conversion option is allocated to the liability component. The liability component is subsequently carried at amortised cost using effective interest method until the liability is extinguished on conversion or redemption of the bonds.

(a) US\$50 million convertible bond

When the convertible bond is not classified as a compound financial instrument with liability and equity components based on the terms of the contract, the conversion option is accounted for as a derivative liability in accordance with the accounting policy in Note 2.17.

When an equity conversion is exercised, the carrying amounts of the liability component and the equity conversion option are derecognised with a corresponding recognition of share capital.

(b) US\$100 million convertible bond

When the convertible bond is classified as a compound financial instrument with liability and equity components based on the terms of the contract, the conversion option is recognised and included in shareholders' equity.

2.24 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulation are subject to interpretation and establishes provision where appropriate.



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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.24 Taxes (cont'd)

(b) Deferred tax

Deferred tax is provided, using the liability method, on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associated companies and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associated companies and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profits will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it incurred during the measurement period or in profit or loss.



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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.24 Taxes (cont'd)

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the statement of financial position.

2.25 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of new equity shares are deducted against share capital.

2.26 Treasury shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2.27 Perpetual securities

The perpetual securities do not have a maturity date and the Company is able to elect to defer making a distribution subject to the term and conditions of the perpetual securities. Accordingly, the Company is not considered to have a contractual obligation to make principal repayments or distributions in respect of its perpetual securities and the perpetual securities are presented within equity. Distributions are treated as dividends which will be directly debited from equity. Incremental costs directly attributable to the issue of the perpetual securities are deducted against the proceeds from the issue.

2.28 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The following specific recognition criteria must also be met before revenue is recognised:

- (a) Vessel charter income is calculated on a time apportionment basis in accordance to the terms and conditions of the charter agreement. Charter income is deferred to the extent that conditions necessary for its realisation have yet to be fulfilled.
- (b) In respect of engineering works of Marine Services Division and Subsea Services Division, when the outcome of a contract can be measured reliably, revenue from a fixed price contract is recognised using the percentage of completion method. The percentage of completion is measured by the proportion of costs incurred to-date to estimated total costs to complete the contract. When the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that is recoverable.

When it is probable that total contract costs will exceed total revenue, the expected loss is recognised as an expense immediately. When the outcome of a contract cannot be estimated reliably, contract costs are recognised as an expense in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.28 Revenue recognition (cont'd)

- (c) Management fees, agency fees and fees in respect of ship management are recognised when services are rendered.
- (d) Trading sales is recognised upon the passing of title to the customer which generally coincides with delivery and acceptance of the goods sold.
- (e) Interest income is recognised using the effective interest method.
- (f) Dividend income is recognised when the shareholders' rights to receive the payment are established.

2.29 Construction contracts

The Group principally operates fixed price contracts. Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period (the percentage of completion method), when the outcome of a construction contract can be estimated reliably.

The outcome of a construction contract can be estimated reliably when: (i) total contract revenue can be measured reliably; (ii) it is probable that the economic benefits associated with the contract will flow to the entity; (iii) the costs to complete the contract and the stage of completion can be measured reliably; and (iv) the contract costs attributable to the contract can be clearly identified and measured reliably so that actual contract costs incurred can be compared with prior estimates.

When the outcome of a construction contract cannot be estimated reliably (principally during early stages of a contract), contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable and contract costs are recognised as expense in the period in which they are incurred.

An expected loss on the construction contract is recognised as an expense immediately when it is probable that total contract costs will exceed total contract revenue.

In applying the percentage of completion method, revenue recognised corresponds to the total contract revenue (as defined below) multiplied by the actual completion rate based on the proportion of total contract costs (as defined below) incurred to date and the estimated costs to complete.

Contract revenue – Contract revenue corresponds to the initial amount of revenue agreed in the contract and any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue; and they are capable of being reliably measured.

Contract costs – Contract costs include costs that relate directly to the specific contract and costs that are attributable to contract activity in general and can be allocated to the contract. Costs that relate directly to a specific contract comprise: site labour costs (including site supervision); costs of materials used in construction; depreciation of equipment used on the contract; costs of design, and technical assistance that is directly related to the contract.

The Group's contracts are typically negotiated for the construction of a single asset or execution of a single project. In certain circumstances, the percentage of completion method is applied to the separately identifiable components of a single contract or to a group of contracts together in order to reflect the substance of a contract or a group of contracts.



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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.29 Construction contracts (cont'd)

Assets covered by a single contract are treated separately when:

- Separate proposals have been submitted for each asset.
- Each asset has been subject to separate negotiation and the contractor and customer have been able to accept or reject that part of the contract relating to each asset.
- The costs and revenues of each asset can be identified.

A group of contracts are treated as a single construction contract when:

- The group of contracts is negotiated as a single package; the contracts are so closely interrelated that they are, in effect, part of a single project with an overall profit margin.
- The contracts are performed concurrently or in a continuous sequence.

2.30 Employee benefits

(a) Pensions and other post employment benefits

As required by law, the Group's companies make contributions to state pension schemes. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the same period as the employment that gives rise to the contribution.

(b) Employee leave entitlement

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

(c) Employee share plan

Employees of the Group receive remuneration in the form of share awards as consideration for services rendered. The cost of these equity-settled share based payments transactions with employees is measured with reference to the fair value of the awards at the date on which the awards were made. This cost is recognised in profit or loss over the vesting period.

(d) Defined benefit plan

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method. Actuarial gains and losses are recognised as income or expense when the net cumulative unrecognised actuarial gains and losses for each individual plan at the end of the previous reporting period exceed 10% of the higher of the defined benefit obligation and the fair value of plan assets at that date. These gains or losses are recognised over the expected average remaining working lives of the employees participating in the plans.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.30 Employee benefits (cont'd)

(d) Defined benefit plan (cont'd)

The unvested past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested. If the benefits are already vested, immediately following the introduction of, or changes to, a pension plan, past service costs are recognised immediately.

The defined benefit asset or liability is the aggregate of the present value of the defined benefit obligation (derived using a discount rate based on high quality corporate bonds) at the end of the reporting period plus any actuarial gains (less any actuarial losses) not recognised, reduced by past service costs not yet recognised and the fair value of plan assets out of which the obligations are to be settled directly. If such aggregate is negative, the asset is measured at the lower of such aggregate or the aggregate of cumulative unrecognised net actuarial losses and past service costs and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

If the asset is measured at the aggregate of cumulative unrecognised net actuarial losses and past service costs and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan:

- Net actuarial losses of the current period and past service costs of the current period are recognised immediately to the extent that they exceed any reduction in the present value of those economic benefits. If there is no change or an increase in the present value of the economic benefits, the entire net actuarial losses of the current period and past service costs of the current period are recognised immediately.
- Net actuarial gains of the current period after the deduction of past service costs of the current period exceeding any increase in the present value of the economic benefits stated above are recognised immediately. If there is no change or a decrease in the present value of the economic benefits, the entire net actuarial gains of the current period after the deduction of past service costs of the current period are recognised immediately.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information and in the case of quoted securities, it is based on the published bid price. The value of any defined benefit asset recognised is restricted to the sum of any past service costs and actuarial gains and losses not yet recognised and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognised as a separate asset at fair value when and only when reimbursement is virtually certain.



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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.31 Contingent liabilities

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.32 Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to profit or loss.

2.33 Segment reporting

For management reporting purposes, the Group organises its business segments based on the nature of services rendered, which are also independently managed by the respective division managers responsible for the performance of their respective divisions. The divisional managers report directly to the management of the Company, who will review the segment results regularly and allocate the resources efficiently to the various segments. Additional disclosures on each of these segments are shown in Note 44, including the factors used to identify the reportable segments and the measurement basis of segment information.



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3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

(a) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each 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. The Group based its assumptions and estimates on parameters available when the financial statements was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) Estimated useful lives of vessels

Vessels are depreciated on a straight-line basis over their estimated useful lives. The estimated useful life reflects the management's estimate of the periods that the Group intends to derive future economic benefits from the use of vessels. Changes in the business plans and strategies, expected level of usage and future technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. A 4% (2012: 4%) difference in the expected useful lives of the vessels from management's estimates would result in approximately 2.1% (2012: 1.9%) variance in profit for the financial year.

(ii) Impairment of receivables

The Group assesses at each reporting date whether there is objective evidence that receivables have been impaired. Impairment loss is calculated based on a review of the current status of existing receivables and historical collections experience. Such allowances are adjusted periodically to reflect the actual and past experience. As at 31 August 2013, the carrying amount of trade and other receivables of the Group amounted to US\$492,539,000 and US\$48,371,000 (2012: US\$490,830,000 and US\$38,795,000) respectively.

Included in the Group's trade receivables aged more than 365 days is a balance amounting to US\$73,074,000 (2012: US\$76,479,000). The Group expects that the debtor will be able to repay the receivable.

(iii) Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to dispose and its value in use. The fair value less costs to dispose calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. Further details of the key assumptions applied in the impairment assessment of goodwill are given in Note 5 to the financial statements.



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3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (CONT'D)

(a) Key sources of estimation uncertainty (cont'd)

(iv) Income taxes

The Group has exposure to income taxes in numerous jurisdictions. It also enjoys tax incentives in Singapore. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. As at 31 August 2013, the carrying amount of the Group's current tax payable, deferred tax assets, and deferred tax liabilities were US\$14,115,000 (2012: US\$19,403,000), US\$2,767,000 (2012: US\$4,741,000) and US\$675,000 (2012: US\$333,000), respectively.

(v) Revenue recognition on construction contracts

The Group recognises contract revenue to the extent of contract costs incurred where it is probable that those costs will be recoverable or based on the stage of completion method. The stage of completion is measured by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

Significant assumptions are required to estimate the total contract costs that will affect the stage of completion. The estimates are made based on past experience and knowledge of the project managers and approved by the senior management.

(b) Critical judgments made in applying accounting policies

The following are the judgments made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

Accounting for sale and leaseback arrangements

At the inception of the respective sale and leaseback arrangements, the Group has evaluated the substance of the transactions in accordance with the requirements of FRS 17 (revised), *Leases*, and concluded that the sales should be recognised upon completion of the respective transactions and the leasebacks should be accounted for as operating leases.

Lease payments for the 17 (2012: 14) vessels that are on sale and leaseback arrangements amounting to US\$43,017,000 (2012: US\$40,107,000) were recognised as expenses in the profit or loss during the financial year.

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4. FIXED ASSETS

Group	Vessels and assets under construction US\$'000	Vessels US\$'000	Assets on board the vessels US\$'000	Drydocking expenditure US\$'000	Motor vehicles US\$'000	Leasehold building US\$'000	Plant and machinery US\$'000	Yard improvements and renovation US\$'000	Office equipment, furniture and fittings US\$'000	Computers US\$'000	Total US\$'000
At 1 September 2011	378,711	499,331	7,690	10,525	2,475	51,502	101,266	5,020	3,489	6,380	1,066,389
Effects of purchase price allocation	-	625	-	-	-	-	(7,735)	-	-	-	(7,110)
As restated	378,711	499,956	7,690	10,525	2,475	51,502	93,531	5,020	3,489	6,380	1,059,279
Additions	253,740	12	8,320	22,760	720	122	7,314	1,265	2,811	2,607	299,671
Disposals	(24,788)	-	-	-	(312)	-	-	-	-	-	(25,100)
Written off	-	-	-	-	-	-	-	-	-	(129)	(129)
Reclassification											
- Fixed assets	(260,452)	239,064	9,628	-	-	3,106	8,369	247	(399)	437	-
- Assets held for sale	(3,543)	(32,451)	-	-	-	-	(21,552)	-	-	-	(57,546)
Translation difference	(198)	(2,925)	-	-	(1)	(1)	(2,509)	(13)	(78)	(15)	(5,740)
At 31 August 2012	343,470	703,656	25,638	33,285	2,882	54,729	85,153	6,519	5,823	9,280	1,270,435
At 1 September 2012	343,470	703,656	25,638	33,285	2,882	54,729	85,153	6,519	5,823	9,280	1,270,435
Additions	143,075	50,719	11,173	11,923	116	-	24,929	133	860	3,218	246,146
Disposals	-	(35,180)	(4)	(380)	-	-	-	-	(1)	-	(35,565)
Disposal of subsidiary	-	(625)	-	-	(5)	(114)	(1,483)	(334)	(79)	(46)	(2,686)
Written off	-	-	-	-	-	(55)	(2,299)	(1,276)	(537)	(1,587)	(5,754)
Reclassification											
- Fixed assets	(89,217)	42,701	32,291	-	-	24,811	(10,659)	-	73	-	-
- Assets held for sale	-	32,451	-	-	-	-	182	-	-	-	32,633
- Inventories	(1,278)	-	-	-	-	-	(159)	-	-	-	(1,437)
Translation difference	-	(106)	-	-	(28)	54	(612)	(17)	(77)	(113)	(899)
At 31 August 2013	396,050	793,616	69,098	44,828	2,965	79,425	95,052	5,025	6,062	10,752	1,502,873

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4. FIXED ASSETS (CONT'D)

2013 EZRA ANNUAL REPORT

Group	Vessels and assets under construction US\$'000	Vessels US\$'000	Assets on board the vessels US\$'000	Drydocking expenditure US\$'000	Motor vehicles US\$'000	Leasehold building US\$'000	Plant and machinery US\$'000	Yard improvements and renovation US\$'000	Office equipment, furniture and fittings US\$'000	Computers US\$'000	Total US\$'000
Accumulated depreciation and impairment loss											
At 1 September 2011	-	32,348	1,565	1,471	727	4,612	14,599	3,125	1,893	3,362	63,702
Charge for the financial year	-	24,315	1,467	3,820	319	2,400	9,404	651	802	2,156	45,334
Disposals	-	-	-	-	(164)	-	-	-	-	-	(164)
Written off	-	-	-	-	-	-	-	-	-	(105)	(105)
Reclassification	-	-	-	-	-	-	-	-	-	-	-
- Assets held for sale	-	(1,352)	-	-	-	-	(2,708)	-	-	-	(4,060)
Translation difference	-	(751)	-	-	-	-	(433)	(1)	(23)	(16)	(1,224)
At 31 August 2012	-	54,560	3,032	5,291	882	7,012	20,862	3,775	2,672	5,397	103,483
At 1 September 2012	-	54,560	3,032	5,291	882	7,012	20,862	3,775	2,672	5,397	103,483
Charge for the financial year	-	30,227	3,885	7,412	337	2,489	9,570	748	1,126	2,438	58,232
Impairment loss	-	2,000	-	-	-	-	-	-	-	-	2,000
Disposals	-	-	(4)	(380)	-	-	-	-	(1)	-	(385)
Disposal of subsidiary	-	(105)	-	-	(1)	(78)	(1,346)	(100)	(59)	(7)	(1,700)
Written off	-	-	-	-	-	(13)	(2,294)	(1,276)	(537)	(1,587)	(5,707)
Reclassification	-	-	-	-	-	-	-	-	-	-	-
- Assets held for sale	-	1,352	-	-	-	-	22	-	-	-	1,374
- Inventories	-	-	-	-	-	-	(53)	-	-	-	(53)
Translation difference	-	(251)	-	-	(26)	54	(348)	(18)	34	(47)	(602)
At 31 August 2013	-	87,779	6,913	12,323	1,192	9,464	26,413	3,129	3,235	6,194	156,642
Net carrying amount											
At 31 August 2013	396,050	705,837	62,185	32,505	1,773	69,961	68,639	1,896	2,827	4,558	1,346,231
At 31 August 2012	343,470	649,096	22,606	27,994	2,000	47,717	64,291	2,744	3,151	3,883	1,166,952



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4. FIXED ASSETS (CONT'D)

Company	Assets under construction US\$'000	Renovation US\$'000	Office equipment, furniture and fittings US\$'000	Computers US\$'000	Total US\$'000
Cost					
At 1 September 2011	-	-	-	2,641	2,641
Additions	-	1,841	424	288	2,553
Disposal	-	-	-	(1,860)	(1,860)
At 31 August 2012 and 1 September 2012	-	1,841	424	1,069	3,334
Additions	339	75	4	317	735
At 31 August 2013	339	1,916	428	1,386	4,069
Accumulated depreciation					
At 1 September 2011	-	-	-	1,301	1,301
Charge for the financial year	-	222	75	608	905
Disposal	-	-	-	(1,015)	(1,015)
At 31 August 2012 and 1 September 2012	-	222	75	894	1,191
Charge for the financial year	-	563	126	115	804
At 31 August 2013	-	785	201	1,009	1,995
Net carrying amount					
At 31 August 2013	339	1,131	227	377	2,074
At 31 August 2012	-	1,619	349	175	2,143

- (a) Vessels under construction are not depreciated until such time they are completed and are ready for their intended use. Included in the cost of vessels under construction were borrowing costs arising from borrowings used to finance their construction amounting to approximately US\$6,236,000 (2012: US\$9,481,000). The capitalisation rates varied from 3.43% to 3.63% (2012: 2.37% to 5.89%) representing the borrowing costs to finance the vessels under construction.
- (b) Certain assets under construction, vessels under construction and vessels with carrying amount of US\$1,047,612,000 (2012: US\$974,831,000) are pledged in connection with the bill payable to banks (Note 20) and term loan facilities (Note 23) granted by financial institutions.
- (c) Certain assets under leasehold building and plant and machinery with carrying amount of US\$44,599,000 (2012: US\$51,900,000) are pledged in connection with term loan facilities granted by a financial institution (Note 23).



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4. FIXED ASSETS (CONT'D)

(d) Fixed assets purchased under finance leases stated at net carrying amounts were as follows:

	Group		Company	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Motor vehicles	532	649	–	–
Computers	1,309	389	293	–
Office equipment	16	10	–	–
	1,857	1,048	293	–

Lease assets are pledged as security for the related finance lease liabilities.

(e) The Group's major properties as at 31 August 2013 were as follows:

Location	Gross floor area	Tenure	Usage
20 Ubi Crescent #01-02 Ubi Techpark Singapore 408565	836 sq m	60-year lease commencing from 5 July 1997	Office
Thanh My Loi Precinct, District 2, Ho Chi Minh City, Vietnam	97,069 sq m	35-year lease commencing from 5 December 1996	Fabrication yard
Dong Xuyen Industrial Zone, Rach Dua Ward, Vung Tau City, Vietnam	90,978 sq ft	39-year lease commencing from 1 July 2007	Ship building and ship repair
0 Alameda Road, Houston TX77045, United States of America	175,468 sq ft	Freehold	Crane Fabrication yard/ vacant lot
12221 Alameda Road, Houston TX77045, United States of America	357,862 sq ft	Freehold	Crane Fabrication yard/ office/ warehouse
12268 Kirkgard Drive, Houston TX77045, United States of America	87,120 sq ft	Freehold	Crane Fabrication yard/ vacant lot
12218 Robin Blvd, Houston TX77045, United States of America	366,000 sq ft	Freehold	Crane Fabrication yard/ parking/ vacant lot

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5. INTANGIBLE ASSETS

(a) Goodwill

	Group US\$'000 (Restated)
Cost	
At 1 September 2011	170,251
Effects of purchase price allocation	8,255
As restated	178,506
Acquisition through business combinations	47,333
Arising from adjustment to deferred consideration	(72)
Translation difference	(129)
At 31 August 2012 and 1 September 2012	225,638
Effects of purchase price allocation (Note 46)	5,500
As restated	231,138
Translation difference	(121)
At 31 August 2013	231,017

Impairment testing of goodwill

Goodwill acquired through business combination is allocated to the Group's cash generating units ("CGU"). The recoverable amount of a CGU is determined based on discounted cash flow projections. These calculations are based on financial budgets approved by management covering a one-year period. Cash flows beyond the one-year period are extrapolated using an estimated growth rate in the table below. Management determined the estimated growth rates based on past market performance and its expectation of recent market developments. The growth rate does not exceed the long term average growth rate for the business activities. Actual results may differ from management's estimated growth rate as operating environment changes.

CGUs	Carrying value of goodwill		Growth rate		Pre-tax discount rate	
	2012					
	2013 US\$'000	US\$'000 (Restated)	2013	2012	2013	2012
Subsidiary companies:						
- Saigon Shipyard Company Limited	665	665	2%	2%	12%	7%
- Telemark Limited	17,225	17,346	10%	15%	9%	7%
- Emas Offshore Services (Australia) Pty Ltd	311	311	2%	2%	12%	7%
- AMC Group (Note 6(a))	212,816	212,816	8%	10%	12%	6%
	231,017	231,138				

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5. INTANGIBLE ASSETS (CONT'D)

(b) Other intangible assets

Group	Land lease rights US\$'000	Customer contracts, customer relationships, order backlogs and non-compete agreements US\$'000	Development costs in progress US\$'000	Total US\$'000
Cost				
At 1 September 2011	2,054	1,520	–	3,574
Effects of purchase price allocation	–	8,900	–	8,900
As restated	2,054	10,420	–	12,474
Addition	–	7,700	–	7,700
At 31 August 2012 and 1 September 2012	2,054	18,120	–	20,174
Effects of purchase price allocation (Note 46)	–	(7,700)	–	(7,700)
As restated	2,054	10,420	–	12,474
Addition	–	–	7,200	7,200
At 31 August 2013	2,054	10,420	7,200	19,674
Accumulated amortisation				
At 1 September 2011	(477)	(3,758)	–	(4,235)
Amortisation for the financial year	(79)	(4,329)	–	(4,408)
Translation difference	–	(6)	–	(6)
At 31 August 2012 and 1 September 2012	(556)	(8,093)	–	(8,649)
Effects of purchase price allocation (Note 46)	–	1,540	–	1,540
As restated	(556)	(6,553)	–	(7,109)
Amortisation for the financial year	(79)	(1,567)	–	(1,646)
At 31 August 2013	(635)	(8,120)	–	(8,755)
Net carrying amount				
At 31 August 2013	1,419	2,300	7,200	10,919
At 31 August 2012	1,498	3,867	–	5,365

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6. INVESTMENTS IN SUBSIDIARIES

	Company	
	2013 US\$'000	2012 US\$'000
Unquoted equity shares, at cost	281,524	288,543
Quoted equity shares, at cost	25,441	–
	306,965	288,543

As at 31 August 2013, the market value of the quoted equity shares in a subsidiary was US\$96,896,000 (2012: Nil).

Details of the subsidiaries as at 31 August were as follows:

Name of company	Principal activities	Country of incorporation and place of business	Effective interest held by the Group	
			2013 %	2012 %
Held by the Company				
Asian Drilling Services Pte Ltd ⁽¹⁾	Petroleum, mining and prospecting services	Singapore	100	100
Emas Offshore Limited ⁽⁶⁾	Management support services and investment holding	United Kingdom	100	100
Emas Offshore Pte Ltd ⁽¹⁾	Shipping agent and provision of ship chartering	Singapore	100	100
Emas Offshore (M) Sdn Bhd ⁽²⁾	Shipping agent and provision of ship chartering and investment holding	Malaysia	100	100
Emas Offshore Services Pte Ltd ⁽¹⁾	Ship management services	Singapore	100	100
Ezra Energy Services Pte Ltd ⁽¹⁾	Petroleum, mining and prospecting services and investment holding	Singapore	100	100
Ezra Marine Services Pte Ltd ⁽¹⁾	Supply of marine gas and oil, ship building and engineering works	Singapore	100	100
HCM Logistics Limited ⁽¹⁾	Investment holding	British Virgin Islands	100	100
Lewek Ebony Shipping Pte Ltd ⁽¹⁾	Ship owner and provision of ship chartering services	Singapore	100	100
Lewek Ivory Shipping Pte Ltd ⁽¹⁾	Ship owner and provision of ship chartering services	Singapore	100	100
Lewek LB 1 Shipping Pte Ltd ⁽¹⁾	Ship owner and provision of ship chartering services	Singapore	100	100
Lewek Robin Shipping Pte Ltd ⁽¹⁾	Ship owner and provision of ship chartering services	Singapore	100	100
Lewek Ruby Shipping Pte Ltd ⁽¹⁾	Investment holding	Singapore	100	100

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6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of company	Principal activities	Country of incorporation and place of business	Effective interest held by the Group	
			2013 %	2012 %
Held by the Company (cont'd)				
Lewek Sapphire Shipping Pte Ltd ⁽¹⁾	Ship owner, provision of ship chartering services and investment holding	Singapore	100	100
Lewek Scarlet Shipping Pte Ltd ⁽¹⁾	Ship owner and provision of ship chartering services	Singapore	100	100
Lewek Shipping Pte Ltd ⁽¹⁾	Ship owner and provision of ship chartering services	Singapore	100	100
Sarah Gold Shipping Pte Ltd ⁽¹⁾	Ship owner and provision of ship chartering services	Singapore	100	100
Telemark Limited ^a	Investment holding	Jersey, Channel Islands	100	100
Lewek Everbright Shipping Pte Ltd ⁽¹⁾	Ship owner and provision of ship chartering services	Singapore	100	100
Lewek Everglory Shipping Pte Ltd ⁽¹⁾	Ship owner and provision of ship chartering services	Singapore	100	100
Fodemas Pte Ltd ⁽¹⁾	Shipping agent and provision of ship chartering services	Singapore	100	100
Tunis Oil Pte Ltd ⁽¹⁾	Investment holding	Singapore	100	100
Lewek Aries Pte Ltd ⁽¹⁾	Ship owner, provision of ship chartering services and investment holding	Singapore	100	100
Amsa Offshore Pte Ltd ⁽¹⁾	Ship brokerage and agency services	Singapore	75	75
Emas Offshore Services Nigeria Limited ⁽⁷⁾	Ship management services	Nigeria	100	100
Emas Subsea Services Pte Ltd ⁽¹⁾	Provision of subsea services	Singapore	100	100
Fodemas Limited ^a	Dormant	British Virgin Islands	100	100
Emas Offshore Angola Pte Ltd ⁽¹⁾	Investment holding	Singapore	100	100
DP Polar Pte Ltd ⁽¹⁾	Ship owner and provision of ship chartering services	Singapore	100	100
Lewek Constellation Pte Ltd ⁽¹⁾	Ship owner	Singapore	100	100
Emas Ghana Pte Ltd ⁽¹⁾	Dormant	Singapore	100	100
Tunis Oil Limited ^a	Dormant	Isle of Man	100	100
Lewek Victory Shipping Pte Ltd ⁽¹⁾	Ship owner and provision of ship chartering services	Singapore	100	100
Lewek Crusader Shipping Pte Ltd ⁽¹⁾	Ship owner and provision of ship chartering services	Singapore	100	100

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6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of company	Principal activities	Country of incorporation and place of business	Effective interest held by the Group	
			2013 %	2012 %
Held by the Company (cont'd)				
Emas Offshore Services (NZ) Pty Ltd ⁽¹⁰⁾	Dormant	New Zealand	100	100
Emas Offshore (Labuan) Bhd ⁽⁸⁾	Provision for ship chartering services	Labuan	100	100
NAV Equipment Limited [®]	Dormant	British Virgin Islands	100	100
Emas-AMC Pte Ltd ⁽¹⁾	Provision of subsea services	Singapore	100	100
Hinna Base AS (Note 6(c))*	Provision of subsea services	Norway	–	100
EMAS-AMC AS (Note 6(a)) ⁽⁹⁾	Provision of subsea services	Norway	100	100
Lewek Falcon Shipping Pte Ltd ⁽¹⁾	Ship owner and provision of ship chartering services	Singapore	100	100
Emas ROV Pte Ltd (formerly known as Lewek Fulmar Shipping Pte Ltd) ⁽¹⁾	Provision of subsea services	Singapore	100	100
Emas IT Solutions Pte Ltd ⁽¹⁾	Provision of IT maintenance services	Singapore	100	100
Triyard Holdings Limited (Note 6(b)) ⁽¹⁾	Investment holding	Singapore	67	100
Emas Risk Services Pte Ltd ⁽¹⁾	Business and management consultancy services	Singapore	100	100
Emas Offshore (Thailand) Ltd ^{(5)*}	Provision of marine oil and gas sales, ship chartering services, ship management services and engineering works, agency services	Thailand	99.99	–
Lewek Hercules Pte Ltd ⁽¹⁾	Ship owner and provision of ship chartering services	Singapore	–	100
Subsidiaries held by subsidiaries				
Triyards Vietnam Limited [®]	Investment holding and management services	Isle of Man	67	100
Bayu Emas Maritime Sdn Bhd ⁽¹²⁾	Ship brokerage and agency services	Malaysia	100	100
Emas Energy Services Pte Ltd ⁽¹⁾	Petroleum, mining and prospecting services and investment holding	Singapore	100	100
Emas Energy Services (Thailand) Limited ⁽⁵⁾	Provision of engineering and technical services	Thailand	99.99	99.99
Emas Offshore Services (M) Sdn Bhd ⁽²⁾	Ship management services	Malaysia	100	100



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6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of company	Principal activities	Country of incorporation and place of business	Effective interest held by the Group	
			2013 %	2012 %
Subsidiaries held by subsidiaries (cont'd)				
Emas Offshore Services (Australia) Pty Ltd ⁽¹⁶⁾	Ship management services	Australia	100	100
Emas Subsea Services LLC*	Provision of subsea services	United States of America	100	100
Future Trillion Enterprises Limited ⁽¹⁾	Ship owner and provision of ship chartering services	British Virgin Islands	100	100
Gulfstream Management Limited*	Investment holding	British Virgin Islands	67	100
LMC (Asia Pacific) Pte Ltd ⁽¹⁾	Provision of advisory and consultancy services	Singapore	100	100
London Marine Group Limited ⁽¹³⁾	Investment holding	United Kingdom	100	100
London Floating Production Limited ⁽¹³⁾	Provision of advisory and consultancy services	United Kingdom	100	100
London Marine Consultants Limited ⁽¹³⁾	Provision of advisory and consultancy services	United Kingdom	100	100
Saigon Offshore Fabrication and Engineering Limited ⁽³⁾	Provision of engineering and fabrication services	Vietnam	67	100
Saigon Shipyard Company Limited ⁽³⁾	Provision of engineering and fabrication services	Vietnam	67	100
EMAS-AMC Pty Ltd (Note 6(a)) ⁽⁶⁾	Provision of subsea services	Australia	100	100
Emas-AMC Inc. (Note 6(a)) ⁽¹⁾	Provision of subsea services	United States of America	100	100
Intrepid Global Pte Ltd ⁽¹⁾	Dormant	Singapore	90	90
Aries Warrior AS ⁽¹⁴⁾	Ship owner and provision of ship chartering services	Norway	100	100
Aries Warrior DIS ⁽¹⁴⁾	Provision of management support services	Norway	100	100
Emas Marine Base LLC (formerly known as Ezram LLC)*	Ship owner and provision of ship chartering services	United States of America	100	100
Lewek Altair Shipping Private Limited ⁽¹¹⁾	Provision of ship chartering services	India	100	100
Bayu Intan Offshore Sdn Bhd ⁽¹²⁾	Dormant	Malaysia	100	100
Triyards Properties, LLC*	Investment holding	United States of America	67	100
Triyards, LLC*	Provision of engineering and fabrication services	United States of America	100	100

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6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of company	Principal activities	Country of incorporation and place of business	Effective interest held by the Group	
			2013 %	2012 %
Subsidiaries held by subsidiaries (cont'd)				
EMAS-AMC (Thailand) Co., Ltd ⁽⁵⁾	Provision of subsea services	Thailand	99.99	99.99
Triyards Marine Services Pte Ltd ⁽¹⁾	Supply of marine gas and oil, shipbuilding and engineering works	Singapore	67	100
Genesis Offshore Sdn Bhd (Note 6(d)) ⁽¹²⁾	Investment holding	Malaysia	100	–
Lewek Hercules Pte Ltd ⁽¹⁾	Ship owner and provision of ship chartering services	Singapore	67	–
Triyards UK Limited ⁽¹⁵⁾	Investment holding	United Kingdom	67	–
Triyards Houston Holdings LLC ⁽⁶⁾	Investment holding	United States of America	67	–
Triyards Houston, LLC ⁽⁶⁾	Provision of engineering and fabrication services	United States of America	67	–
SAV Land Pty Ltd*	Investment holding	Australia	67	–
Triyards IP Pte Ltd*	Leasing of non-financial intangible assets	Singapore	67	–

Note:

- ⁽¹⁾ : Audited by Ernst & Young LLP, Singapore
⁽²⁾ : Audited by Ernst & Young, Malaysia
⁽³⁾ : Audited by Ernst & Young Limited, Vietnam
⁽⁴⁾ : Audited by Ernst & Young LLP, United Kingdom
⁽⁵⁾ : Audited by Ernst & Young Office Limited, Thailand
⁽⁶⁾ : Audited by Ernst & Young, Australia
⁽⁷⁾ : Audited by Ernst & Young, Nigeria
⁽⁸⁾ : Audited by Ernst & Young, Labuan
⁽⁹⁾ : Audited by Ernst & Young AS, Norway
⁽¹⁰⁾ : Audited by BDO, Auckland
⁽¹¹⁾ : Audited by S.R Batliboi & Co., Chartered Accountants (India)
⁽¹²⁾ : Audited by Y.L. Chee & Co., Chartered Accountants (Malaysia)
⁽¹³⁾ : Audited by Thorne Lancaster Parker, Chartered Accountants & Registered Auditors, United Kingdom
⁽¹⁴⁾ : Audited by Deloitte & Touche, Norway
⁽¹⁵⁾ : Audited by Anderson Anderson & Brown LLP, Chartered Accountants (United Kingdom)
⁽¹⁶⁾ : Audited by Moore Stephens, Perth
^{*} : Not required to be audited under the laws of the country of incorporation
[#] : Incorporated / disposed during the financial year



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6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (a) On 1 March 2011, the Company has completed the First Closing and acquired 100% equity interest in AMC Group. The Company has issued 72,477,214 new ordinary shares, a US\$50 million Convertible Bond bearing interest of 5.0% per annum and cash of US\$50 million as part of the purchase consideration for the acquisition.

Goodwill comprises AMC Group's workforce expertise, track record and market position in the subsea sector.

As at 31 August 2012, in accordance with FRS 103R, *Business Combinations (Revised)*, the management has finalised the purchase price allocation exercise pertaining to the First Closing and identified the fair value of the identifiable assets, liabilities and contingent liabilities at date of acquisition as follows:-

	Recognised on date of acquisition US\$'000	Carrying amount before combination US\$'000
Intangible assets	8,900	–
Fixed assets	19,614	26,724
Funding scheme pension	209	209
Deferred tax assets	651	651
Trade and other receivables	59,005	59,005
Inventories and work-in-progress	6,439	2,318
Cash and cash equivalents	14,543	14,543
Trade and other payables	(57,548)	(57,548)
Progress billing in excess of work-in-progress	(1,883)	(1,883)
Deferred income – current	(4,440)	–
Deferred income – non-current	(6,660)	–
Pension liability	(1,958)	(1,958)
Net identifiable assets	36,872	42,061
Goodwill on acquisition	159,983	151,728
	196,855	193,789
Cash consideration	50,000	50,000
Non-cash consideration:		
Fair value of ordinary shares issued	92,389	92,389
Fair value of convertible bond issued	54,466	51,400
Total consideration	196,855	193,789



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6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (a) On 16 May 2012, the Company has completed the Second Closing and has in accordance to the Share Purchase Agreement paid a consideration of US\$29.4 million in cash and an additional cash consideration of US\$25 million which is deferred and payable in four equal annual instalments.

In accordance with FRS 103R, *Business Combination (Revised)*, the management has finalised the purchase price allocation exercise pertaining to the Second Closing and there was no identifiable assets, liabilities and contingent liabilities at date of acquisition.

As a result, the total consideration of US\$52,833,000 at date of acquisition had been classified as goodwill. Accordingly, the comparative figures have been restated retrospectively.

- (b) On 17 October 2012, the Company distributed 97,352,678 ordinary shares in the capital of Triyards Holdings Limited ("Tiyards") to the shareholders of the Company. These shares represent 33% of Triyard's issue and paid up capital. As a result of the distribution, the Group's aggregate's equity interest in Triyards and its subsidiaries reduced to approximately 67%.
- (c) On 21 December 2012, the Company entered into a sale and purchase agreement to dispose 100% equity interest in Hinna Base AS for cash consideration of Norwegian Kroners ("NOK") 62,191,318.
- (d) In February 2013, Emas Offshore (M) Sdn Bhd, a subsidiary of the Company, acquired 100% equity interest in Genesis Offshore Sdn Bhd for Malaysian Ringgit ("MYR") 100.

In accordance with FRS 103R, *Business Combinations (Revised)*, the management has finalised the purchase price allocation exercise and identified the fair value of the identifiable assets, liabilities and contingent liabilities at date of acquisition to be as follows:

	Recognised on date of acquisition US\$'000
Statement of financial position	
Investments in unquoted shares	826
Cash and cash equivalents	—*
Other payables and accruals	(208)
Amount due to related companies	(8)
Net identifiable assets	610
Negative goodwill on acquisition	(610)
Cash consideration	—

There were no adjustments to the carrying amount of the assets and liabilities of Genesis Offshore Sdn Bhd from the purchase price allocation exercise.

* : denotes amount less than US\$1,000



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7. INVESTMENTS IN ASSOCIATED COMPANIES

	Group		Company	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Unquoted equity shares, at cost				
- ordinary shares	10,628	9,802	-	-
Quoted equity shares, at cost	52,335	52,335	29,743	29,743
	62,963	62,137	29,743	29,743
Share of post-acquisition reserves	82,584	60,588	-	-
Share of translation reserve	(1,145)	225	-	-
Share of hedging reserve	(268)	(45)	-	-
Share of fair value reserves	3,491	-	-	-
Share of share grant reserves	384	-	-	-
	148,009	122,905	29,743	29,743

Movements of share of post-acquisition reserves were as follows:

	Group	
	2013 US\$'000	2012 US\$'000
At beginning of the financial year	60,588	54,853
Share of profit of associated companies	17,312	192
Dilution of interest in associated companies	4,684	5,543
At end of the financial year	82,584	60,588

Details of the associated companies as at 31 August were as follows:

Name of company	Principal activities	Country of incorporation and place of business	Effective interest held by the Group	
			2013 %	2012 %
Held by the Company				
EOC Limited*	Investment holding	Singapore	46	46
PV Keez Pte Ltd*	Ship owning and provision of ship chartering services	Singapore	37	37
Emas EOC Ventures Pte Ltd*	Investment holding and provision of ship management services	Singapore	50	50
Held by subsidiaries				
Intan Offshore Sdn Bhd**	Ship owning and provision of ship chartering services	Malaysia	49	47
Perisai Petroleum Teknologi Bhd**	Investment holding	Malaysia	13	16
Fode & Emas Joint Venture Company Limited***	Dormant	Nigeria	40	–

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7. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

Name of company	Principal activities	Country of incorporation and place of business	Effective interest held by the Group	
			2013 %	2012 %
Held by subsidiaries (cont'd)				
Loyz NZ Ventures Limited**	Exploration and production of oil and gas	New Zealand	49	49
Gallatin Marine Management LLC*	Provision of ship chartering services	United States of America	25	–

Note:

- * : Audited by Deloitte & Touche, Singapore
- ** : Audited by BDO Tauranga Ltd, New Zealand
- ** : Audited by Baker Tilly AC, Malaysia
- * : Not required to be audited under the laws of the country of incorporation
- *** : Incorporated during the financial year

Perisai Petroleum Teknologi Bhd ("Perisai")

On 9 April 2010, HCM Logistics Limited ("HCM"), a subsidiary of the Company, acquired 19.9% equity interest in Perisai, which consists of 132,000,000 ordinary shares at RM0.485 each. In addition, HCM has also entered into a call option agreement with Zainol Izzet Bin Mohamed Ishak ("Izzet Ishak") to grant him or his nominee a call option over 66,000,000 shares of Perisai held by HCM.

On 27 January 2011, a wholly-owned subsidiary of the Company, Emas Offshore (M) Sdn Bhd ("Emas (M)"), has entered into a share sale agreement with Perisai for the sale of an equity interest of approximately 51% in Intan Offshore Sdn Bhd ("Intan Offshore") to Perisai after the conversion of its conditional Convertible Cumulative Redeemable Preference Shares held by the Group.

In August 2011, Emas (M) sold an aggregate of 37,299,900 shares of RM1.00 each to Perisai for a purchase consideration of RM45,237,000, satisfied via the issuance of 70,683,000 new shares in Perisai at an issue price of RM0.64 per share.

Following the completion, Emas (M)'s equity interest in Intan Offshore was reduced from 49% to 47% and the Group's aggregate equity interest in Perisai has increased from approximately 19.9% to approximately 27.3%.

In April 2012, the Company announced that Izzet Ishak has exercised his call option and the transfer was completed in July 2012. Following the transfer, HCM's equity interest in Perisai was reduced from 15.5% to 7.5%.

During the financial year, Perisai issued in total 232,706,580 new ordinary shares of MYR0.10 share each.

Following the issuance of shares, HCM's and Emas (M)'s equity interest in Perisai was reduced to 6.09% and 6.51%, respectively. As at 31 August 2013, the Group's aggregate equity interest in Perisai is approximately 12.60%.

The Group has classified the investment in Perisai as investment in an associated company as it can exercise significant influence due to the appointment of one of the Company's director as Perisai's executive director. The Group has equity accounted for its share of Perisai's results from 1 July 2012 to 30 June 2013, based on Perisai's quarterly results which were announced on Bursa Malaysia. Perisai's results for the period from 1 July 2013 to 31 August 2013 is not publicly available and accordingly will be equity accounted in the financial year ending 31 August 2014.



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7. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

PV Keez Pte Ltd ("PV Keez")

Part of the Group's investment in PV Keez is in the form of Redeemable Cumulative Preference Shares ("RCPS"). RCPS were issued to the Company as the consideration upon completion of the sale of a vessel by the Group to PV Keez.

The RCPS has the following rights:

- (a) the right to fixed cumulative preferential dividend at the rate of 8% per annum for the RCPS outstanding, which shall accrue from the commencement of the charter of the vessel to third party;
- (b) dividend on RCPS shall rank in priority to any payment of dividend on any other classes of shares;
- (c) first preference on return of assets in the event of liquidation;
- (d) may be redeemed by PV Keez at any time wholly or partly for the time being issued and outstanding at during the firm charter period of the vessel, by giving not less than six (6) months notice in writing of the intention to the Company;
- (e) may be redeemed by the Company at any time wholly or partly for the time being issued and outstanding at upon expiry of the firm charter period of the vessel, by giving not less than six (6) months notice in writing of the intention to PV Keez;
- (f) may be redeemed at its nominal value of US\$1 per RCPS; and
- (g) carries no voting right except of matters as prescribed in the shareholders' agreement.

The carrying value of the RCPS has been reclassified to assets held for sale.

The Group's share of the assets, liabilities, revenue and profit/ (loss) after tax of the associated companies are as follows:

	Group	
	2013 US\$'000	2012 US\$'000
Total assets	328,061	423,563
Total liabilities	191,679	311,160
Revenue	33,244	71,935
Profit / (loss) after tax	16,971	(1,213)

As at 31 August 2013, the market value of the quoted equity shares in associated companies held by the Group and the Company were US\$95,295,000 (2012: US\$67,334,000) and US\$38,711,000 (2012: US\$26,226,000) respectively.



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8. INVESTMENTS IN JOINT VENTURE COMPANIES

	Group		Company	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Unquoted equity shares, at cost	15,568	3,518	15,463	3,513
Additions during the financial year	8	12,050	–	11,950
Liquidation of investments	(57)	–	(57)	–
Impairment loss	(2,001)	(2,001)	(329)	(329)
	13,518	13,567	15,077	15,134
Share of post-acquisition reserves	6,695	4,861	–	–
Share of translation reserve	188	208	–	–
	20,401	18,636	15,077	15,134
Shareholders' loans	3,910	3,910	3,910	3,910
	24,311	22,546	18,987	19,044

The shareholders' loans to joint venture company is unsecured, interest-free and have no fixed terms of repayment. The loans are not expected to be repaid within twelve months from the end of the financial year.

Movements of share of post-acquisition reserves were as follows:

	Group	
	2013 US\$'000	2012 US\$'000
At beginning of the financial year	4,861	3,226
Share of profit of joint venture companies	3,066	2,810
Dividends paid	(1,232)	(1,175)
At end of the financial year	6,695	4,861



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8. INVESTMENTS IN JOINT VENTURE COMPANIES (CONT'D)

Details of the joint venture companies as at 31 August were as follows:

Name of company	Principal activities	Country of incorporation and place of business	Effective interest held by the Group	
			2013 %	2012 %
Held by the Company				
S.E. Mariam Sdn Bhd [*]	Ship owner and provision of ship chartering services	Malaysia	49	49
New Strong Group Limited [®]	Dormant	British Virgin Islands	50	50
Casadilla Group Pte Ltd ^{**} (Liquidated)	Dormant	Singapore	–	50
Eminent Offshore Logistics Pte Ltd ^{**}	Investment holding	Singapore	50	50
Lewek Antares Shipping Pte Ltd [*]	Ship owner and provision of ship chartering services	Singapore	50	50
Held by subsidiaries				
Advanced Mooring Systems Pte Ltd [*]	Provision of engineering services	Singapore	50	50
EZCA Offshore, LDA [®]	Dormant	Angola	40	40
AMC Connector AS ^{***}	Ship owner and provision of ship chartering services	Norway	–	50
Sri Emas (GH) Limited [*]	Provision of construction, marine, production and well intervention services	Ghana	49	–

Notes:

- ^{*} : Audited by P.S. Yap Azlan Abas & Wong, Chartered Accountants
- ^{**} : Audited by KPMG LLP, Singapore
- [•] : Audited by Ernst & Young LLP, Singapore
- ^{***} : Audited by KPMG AS, Norway
- [®] : Not required to be audited under the laws of the country of incorporation
- ^{*} : Incorporated during the financial year

Disposal of 50% of the issued share capital of AMC Connector AS

On 12 October 2012, the wholly-owned subsidiary of the Company, Emas Offshore Limited, has transferred 50% of the equity interest in AMC Connector AS ("ACAS") to Aker Oilfield Services AS. ACAS has ceased to be a joint venture company of the Group.



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8. INVESTMENTS IN JOINT VENTURE COMPANIES (CONT'D)

The Group's share of the assets, liabilities, revenue and expenses of the joint venture companies are as follows:

	Group	
	2013 US\$'000	2012 US\$'000
Current assets	12,789	4,697
Non-current assets	43,941	46,014
Total assets	56,730	50,711
Current liabilities	(16,576)	(9,986)
Non-current liabilities	(19,779)	(22,115)
Net assets	20,375	18,610
Revenue	12,132	5,641
Expenditure	(9,066)	(2,831)
Profit after tax	3,066	2,810

9. AVAILABLE-FOR-SALE INVESTMENTS

	Group and Company	
	2013 US\$'000	2012 US\$'000
Quoted equity investments	–	33,825

10. LONG TERM RECEIVABLE FROM A SUBSIDIARY

As at 31 August 2013, the long term receivable from a subsidiary is non-trade in nature, unsecured, bears interest rate at 1.5% (2012: 1.5%) above Pound Sterling ("GBP") London Inter Bank Offer Rate ("LIBOR") of 0.51% to 0.68% (2012: 0.83% to 1.06%) per annum and with no fixed repayment terms.

The long term receivable from a subsidiary is denominated in GBP.

11. LONG TERM RECEIVABLE FROM AN ASSOCIATED COMPANY

As at 31 August 2013, the long term receivable from an associated company is non-trade in nature, unsecured, bear fixed interest rate of 6% (2012: 6%) per annum and floating interest rate at 1.5% (2012: 1.5%) per annum above USD LIBOR of 0.27% to 0.42% (2012: 0.33% to 0.52%) per annum. The balances are denominated in United States Dollars and are not expected to be repaid within the next twelve months.



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12. FUNDING SCHEME PENSION/PENSION LIABILITY

The Group has recognised pension obligations as a result from the acquisition of Emas AMC AS. The subsidiary has acquired its pension plan from Aker Solutions ASA.

Norwegian employers are obliged to provide an employment pension plan, which can be organised as a defined benefit plan or as a defined contribution plan.

The subsidiary has closed an earlier defined benefit plan in 2008 and is now providing defined contribution plans for all of their employees under 60 years of age. Employees whose age are of 58 or more in 2008 are still in the defined benefit plan. The defined benefit plan is a funded plan and represent the funded pension liability disclosed below.

To ensure that the employees were treated fairly on the change over to the new plan the subsidiary has introduced a compensation plan. The basis for deciding the compensation amount is the difference between calculated pension capital in the defined benefit plan and the value of the defined contribution plan at the age of 67 years. The compensation amount will be adjusted annually in accordance with the adjustment of the employees' pensionable income, and accrued interest according to market interest rate. If the employee leaves the company voluntarily before the age of 67 years, the compensation amount will be reduced.

AFP is an early retirement arrangement organised by Norwegian employers of the main Labour Union organisation in Norway (LO) and the Norwegian State. The "old AFP" arrangement was established to provide pension between the age of 62 to 67 for employees who retired before the general retirement age of 67. A "new AFP" plan is being established from 2012 to provide additional life long pensions to employees that retire early to compensate for the reduction in the ordinary pension entitlements. The "new AFP" plan exposes the participating entities to actuarial risk associated with employees of other entities with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and costs to individual participating entities. Sufficient information is not available to use defined benefit accounting and the "new AFP" plan is accounted for as a defined contribution plan.

The cost of defined pension plans as well as the present value of the pension obligation is determined using actuarial valuations. The actuarial valuation involves various assumptions. The principal assumptions used in determining pension obligations for the defined benefit plans are shown below:

	2013 %	2012 %
Rate of increase in pensions	0.1 - 2.5	0.1 - 2.5
Rate of increase in compensation	3.5	3.3 - 3.5
Increase in social security base amount	3.3	3.0 - 3.3
Expected return on assets	4.0 - 4.1	3.6 - 4.1
Discount rate	2.6 - 4.0	2.2 - 2.6



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12. FUNDING SCHEME PENSION/PENSION LIABILITY (CONT'D)

	Group		
	Funded 2013 US\$'000	Unfunded 2013 US\$'000	Total 2013 US\$'000
Defined benefit obligation at end of financial year	4,490	1,318	5,808
Fair value of assets at end of financial year	4,496	–	4,496
Funded status (underfunded)	6	(1,318)	(1,312)
Payroll tax on funded status	1	(185)	(184)
Funded status including payroll tax	7	(1,503)	(1,496)
Unrecognised net actuarial loss/(gain)	145	(477)	(332)
Payroll tax unrecognised net actuarial loss/(gain)	26	(67)	(41)
Net amount recognised	178	(2,047)	(1,869)
Actuarial gain on benefit obligation			
Defined benefit obligation at beginning of financial year	5,536	1,770	7,306
Service cost	173	323	496
Interest cost	133	38	171
Benefits paid	(148)	(350)	(498)
Disposal of subsidiary	(444)	(128)	(572)
Translation difference	(196)	(86)	(282)
Defined benefit obligation at end of financial year (Expected)	5,054	1,567	6,621
Defined benefit obligation at the end of financial year (Actual)	4,490	1,318	5,808
Actuarial gain on benefit obligation	564	249	813
Actuarial loss on plan assets			
Fair value of assets at beginning of financial year	4,843	–	4,843
Expected return on plan assets	188	–	188
Employer contribution	303	–	303
Benefits paid	(148)	–	(148)
Administrative expenses	(31)	–	(31)
Disposal of subsidiary	(340)	–	(340)
Translation difference	(250)	–	(250)
Fair value of assets at end of financial year (Expected)	4,565	–	4,565
Fair value of assets at the end of financial year (Actual)	4,496	–	4,496
Actuarial loss on plan assets	69	–	69

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12. FUNDING SCHEME PENSION/PENSION LIABILITY (CONT'D)

	Group		
	Funded	Unfunded	Total
	2013 US\$'000	2013 US\$'000	2013 US\$'000
Defined benefit obligation at end of financial year	5,536	1,770	7,306
Fair value of assets at end of financial year	4,843	–	4,843
Funded status (underfunded)	(693)	(1,770)	(2,463)
Payroll tax on funded status	(97)	(249)	(346)
Funded status including payroll tax	(790)	(2,019)	(2,809)
Unrecognised net actuarial loss/(gain)	867	(193)	674
Payroll tax unrecognised net actuarial loss/(gain)	122	(27)	95
Net amount recognised	199	(2,239)	(2,040)
Actuarial gain on benefit obligation			
Defined benefit obligation at beginning of financial year	5,381	1,472	6,853
Service cost	345	714	1,059
Interest cost	288	91	379
Benefits paid	(279)	(580)	(859)
Translation difference	(448)	(131)	(579)
Defined benefit obligation at end of financial year (Expected)	5,287	1,566	6,853
Defined benefit obligation at the end of financial year (Actual)	5,536	1,770	7,306
Actuarial loss on benefit obligation	249	204	453
Actuarial loss on plan assets			
Fair value of assets at beginning of financial year	5,170	–	5,170
Expected return on plan assets	399	–	399
Administrative expenses	(122)	–	(122)
Employer contribution	541	–	541
Benefits paid	(279)	–	(279)
Translation difference	(449)	–	(449)
Fair value of assets at end of financial year (Expected)	5,260	–	5,260
Fair value of assets at the end of financial year (Actual)	4,843	–	4,843
Actuarial loss on plan assets	417	–	417



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12. FUNDING SCHEME PENSION/PENSION LIABILITY (CONT'D)

The fair value of plan assets by each classes as at the end of the reporting period are as follows:

	Group	
	2013 US\$'000	2012 US\$'000
Equities	283	494
Bonds	638	736
Money market	1,178	848
Hold to maturity bonds	1,551	1,797
Real estate	665	901
Others	181	67
	4,496	4,843

13. ASSETS HELD FOR SALE

	Group		Company	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Vessels	–	31,099	–	–
Vessel under construction	–	6,013	–	–
Plant and machineries	–	18,844	–	–
Investment in associated companies	102,548	144,768	101,785	99,200
	102,548	200,724	101,785	99,200

The board of directors has supported the decision to dispose the non-core business assets. This decision is consistent with the Group's efforts and overall strategy to effectively manage its balance sheet and optimise its capital structure in view of the robust growth prospects and to enhance shareholder value.

14. INVENTORIES AND WORK-IN-PROGRESS

	Group	
	2013 US\$'000	2012 US\$'000
Inventories held for trading, at cost	32,178	39,000
Consumables	12,684	5,083
Work-in-progress	30,449	44,880
Total inventories and work-in-progress at lower of cost and net realisable value	75,311	88,963

The Group has not made any allowance for stock obsolescence during the financial year.



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15. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2013	2012	2013	2012
	US\$'000	US\$'000	US\$'000	US\$'000
Trade and other receivables (current):				
Trade receivables	459,465	439,351	-	-
Other receivables	48,371	38,795	1,109	289
Balances due from				
- subsidiaries	-	-	792,215	638,920
- associated companies	135,455	85,796	16,007	6,451
- joint venture companies	21,750	11,845	2	-
	<u>665,041</u>	<u>575,787</u>	<u>809,333</u>	<u>645,660</u>
Trade and other receivables (non-current):				
Long term receivable from a subsidiary (Note 10)	-	-	13,458	13,398
Long term receivable from an associated company (Note 11)	37,800	37,800	37,800	37,800
Trade receivable	33,074	51,479	-	-
	<u>70,874</u>	<u>89,279</u>	<u>51,258</u>	<u>51,198</u>
Total trade and other receivables (current and non-current)	735,915	665,066	860,591	696,858
Add: Cash and cash equivalents (Note 17)	173,078	133,356	96,619	80,706
Add: Cash pledged (Note 18)	2,660	50	-	-
Total loans and receivables	<u>911,653</u>	<u>798,472</u>	<u>957,210</u>	<u>777,564</u>

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15. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables

	Group	
	2013 US\$'000	2012 US\$'000
Trade receivables		
- Billed	346,180	378,566
- Unbilled relating to construction contracts	119,955	109,860
- Unbilled - others	38,179	8,645
	504,314	497,071
Less: Allowance for doubtful debts	(11,775)	(6,241)
	492,539	490,830

	Group	
	2013 US\$'000	2012 US\$'000
Contract costs incurred to-date	761,656	602,317
Attributable profits less recognised losses to date	95,189	122,801
Less: Progress billings	(777,916)	(632,208)
	78,929	92,910
Represented by:		
Trade receivable – Unbilled relating to construction contracts	119,955	109,860
Progress billings in excess of cost to customer	(41,026)	(16,950)
	78,929	92,910

Analysis of allowance for doubtful debts is as follows:

	Group	
	2013 US\$'000	2012 US\$'000
At beginning of the financial year	6,241	5,751
Allowance for the financial year	6,867	1,589
Written off against allowance	(1,071)	(1,060)
Write back of allowance	(225)	–
Translation difference	(37)	(39)
At end of the financial year	11,775	6,241



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15. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables (cont'd)

The age analysis of trade receivables is as follows:

	2013		2012	
	Gross US\$'000	Allowance US\$'000	Gross US\$'000	Allowance US\$'000
Not past due or less than 60 days overdue	316,938	-	327,924	-
Past due				
- 61 to 180 days	42,595	-	58,609	-
- More than 180 days	144,781	(11,775)	110,538	(6,241)
	<u>504,314</u>	<u>(11,775)</u>	<u>497,071</u>	<u>(6,241)</u>

Trade receivables are non-interest bearing and are normally settled on 30 day terms. The Group deals with customers who are mainly creditworthy oil majors or their preferred service providers. Based on historical collections experience, the Group believes that no further allowance for doubtful debts is necessary in respect of certain trade receivables which are not past due as well as certain trade receivables which are past due but not impaired. Objectives and policies on credit risk management has been disclosed in Note 41.

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to amounts that were more than 365 days and in dispute. The management has assessed the probability of collection to be low.

(b) Other receivables

These amounts are unsecured, interest-free and repayable in cash on demand.

Analysis of allowance for doubtful debts is as follows:

	Group	
	2013 US\$'000	2012 US\$'000
At beginning of the financial year	370	-
Allowance for the financial year	31	370
Written off against allowance	(370)	-
At end of the financial year	<u>31</u>	<u>370</u>

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15. TRADE AND OTHER RECEIVABLES (CONT'D)

(c) Trade and other receivables

Significant trade and other receivables denominated in foreign currencies (with reference to the respective functional currencies of the Company and the respective subsidiaries) as at 31 August are as follows:

	Group		Company	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
United States Dollar	19,903	151	–	–
Singapore Dollar	1,309	1,564	–	18
Norwegian Kroner	–	6,094	–	–
Malaysian Ringgit	5,674	924	–	–
Euro	1,092	330	–	–
Pound Sterling	1,914	66	–	–
Vietnamese Dong	2,900	2,074	–	–

(d) Balances due from subsidiaries, associated companies and joint venture companies

These amounts are unsecured, interest-free and repayable in cash on demand. All balances are denominated in United States Dollars. Balances due from subsidiaries are non-trade in nature.

As at 31 August 2013, allowance for doubtful debt remains at US\$139,000 on balance due from an associated company.

16. OTHER CURRENT ASSETS

	Group		Company	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Deposits	14,749	12,781	502	67
Prepayments	55,335	35,030	135	279
Advance payments to suppliers	1,410	3,372	–	–
	71,494	51,183	637	346



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17. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following amounts:

	Group		Company	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Fixed deposits	89,820	78,441	89,820	78,441
Cash and bank balances	83,258	54,915	6,799	2,265
Cash and cash equivalents	173,078	133,356	96,619	80,706

(a) Fixed deposits

The fixed deposits are made for varying periods of between one day and three months depending on the cash requirement of the Group and the Company and earn effective interest rates ranging from 0.03% to 0.75% (2012: 0.01% to 2.00%) per annum.

Significant fixed deposits denominated in foreign currencies (with reference to the respective functional currencies of the Company and the respective subsidiaries) as at 31 August are as follows:

	Group		Company	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Singapore Dollar	24,507	75,312	24,507	75,312
Pound Sterling	3,179	3,129	3,179	3,129

(b) Cash and bank balances

Significant cash and bank balances denominated in foreign currencies (with reference to the respective functional currencies of the Company and the respective subsidiaries) as at 31 August are as follows:

	Group		Company	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
United States Dollar	7,564	742	-	-
Australian Dollar	68	698	-	-
Singapore Dollar	4,383	1,553	1,172	1,209
Euro	1,284	59	-	-
Malaysian Ringgit	1,443	425	-	-
Vietnamese Dong	643	555	-	-

18. CASH PLEDGED

Certain operating bank accounts of the subsidiaries with balances amounting to US\$4,940,000 (2012: US\$2,524,000) are pledged to financial institutions for banking facilities granted to the Group. Except for an amount of US\$2,660,000 (2012: US\$50,000), there is no restriction on the use of the remaining bank balances.



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19. TRADE AND OTHER PAYABLES

	Group		Company	
	2013	2012	2013	2012
	US\$'000	US\$'000	US\$'000	US\$'000
Trade and other payables (current):				
Trade payables	152,167	120,198	–	–
Other payables	197,039	221,800	20,590	30,650
Balances due to				
- subsidiaries	–	–	46,062	11,103
- associated companies	39,476	30,331	–	5
- joint venture companies	2,500	3,614	2,500	3,558
	391,182	375,943	69,152	45,316
Other payables (non-current):				
Other payables	12,152	24,038	12,152	22,472
Total trade and other payables (current and non-current)	403,334	399,981	81,304	67,788
Add:				
- Bills payable to banks (Note 20)	192,758	287,788	66,491	104,703
- Lease obligations (Note 22)	1,799	1,307	193	365
- Bank term loans (Note 23)	769,305	787,947	132,497	210,324
- Notes payable (Note 24)	272,769	39,754	272,769	39,754
- Convertible bonds (Note 25)	49,204	128,775	49,204	128,775
Total financial liabilities carried at amortised cost	1,689,169	1,645,552	602,458	551,709



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19. TRADE AND OTHER PAYABLES (CONT'D)

(a) Trade payables

Trade payables are non-interest bearing and are normally settled on 30 to 90 day terms.

Significant trade payables denominated in foreign currencies (with reference to the respective functional currencies of the Company and the respective subsidiaries) as at 31 August are as follows:

	Group	
	2013 US\$'000	2012 US\$'000
United States Dollar	10,212	574
Singapore Dollar	16,746	11,166
Euro	6,735	2,751
Malaysian Ringgit	511	296
Norwegian Kroner	136	2,754
Vietnamese Dong	8,441	6,642

(b) Other payables

Details of other payables are as follows:

	Group		Company	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Advance billing made to customers	7,651	1,013	–	–
Accrued interest payable	15,465	7,766	13,063	6,268
Accrued operating expenses	136,822	154,086	956	9,570
Accrued listing expenses	–	1,315	–	–
Amounts due to directors	–	11,374	–	11,374
Deferred consideration	18,402	24,428	18,402	24,428
Other creditors	29,240	41,506	321	1,482
Payable to shipbuilders	1,611	4,350	–	–
	209,191	245,838	32,742	53,122

The amounts due to directors are non-trade in nature, unsecured, interest-free, repayable on demand and are to be settled mainly in terms of cash consideration.

Other creditors and amounts payable to shipbuilders are unsecured, interest-free and repayable in cash on demand.



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19. TRADE AND OTHER PAYABLES (CONT'D)

(b) Other payables (cont'd)

Significant other payables denominated in foreign currencies (with reference to the respective functional currencies of the Company and the respective subsidiaries) as at 31 August are as follows:

	Group		Company	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Norwegian Kroner	213	45,399	–	–
Singapore Dollar	12,997	19,627	6,945	13,079
Euro	294	67	–	–
Vietnamese Dong	147	211	–	–

(c) Balances due to subsidiaries, associated companies and joint venture companies

These amounts are unsecured, interest-free and repayable in cash on demand. All balances are denominated in United States Dollars. Balances due to subsidiaries are non-trade in nature.

20. BILLS PAYABLE TO BANKS

	Group		Company	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Bills payable				
- secured	23,500	7,338	–	–
- unsecured	169,258	280,450	66,491	104,703
	192,758	287,788	66,491	104,703

Significant bills payable denominated in foreign currencies (with reference to the respective functional currencies of the Company and the respective subsidiaries) as at 31 August are as follows:

	Group		Company	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Singapore Dollar	8,749	61,979	5,491	53,703
Norwegian Kroner	43	1,159	–	–
Euro	1,947	10,204	–	–



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20. BILLS PAYABLE TO BANKS (CONT'D)

Bills payable of the Group are secured by:

- (a) mortgage in the name of vessels owned by the Group;
- (b) assignment of charter income, charter contracts and vessel insurance in favour of the financial institution; and
- (c) corporate guarantee from the Company.

The bills payable of the Group bear interest at 0% to 3.5% (2012: 0% to 2.5%) per annum above the bank's Cost of Funds ("COF"), Prime Rate, Singapore Inter Bank Offer Rate ("SIBOR") or London Inter Bank Offer Rate ("LIBOR") of 0.15% to 3.85% (2012: 0% to 5.59%) per annum. The bills payable of the Company bear interest at 1.5% to 2.9% (2012: 1.5% to 3.0%) per annum above the bank's COF, SIBOR or LIBOR of 0.17% to 1.10% (2012: 0% to 1.46%) per annum.

During the financial year, the effective interest rates of the bills payable of the Group and the Company ranged from 1.70% to 5.0% and 1.70% to 3.09% (2012: 1.63% to 7.44% and 1.75% to 3.46%) per annum respectively.

21. DEFERRED INCOME

	Group	
	2013 US\$'000	2012 US\$'000
Current	1,644	6,155
Non-current	27,006	28,655
	28,650	34,810

The deferred income refers to the Group's share of the unrealised profit arising from the sale of vessels to associated and joint venture companies. The deferred income will be amortised over the remaining useful lives of the vessels and taken against the share of results of associated and joint venture companies in the consolidated income statement.

Movement in deferred income is as follows:

	Group	
	2013 US\$'000	2012 US\$'000
At beginning of the financial year	34,810	32,093
Effects of purchase price allocation	–	8,880
As restated	34,810	40,973
Amortisation during the financial year	(6,160)	(6,127)
Recognition of unrealised gain on the sale of vessels arising from the dilution of interest in an associated company	–	(36)
At end of the financial year	28,650	34,810

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22. LEASE OBLIGATIONS

	Group			
	Minimum payments 2013 US\$'000	Present value of payments 2013 US\$'000	Minimum payments 2012 US\$'000	Present value of payments 2012 US\$'000
Not later than one year	1,123	1,048	593	543
Later than one year but not later than five years	805	744	787	715
More than five years	8	7	56	49
	813	751	843	764
Total minimum lease payments	1,936	1,799	1,436	1,307
Less: Amounts representing finance charges	(137)	–	(129)	–
Present value of minimum lease payments	1,799	1,799	1,307	1,307

	Company			
	Minimum payments 2013 US\$'000	Present value of payments 2013 US\$'000	Minimum payments 2012 US\$'000	Present value of payments 2012 US\$'000
Not later than one year	201	180	195	173
Later than one year but not later than five years	17	13	218	192
	17	13	218	192
Total minimum lease payments	218	193	413	365
Less: Amounts representing finance charges	(25)	–	(48)	–
Present value of minimum lease payments	193	193	365	365

Lease terms are for 2 to 7 years with options to purchase at the end of the lease term. Lease terms do not contain restrictions concerning dividends, additional debt or further leasing.

Lease obligations bear interest at flat rates ranging from 1.88% to 6.90% (2012: 1.88% to 21.00%) per annum. The effective interest rates ranged from 3.57% to 12.65% (2012: 3.57% to 12.65%) per annum.



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23. BANK TERM LOANS

	Group		Company	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Due within 1 year	258,919	278,474	130,134	158,233
Due within 2 to 5 years	411,617	400,665	2,363	52,091
Due after 5 years	98,769	108,808	–	–
	510,386	509,473	2,363	52,091
	769,305	787,947	132,497	210,324

The balance comprises:

	Group		Company	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Secured				
(a) Term loan with principal of US\$5,350,000 bears interest at 1.25% (2012: 1.25%) per annum above USD SIBOR of 0.19% to 0.24% (2012: 0.22% to 0.37%) per annum. The loan is repayable over 10 years in equal monthly instalments commencing 28 February 2007. The monthly instalment amounts to US\$49,546 for the remaining 41 months. This term loan is secured by way of a statutory mortgage over the vessel, assignment of charter income of the vessel and charter contracts, vessel insurance and corporate guarantee from the Company.	2,031	2,607	–	–
(b) Term loan with principal of US\$7,500,000 bears interest of 1.9% (2012: 1.9%) per annum above USD LIBOR of 0.20% to 0.24% (2012: 0.21% to 0.30%) per annum. The loan is repayable in 63 equal monthly instalments of US\$59,524 commencing on 20 July 2005 and a final instalment of US\$3,750,000. The final instalment was extended and repayable in 30 equal monthly instalments of US\$125,000 commencing on 8 October 2010. This term loan is secured by way of a first legal mortgage over the vessel, assignment of charter income and charter contracts, assignment of vessel insurances, charge over all monies held in operating account of the vessel and corporate guarantee from the Company. The loan was fully repaid during the financial year.	–	875	–	–



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23. BANK TERM LOANS (CONT'D)

The balance comprises:

	Group		Company	
	2013	2012	2013	2012
	US\$'000	US\$'000	US\$'000	US\$'000
Secured				
(c) Term loan with principal of US\$11,000,000 bears interest at 1.10% (2012: 1.10%) per annum above USD LIBOR of 0.40% to 0.69% (2012: 0.41% to 0.97%) per annum. The loan is repayable over 27 equal quarterly instalments of approximately US\$229,167 commencing 3 calendar months after date of drawdown on 19 October 2006 and a final instalment of US\$4,813,000. This term loan is secured by way of a first priority legal mortgage over the vessel, assignment of charter income and charter contracts more than 13 months, insurance policies, requisition compensation in respect of the vessel, pledge over the earnings and retention account of the vessel and corporate guarantee from the Company. The loan was fully repaid during the financial year.	-	5,729	-	-
(d) Term loan with principal of US\$9,600,000, bears interest at 1.2% (2012: 1.2%) per annum above the bank's USD LIBOR of 0.20% to 0.23% (2012: 0.23% to 0.29%) per annum. The loan is repayable over 83 equal monthly instalments of US\$80,000 commencing 1 calendar month after date of drawdown on 30 August 2007 and final instalment of US\$2,960,000. This term loan is secured by way of a first legal mortgage over the vessel, first and third party assignment of charter income and charter contracts and any other cash flows of the vessel, assignment of vessel insurances, charge over all monies held in the operating account of the vessel and corporate guarantee from the Company. The loan was fully repaid during the financial year.	-	4,800	-	-



NOTES TO THE FINANCIAL STATEMENTS

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23. BANK TERM LOANS (CONT'D)

The balance comprises:

	Group		Company	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Secured				
(e) Term loan with principal of US\$4,320,000, bears interest at 1.5% per annum above the bank's USD LIBOR of 0.28% per annum. The loan is repayable over 11 equal quarterly instalments of US\$240,000 commencing 3 calendar month after date of drawdown on 28 March 2013 and final instalment of US\$1,680,000. This term loan is secured by way of a legal mortgage over the vessel (including all equipment and fixtures onboard), first and third party assignment of charter income and charter contracts and any other cash flows of the vessel, assignment of vessel insurances, charge over all monies held in the earnings and retention account of the vessel and corporate guarantee from the Company.	4,080	-	-	-
(f) Term loan with principal of US\$7,231,000 bears interest at 1.0% (2012: 1.0%) per annum above USD LIBOR of 0.27% to 0.46% (2012: 0.25% to 0.58%) per annum. This loan is repayable over 40 equal quarterly instalments of US\$180,775 commencing on 1 April 2008. This term loan is secured by way of a first preferred ship mortgage over the vessel, assignment of vessel insurances, charter income, charter contract for charters with terms of more than 6 months and corporate guarantee from the Company.	3,254	3,977	-	-
(g) Short term multi-currency loan with principal limit of US\$150,000,000 bears interest at 0.3% (2012: 0.3% to 0.5%) above bank's COF rate of 0.29% to 0.34% (2012: 0.13% to 1.81%) per annum. The loan is extended on the basis of cash and cash equivalents that are deposited with the bank. The loan is drawdown in United States dollar.	80,407	68,567	80,407	68,567



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23. BANK TERM LOANS (CONT'D)

The balance comprises:

	Group		Company	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Secured				
(h) Term loan with principal of US\$10,000,000, bears interest at 1.5% (2012: 1.5%) per annum over USD Vietnam Inter Bank Offer Rate ("VNIBOR") of 1.28% to 2.65% (2012: 1.16% to 1.73%) per annum to finance the development of facilities in Vietnam. The loan is repayable in 5 annual instalments commencing 24 June 2010. This term loan is secured by way of mortgage over the building located at 99 Quarter 3, Thanh My Loi Ward, District 2, Ho Chi Minh City, Vietnam, and new cranes, assignment of insurance, construction contracts and contractors' performance bonds and corporate guarantee from the Company.	3,000	5,500	-	-
(i) Term loan with principal of US\$12,457,000 bears interest at 1.1% (2012: 1.1%) per annum above USD LIBOR of 0.27% to 0.47% (2012: 0.25% to 0.53%) per annum. The loan is repayable over 40 equal quarterly instalments of US\$311,425 commencing on 1 March 2008. This term loan is secured by way of a first preferred ship mortgage over the vessel, assignment of vessel insurances, charter income, charter contract for charters with terms of more than 6 months and corporate guarantee from the Company.	5,606	6,852	-	-



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23. BANK TERM LOANS (CONT'D)

The balance comprises:

	Group		Company	
	2013	2012	2013	2012
	US\$'000	US\$'000	US\$'000	US\$'000
Secured				
(j) Term loan with principal of US\$23,071,140 bears interest at 1.85% (2012: 1.85%) per annum above USD LIBOR of 0.27% to 0.47% (2012: 0.25% to 0.54%) per annum. The loan is repayable over 15 equal quarterly instalments of US\$844,250 commencing on 10 December 2009 and final instalment of US\$10,407,390. This term loan is secured by way of a first priority statutory mortgage over the vessel, assignment of charter income and charter contracts, assignment of vessel insurances, charge over all monies held in operating account of the vessel and corporate guarantee from the Company. The loan was fully repaid during the financial year.	-	13,785	-	-
(k) Term loan with principal of US\$83,000,000 bears interest at 1.90% (2012: 1.90%) above USD LIBOR of 0.26% to 0.43% (2012: 0.25% to 0.47%) and is repayable over 23 equal quarterly instalments of US\$2,600,000 commencing 16 August 2012 and final instalment of US\$23,200,000. The loan is secured by way of first priority mortgage over the vessel, assignment of charter income and charter contracts, assignment of vessel insurances, charge over all monies held in operating account of the vessel and corporate guarantee from the Company.	70,000	80,400	-	-



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23. BANK TERM LOANS (CONT'D)

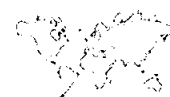
The balance comprises:

	Group		Company	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Secured				
(l) Term loan with principal of US\$54,798,969 bears interest at 2.5% (2012: 2.5%) above USD LIBOR of 0.27% to 0.46% (2012: 0.25% to 0.56%). The loan is repayable over 25 equal quarterly instalments of US\$1,718,750 commencing on 19 July 2011 and a final instalment of US\$11,830,219. The term loan is secured by way of first priority mortgage over the vessel, assignment of charter income and charter contracts, assignment of vessel insurances, charge over all monies held in operating account of the vessel and corporate guarantee from the Company.	39,330	46,205	-	-
(m) Term loan with principal of US\$4,900,000 bears interest at 1.75% (2012: 1.75%) per annum above USD LIBOR of 0.31% to 0.44% (2012: 0.25% to 0.55%) per annum. The loan is repayable over 11 equal quarterly instalments of US\$245,000 commencing on 3 May 2010 and final instalment of US\$2,205,000. This term loan is secured by way of a first preferred ship mortgage on the vessel, assignment of vessel insurances, charter income and corporate guarantee from the Company. The loan was fully repaid during the financial year.	-	2,450	-	-



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23. BANK TERM LOANS (CONT'D)

The balance comprises:

	Group		Company	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Secured				
(n) Term loan with principal of US\$84,500,000 bears interest at 2.25% (2012: 2.25%) above USD SIBOR of 0.27% to 0.46% (2012: 0.29% to 0.56%) and is repayable over 19 equal quarterly instalments of US\$2,640,625 commencing on 20 April 2011 and a final instalment of US\$31,328,125. The term loan is secured by way of a first priority legal mortgage of the vessel, assignment of all earnings, rights and benefits of vessel, first legal charge over certain equipments onboard vessel, assignment of all insurance policies of the vessel, charge over all monies held in operating account of the vessel and corporate guarantee from the Company.	55,094	65,656	-	-
(o) Term loan with principal of US\$6,650,000 bears interest at 2.20% (2012: 2.20%) per annum above bank's USD LIBOR of 0.26% to 0.44% (2012: 0.27% to 0.51%) per annum. The loan is repayable over 20 equal quarterly instalments of US\$237,500 commencing 3 months from 10 August 2010 and a final instalment of US\$1,900,000. This term loan is secured by way of a first priority legal mortgage over the vessel, assignment of charter income and charter contracts more than 13 months, insurance policies, pledge over the earnings and retention account of the vessel and corporate guarantee from the Company.	3,800	4,750	-	-



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23. BANK TERM LOANS (CONT'D)

The balance comprises:

	Group		Company	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Secured				
(p) Term loan with principal of US\$9,450,000 bears interest at 1.80% (2012: 1.80%) above USD SIBOR of 0.18% to 0.24% (2012: 0.21% to 0.28%) and is repayable over 59 equal monthly instalments of US\$84,590 commencing on 18 August 2011 and a final instalment of US\$4,459,100. This term loan is secured by way of a first priority legal mortgage of the vessel, assignment of all earnings, rights and benefits arising from the vessel, assignment of all insurance policies of the vessel, charge over all monies held in operating and retention account of the vessel and corporate guarantee from the Company.	7,335	8,350	-	-
(q) Term loan with principal of US\$9,450,000 bears interest at 1.80% (2012: 1.80%) above USD SIBOR of 0.18% to 0.24% (2012: 0.22% to 0.29%) and is repayable over 59 equal monthly instalments of US\$84,590 commencing on 29 August 2011 and a final instalment of US\$4,459,190. This term loan is secured by way of a first priority legal mortgage of the vessel, assignment of all earnings, rights and benefits arising from the vessel, assignment of all insurance policies of the vessel, charge over all monies held in operating and retention account of the vessel and corporate guarantee from the Company.	7,335	8,350	-	-



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23. BANK TERM LOANS (CONT'D)

The balance comprises:

	Group		Company	
	2013	2012	2013	2012
	US\$'000	US\$'000	US\$'000	US\$'000
Secured				
(r) Term loan with principal of US\$23,800,000 bears interest at 1.80% (2012: 1.80%) per annum above USD SIBOR of 0.31% to 0.47% (2012: 0.25% to 0.54%) per annum. The loan is repayable over 27 equal quarterly instalments of US\$595,000 commencing on 16 March 2011 and a final repayment of US\$7,735,000. This term loan is secured by way of a first priority legal mortgage of the vessel, assignment of all earnings, rights and benefits arising from the vessel, assignment of all insurance policies of the vessel, charge over all monies held in operating and retention account of the vessel and corporate guarantee from the Company. The loan was fully repaid during the financial year.	-	20,230	-	-
(s) Term loan with principal of US\$22,000,000 bears interest at 1.80% (2012: 1.80%) per annum above USD LIBOR of 0.20% to 0.47% (2012: 0.25% to 0.57%) per annum. The loan is repayable over 27 equal quarterly instalments of US\$550,000 commencing on 23 March 2011 and a final repayment of US\$7,150,000. This term loan is secured by way of a first priority legal mortgage of the vessel, (including all equipment and fixtures onboard), assignment of all earnings, rights and benefits arising from the vessel, assignment of all insurance policies of the vessel, charge over all monies held in operating and retention account of the vessel and corporate guarantee from the Company. The loan was fully repaid during the financial year.	-	18,700	-	-

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23. BANK TERM LOANS (CONT'D)

The balance comprises:

	Group		Company	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Secured				
(t) Term loan with principal of US\$24,000,000 bears interest at 1.90% (2012: 1.9%) above USD LIBOR of 0.26% to 0.43% (2012: 0.25% to 0.43%) and is repayable over 27 equal quarterly instalments of US\$855,000 commencing on 23 August 2012 and a final instalment of US\$915,000. This term loan is secured by way of a first priority legal mortgage of the vessel (including all equipment and fixtures onboard), assignment of all earnings, rights and benefits arising from the vessel, assignment of all insurance policies of the vessel, charge over all monies held in operating and retention account of the vessel and corporate guarantee from the Company.	19,725	23,145	-	-
(u) Term loan with principal of US\$24,000,000 bears interest at 1.90% (2012: 1.90%) above USD LIBOR of 0.23% to 0.35% (2012: 0.29% to 0.47%) and is repayable over 27 equal quarterly instalments of US\$855,000 commencing on 9 October 2012 and a final instalment of US\$915,000. The term loan is secured by way of a first priority legal mortgage of the vessel (including all equipment and fixtures onboard), assignment of all earnings, rights and benefits arising from the vessel, assignment of all insurance policies of the vessel, charge over all monies held in operating and retention account of the vessel and corporate guarantee from the Company.	20,580	24,000	-	-



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23. BANK TERM LOANS (CONT'D)

The balance comprises:

	Group		Company	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Secured				
(v) Term loan with principal of US\$18,000,000 to finance development costs of the yard, bears interest at 2.30% (2012: 2.30%) per annum over VNIBOR of 1.13% to 2.00% (2012: 1.17% to 1.91%) per annum. The loan is repayable over 4 semi-annual instalments of US\$1,800,000 commencing 12 months from the first drawdown and a final instalment of US\$10,800,000 falling 36 months from the date of first drawdown. This term loan is secured by way of legal mortgage of equipments or assets financed and corporate guarantee from the Company.	10,655	14,255	-	-
(w) Term loan with principal of S\$19,500,000 bears interest at 2.5% (2012: 2.5%) above Swap Offer Rate ("SOR") of 0.23% to 0.32% (2012: 0.32% to 0.48%). The loan is repayable over 16 equal quarterly instalments of S\$1,218,750 commencing on 19 July 2012. This term loan is secured by way of first priority mortgage over the vessel, assignment of charter income and charter contracts, assignment of vessel insurances, charge over all monies held in operating account of the vessel and corporate guarantee from the Company.	10,515	14,653	-	-

NOTES TO THE
FINANCIAL STATEMENTS

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23. BANK TERM LOANS (CONT'D)

The balance comprises:

	Group		Company	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Secured				
(x) Pre-delivery loan with principal of approximately EUR20,124,000 to finance the construction of a vessel, bears interest at 4.34% (2012: 4.34%) per annum above bank's Euro Inter Bank Offer Rate ("EURIBOR") of 0.20% (2012: 0.06% to 1.55%) per annum. The pre-delivery loan was settled by a post-delivery loan which bears interest at 4.09% (2012: 4.09%) above EURIBOR and is repayable over 11 equal quarterly instalments of EUR784,000 commencing on 1 January 2014 and a final instalment of EUR11,500,000. The pre-delivery term loan is secured by way of assignment of shipbuilding contract, assignment of all refund guarantee issued by shipbuilder, assignment of all insurances and corporate guarantee from the Company. The post delivery term loan is secured by way of a first priority statutory mortgage over the vessel, assignment of insurance policies, and corporate guarantee from the Company.	26,612	12,550	-	-
(y) Term loan with principal of US\$23,500,000 bears interest at 2.30% (2012: 2.30%) per annum above bank's USD LIBOR of 0.27% to 0.45% (2012: 0.45%) per annum. The loan is repayable over 19 equal quarterly instalments of US\$780,000 commencing on 10 October 2012 and a final instalment of US\$8,680,000. This term loan is secured by way of a first priority legal mortgage over the vessel, assignment of charter income, insurance policies, pledge over the earnings and retention account of the vessel and corporate guarantee from the Company.	20,380	23,500	-	-



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23. BANK TERM LOANS (CONT'D)

The balance comprises:

	Group		Company	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Secured				
(z) Term loan with principal of US\$3,500,000 bears interest at 2.50% (2012: 2.50%) per annum above USD SIBOR of 0.26% to 0.43% (2012: 0.43%) per annum. This loan is repayable over 11 equal quarterly instalments of US\$300,000 commencing on 27 November 2012 and a final instalment of US\$200,000. This term loan is secured by way of a first statutory mortgage over the vessel, assignment of vessel insurances, charter income, charter contract, charge over operating and retention account and unconditional corporate guarantee from the Company.	2,300	3,500	-	-
(aa) Project financing with principal limit of US\$70,000,000 to finance the purchase of equipment and materials for the construction of vessels, bears interest at 2.00% (2012: 2.00%) per annum over USD COF of 1.93% to 1.95% (2012: 1.93% to 2.56%) per annum. The loan is secured by way of first priority assignment over the benefits of the subsidiaries arising from projects, including work-in-progress, charge over earnings account, assignment of insurances and supplier warranties relating to the project and corporate guarantee from the Company.	35,506	36,903	-	-

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23. BANK TERM LOANS (CONT'D)

The balance comprises:

	Group		Company	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Secured				
(ab) Pre-delivery loan with principal limit of US\$273,000,000 to finance the construction cost of a vessel, bears interest at 3.25% (2012: 3.25%) per annum above USD LIBOR of 0.18% to 0.38% (2012: 0.24% to 0.47%) per annum. Upon completion of the vessel, the loan is repayable over 18 instalments commencing 6 months after completion date and a bullet repayment 60 months after final completion date. The pre-delivery loan is secured by way of assignment of shipbuilding contract, charge over equipments relating to the vessel, assignment of all performance guarantee issued by equipment suppliers, pledge of 100% equity interest in a subsidiary and corporate guarantee from the Company. The post-delivery term loan will be secured by way of a first priority legal mortgage of the vessel (including all equipment and fixtures onboard), assignment of all earnings, rights and benefits arising from the vessel, assignment of all insurance policies of the vessel, charge over all monies held in operating and retention account of the vessel, pledge of 100% equity interest in a subsidiary and corporate guarantee from the Company.	161,500	110,270	-	-
(ac) Term loan with principal of US\$14,000,000 to finance the purchase of equipment bears interest at 2.00% (2012: 2.00%) per annum above USD LIBOR of 0.21% to 0.25% (2012: 0.24% to 0.25%) per annum. This loan is repayable in full on 1 November 2012 and is secured by way of an irrevocable standby letter of credit. The loan was fully repaid during the financial year.	-	14,000	-	-



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23. BANK TERM LOANS (CONT'D)

The balance comprises:

	Group		Company	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Secured				
(ad) Term loan with principal of US\$16,500,000 bears interest at 2.5% per annum above bank's USD LIBOR of 0.27% to 0.31%. The loan is repayable over 20 quarterly instalments ranging from US\$412,500 to US\$825,000 commencing on 21 March 2013 and a final instalment of US\$3,300,000. This term loan is secured by way of second preferred legal mortgage over the vessel, second priority assignment of all earnings, charter contracts, insurances and requisition compensation in respect of the vessel, second priority charge over the earnings and retention accounts of the vessel and corporate guarantee from the Company and a subsidiary.	15,675	-	-	-
(ae) Term loan with principal of US\$4,750,000 bears interest at 2.5% per annum above bank's USD LIBOR of 0.27% to 0.31%. The loan is repayable over 20 quarterly instalments ranging from US\$118,750 to US\$237,500 commencing on 21 March 2013 and a final instalment of US\$950,000. This term loan is secured by way of a legal mortgage over the vessel, assignment of all earnings, charter contracts, insurances and requisition compensation in respect of the vessel, charge over the earnings account of the vessel and corporate guarantee from the Company and a subsidiary.	4,512	-	-	-
(af) Term loan with principal of US\$8,250,000 bears interest at 2.5% per annum above bank's USD LIBOR of 0.27% to 0.31%. The loan is repayable over 20 quarterly instalments ranging from US\$206,250 to US\$412,500 commencing on 21 March 2013 and a final instalment of US\$1,650,000. This term loan is secured by way of first priority legal mortgage over the vessel, first priority assignment of all earnings, charter contracts and insurances in respect of the vessel, first priority charge over the earnings account of the vessel and corporate guarantee from the Company and a subsidiary.	7,838	-	-	-



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23. BANK TERM LOANS (CONT'D)

The balance comprises:

	Group		Company	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Secured				
(ag) Term loan with principal of US\$4,500,000 bears interest at 2.5% per annum above bank's USD LIBOR of 0.27% to 0.31%. The loan is repayable over 20 quarterly instalments ranging from US\$112,500 to US\$225,000 commencing on 21 March 2013 and a final instalment of US\$900,000. This term loan is secured by way of first priority legal mortgage over the vessel, first priority assignment of all earnings, charter contracts, insurances and requisition compensation in respect of the vessel, first priority charge over the earnings account of the vessel and corporate guarantee from the Company and a subsidiary.	4,275	-	-	-
(ah) Term loan with principal of US\$11,000,000 bears interest at 2.5% per annum above bank's USD LIBOR of 0.27% to 0.31%. The loan is repayable over 20 quarterly instalments ranging from US\$275,000 to US\$550,000 commencing on 21 March 2013 and a final instalment of US\$2,200,000. This term loan is secured by way of first priority legal mortgage over the vessel, first priority assignment of all earnings, charter contracts, insurances and requisition compensation in respect of the vessel, first priority charge over the earnings account of the vessel and corporate guarantee from the Company and a subsidiary.	10,450	-	-	-
(ai) Term loan with principal of US\$41,600,000 bears interest at 2.8% per annum above bank's USD LIBOR of 0.27% to 0.29%. The loan is repayable over 29 equal quarterly instalments of US\$887,586 commencing 3 months from 20 February 2013 and a final instalment of US\$15,860,000. The term loan is secured by way of first priority mortgage over two vessels, assignment of charter income and charter contracts, assignment of vessels insurances, charge over all monies held in operating account of the vessels and corporate guarantee from the Company.	39,825	-	-	-



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23. BANK TERM LOANS (CONT'D)

The balance comprises:

	Group		Company	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Secured				
(aj) Term loan with principal of US\$9,975,000 bears interest at 2.25% per annum above bank's USD LIBOR of 0.27%. The loan is repayable over 19 equal quarterly instalments of US\$312,500 commencing 3 months from 18 June 2013 and a final instalment of US\$4,037,500. The term loan is secured by way of first preferred mortgage over the vessel, assignment of charter income and charter contracts, assignment of vessel insurances, charge over earnings and retention accounts of the vessel and corporate guarantee from the Company.	9,975	-	-	-
(ak) Term loan with principal of US\$22,000,000 bears interest at 2.5% per annum above bank's USD LIBOR of 0.26%. The loan is repayable over 19 equal quarterly instalments of US\$786,000 commencing 3 months from 26 July 2013 and a final instalment of US\$7,066,000. The term loan is secured by way of first priority mortgage over the vessel, assignment of charter income and charter contracts, assignment of vessel insurances, charge over all monies held in operating account of the vessel and corporate guarantee from the Company.	22,000	-	-	-
(al) Short term loan with principal of US\$16,000,000 to finance the purchase of equipment and materials for the construction of a vessel, bears interest at 4.06% (2012: 3.56%) per annum over USD LIBOR of 0.26% to 0.43% (2012: 0.22% to 0.30%) per annum. The loan is secured by way of charge over the work in progress relating to the vessel and corporate guarantee from the Company.	13,620	-	-	-

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23. BANK TERM LOANS (CONT'D)

The balance comprises:

	Group		Company	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Unsecured				
(am) Term loan with principal of S\$5,000,000, bears interest at 5% (2012: 5%) per annum. The loan is repayable over 4 years in equal monthly instalments of approximately S\$114,000 commencing on 17 February 2009. The loan was fully repaid during the financial year.	-	644	-	644
(an) Term loan with principal of US\$26,000,000, bears interest at 2.25% (2012: 2.25%) per annum over USD LIBOR of 0.41% to 0.74% (2012: 0.41% to 0.74%) per annum. The loan is repayable over 11 equal semi-annual instalments of US\$2,363,636 commencing on 24 November 2009.	7,090	11,818	7,090	11,818
(ao) Term loan with principal of S\$5,000,000, bears interest at 5% (2012: 5%) per annum. The loan is repayable over 4 years in equal monthly instalments of approximately S\$114,000 commencing on 13 April 2009. This term loan is secured by way of corporate guarantee from the Company. The loan was fully repaid during the financial year.	-	725	-	-
(ap) Term loan with principal of S\$5,000,000, bears interest at 5% (2012: 5%) per annum. The loan is repayable over 4 years in equal monthly instalments of approximately S\$114,000 commencing on 18 May 2009. This term loan is secured by way of corporate guarantee from the Company. The loan was fully repaid during the financial year.	-	906	-	-



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23. BANK TERM LOANS (CONT'D)

The balance comprises:

	Group		Company	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Unsecured				
(aq) Term loan with principal of US\$70,000,000, bears interest at 2.9% (2012: 2.9%) per annum over USD LIBOR of 0.24% to 0.42% (2012: 0.32% to 0.52%) per annum. The loan is repayable 36 months after the commencement date on 5 August 2010. This term loan is secured by way of corporate guarantee from certain subsidiaries. The loan was fully repaid during the financial year.	-	69,295	-	69,295
(ar) Term loan with principal of US\$30,000,000, bears interest at 2.25% (2012: 2.25%) per annum over USD LIBOR of 0.27% to 0.35% (2012: 0.25% to 0.58%) per annum. The loan is repayable over 7 quarterly instalment of US\$2,000,000 commencing 15 months after the first drawdown on 14 April 2011 and a final instalment of US\$16,000,000.	20,000	28,000	20,000	28,000
(as) Term loan with principal of US\$39,000,000, bears interest at 2.30% (2012: 2.30%) per annum over USD LIBOR of 0.27% to 0.45% (2012: 0.44% to 0.55%) per annum. The loan is repayable over 5 semi-annual instalment of US\$3,500,000 commencing 6 months from the drawdown on 1 August 2011 and a final instalment of US\$21,500,000. This term loan is secured by way of corporate guarantee from certain subsidiaries.	25,000	32,000	25,000	32,000
	<u>769,305</u>	<u>787,947</u>	<u>132,497</u>	<u>210,324</u>

NOTES TO THE
FINANCIAL STATEMENTS

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24. NOTES PAYABLE

		Group and Company	
		2013	2012
		US\$'000	US\$'000
	Redemption Date/ Maturity Date		
SGD 50 million	May 2013	–	39,754
SGD 200 million	September 2015	155,941	–
SGD 150 million	April 2018	116,828	–

The notes bear fixed interest rate from 4.88% to 5.00% (2012: 4.78% to 5%) per annum payable semi-annually with fair value of US\$271,055,000 (2012: US\$40,477,000) based on quoted market prices.

Classified as:

Current	–	39,754
Non-current	272,769	–
	272,769	39,754

The above notes are listed on SGX-ST.

25. CONVERTIBLE BONDS

		Group and Company	
		2013	2012
		US\$'000	US\$'000
	Redemption Date/ Maturity Date		
USD 100 million ⁽¹⁾	December 2012	–	81,068
USD 50 million ⁽²⁾	February 2014	49,204	47,707
		49,204	128,775

⁽¹⁾ The US\$100 million Convertible Bonds ("US\$100 million Bonds") bear fixed coupon rate of 4.0% per annum. The US\$100 million Bonds are convertible up to 55,860,000 new ordinary shares in the capital of the Company at a conversion price of S\$2.50 per share. The US\$100 million Bonds were listed on SGX-ST on November 2009.

On 31 August 2010, the Company announced to undertake a renounceable underwritten rights issue of new ordinary shares in the capital of the Company to raise gross proceeds of approximately S\$155.26 million at S\$1.18 for each Rights Share, on the basis of one (1) Right Share for every five (5) existing shares. As a result of the Rights Issue, the Conversion Price of the US\$100 million Bonds were adjusted from S\$2.50 per share to S\$2.3487 per share with effect from 15 September 2010. Accordingly, the US\$100 million Bonds were convertible up to 59,458,424 new ordinary shares.

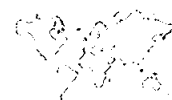
On 6 February 2012, the Company has entered into a Deed of Covenant, pursuant to which the Company had covenanted, in favour of the holders of the US\$100 million Bonds, that it shall not exercise the Cash Settlement Option. As a result of the covenant, the derivative component of the US\$100 million Bonds were reclassified to capital reserves of the Company.

The US\$100 million Bonds were fully redeemed during the financial year.



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25. CONVERTIBLE BONDS (CONT'D)

- ⁽²⁾ On 1 March 2011, the Company issued a US\$50 million Convertible Bond (the "US\$50 million Bond") bearing interest of 5.0% per annum as part of purchase consideration for AMC Group. The US\$50 million Bond is convertible up to 36,238,607 new ordinary shares in the capital of the Company. Together with the accrued interest of the US\$50 million Bond, it is convertible up to 41,132,043 (2012: 39,103,027) new ordinary shares.

The carrying amount of the liability component of the bonds at end of the reporting period is arrived at as follows:

	Group and Company	
	2013 US\$'000	2012 US\$'000
Value of the bonds at inception	151,400	151,400
Embedded derivatives	(39,561)	(39,561)
Liability component at initial recognition	111,839	111,839
Less: Transaction costs	(1,528)	(1,528)
Add: Accretion of interest on the bonds	23,328	18,464
Less: Redemption of bonds	(84,435)	-
	<u>49,204</u>	<u>128,775</u>

Embedded derivatives relating to the conversion option of the bonds is recorded as a "fair value through profit or loss" financial instrument. As at 31 August 2013, the fair value of the embedded derivatives is US\$Nil (2012: US\$613,000).

As at 31 August 2013, the fair value of the bonds is approximately US\$49,204,000 (2012: US\$147,223,000).

26. TAX

Major components of tax expense for the financial year ended 31 August were as follows:

	Group		Company	
	2013 US\$'000	2012 US\$'000 (Restated)	2013 US\$'000	2012 US\$'000
Current tax	5,217	9,057	-	-
Withholding tax	20,638	11,159	-	-
Deferred tax	1,546	(779)	-	-
Under provision in respect of prior years				
- current tax	53	2,589	1,194	-
- deferred tax	765	-	-	-
	<u>28,219</u>	<u>22,026</u>	<u>1,194</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

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26. TAX (CONT'D)

The reconciliation of the tax expense and the product of profit before tax multiplied by the applicable tax rate for the financial years ended 31 August were as follows:

	Group		Company	
	2013 US\$'000	2012 US\$'000 (Restated)	2013 US\$'000	2012 US\$'000
Profit before tax	92,283	88,048	53,178	10,484
Tax at statutory tax rate of 17%	15,688	14,968	9,040	1,782
Adjustments for tax effect of:				
Difference in overseas tax rate	(326)	(3,743)	–	–
Expenses not deductible for tax purposes	15,602	6,454	2,745	1,413
Income not taxable	(14,320)	(8,649)	(12,189)	(7,751)
Tax exempt income under Sections 13A or 13F of the Singapore Income Tax Act and rebates available	(17,148)	(8,712)	–	–
Tax rebates	(77)	(71)	–	–
Tax incentives	(5,879)	–	–	–
Utilisation of previously unrecognised deferred tax benefit	(2,528)	(1,205)	–	–
Current year deferred tax benefit not recognised	19,755	9,574	404	4,560
Under provision in prior years	818	2,589	1,194	–
Withholding tax	20,615	11,159	–	–
Share of tax of associated and joint venture companies	(4,405)	(626)	–	–
Others	424	288	–	(4)
Tax expense	28,219	22,026	1,194	–

A subsidiary in Vietnam is entitled to tax incentives under Vietnam's investment scheme which entitles the subsidiary to exemptions from income tax for periods ranging from 2 to 3 years from the first profitable year and thereafter, varying income tax rates ranging from 7.5% to 25%.



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26. TAX (CONT'D)

Movements in deferred tax (assets)/liabilities were as follows:

	Group	
	2013 US\$'000	2012 US\$'000 (Restated)
At beginning of the financial year	(4,408)	(3,843)
Disposal of subsidiary	92	–
Charge to profit or loss	2,311	(779)
Translation difference	(87)	214
At end of the financial year	(2,092)	(4,408)
Deferred tax (assets)/liabilities relate to the following:		
Deferred tax liabilities		
Excess of capital allowances over depreciation	475	195
Other deferred tax liabilities	200	138
	675	333
Deferred tax assets		
Other deferred tax assets	(2,767)	(4,741)
Net deferred tax assets	(2,092)	(4,408)

27. SHARE CAPITAL

	Group and Company			
	2013		2012	
	No. of shares	US\$'000	No. of shares	US\$'000
Ordinary shares issued and fully paid				
At beginning of the financial year	977,896,088	490,085	867,896,088	394,906
Issuance of placement shares	–	–	110,000,000	95,179
At end of the financial year	977,896,088	490,085	977,896,088	490,085

The holders of the ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

Issuance of shares

On 16 March 2012, the Company issued and allotted 110,000,000 new ordinary shares in the capital of the Company ("the placement shares") pursuant to a private placement at an issue price of \$1.10 for each placement share to raise gross proceeds of \$121 million.



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28. PERPETUAL SECURITIES

On 18 September 2012, the Company issued a S\$150 million Fixed Rate Subordinated Perpetual Securities (the "Securities") with no fixed maturity or redemption dates. The Securities bear an initial fixed distribution rate of 8.75% per annum payable semi-annually. The rate is subject to reset every three years and a one-time step-up from and including the first reset date, being 18 September 2015 (the "First Reset Date").

The Company has the option to defer payment of distribution indefinitely and also has the option to redeem the Securities, only in whole on the First Reset Date and on each distribution payment date occurring thereafter.

29. RESERVES

(a) Capital reserves

Capital reserves arise from the following:

- (i) Equity contribution by a director who is a substantial shareholder. The contribution relates to shares awarded to certain employees for recognition of their service and loyalty to the Group;
- (ii) The net excess of proceeds over cost of the treasury shares due to the sale of treasury shares;
- (iii) The excess of cost over fair value of the treasury shares used in the acquisition of subsidiary; and
- (iv) The reclassification of derivative component of US\$100 million Bonds to capital reserves of the Company.

(b) Fair value adjustment reserve

Fair value adjustment reserve represents the cumulative fair value changes of AFS financial assets until they are disposed of or impaired.

Net change in the reserve arose from the net change on fair value of AFS investment which was reclassified to profit or loss upon disposal of the AFS investment during the year. As at 31 August 2013, the balance in the reserve relates to the Group's share of fair value adjustment reserve of an associated company.

(c) Hedging reserve

Hedging reserve records the portion of the fair value changes on derivative financial instruments designated as hedging instruments in cash flow hedges that is determined to be an effective hedge.

Net change in the reserve arose from net loss on fair value changes on derivative financial instruments and reclassification of gain on cash flow hedge to profit or loss during the financial year.

(d) Translation reserve

The translation reserve is used to record exchange differences arising from the translation of the financial statements of operations whose functional currencies are different from that of the Group's presentation currency.



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30. TREASURY SHARES

At beginning of the financial year
Re-issue for employee shares award
At end of the financial year

Group and Company	
2013	2012
US\$'000	US\$'000
(9,364)	(11,348)
1,988	1,984
(7,376)	(9,364)

Employee Share Plan

The Company has transferred 926,800 (2012: 925,675) treasury shares as share awards to certain staff and directors during the financial year.

As at 31 August 2013, the Company has 3,439,880 (2012: 4,366,680) shares being held as treasury shares.

31. REVENUE

	Group		Company	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Offshore Support Services	291,759	280,862	-	-
Marine Services	189,194	157,356	-	-
Subsea Services	792,115	551,580	-	-
Dividend income from				
- joint venture company	-	-	1,232	1,175
- AFS investments	-	-	32	32
- FVTPL investments	-	-	115	100
Management fee income from subsidiaries	-	-	9,063	6,577
Management fee income from associated companies	-	-	1,932	1,866
Management fee income from a joint venture company	-	-	24	19
	1,273,068	989,798	12,398	9,769
Less: Inter-segment sales	(11,003)	(5,616)	-	-
	1,262,065	984,182	12,398	9,769

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32. OTHER INCOME, NET

	Group		Company	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Gain on disposal of AFS investments	67,369	34,805	67,369	34,805
Gain on dilution of interest in associated companies	4,684	6,488	–	2,427
Gain on disposal of fixed assets	28,835	284	–	–
Loss on disposal of asset held for sale	(3,416)	–	–	–
Gain on disposal of a subsidiary	151	–	6,048	–
Fair value changes in respect of derivative instruments, net	613	8,465	613	3,325
Fair value changes in respect of FVTPL investments, net	(29)	151	(29)	151
Realised gain on derivative instruments	4,180	532	4,334	–
Exchange (loss)/gain, net	(3,486)	9,868	(141)	2,683
Gross dividend income from AFS investments	32	32	–	–
Gross dividend income from FVTPL investments	115	100	–	–
Management fee income from associated companies and a joint venture company	2,292	2,797	–	–
Insurance claims	1,093	413	–	–
Impairment loss on fixed assets	(2,000)	–	–	–
Negative goodwill on acquisition of subsidiary	610	–	–	–
Bad debt recovered	225	–	–	–
Other miscellaneous income	3,956	1,561	124	1,094
	<u>105,224</u>	<u>65,496</u>	<u>78,318</u>	<u>44,485</u>



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33. PROFIT FROM OPERATIONS

This is determined after charging the following:

	Group		Company	
	2013 US\$'000	2012 US\$'000 (Restated)	2013 US\$'000	2012 US\$'000
Audit fees paid to:				
- Auditors of the Company	393	598	93	94
- Other auditors	685	366	-	-
Non-audit fees paid to:				
- Auditors of the Company	127	221	87	219
- Other auditors	185	108	-	-
Depreciation of fixed assets	58,232	45,334	804	905
Directors' remuneration*				
- Salaries and bonuses	1,249	5,176	1,249	4,757
- Contributions to defined contribution plans	20	29	20	25
- Other personnel expenses	1,028	522	1,028	510
Directors' fees	487	396	487	396
Key executive officers' remuneration				
- Salaries and bonuses	1,478	2,062	927	414
- Contributions to defined contribution plans	23	55	30	25
- Other personnel expenses	179	405	33	50
Fixed assets written off	47	24	-	-
Allowance for doubtful debts, net	6,898	2,098	-	-
Bad debts written off, net	1,629	-	-	-
Amortisation of other intangible assets	1,646	2,868	-	-
Operating lease expenses	235,553	111,240	1,811	130

* Refers to directors of the Company.

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34. PERSONNEL EXPENSES

	Group		Company	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Salaries and bonuses	327,055	140,222	1,461	15,970
Share-based payment	–	622	–	–
Contributions to defined contribution plans	6,393	4,511	763	613
Other personnel expenses	21,966	10,449	1,290	929
Less: Reallocation of personnel expenses directly attributable to work-in-progress	(82,256)	(36,330)	–	–
	<u>273,158</u>	<u>119,474</u>	<u>3,514</u>	<u>17,512</u>

Personnel expenses include amounts shown as directors' remuneration and fees and key executive officers' remuneration in Note 33.

Employee Share Plan

The Company implemented the Employee Share Plan (the "Plan") with the approval of shareholders at the Extraordinary General Meeting held on 28 January 2009. This Plan gives the flexibility to either allot and issue new shares or purchase and deliver existing treasury shares upon the vesting of awards.

Participants will receive fully paid shares free of charge, upon the Participant satisfying the criteria set out in the Plan. The vesting period for the shares granted is three years. The number of shares to be allocated to each participant will be determined at the end of the performance period based on the level of attainment of the performance targets (if any) and based on the prevailing market price of the Company's share at grant date.

During the financial year, 926,800 (2012: 925,675) and 677,661 shares have been vested and were settled by the delivery of existing shares held as treasury shares and payment in cash respectively. A total of 172,436 (2012: 128,984) shares were lapsed since commencement of the plan.

35. FINANCIAL INCOME

	Group		Company	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Interest income				
- Bank deposits	2,603	1,860	707	242
- Loan to associated companies	2,399	1,685	2,399	1,685
- Loan to subsidiary	–	–	194	240
	<u>5,002</u>	<u>3,545</u>	<u>3,300</u>	<u>2,167</u>
Interest recharged to subsidiaries	–	–	588	5,921
	<u>5,002</u>	<u>3,545</u>	<u>3,888</u>	<u>8,088</u>



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36. FINANCIAL EXPENSES

	Group		Company	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Interest expense				
- Bank overdrafts	9	25	-	-
- Term loans	40,536	35,093	22,540	13,668
- Letters of credit, trust receipts and money market line	4,289	4,296	1,764	1,385
- Finance leases	73	46	15	26
Accretion of interest on the convertible bonds	4,864	8,085	4,864	8,085
	49,771	47,545	29,183	23,164
Included in cost of vessels under construction*				
- Fixed assets	(6,236)	(9,481)	-	-
	43,535	38,064	29,183	23,164

* The capitalisation rate used to determine the amount eligible for capitalisation varied from 3.43% to 3.63% (2012: 2.37% to 5.89%) representing the borrowing costs to finance the vessels under construction.

37. EARNINGS PER SHARE

Earnings per ordinary share ("EPS") is calculated by dividing the Group's net profit attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year. The calculation of the basic and fully diluted earnings per share of the Group is based on the following:

	Group	
	2013 US\$'000	2012 US\$'000 (Restated)
Net profit attributable to owners of the Company	53,649	66,108
Number of weighted average ordinary shares ('000)		
- Basic earnings per share	974,032	912,518
- Diluted earnings per share ⁽¹⁾	974,032	912,518
EPS (US cents)		
- Based on the weighted average number of ordinary shares in issue	5.51	7.24
- On fully diluted basis ⁽²⁾	5.51	7.24

⁽¹⁾ The weighted average number of ordinary shares includes the number of additional shares to be issued upon conversion of the convertible bonds.

⁽²⁾ Adjustment is made to the net profit attributable to the owners of the parent for the effects of the convertible bonds. The diluted EPS is the same as the basic EPS for both financial years as the effect of the convertible bonds is anti-dilutive.

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38. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the Group and the Company entered into transactions with related parties on terms agreed between the parties during the financial year as shown below:

	Group		Company	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Income				
Dividend income				
- joint venture companies	-	-	1,232	1,175
Interest income				
- a subsidiary	-	-	194	240
- associated companies	2,399	1,685	2,399	1,685
Management fee income from subsidiaries	-	-	9,063	6,577
Management fee income from associated companies	2,268	2,780	1,932	1,866
Management fee income from a joint venture company	24	19	24	19
Ship management fee income from associated companies	360	435	-	-
Technical consultation fee income from associated companies	11,026	1,788	-	-
Sales to an associated company	232	1,702	-	-
Time charter to associated companies	908	8,076	-	-
Interest expense recharged to subsidiaries	-	-	588	5,921
Recharge of expenses to associated companies	-	6,314	-	-
Subsea services provided to associated companies	50,754	37,996	-	-
Expenses				
Bareboat charter from associated companies	46,363	48,633	-	-
Recharge of expenses from associated companies	20	2,288	-	-
Rental expense to a substantial shareholder	503	3,517	250	53
Catering expense paid to associated companies of a substantial shareholder	178	182	112	60

Directors' remuneration and fees and key executive officers' remuneration has been disclosed in Note 33.



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39. CORPORATE GUARANTEES

As at 31 August 2013, the Company had issued corporate guarantees to banks for granting banking facilities to certain subsidiaries, associated companies and joint venture companies.

	Group		Company	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Corporate guarantees given for the borrowings of:				
- Subsidiaries	-	-	862,830	796,435
- Associated companies	105,848	220,085	105,848	220,085
- Joint venture companies	36,295	41,703	36,295	41,703
	142,143	261,788	1,004,973	1,058,223

The Company had also issued corporate guarantees amounting to US\$291,961,000 (2012: US\$149,030,000) in respect of the operating lease commitments for the 17 (2012: 17) vessels under the sale and leaseback arrangements entered into by the Group.

Corporate guarantees given by the Company will become due and payable on demand when an event of default occurs.

Financial support

The Company has given undertaking to provide financial support to certain subsidiaries to enable these subsidiaries to operate as going concern and to meet their obligations for at least twelve months from the dates of the directors' report of the respective subsidiaries.

40. COMMITMENTS

(a) Capital expenditure commitments

	Group	
	2013 US\$'000	2012 US\$'000
Capital expenditure not provided for in the financial statements:		
- Approved and contracted for in respect of construction of vessels	86,349	95,272
- Approved but not contracted for in respect of construction of vessels	132,687	112,118
- Approved and contracted for in respect of equipment purchase	5,433	1,411
- Approved and contracted for in respect of purchase of land	6,008	-
- Approved and contracted for in respect of purchase of vessel	-	1,197
- Approved and contracted for in respect of yard development	3,480	3,950
- Approved but not yet contracted for in respect of yard development	46,566	-
	280,523	213,948

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40. COMMITMENTS (CONT'D)

(b) Lease commitments – Group as lessee

The Group had various operating lease agreements for bareboat charter of vessels, leasing of land, rental of machineries, office premises and shipyard workers' accommodation. The Group has no (2012: US\$55,188,000) non-cancellable lease commitments, whereby the lease period is currently not determinable as the related vessels are still under construction. These leases contain certain price adjustment clauses. Except for the foregoing and the land lease rate which may increase up to 15% every 5 years, until the end of the lease term, the other lease arrangements do not contain any escalation clauses, do not provide for contingent rents and do not contain restrictions on the Group's activities concerning dividends, additional debts and further leasing. Future minimum lease payments payable under non-cancellable operating leases were as follow as of 31 August:

	Group	
	2013 US\$'000	2012 US\$'000
Not later than one year	176,716	141,539
Later than one year but not later than five years	471,279	165,067
Later than five years	85,902	38,295
	733,897	344,901

These leases have remaining lease terms of between 1 to 33 (2012: 1 to 34) years.

(c) Lease commitments – Group as lessor

A subsidiary has entered into an operating lease agreement for time charter of a vessel. This non-cancellable lease is for a period of two years and subject to yearly renewal till 2016.

As at 31 August 2013, future minimum lease payment receivable within the next one year and after one year amount to US\$31,057,000 and US\$31,057,000 respectively.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to financial risks including interest rate risk, credit risk, liquidity risk, foreign currency risk and equity price risk. The Group's principal financial instruments, other than derivative financial instruments and investment securities, comprise bills payable, notes payable, convertible bonds, bank term loans, lease obligations and cash and cash equivalents. The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as trade and other receivables and trade and other payables, which arise directly from its operations.

The Group uses derivative financial instruments such as forward currency contracts, interest rate derivative contracts and cross currency swap contracts to hedge underlying risk exposures and the transactions are not entered into for speculative purposes.

The Group's overall risk policy is to minimise potential adverse effects on the Group's financial performance.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

The management reviews and agrees policies for managing these risks and they are summarised below:



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41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's interest rate exposure relates primarily to its floating rate debt obligations. The Group's policy is to manage its interest cost using a mix of fixed and variable rate debt. In negotiation for favourable pricing of these contracts, the Group may sell interest rate floor contracts to the counter party.

Additional information relating to the Group's interest rate exposure is also disclosed in the notes relating to its borrowings, long term receivables from a subsidiary and associated company and fixed deposits. The other financial instruments of the Group and the Company are not subject to interest rate risks.

Sensitivity analysis of interest rate risk

It is estimated that a one percentage point increase/decrease in interest rate with all other variable held constant would decrease/increase the Group's profit before tax by approximately US\$7,928,000 (2012: US\$7,323,000). In computing the effect of changes in interest rates, the effect of interest rate swaps has been considered. The analysis is performed on the same basis for 2012.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations when due.

The carrying amounts of trade and other receivables, amounts due from associated companies and joint venture companies, fixed deposits and cash and bank balances represent the Group's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure.

The Group has established credit limits for creditworthy customers. These debts are continually monitored and therefore, the Group does not expect to incur material credit losses.

Fixed deposits and cash and bank balances are placed with reputable financial institutions. Management believes that the financial institutions that hold the Group's assets are financially sound and accordingly, minimal credit risk exists with respect to these assets.

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the country and industry sector profile of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's trade receivables at the reporting date is as follows:

	Group			
	2013		2012	
	US\$'000	% of total	US\$'000	% of total
By country:				
Singapore	60,792	12	27,342	5
Southeast Asia (excludes Singapore)	70,440	14	67,416	14
Americas	99,205	20	83,233	17
Other countries ⁽¹⁾	273,877	54	319,080	64
	504,314	100	497,071	100

⁽¹⁾ Includes balance receivable from New Zealand amounting to US\$73,074,000 (2012: US\$76,479,000).



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41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Credit risk concentration profile (cont'd)

	Group			
	2013		2012	
	US\$'000	% of total	US\$'000	% of total
By industry sectors:				
Offshore Support Services	95,070	19	117,427	24
Marine Services	112,859	22	115,604	23
Subsea Services	296,385	59	264,040	53
	504,314	100	497,071	100

As at 31 August 2013, the Group had 10 (2012: 10) major customers that accounted for approximately 43% (2012: 52%) of the Group's gross trade receivables.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group.

Financial assets that are past due but not impaired

Included in the Group's trade receivables of more than 365 days is a balance amounting to US\$73,074,000 (2012: US\$76,479,000).

In October 2011, the Group entered into a settlement agreement with the debtor in respect of the outstanding receivable to settle the amount in not more than five years. This amount is secured by rights and interests to the receivables of the debtor including participatory interests and guarantees. This includes an undertaking that the debtor has obtained from a related party to meet its repayment obligations.

In October 2011 and November 2012, the Group has received the first two payments in accordance to the settlement agreement.

Subsequent to the financial year, the customer renegotiated the repayment period of the remaining outstanding amount to be extended by 2 years. There is no significant change to the other terms and conditions in the original settlement agreement.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 15.

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

In the management of liquidity risk, the Group monitors and maintains a level of cash and bank balances deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The Group's funding is obtained from funds generated from operations, issuance of bonds and notes, bills payable, bank term loans and finance leases.



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41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Liquidity risk (cont'd)

The table below analyses the Group's and the Company's financial assets and liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not expected to be significant.

	Group			
	One year or less US\$'000	One to five years US\$'000	Over five years US\$'000	Total US\$'000
Year ended 31 August 2013				
Financial liabilities:				
Trade payables	152,167	–	–	152,167
Other payables	197,039	12,152	–	209,191
Balances due to associated and joint venture companies	41,976	–	–	41,976
Bills payable	197,487	–	–	197,487
Lease obligations	1,123	805	8	1,936
Bank term loans	282,268	455,784	102,703	840,755
Notes payable	13,579	304,054	–	317,633
Convertible bonds	51,459	–	–	51,459
Derivative financial instruments – settled net	11,122	–	–	11,122
Total undiscounted financial liabilities	948,220	772,795	102,711	1,823,726
Year ended 31 August 2012				
Financial liabilities:				
Trade payables	120,198	–	–	120,198
Other payables	221,800	24,038	–	245,838
Balances due to associated and joint venture companies	33,945	–	–	33,945
Bills payable	294,922	–	–	294,922
Lease obligations	593	787	56	1,436
Bank term loans	332,070	431,924	134,125	898,119
Notes payable	41,513	–	–	41,513
Convertible bonds	15,693	147,056	–	162,749
Derivative financial instruments – settled net	1,481	–	–	1,481
Total undiscounted financial liabilities	1,062,215	603,805	134,181	1,800,201

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41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Liquidity risk (cont'd)

	Company		
	One year or less US\$'000	One to five years US\$'000	Total US\$'000
Year ended 31 August 2013			
Financial liabilities:			
Other payables	20,590	12,152	32,742
Balances due to subsidiaries, associated and joint venture companies	48,562	–	48,562
Bills payable	68,690	–	68,690
Lease obligations	201	17	218
Bank term loans	132,581	2,381	134,962
Notes payable	13,579	304,054	317,633
Convertible bonds	51,459	–	51,459
Derivative financial instruments – settled net	11,122	–	11,122
Total undiscounted financial liabilities	346,784	318,604	665,388
Year ended 31 August 2012			
Financial liabilities:			
Other payables	30,650	22,472	53,122
Balances due to subsidiaries, associated and joint venture companies	14,666	–	14,666
Bills payable	108,225	–	108,225
Lease obligations	195	218	413
Bank term loans	164,930	53,829	218,759
Notes payable	41,513	–	41,513
Convertible bonds	15,693	147,056	162,749
Derivative financial instruments – settled net	1,481	–	1,481
Total undiscounted financial liabilities	377,353	223,575	600,928



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41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Foreign currency risk

The Group has exposure to foreign exchange risk as a result of transactions denominated in a currency other than the respective functional currencies, arising from operating activities and borrowings and interest expenses. It is the Group's policy to hedge these risks through foreign currency forward exchange contracts, if material. The primary purpose of the Group's foreign currency hedging activities is to protect against the volatility associated with foreign currency liabilities created in the normal course of business.

In addition, the Group uses foreign currency forward exchange contracts to minimise the currency exposures on payments of major capital commitments. It is the Group's policy not to enter into forward contracts until a firm commitment is in place.

As at 31 August, the Group has significant foreign currency exposure in Singapore Dollar ("SGD"), Euro ("EUR"), Norwegian Kroner ("NOK"), Malaysian Ringgit ("MYR"), Vietnamese Dong ("VND") and Pound Sterling ("GBP") in its cash and cash equivalents, trade and other receivables, trade and other payables, bank term loans and bills payable as disclosed in the respective notes.

Sensitivity analysis for foreign currency risk

A 10% strengthening of foreign currencies against USD at the reporting date with all other variable held constant would have increased/(decreased) profit before tax by the amounts as shown below. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2012.

	2013	2012	2013	2012
	Equity US\$'000	Equity US\$'000	Profit before tax US\$'000	Profit before tax US\$'000
Group				
<i>Foreign currencies against USD</i>				
- SGD	-	3,383	(1,913)	(4,211)
- EUR	-	-	(3,321)	(2,182)
- NOK	-	-	(34)	(4,307)
- MYR	-	-	636	54
- VND	-	-	(504)	(422)
- GBP	-	-	258	263
Company				
<i>Foreign currencies against USD</i>				
- SGD	-	3,383	1,324	911
- GBP	-	-	317	312

A 10% weakening of foreign currencies against USD will have approximately equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

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41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Equity price risk

Equity price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group is exposed to equity price risk arising from its investments in quoted investments. These equity instruments are classified as available-for-sale financial assets. The Group does not have exposure to commodity price risk.

Sensitivity analysis for equity price risk

As at 31 August 2012, if prices for equity securities increase/decrease by 30% with all other variables held constant, the equity of the Group will be US\$10,148,000 higher/lower and the equity of the Company will be US\$10,148,000 higher/lower.

As at 31 August 2013, the Group does not have significant exposure to equity price risk.

Derivative financial instruments and hedging activities

Derivative financial instruments included in the statement of financial position as at 31 August are as follows:

	Group		Company	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Interest rate swap contracts	–	(868)	–	(868)
Forward currency contracts	(8,568)	–	(8,568)	–
Cross currency swap contracts	(2,554)	–	(2,554)	–
Embedded derivatives of the convertible bonds (Note 25)	–	(613)	–	(613)
	(11,122)	(1,481)	(11,122)	(1,481)
Cross currency swap contracts	–	3,722	–	3,722
	(11,122)	2,241	(11,122)	2,241

The table below sets out the notional principal amount of the outstanding interest rate derivative contracts, notional principal of the cross currency swap contracts and the notional amount of net forward currency contracts of the Group and the Company as at 31 August:

	Group and Company	
	2013 US\$'000	2012 US\$'000
Remaining notional principal of interest rate derivative contracts	–	70,000
Notional principal of cross currency swaps contracts (2013 and 2012: SGD)	117,654	40,077
Notional amount of forward currency contract (2013: SGD)	274,211	–



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41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Derivative financial instruments and hedging activities (cont'd)

Cash flow hedges

Interest rate risk

As at 31 August 2012, the Group and the Company held 2 interest rate derivative contracts that have been designated as hedge of the Group's and the Company's interest rate exposure in respect of bank term loans with remaining combined notional value of US\$70,000,000.

The interest rate derivative contracts cover the respective cash flows of interest charges payable to the banks from August 2010 to August 2013. The terms of the contracts have been negotiated to match the terms of the bank term loans.

The derivative contracts have matured during the financial year.

Foreign currency risk

As at 31 August 2013, the Group and the Company held 1 cross currency swap contract that has been designated as hedge of the Group's and the Company's foreign currency exposure in respect of the Perpetual Securities with notional value of US\$117,654,000.

The cross currency swap contract covers SGD to USD exposure in respect of the Perpetual Securities distributions from March 2013 to September 2015. The terms of the contract have been negotiated to match the terms of the Perpetual Securities.

As at 31 August 2012, the Group and the Company held 2 cross currency swap contracts that have been designated as hedge of the Group's and the Company's foreign currency exposure in respect of notes payable with remaining combined notional value of US\$40,077,000.

The cross currency swap contracts cover SGD to USD exposure of the interest charges payable to the banks from May 2010 to May 2013. The terms of the contracts have been negotiated to match the terms of the bank term loans. The cross currency swap contracts have matured during the financial year.

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42. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Fair value of financial instruments that are carried at fair value

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	Group and Company			
	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
Financial assets:				
FVTPL investments				
- Equity instruments (quoted)	2,282	-	-	2,282
As at 31 August 2013	2,282	-	-	2,282
Financial liabilities:				
Derivative financial instruments (Note 41)				
- Forward currency contract	-	(8,568)	-	(8,568)
- Cross currency swap contracts	-	(2,554)	-	(2,554)
As at 31 August 2013	-	(11,122)	-	(11,122)

	Group and Company			
	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
Financial assets:				
FVTPL investments				
- Equity instruments (quoted)	2,311	-	-	2,311
AFS investments				
- Equity instruments (quoted)	33,825	-	-	33,825
Derivative financial instruments (Note 41)				
- Cross currency swap contracts	-	3,722	-	3,722
As at 31 August 2012	36,136	3,722	-	39,858
Financial liabilities:				
Derivative financial instruments (Note 41)				
- Interest rate swap contracts	-	(868)	-	(868)
- Embedded derivatives of the Bonds	-	(613)	-	(613)
As at 31 August 2012	-	(1,481)	-	(1,481)



NOTES TO THE FINANCIAL STATEMENTS

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42. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

(a) Fair value of financial instruments that are carried at fair value (cont'd)

Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

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

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

Determination of fair value

Quoted equity instruments – Fair value is determined directly by reference to their published market bid price at the reporting date.

Derivative financial instruments – Derivatives are valued using a valuation technique with market observable inputs. Fair values of embedded derivatives of the Bonds are determined using Black Scholes or Binomial option pricing model. Forward currency contracts and cross currency swap contracts are determined by reference to published market prices or bankers' quotes at the reporting date without factoring in transaction costs.

(b) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

- (i) Trade and other receivables, trade and other payables, balances from/(to) subsidiaries, associated companies and joint venture companies, cash and cash equivalents and cash pledged

The carrying amounts of these balances approximate fair values due to their short-term nature.

- (ii) Long term receivables from subsidiary and/or associated company, loans and borrowings at floating rate, lease obligations

The carrying value of the balances (except for lease obligations) approximate fair value as these balances are of variable interest rate with re-pricing features.

The carrying value of lease obligations approximate fair value as the current lending rates for similar types of lending arrangements are not materially different from the rates obtained by the Group.



NOTES TO THE FINANCIAL STATEMENTS

31 August 2013



43. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group's policy is to ensure that gearing ratio does not exceed 250%. In order to maintain or adjust the capital structure, the Group may issue new shares, buy back issued shares, obtain new borrowings or reduce its borrowings.

The Group defines net debt as loans and borrowings, less cash and cash equivalents. Capital includes equity attributable to equity holders of the Company and reserves.

	Group	
	2013 US\$'000	2012 US\$'000 (Restated)
Loans and borrowings	1,285,835	1,245,571
Less: Cash and cash equivalents	(173,078)	(133,356)
Net debt	1,112,757	1,112,215
Equity attributable to owners of the Company	1,091,161	1,012,491
Net gearing ratio (%)	102	110

44. SEGMENT INFORMATION

For management reporting purposes, the Group is organised into three main operating divisions:

- Offshore Support Services division is mainly engaged in the owning, chartering and the management of offshore support vessels serving the oil and gas industry;
- Marine Services division is mainly engaged in the supply of marine gas and oil, provision of engineering, design and fabrication works; and
- Subsea Services division is mainly engaged in Subsea, Umbilicals, Risers and Flowlines ("SURF") installation; subsea inspection, maintenance and repair ("IMR"), well intervention and drilling and decommissioning.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit from operations.

Inter-segment pricing, if any, is determined on an arm's length basis.

Group financing and income taxes are managed on a group basis and are not allocated to the operating segments.

In presenting geographical information, segment revenue is based on the billing location of customers.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.



NOTES TO THE FINANCIAL STATEMENTS

31 August 2013



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44. SEGMENT INFORMATION (CONT'D)

	Offshore Support Services US\$'000	Marine Services US\$'000	Subsea Services US\$'000	Group US\$'000
Financial year ended 31 August 2013				
Revenue				
Sales	291,759	189,194	792,115	1,273,068
Inter-segment sales ⁽¹⁾	(6,422)	–	(4,581)	(11,003)
Sales to external customers	285,337	189,194	787,534	1,262,065
Profit from operations	45,038	29,558	(22,745)	51,851
Share of profit of associated companies	7,863			7,863
Share of profit of joint venture companies	3,576			3,576
Financial income				5,002
Financial expenses				(43,535)
Tax				(28,219)
Unallocated other operating income, net				79,670
Unallocated expenses				(22,804)
Unallocated share of profit of associated companies				10,645
Unallocated share of profit of joint venture companies				15
Net profit for the financial year				64,064
Assets				
Segment assets	729,329	339,922	1,442,080	2,511,331
Unallocated assets				415,389
Total assets				2,926,720
Liabilities				
Segment liabilities	388,031	206,754	563,032	1,157,817
Unallocated liabilities				628,987
Total liabilities				1,786,804
Other information				
Capital expenditure ⁽²⁾	67,710	27,069	148,860	243,639
Unallocated capital expenditure				2,507
Total capital expenditure				246,146
Depreciation and amortisation	25,971	6,356	25,439	57,766
Unallocated depreciation and amortisation				2,112
Total depreciation and amortisation				59,878

⁽¹⁾ Inter-segment sales are eliminated on consolidation

⁽²⁾ Capital expenditure consists of additions to fixed assets

NOTES TO THE
FINANCIAL STATEMENTS

31 August 2013



44. SEGMENT INFORMATION (CONT'D)

	Offshore Support Services US\$'000	Marine Services US\$'000	Subsea Services US\$'000	Group US\$'000
Financial year ended 31 August 2012 (Restated)				
Revenue				
Sales	280,862	157,356	551,580	989,798
Inter-segment sales ⁽¹⁾	(5,616)	–	–	(5,616)
Sales to external customers	275,246	157,356	551,580	984,182
Profit from operations	26,480	38,536	30,668	95,684
Share of profit of associated companies	3,382	–	–	3,382
Share of profit of joint venture companies	3,339	–	–	3,339
Financial income				3,545
Financial expenses				(38,064)
Tax				(22,026)
Unallocated other operating income, net				62,414
Unallocated expenses				(40,220)
Unallocated share of profit of an associated company				(2,032)
Net profit for the financial year				66,022
Assets				
Segment assets	716,317	316,559	1,243,236	2,276,112
Unallocated assets				456,934
Total assets				2,733,046
Liabilities				
Segment liabilities	356,399	210,512	542,872	1,109,783
Unallocated liabilities				610,985
Total liabilities				1,720,768
Other information				
Capital expenditure ⁽²⁾	139,294	15,038	144,646	298,978
Unallocated capital expenditure				693
Total capital expenditure				299,671
Depreciation and amortisation	20,106	6,498	20,302	46,906
Unallocated depreciation and amortisation				1,296
Total depreciation and amortisation				48,202

⁽¹⁾ Inter-segment sales are eliminated on consolidation⁽²⁾ Capital expenditure consists of additions to fixed assets



NOTES TO THE FINANCIAL STATEMENTS

31 August 2013



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44. SEGMENT INFORMATION (CONT'D)

Geographical information

	Group	
	2013 US\$'000	2012 US\$'000
Revenue ⁽¹⁾		
Singapore	121,757	93,512
South East Asia ⁽²⁾	308,744	248,461
Americas	283,319	161,332
Other countries ⁽³⁾	548,245	480,877
	<u>1,262,065</u>	<u>984,182</u>

Note:

⁽¹⁾ Revenue is based on the location of customers.

⁽²⁾ South East Asia includes Thailand, Brunei, Malaysia, the Philippines, Indonesia and Vietnam and excludes Singapore.

⁽³⁾ Other countries include Australia, China, India, Nigeria, South Korea, New Zealand, United Arab Emirates, Norway, the United Kingdom, Sweden, Netherlands, Italy, Oman and Canada.

Information on major customers

Revenue from three (2012: three) major customers amounting to US\$135,656,000 (2012: US\$99,963,000) arose from sales by the Offshore Support Division.

Revenue from three (2012: two) major customers amounting to US\$134,902,000 (2012: US\$87,905,000) arose from sales by the Marine Services Division.

Revenue from four (2012: four) major customers amounting to US\$383,875,000 (2012: US\$329,978,000) arose from sales by the Subsea Services Division.

Non-current assets (comprising fixed assets, goodwill and other intangible assets) are based on the location of the companies that own those assets.

	Group	
	2013 US\$'000	2012 US\$'000 (Restated)
Non-current assets		
Singapore	1,084,390	1,007,712
South East Asia ⁽⁴⁾	142,868	99,378
Other countries ⁽⁵⁾	360,909	296,365
	<u>1,588,167</u>	<u>1,403,455</u>

⁽⁴⁾ South East Asia includes Malaysia, Thailand and Vietnam and excludes Singapore.

⁽⁵⁾ Other countries include the United Kingdom, British Virgin Islands, United States of America, Australia and Norway.



NOTES TO THE FINANCIAL STATEMENTS

31 August 2013



45. DIVIDENDS

On 17 October 2012, the Company has distributed dividend in species of approximately 33.0% of the total number of shares in its subsidiary, Triyards Holdings Limited amounting to US\$12,531,000.

The directors proposed that a final cash dividend amounting to US\$3,822,000 or \$0.005 per ordinary shares, tax exempt, be paid for the financial year ended 31 August 2013.

46. COMPARATIVES

On 16 May 2012, the Company has completed the Second Closing to acquire 100% equity interest in AMC Group. In accordance with FRS 103R, *Business Combination (Revised)*, the management has finalised the purchase price allocation exercise pertaining to the Second Closing and there was no identifiable assets, liabilities and contingent liabilities at date of acquisition. Accordingly, the comparative figures have been restated retrospectively.

	Group US\$'000
Increase/(decrease) in:	
<i>Statement of financial position</i>	
Goodwill	5,500
Other intangible assets	(6,160)
Deferred tax liabilities	(1,760)
<i>Income Statement</i>	
Administrative expenses	(1,540)
Deferred tax	440

The presentation of the balance sheet at the beginning of the earliest comparative period has not been prepared as the restatement has no impact on the balances as at 1 September 2011.

47. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 August 2013 were authorised for issue in accordance with a resolution of the directors on 15 November 2013.



STATISTICS OF SHAREHOLDINGS

As at 11 November 2013



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DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 999	748	5.38	151,752	0.01
1,000 - 10,000	8,804	63.39	46,248,528	4.75
10,001 - 1,000,000	4,297	30.94	157,056,367	16.12
1,000,001 AND ABOVE	40	0.29	770,999,561	79.12
TOTAL	13,889	100.00	974,456,208	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	DBS NOMINEES PTE LTD	130,004,533	13.34
2	CITIBANK NOMINEES SINGAPORE PTE LTD	115,879,013	11.89
3	HSBC (SINGAPORE) NOMINEES PTE LTD	113,562,869	11.65
4	AKER SOLUTIONS CYPRUS LIMITED	72,477,214	7.44
5	UOB KAY HIAN PTE LTD	62,833,806	6.45
6	UNITED OVERSEAS BANK NOMINEES PTE LTD	55,192,841	5.66
7	RHB BANK NOMINEES PTE LTD	44,700,000	4.59
8	DB NOMINEES (S) PTE LTD	26,236,093	2.69
9	MAYBANK KIM ENG SECURITIES PTE LTD	24,588,266	2.52
10	DBSN SERVICES PTE LTD	12,094,973	1.24
11	ABN AMRO NOMINEES SINGAPORE PTE LTD	10,754,464	1.10
12	OVERSEA CHINESE BANK NOMINEES PTE LTD	10,000,000	1.03
13	CIMB SECURITIES (SINGAPORE) PTE LTD	9,959,236	1.02
14	RAFFLES NOMINEES (PTE) LTD	9,019,788	0.93
15	DBS VICKERS SECURITIES (S) PTE LTD	8,514,800	0.87
16	OCBC SECURITIES PRIVATE LTD	7,142,522	0.73
17	PHILLIP SECURITIES PTE LTD	4,861,337	0.50
18	LEE CHYE TEK LIONEL	4,846,000	0.50
19	CHUA CHENG ANN	4,350,000	0.45
20	BANK OF SINGAPORE NOMINEES PTE LTD	3,656,800	0.38
TOTAL		730,674,555	74.98



STATISTICS OF SHAREHOLDINGS

As at 11 November 2013



SUBSTANTIAL SHAREHOLDERS AS AT 11 NOVEMBER 2013

Name of Substantial Shareholder	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Lee Chye Tek Lionel ⁽¹⁾	184,790,384 ⁽²⁾	18.96	36,465,920 ⁽³⁾	3.74
Aker Solutions Cyprus Limited	72,477,214 ⁽⁴⁾	7.44	–	–
Mondrian Investment Partners Limited	–	–	7,283,000	7.32
FMR LLC and FIL Ltd	–	–	50,989,000 ⁽⁵⁾	5.24

⁽¹⁾ Mr Lee Chye Tek Lionel is deemed to be interested in the shares held by Jit Sun Investments Pte Ltd by virtue of his 100% shareholdings in Jit Sun Investments Pte Ltd.

⁽²⁾ The shares are being held under the name of the following nominees:

	No. of Shares
United Overseas Bank Nominees Pte Ltd	15,000,000
HSBC (Singapore) Nominees Pte Ltd	3,000,000
DBS Nominees Pte Ltd	57,294,384
Citibank Nominees Singapore Pte Ltd	37,800,000
DB Nominees (Singapore) Pte Ltd	15,200,000
RHB Bank Nominees Pte Ltd	41,650,000
Oversea Chinese Bank Nominees Pte Ltd	10,000,000

⁽³⁾ The shares are being held under the name of the following nominees:

	No. of Shares
HSBC (Singapore) Nominees Pte Ltd	34,000,000
HL Bank Nominees (S) Pte Ltd	2,400,000

⁽⁴⁾ Aker Solutions AS, Kjell Inge Rokke, The Resource Group TRG AS, TRG Holding AS, Aker ASA, Aker Holding AS, Aker Solutions ASA, Aker O&G Group AS are deemed to be interested in the 72,477,214 shares issued to Aker Solutions Cyprus Limited.

⁽⁵⁾ The deemed interest of 50,989,000 shares is held by FMR LLC on behalf of the managed accounts of its direct and indirect subsidiaries and by FIL Ltd on behalf of the managed accounts of its direct and indirect subsidiaries.

Shareholding by the Public

Based on information available to the Company as at 11 November 2013, approximately 75.75% of the issued ordinary shares of the Company is held by the public, and therefore, Rule 723 of the Listing Manual issued by the SGX-ST is complied with.



NOTICE OF ANNUAL GENERAL MEETING



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NOTICE IS HEREBY GIVEN that the Annual General Meeting of Ezra Holdings Limited (the "Company") will be held at Klapsons, The Boutique Hotel – eighteen.1 & 2 at Level 18, 15 Hoe Chiang Road, Tower Fifteen, Singapore 089316 on Monday, 16 December 2013 at 10 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Accounts of the Company for the financial year ended 31 August 2013 together with the Auditors' Report thereon. **(Resolution 1)**
2. To declare a final tax-exempt dividend of S\$0.005 per ordinary share for the financial year ended 31 August 2013. **(Resolution 2)**
3. To re-elect the following Directors, each of whom will retire by rotation pursuant to Article 106 of the Company's Articles of Association and who, being eligible, will offer themselves for re-election:-
 - (a) Mr. Lee Kian Soo **(Resolution 3)**
 - (b) Mr. Karl Erik Kjelstad **(Resolution 4)**
 - (c) Dr. Ngo Get Ping* **(Resolution 5)**

** Dr. Ngo Get Ping will, upon re-election as Director of the Company, remain as Chairman of the Remuneration Committee and a member of the Audit Committee, Nominating Committee, and Enterprise Risk Committee and will be considered independent.*
4. To approve the payment of Directors' fees of up to US\$519,800 for the financial year ending 31 August 2014, to be paid quarterly in arrears. **(Resolution 6)**
5. To re-appoint Ernst & Young LLP as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 7)**
6. To transact any other ordinary business which may properly 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 Resolutions, with or without any modifications:

7. Authority to allot and issue shares

That pursuant to Section 161 of the Companies Act, Cap. 50 of Singapore (the "Companies Act") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company be authorized and empowered to:

- (a) (i) issue shares in the capital of the Company ("Shares") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

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

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

provided that:

- (1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed fifty per cent. (50%) of the total number of issued Shares (excluding treasury Shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares and Instruments to be issued other than on a pro rata basis to all shareholders of the Company shall not exceed twenty per cent. (20%) of the total number of issued Shares (excluding treasury Shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued Shares and Instruments shall be based on the total number of issued Shares (excluding treasury Shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (a) new Shares arising from the conversion or exercise of the Instruments or any convertible securities;
 - (b) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force (i) until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier or (ii) in the case of Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such Shares in accordance with the terms of the Instruments.

[See Explanatory Note (i)]

(Resolution 8)



NOTICE OF ANNUAL GENERAL MEETING



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8. Proposed Renewal of the Share Buyback Mandate

That :

- (a) for the purposes of the Companies Act, the exercise by the Directors of the Company of all powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

- (i) on-market purchases ("Market Purchases", and each, a "Market Purchase"), transacted on the SGX-ST or, as the case may be, any other stock exchange on which Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (ii) off-market purchases ("Off-Market Purchases", and each, an "Off-Market Purchase") effected pursuant to an equal access scheme (as defined in Section 76C of the Companies Act).

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and the listing rules of the SGX-ST as may for the time being be applicable as set out in the Appendix dated 29 November 2013 to the Annual Report, be and is hereby authorised and approved generally and unconditionally (the "Share Buyback Mandate");

- (b) unless varied or revoked by the Company in a general meeting, have the authority pursuant to the Share Buyback Mandate exercisable at any time and from time to time, from the date of the passing of this Resolution and expiring on the earlier of:

- (i) the date on which the next Annual General Meeting of the Company is held or required by law or the Articles of Association of the Company to be held;
- (ii) the date on which the authority contained in the Share Buyback Mandate is varied or revoked in a general meeting; or
- (iii) the date on which the share buybacks pursuant to the Share Buyback Mandate are carried out to the full extent mandated; and

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

- (d) In this Resolution:

"Maximum Price" in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase: 105% of the Average Closing Price;
- (ii) in the case of an Off-Market Purchase: 120% of the Highest Last Dealt Price, where:

"Average Closing Price" means the average of the closing market prices of the Shares over the last five Market Days, on which transactions in the Shares were recorded on the SGX-ST, immediately preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs after such five-Market Day period;

"Highest Last Dealt Price" means the highest price transacted for a Share as recorded on the SGX-ST on the Market Day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase;



NOTICE OF ANNUAL GENERAL MEETING



"day of the making of the offer" means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders of the Company stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

"Prescribed Limit" means ten per cent. (10%) of the issued ordinary share capital of the Company as at the date of passing of this Resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any treasury Shares that may be held by the Company from time to time); and

"Relevant Period" means the period commencing from the date of the Annual General Meeting and expiring on the date the next Annual General Meeting is held or is required by law to be held, whichever is the earlier, after the date of this Resolution.

[See Explanatory Note (ii)]

(Resolution 9)

By Order of the Board

Yeo Keng Nien
Company Secretary

Singapore, 29 November 2013



NOTICE OF ANNUAL GENERAL MEETING



Explanatory Notes:

- (i) The Ordinary Resolution 8 in item 7 above, if passed, will empower the Directors of the Company from the date of this Meeting until the date of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held, or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant instruments convertible into Shares and to issue Shares pursuant to such instruments, up to a number not exceeding, in total, fifty per cent. (50%) of the total number of issued Shares (excluding treasury Shares) in the capital of the Company, of which up to twenty per cent. (20%) may be issued other than on a pro rata basis to existing shareholders of the Company.

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

- (ii) The Ordinary Resolution 9 proposed in item 8 above, if passed, will empower the Directors from the date of this Meeting until the date of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held, or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to repurchase ordinary issued Shares of the Company by way of market purchase(s) or off-market purchase(s) of up to ten per cent. (10%) of the total number of issued Shares (excluding treasury Shares) in the capital of the Company at the Maximum Price.

Notes:

1. A Member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company.
2. The instrument appointing a proxy must be deposited at the office of Boardroom Corporate & Advisory Services Pte Ltd located at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than 48 hours before the time appointed for holding the Annual General Meeting.



PROXY FORM

(Please see notes overleaf before completing this Form)

EZRA HOLDINGS LIMITED
Co. Reg. No. 199901411N
(Incorporated In The Republic of Singapore
with limited liability)

IMPORTANT:

1. For investors who have used their CPF monies to buy Shares in the capital of Ezra Holdings Limited, this Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

I/We _____ (Name) _____ (NRIC/Passport no) of
_____ (Address)

being a member/ members of Ezra Holdings Limited (the "Company"), hereby appoint:

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

and/or (delete as appropriate)

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

or failing him/her, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held on Monday, 16 December 2013 at 10 a.m. at Klapsons, The Boutique Hotel – eighteen.1 & 2 at Level 18, 15 Hoe Chiang Road, Tower Fifteen, Singapore 089316 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "For" or "Against" with a tick [✓] within the box provided.)

No.	Resolutions relating to:	For	Against
1.	Adoption of Directors' Report and Audited Accounts for the financial year ended 31 August 2013		
2.	Payment of final tax-exempt dividend of \$0.005 per ordinary share for the financial year ended 31 August 2013		
3.	Re-election of Mr. Lee Kian Soo as a Director of the Company		
4.	Re-election of Mr. Karl Erik Kjelstad as a Director of the Company		
5.	Re-election of Dr. Ngo Get Ping as a Director of the Company		
6.	Approval of Directors' fees for the financial year ending 31 August 2014		
7.	Re-appointment of Ernst & Young LLP as Auditors of the Company		
8.	Authority to allot and issue new Shares		
9.	Proposed renewal of the Share Buyback Mandate		

Dated this _____ day of _____ 2013

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

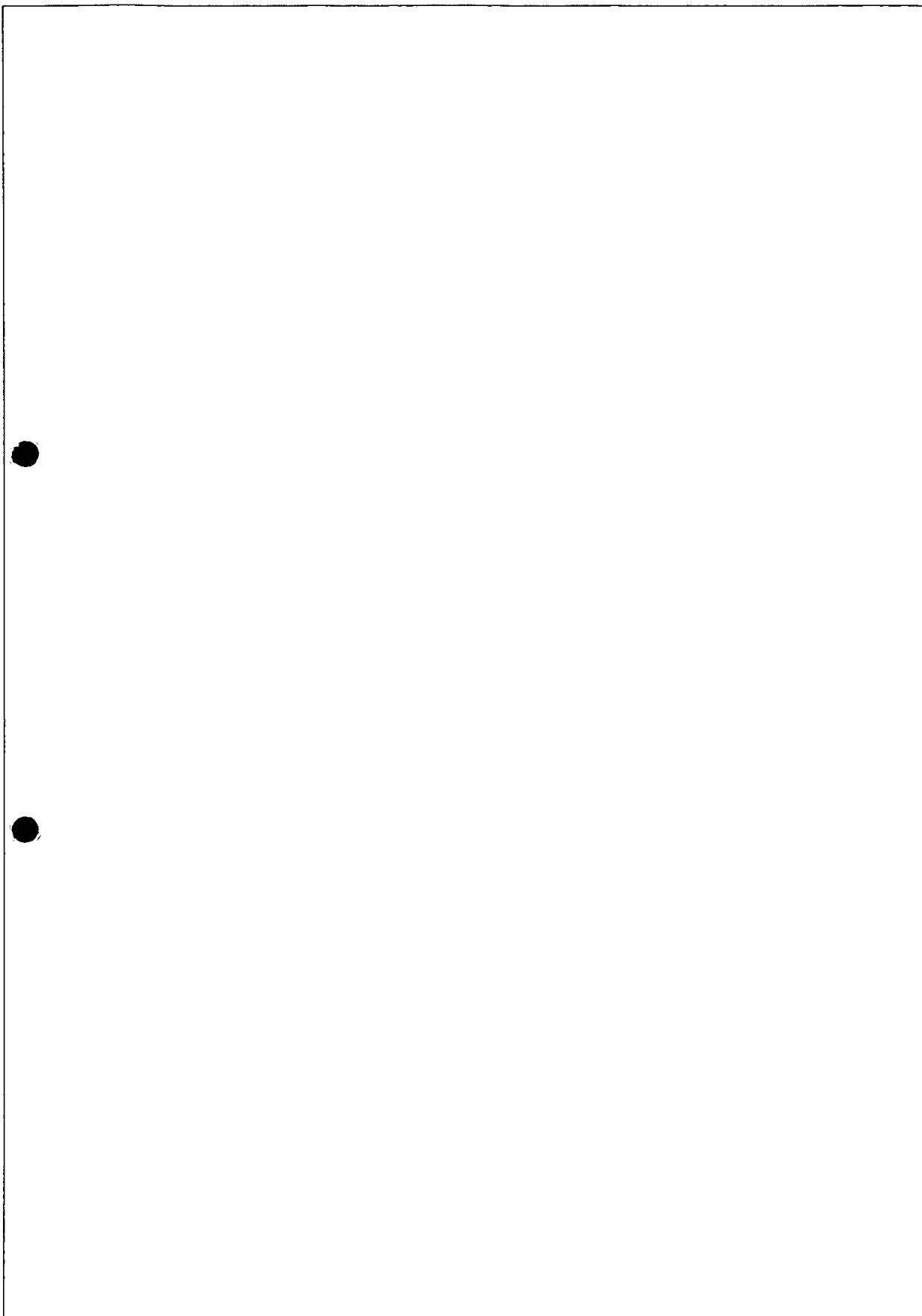
Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	



PROXY FORM

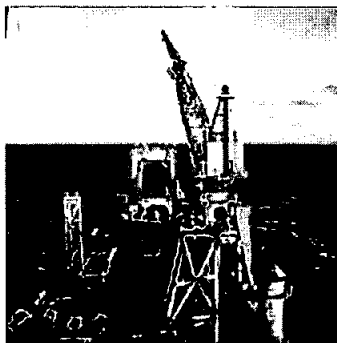
Notes :

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company may appoint not more than two proxies to attend and vote at the same meeting of the Company. A proxy need not be a member of the Company.
3. If a member of the Company nominate two proxies, then the member shall specify the proportion of his Shares to be represented by each such proxy, failing which the first named proxy shall be treated as representing one hundred per cent. (100%) of the shareholding and any second named proxy as an alternate to the first named.
4. An instrument appointing a proxy or proxies and, where the instrument of proxy is signed on behalf of the appointer (which shall include a Depositor) by an attorney, the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power of authority (failing previous registration of the Company), shall be deposited at the office of Boardroom Corporate & Advisory Services Pte Ltd located at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than forty-eight (48) hours before the time for holding the Meeting at which it is to be used, failing which the instrument may be treated as invalid.
5. An instrument appointing a proxy or proxies, in the case of an individual, shall be signed by the appointor or of his attorney and in the case of a corporation, shall be either given under common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation.
6. Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company.
7. General: The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company shall be entitled to reject an instrument of proxy lodged by any Depositor whose name does not appear in the Depository Register as at forty-eight (48) hours before the Meeting at which the proxy is to act as certified by The Central Depository (Pte) Limited to the Company.





TOWARDS



THE



FUTURE



EZRA

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