



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2015 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 974 453 940
Organisasjonsform: Aksjeselskap
Foretaksnavn: EMAS-AMC AS
Forretningsadresse: Lilleakerveien 2A
0283 OSLO

Regnskapsår

Årsregnskapets periode: 01.09.2014 - 31.12.2015

Konsern

Mørselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Martin Alnes
Dato for fastsettelse av årsregnskapet: 23.06.2016

Grunnlag for avgivelse

År 2015: Årsregnskapet er elektronisk innlevert
År 2014: Tall er hentet fra elektronisk innlevert årsregnskap fra 2015

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 20.11.2020



Resultatregnskap

Beløp i: USD	Note	2015	2014
RESULTATREGNSKAP			
Inntekter			
Revenue	2	410 624 000	313 904 000
Other operating income	2	612 000	12 000
Sum inntekter		411 236 000	313 916 000
Kostnader			
Cost of Sales	17	365 304 000	241 776 000
Employee benefits expenses	3.7	59 990 000	56 836 000
Depreciation expenses	5	6 639 000	2 743 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	5		497 000
Other operating expenses		17 811 000	8 526 000
Sum kostnader		449 744 000	310 378 000
Driftsresultat		-38 508 000	3 538 000
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	4	301 000	226 000
Annen renteinntekt	4	47 000	15 000
Other fin. income (agio)	4	24 819 000	5 272 000
Sum finansinntekter		25 167 000	5 513 000
Annen rentekostnad			763 000
Finance charges under financial lease	4	3 746 000	
Other financial expenses(agio)	4	23 837 000	7 554 000
Sum finanskostnader		27 583 000	8 317 000
Netto finans		-2 416 000	-2 804 000
Ordinært resultat før skattekostnad		-40 924 000	734 000
Income tax expense	6	2 018 000	
Ordinært resultat etter skattekostnad		-42 942 000	734 000
Årsresultat		-42 942 000	734 000
Overføringer og disponeringer			



Resultatregnskap

Beløp i: USD	Note	2015	2014
To other equity			733 000
Uncoverd loss		-42 942 000	
Sum overføringer og disponeringer		-42 942 000	733 000



Balanse

Beløp i: USD	Note	2015	2014
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Intangible assets		54 000	
Deferred tax asset	6		2 294 000
Sum immaterielle eiendeler		54 000	2 294 000
Varige driftsmidler			
Machinery, Plant & vessel equipment	5	33 885 000	7 214 000
Equipment	5	10 560 000	2 386 000
Sum varige driftsmidler		44 445 000	9 600 000
Finansielle anleggsmidler			
Investering i datterselskap	8	144 000	144 000
Investering i annet foretak i samme konsern	8	24 000	24 000
Other fin. non-current assets			37 000
Net pension plan assets	7	86 000	48 000
Sum finansielle anleggsmidler		254 000	253 000
Sum anleggsmidler		44 753 000	12 147 000
Omløpsmidler			
Varer			
Inventories		4 399 000	4 426 000
Sum varer		4 399 000	4 426 000
Fordringer			
Trade receivables	10	152 649 000	157 521 000
Other recivables	10	2 463 000	14 641 000
Sum fordringer		155 112 000	172 162 000
Bankinnskudd, kontanter og lignende			
Cash and bank deposits	11	5 955 000	9 731 000
Sum bankinnskudd, kontanter og lignende		5 955 000	9 731 000
Sum omløpsmidler		165 466 000	186 319 000



Balanse

Beløp i: USD	Note	2015	2014
SUM EIENDELER		210 219 000	198 466 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	13	35 217 000	35 217 000
Overkurs	13	11 651 000	11 651 000
Annen innskutt egenkapital	13	14 163 000	14 163 000
Sum innskutt egenkapital		61 031 000	61 031 000
Opptjent egenkapital			
Udekket tap	13	98 684 000	55 423 000
Sum opptjent egenkapital		-98 684 000	-55 423 000
Sum egenkapital		-37 653 000	5 608 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	7	807 000	1 297 000
Sum avsetninger for forpliktelser		807 000	1 297 000
Annen langsiktig gjeld			
Other long term liabilities	19	24 688 000	212 000
Sum annen langsiktig gjeld		24 688 000	212 000
Sum langsiktig gjeld		25 495 000	1 509 000
Kortsiktig gjeld			
Leverandørgjeld	10	158 597 000	117 838 000
Public duties payable	10		3 313 000
Kortsiktig konserngjeld		1 651 000	
Other short term liabilities	10,16, 19	62 129 000	70 198 000
Sum kortsiktig gjeld		222 377 000	191 349 000
Sum gjeld		247 872 000	192 858 000



Balanse

Beløp i: USD	Note	2015	2014
SUM EGENKAPITAL OG GJELD		210 219 000	198 466 000



Konsernets resultatregnskap

Beløp i: USD	Note	2015	2014
RESULTATREGNSKAP			
Inntekter			
Revenue	31	543 839 000	489 942 000
Other income	32	124 945 000	7 611 000
Sum inntekter		668 784 000	497 553 000
Kostnader			
Cost of Sales		453 557 000	397 881 000
Administrative expenses		82 159 000	65 756 000
Sum kostnader		535 716 000	463 637 000
Driftsresultat		133 068 000	33 916 000
Finansinntekter og finanskostnader			
Share of profit of associated companies		12 243 000	33 780 000
Share of profit of joint venture companies		13 594 000	3 196 000
Financial income	35	5 214 000	3 604 000
Sum finansinntekter		31 051 000	40 580 000
Financial expenses	36	43 607 000	39 084 000
Sum finanskostnader		43 607 000	39 084 000
Netto finans		-12 556 000	1 496 000
Ordinært resultat før skattekostnad		120 512 000	35 412 000
Tax	26	13 196 000	7 714 000
Ordinært resultat etter skattekostnad		107 316 000	27 698 000
Loss/ profit from discontinued operations net of tax		-40 299 000	26 324 000
Årsresultat		67 017 000	54 022 000
Minoritetsinteresser		23 286 000	8 753 000
Årsresultat etter minoritetsinteresser		43 731 000	45 269 000



Konsernets balanse

Beløp i: USD	Note	2015	2014
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Other intangible assets	5b	9 634 000	10 509 000
Goodwill	5a	17 848 000	231 370 000
Sum immaterielle eiendeler		27 482 000	241 879 000
Varige driftsmidler			
Leasehold buildings	4	90 398 000	110 997 000
Motor Vehicles	4	1 913 000	2 471 000
Plant and Machinery	4	69 972 000	76 061 000
Yard improvements and renovations	4	1 063 000	1 494 000
Vessels	4	734 051 000	730 982 000
Vessels under Construction	4	67 903 000	568 312 000
Assets on bord vessels	4	14 613 000	62 935 000
Drydocking expenditures	4	29 247 000	33 362 000
Office equipment	4	758 000	2 640 000
Computers	4	2 990 000	4 701 000
Sum varige driftsmidler		1 012 908 000	1 593 955 000
Finansielle anleggsmidler			
Investeringer i tilknyttet selskap	7	212 818 000	187 765 000
Lån til tilknyttet selskap og felles kontrollert virksomhet	8	191 265 000	25 738 000
AFS investments	9	3 112 000	3 075 000
Long term recivables from ass. companies	11		48 080 000
Funding scheme pension	12		48 000
Trade recivables	15	30 258 000	49 621 000
Other recovables	13	37 591 000	
Deferred tax asset	26	700 000	2 496 000
Sum finansielle anleggsmidler		475 744 000	316 823 000
Sum anleggsmidler		1 516 134 000	2 152 657 000
Omløpsmidler			
Varer			
Assets held for sale	14	102 548 000	120 298 000



Konsernets balanse

Beløp i: USD	Note	2015	2014
Assets included in disposal group classified as held for sale	15	1 590 852 000	
Inventories	16	78 017 000	91 364 000
Sum varer		1 771 417 000	211 662 000
Fordringer			
Trade receivables	13	253 813 000	546 406 000
Other receivables	13	96 277 000	36 517 000
Other current assets	17	44 484 000	69 042 000
Konsernfordringer		77 178 000	167 200 000
Sum fordringer		471 752 000	819 165 000
Investeringer			
Derivate financial instruments	41	177 000	615 000
Sum investeringer		177 000	615 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	18	377 601 000	174 365 000
Cash pledged	19	40 234 000	4 528 000
Sum bankinnskudd, kontanter og lignende		417 835 000	178 893 000
Sum omløpsmidler		2 661 181 000	1 210 335 000
SUM EIENDELER		4 177 315 000	3 362 992 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	27	634 736 000	490 085 000
Sum innskutt egenkapital		634 736 000	490 085 000
Opptjent egenkapital			
Perpetual securities	28		123 047 000
Accumulated profits		557 734 000	523 716 000
Capital reserves	29a	-48 019 000	-3 242 000
Fair value hedge	29b		4 951 000
Hedging reservs	29c	-17 238 000	243 000



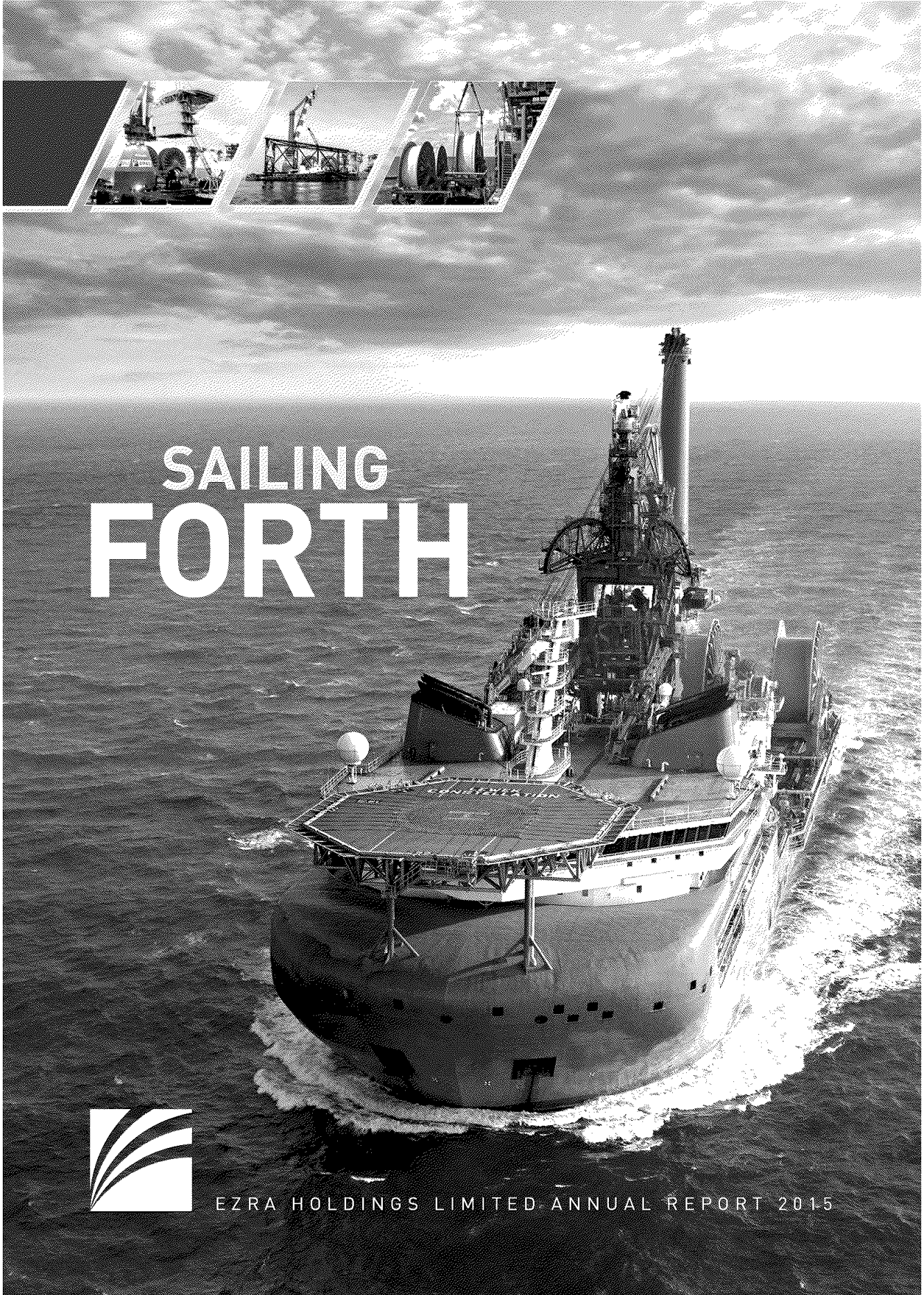
Konsernets balanse

Beløp i: USD	Note	2015	2014
Translation reservs	29d	-15 826 000	-1 622 000
Treasury shares	30	-7 376 000	-7 376 000
Sum opptjent egenkapital		469 275 000	639 717 000
Minoritetsinteresser		261 300 000	55 967 000
Sum egenkapital		1 365 311 000	1 185 769 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	12		1 297 000
Sum avsetninger for forpliktelser			1 297 000
Annen langsiktig gjeld			
Other payables	20		26 076 000
Deferred income	21	10 193 000	24 442 000
Lease obligations	23	11 886 000	811 000
Bank term loans	24	607 810 000	665 940 000
Notes payable	25	105 806 000	374 405 000
Deferred tax liabilities	26	2 659 000	1 032 000
Sum annen langsiktig gjeld		738 354 000	1 092 706 000
Sum langsiktig gjeld		738 354 000	1 094 003 000
Kortsiktig gjeld			
Bills payable to banks	21	255 797 000	228 585 000
Derivative financial instruments	41	38 291 000	3 847 000
Lease obligations	23	2 522 000	1 054 000
Bank term loans	24	153 609 000	281 122 000
Perpetual securities	28	106 232 000	
Leverandørgjeld	20	53 777 000	154 001 000
Provision for taxation		15 224 000	17 734 000
Liabilities included in disposal group classified as held for sale	15	979 896 000	
Other payables		174 393 000	270 282 000
Defferd income	22	868 000	1 540 000
Progress billing in excess of work in-progress	13a	56 642 000	61 766 000
Balance due to associated companies		9 910 000	63 289 000
Notes payable	25	226 489 000	
Sum kortsiktig gjeld		2 073 650 000	1 083 220 000



Konsernets balanse

Beløp i: USD	Note	2015	2014
Sum gjeld		2 812 004 000	2 177 223 000
SUM EGENKAPITAL OG GJELD		4 177 315 000	3 362 992 000



SAILING FORTH



EZRA HOLDINGS LIMITED ANNUAL REPORT 2015



FORGING AHEAD.

WE HAVE SIGNED A BINDING SHARE SALE AND SUBSCRIPTION AGREEMENT WITH JAPAN'S CHIYODA CORPORATION FOR CHIYODA TO INVEST IN EZRA'S SUBSEA SERVICES BUSINESS, EMAS AMC, TO FORM EMAS CHIYODA SUBSEA – A 50:50 JOINT VENTURE.







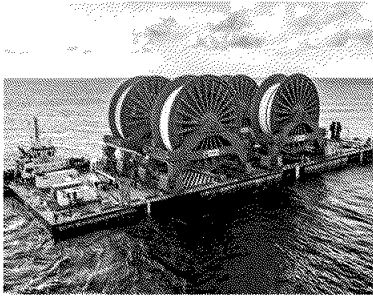


SAILING FORTH

WE WILL CONTINUE TO LEVERAGE OUR DIVERSE PROJECT EXECUTION TRACK RECORD AND TECHNICALLY ADVANCED ASSETS TO ACTIVELY PURSUE NEW PROJECTS.

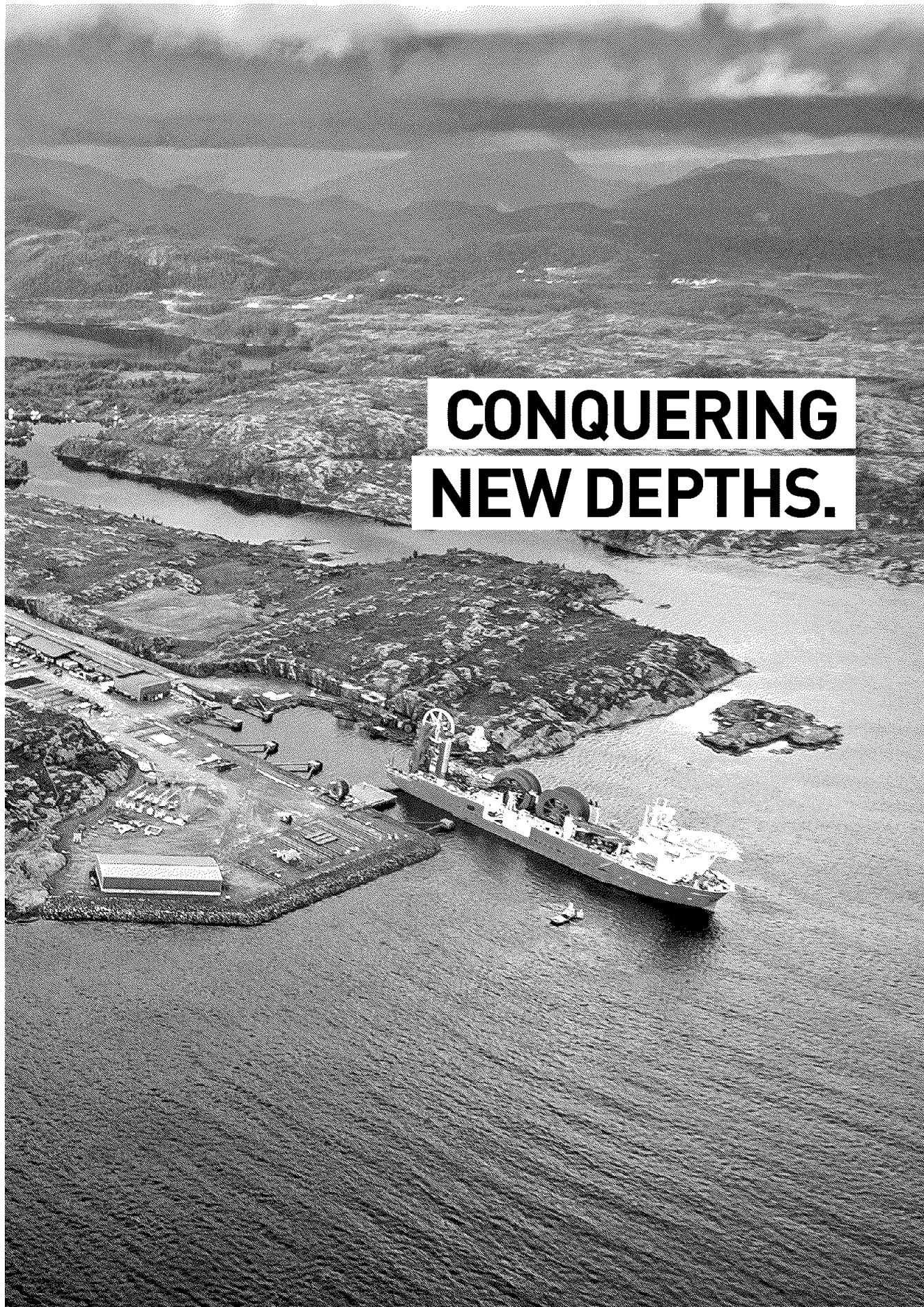
CONTENTS

06	Corporate Profile
08	Financial Highlights
14	Chairman's Message
18	Group CEO And Managing Director's Message
21	Board Of Directors
25	Management Team
28	Corporate Milestones
31	Operations Review
38	Corporate Structure
40	Corporate Directory
42	Corporate Governance Report
56	Financial Statements



CREATING VALUE FOR SHAREHOLDERS

OUR FINANCIAL STRATEGY AND IMPLEMENTATION HAVE ALSO YIELDED RESULTS - WE HAVE EFFECTIVELY REDUCED OUR GEARING LEVELS FROM 1.2X TO 0.8X IN THE SPAN OF A YEAR.



**CONQUERING
NEW DEPTHS.**



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 three main business divisions, namely Subsea Services ("EMAS AMC"), Offshore Support and Production Services (under subsidiary EMAS Offshore Limited or "EMAS Offshore"), and Marine Services (under subsidiary Triyards Holdings Limited or "TRIYARDS") offering a full range of seabed-to-surface engineering, construction, marine and production services globally. Under the EMAS brand, 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, safety 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 three main business divisions, Ezra consistently strives to create value for our clients and stakeholders.





FINANCIAL HIGHLIGHTS





The Group's business segments are categorised into the following: (i) **Subsea Services Division** which predominantly made up of EMAS AMC (part of the discontinued operations), and EMAS Energy Services divisions; (ii) **Offshore Support and Production Services Division** which is mainly EMAS Offshore Limited (including the consolidation of certain entities as a result of the completion of the Business Combination in October 2014 ("EMAS Offshore Entities")); and (iii) **Marine Services Division** consists predominantly Triyards Holdings Limited.

The Group's revenue increased by US\$53.9 million (11%) for the financial year ended 31 August 2015 ("FY2015") from US\$489.9 million in financial year ended 31 August 2014 ("FY2014").

The Marine Services Division contributed US\$282.9 million to the Group's revenue; the Offshore Support and Production Services Division contributed US\$203.8 million while the Subsea Services Division contributed US\$57.1 million.

The Group's net debt to equity ratio has improved from 1.16 times as at 31 August 2014 to 0.77 times as at 31 August 2015.

Revenue

The Group's revenue increased by US\$53.9 million (11%) for FY2015 when compared to FY2014. The increase was due to an increase in revenue of US\$26.5 million from Subsea Services Division and US\$94.7 million from Marine Services Division. The increase was partially offset by a decrease in revenue of US\$67.3 million from Offshore Support and Production Services Division.

The increase in revenue in FY2015 when compared to FY2014 respectively from Energy Services Division was mainly due to execution of projects with higher value.

The increase in revenue for FY2015 from Marine Services Division was mainly due to new sources of revenue contribution from the newly acquired subsidiaries of TRIYARDS, namely, Strategic Marine (S) Pte Ltd and Strategic Marine (V) Company Limited (collectively "Strategic Marine Entities"). In addition, there were higher contributions from the existing operations as there were more units of liftboats and multi-

purpose support vessels under construction in FY2015 as compared to FY2014.

The decrease in revenue for FY2015 from Offshore Support and Production Services Division was mainly due to weakness in both the shallow water anchor handling, towing and supply ("AHTS") and shallow water platform support vessels ("PSV") segments and the absence of revenue contribution from one (1) leased-in vessel which was returned to the owner in the second half of FY2014.

Gross Profit

Gross profit decreased slightly from US\$92.1 million in FY2014 to US\$90.3 million in FY2015 and gross profit margin decreased from 19% in FY2014 to 17% in FY2015.

The decline in gross profit margin for FY2015 when compared to FY2014 was mainly due to the decrease in gross profit margin of Marine Services Division which is the largest contributor to the gross profit.

The Marine Services Division contributed higher levels of gross profit in FY2015 as a result of new source of gross profit contribution from the newly acquired Strategic Marine Entities. Higher level of fabrication and engineering activities from the existing operations with higher level of activities from the construction of liftboats in FY2015 also contributed to the higher level of gross profit.

The gross profit margin for Marine Services Division declined in FY2015 when compared to FY2014. This was mainly due to the change in product mix resulting from the newly acquired Strategic Marine Entities which carries a lower gross profit margin.

Weakness in both the shallow water AHTS and shallow water PSV segments have negatively impacted gross profit and margin of Offshore Support and Production Services Division in FY2015 when compared to FY2014.

The increase in gross profit in FY2015 from Energy Services Division was mainly due to higher revenue in the current year. However, the overall gross profit margin declined in FY2015 as a result of higher mix of projects with lower margin in the current year.



FINANCIAL HIGHLIGHTS

Other Operating Income, Net

The increase in other income, net for FY2015 was mainly due to the recognition of one-off gain on bargain purchase from the acquisition of subsidiaries of US\$118.0 million. The increase was also attributable to the turn-around of the foreign exchange loss in FY2014 of US\$4.4 million to foreign exchange gain of US\$26.5 million and the net gain on disposal of fixed assets of US\$30.5 million.

The increase was partially offset by the one-off loss on step up of associated and joint venture companies to subsidiaries of US\$42.3 million, one-off impairment of fixed assets of US\$10.0 million and realised loss on derivative instruments of US\$9.6 million in FY2015.

Administrative Expenses

The increase in administrative expenses for FY2015 when compared to FY2014 was mainly due to the addition from the newly acquired Strategic Marine Entities and EMAS Offshore Entities.

The increase is partially offset by greater cost discipline exercised across the Group with a focus on rightsizing the cost base of operations relative to foreseeable revenue expectations. Excluding the effects of the consolidation of Strategic Marine Entities and EMAS Offshore Entities and the higher amount of allowances for doubtful debt, administrative expenses have declined by approximately 16% when compared to FY2014.

Amortisation Of Other Intangible Assets

The increase in amortisation of other intangible assets for FY2015 when compared to FY2014 was mainly due to amortisation of intangible assets identified in the course of the purchase price allocation exercise performed for the acquisition of Strategic Marine Entities.

Depreciation Of Fixed Assets

The increase in depreciation of fixed assets for FY2015 when compared to FY2014 was mainly due to addition from the newly acquired Strategic Marine Entities and EMAS Offshore Entities and the additional depreciation charge from newly acquired fixed assets which were put into operation.

Financial Expenses

The increase in financial expenses for FY2015 when compared to FY2014 was mainly due to the addition from the newly acquired Strategic Marine Entities and EMAS Offshore Entities.

Share Of Profit Of Associated Companies

The decrease in share of profit of associated companies for FY2015 when compared to FY2014 was mainly due to absence of contribution by EMAS Offshore Entities, which was consolidated as subsidiaries of the Group from October 2014.

Share Of Profit Of Joint Venture Companies

The increase in share of profit of joint venture companies for FY2015 when compared to FY2014 was mainly due to addition from the newly acquired joint venture companies when EMAS Offshore Entities were consolidated as subsidiaries of the Group from October 2014.

The increase was partially offset by the absence of contribution by Lewek Antares Shipping Pte Ltd ("Lewek Antares") which was consolidated as a subsidiary upon the consolidation of EMAS Offshore Entities from October 2014. In addition, the Group also shared a non-recurring impairment loss on fixed assets of a joint venture amounting to US\$0.8 million.

Profit before tax from continuing operations

Profit before tax from continuing operations increased by US\$85.1 million to US\$120.5 million in FY2015 when compared to FY2014. The increase was mainly due to higher other income, net and higher share of profit of joint venture companies which was partially offset by higher administrative expenses and lower share of profit from associated companies.

Tax

Tax expense in FY2015 and FY2014 amounted to US\$13.2 million and US\$7.7 million respectively.

The increase in tax expense in FY2015 when compared to FY2014 was mainly due to corporate tax provision resulting from higher profits derived from foreign subsidiaries.

Charter income derived from Singapore and certain foreign flagged vessels which operate in international waters continue to remain tax exempt under Section 13 of the Singapore Income Tax Act and Maritime Sector Incentive - Approved International Shipping Enterprise Scheme.

Profit/(Loss) From Discontinued Operations, Net Of Tax

On 27 August 2015, the Group entered into a binding memorandum of understanding with Chiyoda Corporation ("Chiyoda") in relation to a proposed joint venture between the Group and Chiyoda in respect of the subsea services business. Subsequently, the Group entered into a binding sale and subscription agreement with Chiyoda for the proposed joint venture on 29 September 2015.

As a result, certain subsidiaries and associated companies related to the Subsea Services Division have been classified as discontinued operations in accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operations* as required by FRS 105.

The loss contributed from discontinued operations in FY2015 as compared to the profits from discontinued operations



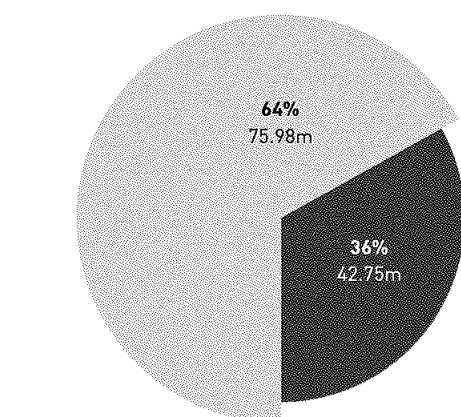
in FY2014 was mainly due to lower gross and operating profit contribution. This was offset by lower administrative expenses and higher exchange gain in FY2015 when compared to FY2014.

The loss from operations in FY2015 compared to a profit from operations in FY2014 was mainly due to lower profit contribution from *Lewek Express*, as a result of her planned 5-year mandatory dry-docking during the first quarter of the financial year and *Lewek Champion* as a result of her unexpected gangway malfunction, which also resulted in negative utilisation of the vessel. In addition, lower utilisation rate of non-project enabling vessels and lower profit contribution resulting from weather and equipment issues on certain projects also contributed to the loss from operations in FY2015.

The above is partially offset by lower administrative expenses in FY2015 as compared to FY2014 as a result of greater cost discipline exercised to rightsize the cost base of operations to be in line with revenue expectations.

Utilisation Of Proceeds

Utilisation of Share Placement Proceeds (In SGD million)

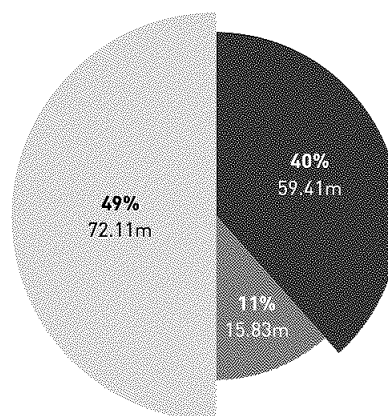


- Repayment of bank credit facilities
- General working capital

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 S\$1.10 for each Placement Share to raise gross proceeds of S\$121 million.

The net proceeds from the Share Placement exercise (after deducting issuance expenses) have been fully utilised by the Company for repayment of existing debt and general working capital purposes.

Utilisation of Perpetual Securities Proceeds (In SGD million)



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

On 18 September 2012, the Company issued a S\$150 million 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 issue of the Securities (after deducting issuance expenses) have been fully utilised for repayment of existing debt, purchase of equipment on board vessels and general working capital purposes.

Utilisation of Rights Issue Proceeds

On 28 July 2015, the Company issued and allotted 1,925,526,236 new ordinary shares in the capital of the Company pursuant to a Rights Issue at an issue price of S\$0.105 for each Rights Share to raise gross proceeds of S\$202.2 million.

The net proceeds from the Rights Issue exercise (after deducting issuance expenses) have been fully utilised for repayment of existing debt.



FINANCIAL HIGHLIGHTS

Financial Summary

US\$'000

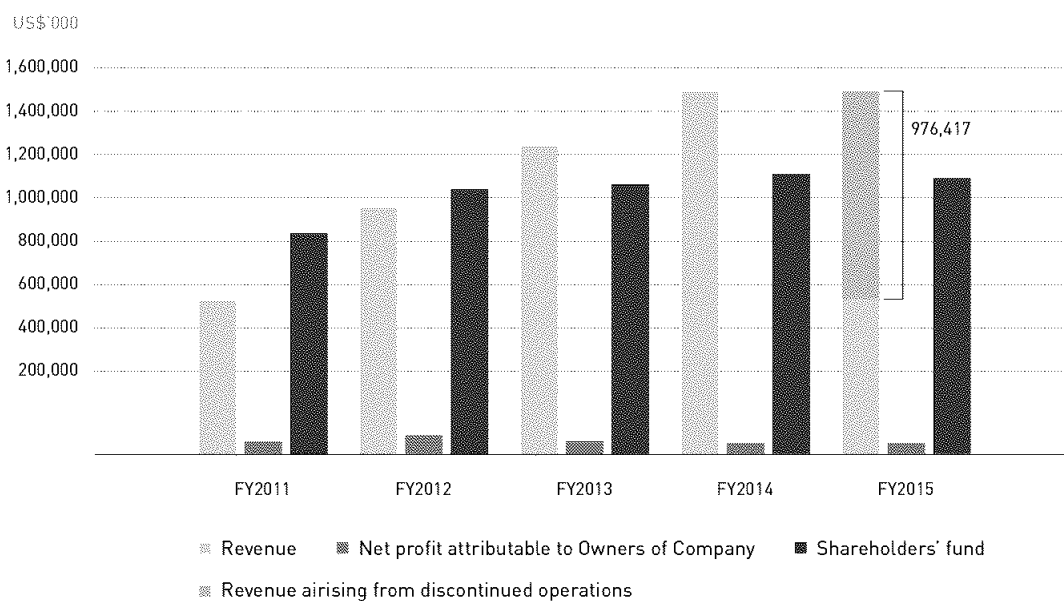
Revenue

Net profit attributable to Owners of Company

Shareholders' fund

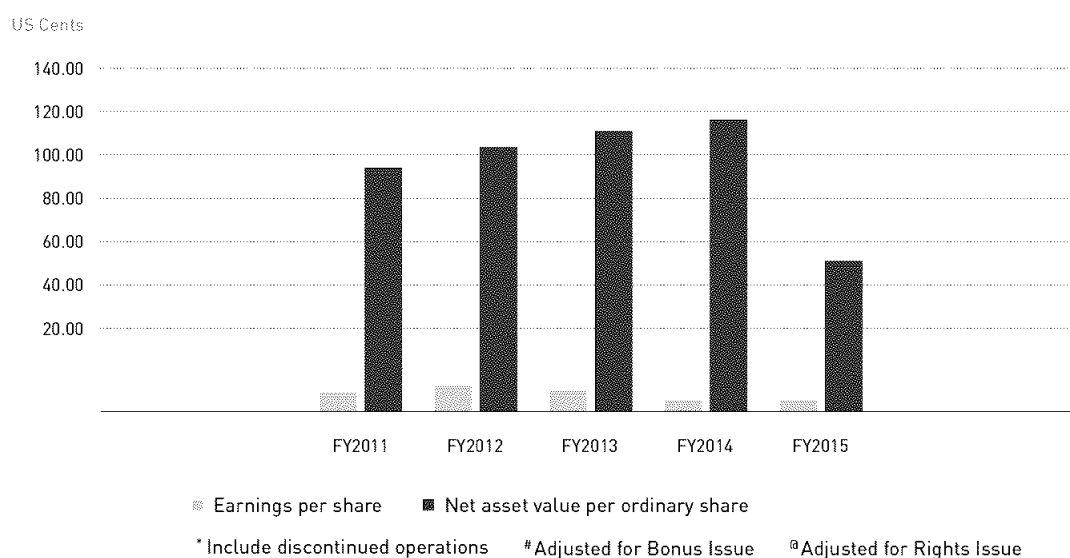
Earnings per share (US cents)

Net asset value per ordinary share (US cents)





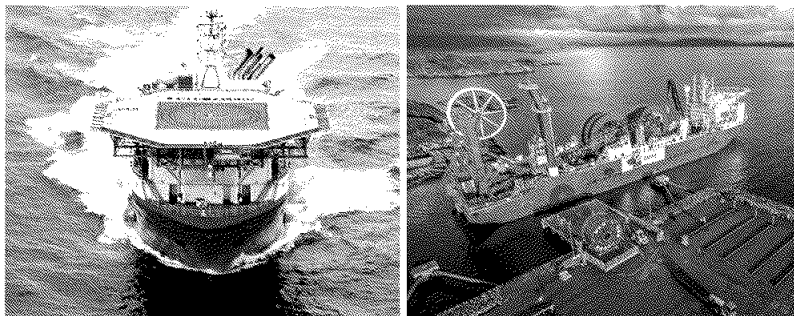
FY 2011 (restated)	FY 2012 (restated)	FY 2013	FY 2014*	FY 2015*
559,100	984,182	1,262,065	1,488,351	1,520,256
43,130	66,108	53,649	45,269	43,731
848,350	1,012,491	1,091,161	1,129,802	1,104,011
5.28	7.24	5.51	2.70 ^{#@}	2.29
98.43	103.98	116.98	117.00 [#]	46.46

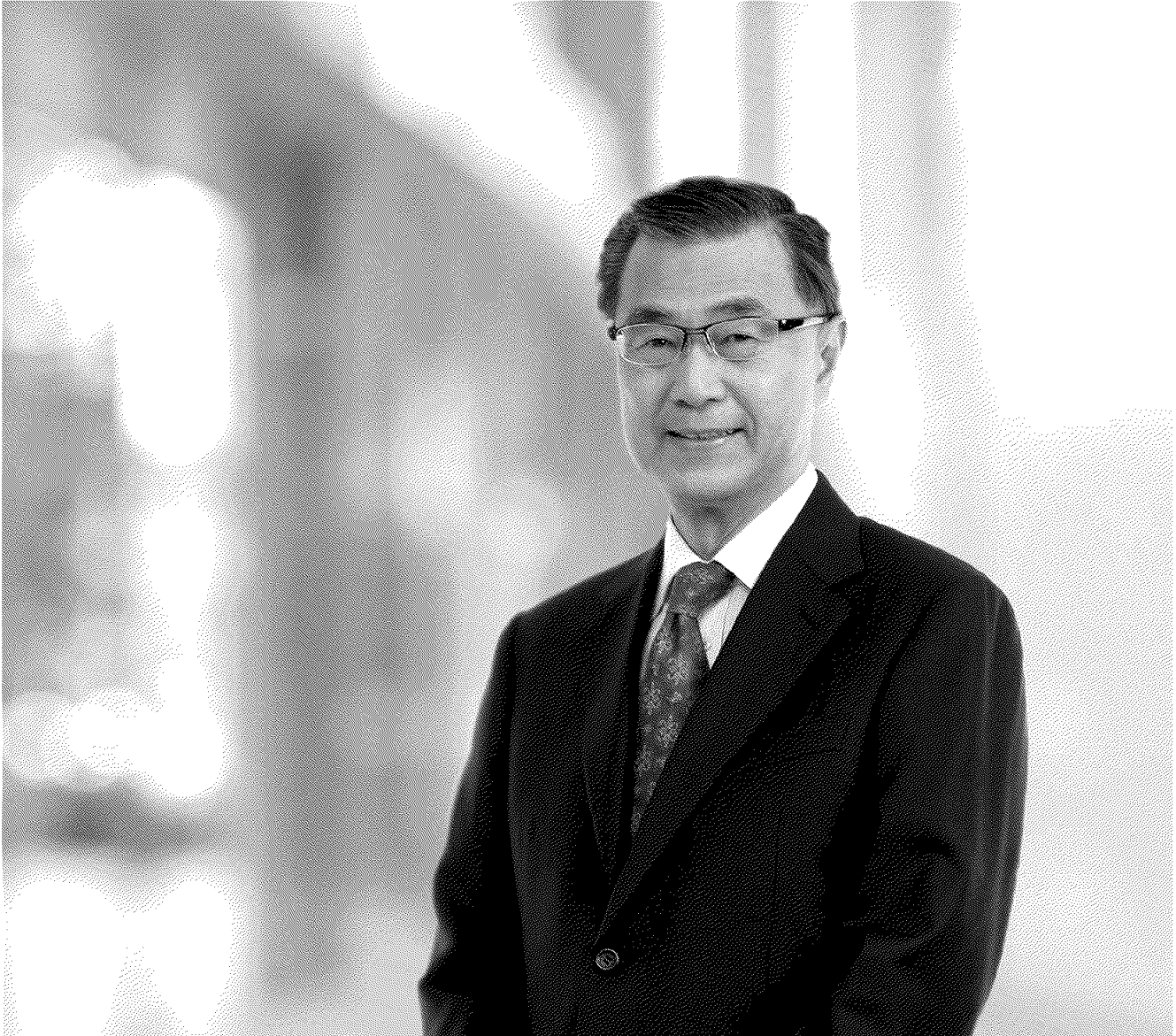




CHAIRMAN'S MESSAGE

OUR FLAGSHIP VESSEL,
LEWEK CONSTELLATION, HAS
SUCCESSFULLY PROVEN
OPERATIONALLY OUR
CONCEPT OF PORTABLE
REEL-LAY TECHNOLOGY,
COMPLETING TWO OF HER
INAUGURAL REEL-LAY
PROJECTS WITH NOBLE
ENERGY IN THE US GULF OF
MEXICO IN SEPTEMBER 2015.





Dear Valued Shareholders,

FY2015 has been a year of uncertainty. We have seen continued volatility in oil and gas prices during this period, and the industry has been rife with speculations amidst rationalisation, corporate mergers and acquisitions in these challenging times. However, we have implemented key initiatives to mitigate the effects of the downturn as much as possible.

Subsea Services Division

We have closed out FY2015 on some positive news - We have signed a binding share sale and subscription agreement with Japan's Chiyoda Corporation ("Chiyoda") for Chiyoda to invest in Ezra's Subsea Services business, EMAS AMC, to form EMAS CHIYODA Subsea - a 50:50 joint venture. This joint venture will allow us

to realise our vision of being a major player in the subsea construction business and enable us to undertake larger and more complex Engineering, Procurement, Construction and Installation ("EPCI") projects, as well as full field developments, which combine onshore and offshore facilities. Chiyoda, a recognised global engineering company, will be able to lend tremendous support in many areas of our business operations, such as supply chain and project management. This is a very significant milestone for all of us here at the Ezra Group.

Our flagship vessel, *Lewek Constellation*, has successfully proven operationally our concept of portable reel-lay technology, completing two of her inaugural reel-lay projects with Noble



CHAIRMAN'S MESSAGE

Energy in the US Gulf of Mexico in September 2015. These projects are a testament of our engineering capabilities, and demonstrate our ability to develop efficient solutions and deliver them. We will continue to leverage our diverse project execution track record and technically advanced assets to actively pursue new projects such as our inaugural contract with global resource giant BHP Billiton for the Angostura phase three development, which is offshore Trinidad and Tobago.

Offshore Support and Production Services Division

The outlook for the offshore support services sector remains challenging. Notwithstanding, our offshore support vessels have achieved a utilisation rate of 75% for FY2015 and we continue to see relatively healthy demand for higher specifications vessels in the AHTS vessel segment. The division also garnered two awards – one for eight years of goal zero operations by Shell Philippines in recognition of our continued safe operations; the other is by Petronas called the June Peak Award for excellence in operations and maintenance metrics. These awards showcase our relentless focus on safe operations and quality delivery of projects. I am also pleased to note that the Production services arm saw a safe year without any Lost Time Incident ("LTI").

Marine Services Division

TRIYARDS, our Marine Services Division, continues to outdo itself in its third year of listing. I am pleased to share that TRIYARDS has clinched two more liftboat contracts this year, and delivered two BH450 series of liftboats – a clear indication of their fabrication and engineering expertise, as well as demonstrating a strong demand for adoption of liftboats in the industry. As part of its diversification strategy, TRIYARDS

has recently announced contract wins for the fabrication of chemical tankers, high speed crafts and industrial fabrication. TRIYARDS will continue to establish its reputation in the marine and industrial fabrication sector as well as other areas to steadily grow its income stream.

Corporate Performance

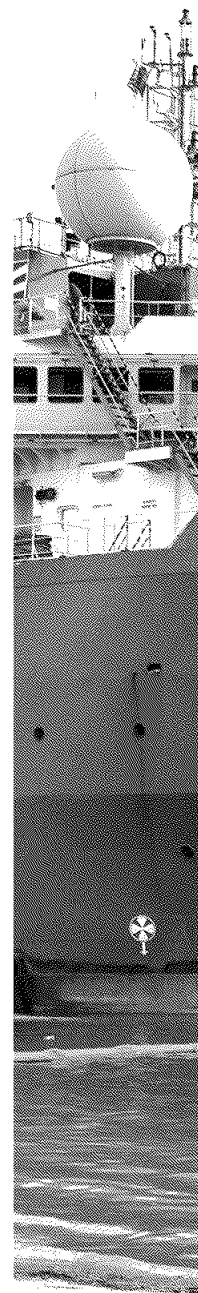
Our financial strategy and implementation have also yielded results – We have effectively reduced our gearing levels from 1.2x to 0.8x in the span of a year. We have also completed an initiative for the renounceable underwritten Rights Issue and with our shareholders' approval and support, achieved a subscription ratio of 1.3x. The gross proceeds of approximately S\$200 million (US\$150 million) from the issue of the rights have been primarily used to repay our fixed rate notes that were due in September 2015. The equity raised has strengthened the balance sheet of Ezra. We are also focused on pursuing other primary alternatives of capital raising initiatives, including the sale and leaseback of our key assets.

Finally, I request from you, our esteemed shareholders, your continued support of Ezra through these volatile times. Additionally, I would also like to extend my gratitude to the members of the Board, the management team and staff for their contributions throughout FY15.

Last but not least, let me take this opportunity to warmly welcome Mr. Tan Cher Liang onto the Ezra Board.

Together We Deliver!

Mr. Koh Poh Tiong
Chairman

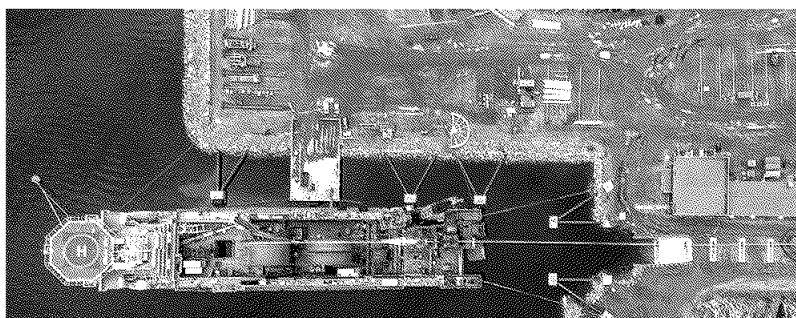






**GROUP CEO AND
MANAGING DIRECTOR'S MESSAGE**

WE ARE SEEING HEALTHY
TENDERING ACTIVITIES,
AND EMAS AMC HAS BEEN
RELENTLESSLY FOCUSED
ON BIDDING FOR WORK THAT
SHOWCASES OUR SUBSEA
TIEBACK AND ENGINEERING
CAPABILITIES.





Dear Valued Shareholders,

We have been roiled by uncertainties in the past year as we headed into financial year 2015. As you may be aware, oil prices are at one of the lowest points in comparison to the past 10 years' average. However, we believe that the fundamentals of the industry remain strong. Despite the decline in the macro oil environment, we continue to see demand for our services across the Group and the development of our track record globally.

Industry trends

According to IHS¹, deepwater fields will be an important source of production, constituting some 10% of total oil and gas production by 2020, as onshore and shallow water field developments continue to deplete. In recent years, majority of large scale oil and gas discoveries are from

deepwater fields. Just this year, Eni made a major discovery of potentially one of the world's largest gas fields in deepwater Mediterranean/Egypt. In the same report, it was noted that 72% of deepwater oil fields, and 90% of deepwater gas fields are still undeveloped.

BG's Brazilian assets will also have a significant impact on Shell's deepwater portfolio, possibly pushing their combined production to approximately 1,000 mboe/d by 2020. Other oil majors are expected to push their deep water production across the 500 mboe/d mark in the same period.

These developments fit in nicely to where we aim to operate. With our project enabling assets like

¹ IHS (October 2015)



GROUP AND MANAGING DIRECTOR'S MESSAGE

Lewek Constellation, coupled with our engineering capabilities and innovative solutions like the mobile reel-lay system that we have pioneered and proven, we are ready to capitalise on the move towards deeper waters.

Achievements / milestones

The partnership with Chiyoda to form the joint venture will allow us to extend our solutions and services to potential clients in Japan, and also to undertake larger and more complex subsea work that requires more resources. Further, we are seeing healthy tendering activities, and EMAS AMC has been relentlessly focused on bidding for work that showcases our subsea tieback and engineering capabilities. Our vision to be a global subsea services provider has been progressively realised. Through this joint venture which is slated for completion by the end of 2015, we will be a step closer to being a trusted partner and leader in the subsea construction business.

In addition, I am pleased to note that our flagship construction vessel, *Lewek Constellation*, has achieved her first world record during her sea trials in the Gulf of Mexico where she recorded a top tension of 632 mT, rendering this the highest tension ever experienced in the history of rigid reel-lay operations. She has also completed her inaugural reel-lay projects offshore in the Gulf of Mexico for two field developments (Big Bend and Dantzler), demonstrating her operational capability and proving the concept of our mobile reel-lay system. This game-changing technology of multiple, transportable reels combined with heavy lift capability reduces the transit time and eliminates the need for direct spooling by the installation vessel, keeping the vessel in pipe-lay mode throughout the entire project. This translates into cost savings for our clients, whilst proving our approach. Additionally, we have also expanded our operational activities to South America, where we won our first project with BHP Billiton on the field development of Angostura, offshore Trinidad and Tobago.

However, it has been a muted year for our Offshore Support and Production Services Division. The newly dual-listed EMAS Offshore Limited continues to see a decrease in demand for offshore support and accommodation vessels

due to the depressed oil and gas environment. We are also aware that the price competition amongst the various services providers has intensified. In spite of the challenges, we maintained a sturdy 75% utilisation rate for our vessels in FY2015 and will continue to leverage our track record and expertise to remain ahead of our competitors. We are definitely confident of our track record as one of the leading offshore solutions providers in Asia.

The Marine Services Division, TRIYARDS, has had a fulfilling year indeed. With more than 15 liftboat contracts to date, TRIYARDS has established itself as a renowned shipyard of choice. TRIYARDS will continue to pursue other segments of the offshore industry in a bid for business diversification.

Corporate social responsibility ("CSR")

At Ezra, we are constantly looking at supporting communities and causes through the EMAS Global CSR programme. I am proud to say that we have continued our efforts as a Group to actively contribute back to society.

Looking ahead

The Group has seen some challenging periods in FY2015, and it is my deep regret that this was the first time we had to rightsize the organisation, which was a painful decision that the management had to take. I want to recognise and apologise for the deep impact on those affected. From here, we will form a leaner team and bring Ezra to greater heights. In addition, we have put in the right initiatives and measures to contain costs, improve cash flow and deleverage the balance sheet and address significant debt maturities that were due in September 2015; thus positioning ourselves to ride out the downturn. We will continue to leverage our extensive business network to create synergies and solutions across the EMAS group for our global clients, build our backlog and focus on strategies that allows us to distinguish ourselves and remain competitive.

Together We Deliver!

Mr. Lee Chye Tek Lionel

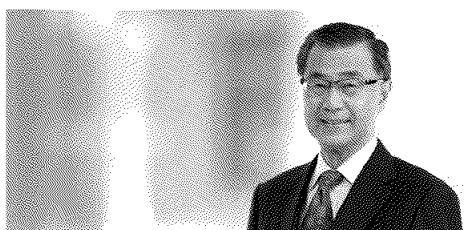
Group CEO and Managing Director



BOARD OF DIRECTORS

1. MR. KOH POH TIONG

Non-Executive and Non-Independent Chairman

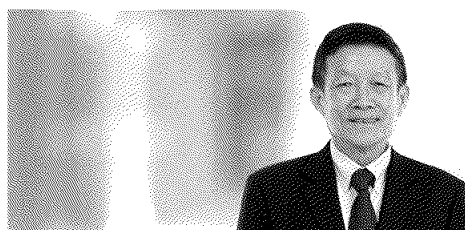


Appointed as Director on 1 October 2011 and last re-elected on 31 December 2014

Mr. Koh, 69, has more than 43 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.

2. MR. LEE KIAN SOO

Group Founder, Non-Executive and Non-Independent Director



Appointed as Director on 1 August 2000 and last re-elected on 16 December 2013

Mr. Lee, 70, 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.

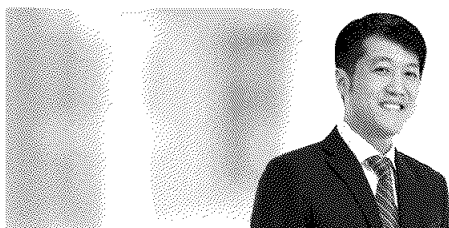


BOARD OF DIRECTORS

3. MR. LEE CHYE TEK LIONEL

Group Chief Executive Officer and
Managing Director

Chairman, EMAS AMC

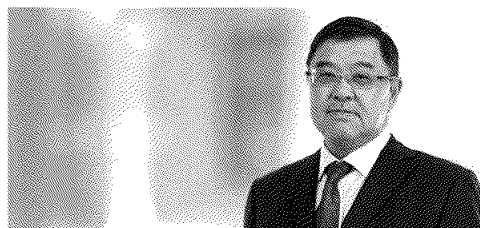


Appointed as Director on 23 March 1999 and
last re-elected on 31 December 2014

Mr. Lionel Lee, 42, is 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 the subsea construction industry, with the acquisition of Aker Marine Contractors 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.

4. MR. ENG HENG NEE PHILIP

Lead Independent Director



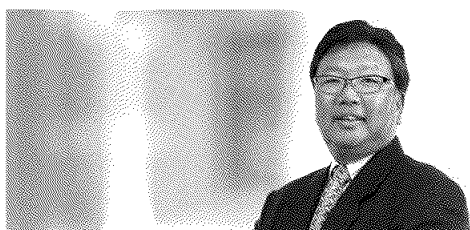
Appointed as Director on 1 July 2012 and
last re-elected on 31 December 2012

Mr. Eng, 69, is the Independent Non-Executive Chairman of Frasers Centrepoint Asset Management Ltd and Non-Independent and Non-Executive Chairman of 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.



5. DR. NGO GET PING

Independent Director

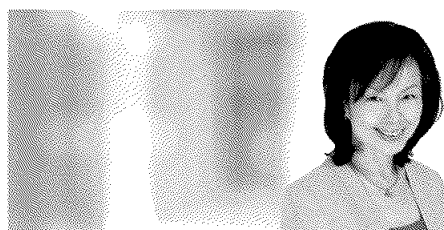


Appointed as Director on 18 July 2007 and last re-elected on 16 December 2013

Dr. Ngo, 57, is presently an Independent Director of 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.

6. MDM. HO GEOK CHOO MADELEINE

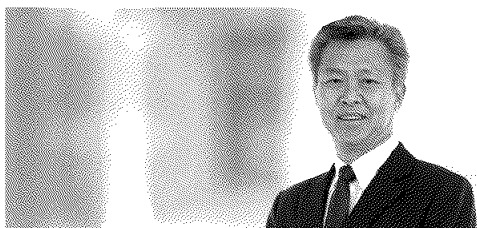
Independent Director



Appointed as Director on 23 October 2015

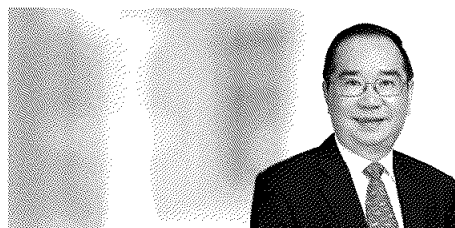
Mdm. Ho, 59, is currently the CEO of Human Capital Singapore (HCS), the national accredited continuing executive education centre for human capital and people managers and an Adjunct Professor of School of Human Development and Social Services, SIM University. She is also an Independent Director of Select Group Limited and Swissco Holdings Limited, and a member of the Board of Governors of Raffles Institution ("RI") as well as Chairman of the Establishment Committee of the Board of Governors of RI. Additionally, Mdm. Ho is the Founder and Deputy Chairperson of the Singapore Professionals and Executives Co-Operative, and on the Board of Trustee of National Cancer Centre Singapore (NCCS). She chairs the Development Committee for Community Cancer Fund and the National Cancer Centre Research Fund. She is also the co-chair of NCCS Capital Campaign. Mdm Ho holds a BA in Political Science and Economics from the University of Singapore and a Master's of Science in Asia Pacific HRM from the National University of Singapore.

BOARD OF DIRECTORS

7. MR. SOON HONG TECKIndependent Director

Appointed as Director on 16 May 2008 and last re-elected on 31 December 2014

Mr. Soon, 57, 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 Chartered Accountant of the Institute of Singapore Chartered Accountants and a member of the Association of Chartered Certified Accountants.

8. MR. TAN CHER LIANGIndependent Director

Appointed as Director on 27 November 2015

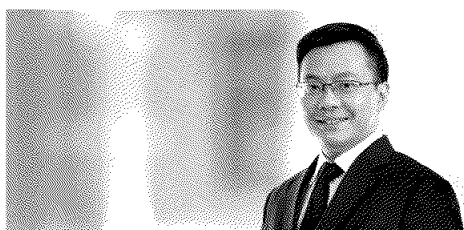
Mr. Tan, 63, has more than 40 years of experience in corporate audits, general management and business advisory. In May 2000, he co-founded Boardroom Limited, a company listed on the Main Board of the SGX-ST. He was the Managing/Finance Director of Boardroom Limited from May 2000 to March 2013 and is currently an Advisor to Boardroom Limited. Prior to May 2000, he was with Ernst & Young Singapore and its affiliates since September 1973. He currently serves as an Independent Director of Vibrant Group Limited and Kingsmen Creatives Limited, which are companies listed on the Main Board of the SGX-ST, as well as Jumbo Group Limited and Wilton Resources Corporation Limited, both of which are listed on the Catalist of the SGX-ST. He holds directorships in charitable organizations such as the D.S. Lee Foundation and EtonHouse Community Fund Limited. In addition, he is a trustee of Kwan Im Thong Hood Cho Temple. He was a Fellow of the Association of Chartered Certified Accountants of the United Kingdom and a member of the Institute of Singapore Chartered Accountants.



MANAGEMENT TEAM

1. MR. EUGENE CHENG CHEE MUN

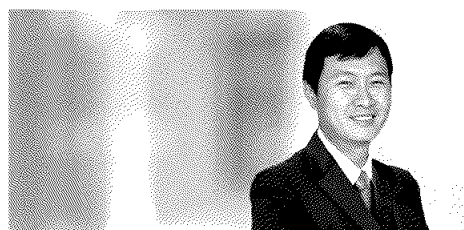
Group Chief Financial Officer



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.

2. MR. YEO KENG NIEN

Group Company Secretary



Mr. Yeo has over 15 years of experience in finance and auditing, and is currently the Secretary of the companies in the Group overseeing the Group's corporate secretarial matters. Prior to his current appointment in Ezra, he served as the Financial Controller in two Singapore companies (one of which is listed on Oslo Børs) and was with Deloitte & Touche as an audit manager. Mr. Yeo holds a Bachelor of Accountancy degree from Singapore's Nanyang Technological University, and is a Chartered Accountant of the Institute of Singapore Chartered Accountants.



MANAGEMENT TEAM

3. MS. CHERYL YAP

Chief Financial Officer
EMAS AMC



Ms. Yap is responsible for all financials matters of EMAS AMC, the Subsea Services division of the Group. She joined the Group in July 2007 and brings with her more than 15 years of experience in finance and accounting gained from various industries. Prior to her appointment in Ezra, she served in finance managerial positions in US MNCs Arrow Electronics Inc. and Maxtor Peripherals Inc., and in a Singapore Exchange Main Board listed company. Her past experience included handling statutory and management reporting for a group of entities in the Asia Pacific region, financial planning and analysis, group consolidation and tax planning. She was also actively involved in business process re-engineering initiatives and implementation of ERP systems such as SAP and Oracle. Ms. Yap is a fellow member of the Association of Chartered Certified Accountants and a member of the Institute of Singapore Chartered Accountants.

4. MR. DANIEL SACK

Chief Operating Officer (Western Hemisphere)
EMAS AMC

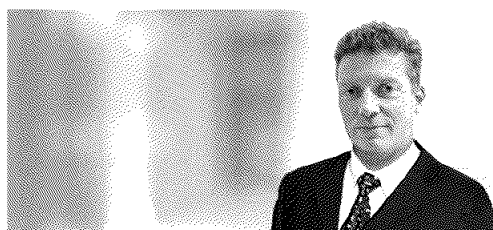


Mr. Sack is responsible for all operational profit and loss for Europe and the Western Hemisphere, including management of the HSE, Quality, Projects, Project Controls, Tendering, Supply chain and Assets functions. He has over 25 years of experience in project management and engineering for the O&G industry. Prior to joining EMAS AMC, Mr. Sack has worked for five years with Schlumberger where he first managed the development of a deepwater subsea intervention system and then managed the Early Production Facility group. He has also previously held project and operations management positions while working 11 years with Technip in Australia, the United States, France and Angola, and 4 years with Bouygues Offshore (now Saipem) in West Africa and South East Asia.



5. MR. DAVID LOWTHER

Chief Operating Officer (Eastern Hemisphere)
EMAS AMC



Mr. Lowther has over 26 years of experience in the O&G industry, and is responsible for all operations for the Eastern Hemisphere, including management of the HSE, Quality, Projects, Project Controls, Tendering, Supply Chain and Assets functions. Prior to joining EMAS AMC, Mr Lowther spent over 22 years with Halliburton Subsea and Subsea 7 (in UK and Singapore), covering project management, operations and taking on leadership positions. He was also responsible for the development of execution strategies and tender lead for major subsea EPIC projects in the Asia-Pacific / Australia region from 2007. More recently, Mr. Lowther was Vice President, Strategic Planning for Samsung Heavy Industries (SHI) Korea, offshore construction business from 2012 to 2014.

6. MR. BOB DAVIDSON

Chief Operating Officer
EMAS Energy



Mr. Davidson is responsible for overseeing the EMAS Energy division. He has over 20 years of operational experience in the oil and gas 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.



CORPORATE MILESTONES

27 NOVEMBER 2015

The Ezra Board has appointed Mr. Tan Cher Liang as an Independent Director of the Company, effective 27 November, 2015.

23 OCTOBER 2015

The Ezra Board has appointed Mdm. Ho Geok Choo Madeleine as an Independent Director of the Company, effective 23 October, 2015.

29 September 2015

Ezra and Chiyoda entered into a binding share sale and subscription agreement in relation to the Proposed Joint Venture (refer to milestone on 27 August 2015).

28 September 2015

EMAS AMC successfully completed the first two of three Noble Energy – operated subsea tieback projects (Big Bend and Dantzler) in the US Gulf of Mexico and demonstrated the operability of *Lewek Constellation's* portable reel-lay technology.

25 September 2015

Capt. Adarash Kumar A/L Chranji Lal Amarnath stepped down as the Group's Chief Operating Officer and Executive Director as part of the Group's commitment to enhance corporate governance by having a Board structure consisting of 50% independent directors. He will focus his efforts on EMAS Offshore Limited in his capacity as Executive Director and Chief Executive Officer.

18 September 2015

Ezra fully redeemed its S\$150 million Perpetual Securities on the scheduled maturity date of 18 September 2015.

07 SEPTEMBER 2015

EMAS AMC finalised a contract with BHP Billiton for the Angostura phase three development, offshore Trinidad and Tobago in the eastern Trinidadian sector of the Venezuela basin. This will be EMAS AMC's inaugural project in Trinidad and Tobago. The total scope of work includes the project management, fabrication, construction and installation of 12-inch flowline along with a complete subsea package comprised of control umbilicals and detailed engineering, construction and installation of the pipeline end manifold (PLEM) and inline sled (ILS).

07 SEPTEMBER 2015

Ezra successfully redeemed its S\$225 million Notes on the scheduled maturity date of 7 September 2015.

27 August 2015

Ezra and Chiyoda announced that they have signed a binding Memorandum of Understanding for Chiyoda to invest in Ezra's Subsea Services business, EMAS AMC, to form EMAS CHiyODA Subsea – a 50:50 joint venture ("Proposed Joint Venture"). Through this partnership, EMAS CHiyODA Subsea will be able to undertake larger and more complex offshore EPCJ projects through a combination of capabilities and resources.

22 July 2015

Ezra successfully completed the Rights Issue, which was oversubscribed and had a subscription ratio of 1.3x. The gross proceeds of approximately S\$200 million (US\$150 million) was primarily used to repay the fixed rate notes due September 2015. This initiative is also part of Ezra's strategy to strengthen the Group's balance sheet, reduce net gearing and position the company for growth.



08 July 2015

EMAS AMC signed a six year Long Term Agreement ("LTA") with one of the world's largest national oil companies, Saudi Aramco, with exercisable options to extend for another six years (2x3 years), in a consortium with Larsen & Toubro Hydrocarbon Engineering ("LTHE"). Under the awarded LTA, LTHE and EMAS AMC will execute offshore projects with Saudi Aramco that include work such as project management, engineering, procurement, fabrication, transportation and installation works of offshore facilities such as platforms, pipelines, submarine cables and other offshore services.

11 June 2015

Lewek Constellation set industry record during sea trials in the Gulf of Mexico (GOM), in 7,368 feet (2,246 metres) of water during her sea trials. In preparation for the execution of three subsea tie-back projects for Noble Energy, she performed her final pipelay trial in the US GOM and during the deployment of the 3.2 kilometre, 16-inch diameter, 28 mm wall thickness pipeline, complete with the second end pipeline end termination (PLET), the tension recorded was 632 mT, rendering this the highest tension ever experienced in the history of rigid reeled-lay operations.

23 June 2015

Ezra's shareholders approved the proposed renounceable underwritten Rights Issue to entitled shareholders and the proposed issue of convertible bonds as part of its refinancing strategy.

04 June 2015

EMAS AMC successfully completed the transportation and installation of three subsea templates for the Aasta Hansteen field development project, operated by Statoil. The scope of work included transport and installation of two 4-slot templates and one single slot template. All templates were transported from Aker Solutions' facility in Sandnessjøen, Norway. EMAS AMC utilised its subsea construction vessel *Boa Sub C* for transportation and installation work.

15 June 2015

EMAS AMC, together with EMAS Energy secured several global subsea contract wins valued more than US\$115 million, including one for rigid pipelay on the Aviat field development in the UK North Sea, under the auspices of the frame agreement the Company signed with Apache in the North Sea. The subsea project scope of work for the Aviat field development includes project management, detailed engineering, procurement, and installation of 23.2 km rigid pipelines and 24 km umbilical via reel, flexible riser, spools, and structures as well as pre-commissioning. In project execution, EMAS AMC will utilise its latest spoolbase, EMAS Marine Base Gulen, located on the West coast of Norway, to fabricate the 24 km rigid pipeline, and its pipelay reel vessel, *Lewek Express*. Additionally, EMAS Energy together with EMAS AMC will deploy the *Lewek Centurion* to undertake work in Asia, which includes subsea pipeline free span work, well plug and abandonments, slickline and nitrogen operations, well stimulation and pipeline precommissioning work for a variety of oil majors and national oil companies.

05 May 2015

The Ezra Board appointed Mr. Lionel Lee as Chairman of Ezra's Subsea Services division, EMAS AMC. In his role as EMAS AMC's Chairman, Mr. Lionel Lee will direct the development and execution of the Group's subsea strategy, together with the EMAS AMC team.



CORPORATE MILESTONES

16 April 2015

EMAS AMC was awarded multiple new awards from various oil and energy companies worth approximately US\$55 million. The scope of work includes project support, inspection, maintenance and repair (IMR), subsea removal work of pipelines and structures, installation of buoys and lifting of structures and mattresses, as well as a pre-FEED study, effectively strengthening EMAS AMC's subsea track record.

1 March 2015

Ezra officially christened and named the *Lewek Constellation* prior to her departure to the Gulf of Mexico to commence work for Noble Energy. The *Lewek Constellation*, an ice-classed, multi-lay offshore construction vessel with ultra-deep water pipe laying and heavy lift capabilities is EMAS AMC's flagship project-enabling asset. She is only one of two vessels in the world in her class achieving the highest environmental and comfort notations, with an ice-classed hull capable of transiting through 0.8 metres of ice and a technologically advanced DP3 system. *Lewek Constellation* also comes equipped with an 800 mT Huisman multi-lay system that is able to support both rigid and non-rigid pipelines, a 3,000 mT Huisman offshore heavy lift crane, two Schilling workclass remotely operated vehicles (WROVs) and a unique portable reel system which significantly reduces mobilisation time.

30 January 2015

EMAS AMC secured multiple contracts from various energy companies valued at more than US\$65 million (including options). The scope of work includes project management, engineering, and transportation and installation works for a floating production storage offloading (FPSO) vessel in Africa, as well as various engineering and offshore construction support contracts.

12 January 2015

Ezra's wholly owned subsidiary London Marine Consultants ("LMC"), Ezra's Floating Production, Storage and Offloading ("FPSO") Turret Design outfit was awarded a contract by Sembcorp Marine's subsidiary Jurong Shipyard of Singapore, to supply an external turret mooring system for the Libra field's Extended Well Test (EWT) FPSO vessel. The Libra oil field is a large, ultra-deepwater (up to 2,500 metres) oil prospect located in the Santos Basin, about 230 kilometres off the coast of Rio de Janeiro, Brazil, north of Tupi field. LMC's scope of supply includes engineering, procurement and construction (EPC) of the complete external turret. LMC will also design the mooring lines, analyse the risers and provide engineering support for integration of the turret and swivel stack onto the FPSO at Jurong Shipyard.

09 January 2015

EMAS AMC continued its winning momentum in Australia, where it has secured a subsea construction contract with Apache Energy Limited valued in excess of A\$130 million (approximately US\$105 million). The awarded scope of work includes project management, engineering, transportation and subsea installation of an electro-hydraulic steel tube umbilical, two heavy lift subsea manifolds, flying leads and jumpers as well as the procurement, fabrication, transportation and installation of diverless tie-in spools for Apache's Julimar Development Project offshore Australia. Subsequently, interest in the Julimar field has been sold to Woodside Petroleum Ltd.

01 January 2015

Mr. Karl Erik Kjelstad, Ezra's Non-Executive and Non-Independent Director stepped down from the Ezra Board due to a change in strategic investment position of Aker Solutions.

OPERATIONS REVIEW

THROUGH ITS THREE MAIN BUSINESS DIVISIONS, THE GROUP OFFERS A FULL RANGE OF SEABED-TO-SURFACE ENGINEERING, CONSTRUCTION, MARINE AND PRODUCTION SERVICES GLOBALLY



With a combined fleet of more than 60 vessels, the Group is a leading global offshore contractor and provider of integrated offshore solutions to the global O&G industry. The Group has 16 offices globally with assets deployed across six continents of Africa, the Americas, Asia, Australia and Europe. Through its three main business divisions, the Group offers a full range of seabed-to-surface engineering, construction, marine and production services globally.

Building on its global growth strategy and transformation into a global offshore contractor, the Group achieved revenue growth from continuing operations by 11% to US\$543.8 million¹ in FY2015, adjusted profit after tax[#] from continued operations was US\$20.4 million in FY2015, a 42% increase as compared to US\$14.4 million in FY2014.

Subsea Services

The Group's Subsea Services division, EMAS AMC is a global engineering, procurement, construction, installation and commissioning ("EPCIC") service provider of comprehensive subsea-to-surface solutions, especially in the SURF and subsea tie-back sector. Core business services include subsea installation of umbilicals/power cables, pipelines as well as platforms, FPSO and floater installations.

The Subsea Services Division has won approximately US\$4.0 billion in contracts since the Ezra's acquisition of Aker Marine Contractors in March 2011. In August 2015, Ezra signed a binding Memorandum of Understanding (MOU) for Chiyoda to invest in Ezra's Subsea Services business, EMAS AMC, to form EMAS CHIYODA Subsea ("EMAS CHIYODA") – a 50:50 joint venture.

¹ Including discontinued operations, maintained revenues at ~US\$1.5 billion in FY2015

[#] Excluding the Group's gain/loss from disposal, written off and impairment of fixed assets, realised loss on derivative instruments, impairment of goodwill, gain from bargain purchase due to consolidation of subsidiaries and loss on step up of associated and joint venture companies to subsidiaries.



OPERATIONS REVIEW

Following that, Ezra and Chiyoda entered into a binding share sale and subscription agreement in relation to the proposed joint venture. This agreement provides for the acquisition by Chiyoda of shares in the issued share capital of a company and the subscription by Chiyoda of new shares in the issued share capital of the joint venture company. The proposed joint venture is subject to, among others, Ezra shareholders' approval and the satisfaction of other customary closing conditions. Assuming these conditions are met, the transaction is expected to close by the end of 2015. This joint venture will leverage Chiyoda's technical expertise, global experience, supply chain management capabilities and coverage to enhance EMAS CHIYODA's capabilities in delivering and managing larger and more complex projects, consolidating its global position as a leading subsea services player. Furthermore, this will create avenues for synergies across the subsea value chain, including integration from concept phase to execution. Chiyoda's involvement will begin early in the concept development phase of offshore projects, where the ability to influence cost is the greatest. There is also potential to lower the cost of subsea field development which will improve EMAS CHIYODA's global competitiveness. EMAS CHIYODA will then use its technologically advanced fleet and operational expertise to bring these solutions offshore and increase the probability of winning installation work and also provide a stronger visibility on tender book, enabling efficient management of resources. A combined global network of engineering centers will enable knowledge sharing and drive cost synergies.

EMAS AMC has continued to demonstrate its strong track record through its contract wins momentum globally, specifically in the Gulf of Mexico, South America, North Sea, Middle East and the Asia-Pacific. Some highlights from FY2015 included:

- EMAS AMC's inaugural project win in Trinidad and Tobago with BHP Billiton for the Angostura phase three developments in the eastern Trinidadian sector of the Venezuela basin.
- Six-year long term agreement with one of the world's largest national oil companies, Saudi Aramco, with exercisable options to extend for another six years (2x3 years), in a

consortium with Larsen & Toubro Hydrocarbon Engineering (LTHE).

EMAS AMC, together with EMAS Energy, have secured several global subsea contract wins valued more than US\$115 million, including one for rigid pipelay on the Aviat field development in the UK North Sea.

The Subsea Services Division continues to innovate and keep ahead of industry trends, despite the current headwinds in the oil and gas environment. EMAS AMC has notched up several notable operational achievements in FY2015 that included:

- Lewek Constellation* completed the first two of three Noble Energy-operated subsea tieback projects in the US Gulf of Mexico in September 2015
- Boa Sub C* successfully completed the transportation and installation of three subsea templates for the Aasta Hansteen field development project, Norwegian Sea's deepest offshore project with water depths of more than 1,200 meters, operated by Statoil
- Lewek Constellation* set an industry record with tension recorded at 632 mT during her sea trials in the Gulf of Mexico (GOM), in 7,368 feet (2,246 metres) of water

EMAS AMC's revenue kept apace at US\$976.4 million in FY2015 as compared with US\$998.4 million in FY2014.

Offshore Support and Production Services – EMAS Offshore Limited

EMAS Offshore's business activities are carried out by two business segments, namely (i) Offshore Support and Accommodation Services division, and (ii) Offshore Production Services division.

EMAS Offshore's Support & Accommodation division ("EMAS Marine") manages and operates a young, versatile fleet of advanced offshore support vessels, offering an extensive range of maritime services that cater to the client's needs throughout a field's life cycle.

Despite the muted industry performance, the division has undertaken proactive steps to drive its overall full year's vessel utilisation rate to 75%





OPERATIONS REVIEW



in FY2015. The following are some of the highlight wins for FY2015:

- ✳ Secured contracts that involved work in the West Africa and in Asia regions, for two AHTS and one PSV
- ✳ Awarded several contracts in West Africa and Thailand, with the deployment of an AHTS for sea transportation services that include towing, performing anchor handling and positioning of rigs and other floating structures for an oil major
- ✳ Project wins for four of EMAS Offshore's marine vessels, including an Accommodation Barge, PSV and AHTS, will be chartered to EMAS AMC, to provide accommodation, anchor handling, towing, supplying and other support services

The Group's Offshore Production Services division ("EMAS Production") was the first Singapore incorporated company to be listed on the Oslo Børs in 2007. EMAS Production owns and operates cutting-edge FPSO facilities and offer services that support the post-exploration needs of offshore fields, such as FPSO conversion management.

EMAS Production has seen a sustainable and reliable operational performance for its assets, *Lewek EMAS* and *Perisai Kamelia*, both achieved uptime of more than 95% in FY2015. This is testament to its track record and engineering capabilities. EMAS Production has also seen a safe year without any LTI.

The revenue of the Offshore Support and Production Services division decreased in FY2015 to US\$203.8 million from US\$271.1 million in FY2014.

Marine Services - Triyards Holdings Limited

Marketed under the TRIYARDS brand, the Group's Marine Services division is fast becoming an acknowledged leader in developing advanced and customised solutions for world-class vessels. By focusing on sophisticated platforms and equipment that can tackle even the most complex offshore projects, it has already established itself as a front runner in the fabrication of liftboats. TRIYARDS provides its integrated engineering, ship construction and fabrication services out of yard facilities located in Singapore, the U.S. and Vietnam. TRIYARDS was listed on the main board of SGX-ST on 18 October 2012 and is 61%-owned by Ezra Holdings.

TRİYARDS continues to deliver on its strategies with the following achievements:

- ✳ Added approximately US\$100.0 million order that comprised three chemical tankers, two high speed craft and an industrial fabrication contract; the industrial fabrication contract will be built by wholly-owned Strategic Marine Entities with delivery expected to be in 2QFY2016
- ✳ Received orders for its fourth BH450 liftboat, TRIYARDS' first lattice-leg liftboat that is among the tallest available in the industry
- ✳ Clinched additional liftboat contracts for the three-legged lattice BH335 unit, which has leg lengths that exceed 100 metres (approximately 335 feet) and can accommodate approximately 146 people, and secured a project to fabricate core component parts for a land based power plant



- Secured new orders for two ice-class Multi-Purpose Support Vessels (MPSVs) and a turret fabrication project valued at more than US\$100.0 million

TRIYARDS has also taken steps to strengthen the company through the following:

- Completed proposed issuance of 29.5 million warrants to Ezion Holdings Limited

The Marine Services division's revenue increased in FY2015 with US\$282.9 million as compared to \$188.2 million in FY2014.

TRIYARDS will continue to focus on enhancing its corporate financials, diversifying of clientele base and product lines, increasing marketability of cranes to sustain growth despite challenging industry conditions.

Outlook for the Global Offshore O&G Industry Remains Muted

The global O&G industry continues to experience significant challenges in light of the current oil price environment. Consequently, this has led to reduced O&G spending, leading to activity, leading to uncertainty in new awards across the offshore services segment. As a result, the Group is likely to continue to face strong headwinds under the current market conditions.

Nevertheless, the Company remains focused on its strategy to develop its Subsea Services business. The Company has recently entered into an agreement with Chiyoda for Chiyoda to invest in Ezra's Subsea Services business, EMAS AMC, to form EMAS CHIYODA Subsea – a 50:50 joint venture. The partnership with Chiyoda is expected to create

the opportunity for EMAS AMC to expand its subsea-to-surface offerings. Following completion of the transaction, the Company believes that EMAS CHIYODA Subsea will be better positioned to capitalise on market opportunities and manage risks in light of market conditions.

The Offshore Support and Production Services Division is likely to experience lower charter rates and/or decreased vessel utilisation which will have an impact on the division's financial performance.

As the Marine Services Division diversifies its products and services across the oilfield fabrication value chain, from construction, production, decommissioning, to inspection and maintenance of offshore infrastructure servicing offshore fields, the division believes that there will be continued demand for its offerings, notwithstanding the competitive and challenging environment.

The Group through the strategic initiatives undertaken in FY2015 has significantly reduced gearing and has addressed significant securities maturities due in September 2015.

Staying Focused on the Group's Growth

In FY2015, the Group has been focused on strengthening its balance sheet and improving cash flow. The results are evident with the Group's net gearing improving from 1.2x to 0.8x in FY2015. Some notable achievements include the *Lewek Constellation's* successful completion of her first reel-lay project for Noble Energy in the Big Bend and Dantzler field developments and the offshore fleet operations maintaining a steady utilisation rate of 75% amidst market volatility. Through a Rights Issue exercise





OPERATIONS REVIEW

and with the support of shareholders, Ezra has raised approximately US\$150 million of proceeds to repay securities with maturities due in September 2015.

EMAS Offshore has taken further steps to reduce cost, targeting a further reduction between 10-20% on vessel cost and general administrative expenses for FY2016. EMAS Offshore will continue to streamline the fleet, potentially looking to dispose smaller tonnage vessels and strengthening the balance sheet through monetisation of certain assets, and also implementing initiatives to improve operational efficiency and increasing their focus on vessel utilisation. One of its focus areas is West Africa, as they establish new operational readiness for their offshore support business.

The Marine Services Division diversifies its products and services across oilfield fabrication value chain, and the division believes that there will be continued demand for its offerings, notwithstanding the competitive and challenging environment.

The Group will continue to focus on operational excellence and cash flow optimisation in FY2016. This will be done through building of quality backlog and maintaining vessel utilisation, continuing non-core asset rationalisation, driving further balance sheet deleveraging and debt structure optimisation.

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:

- EMAS Offshore achieving the OSV Safety Award for eight years of goal zero operations by Shell Philippines for operating without fatalities or significant incidents despite the difficult conditions in which it operates;

- TRIYARDS building up its quality management systems to comply with the ISO 22301:2012 standard for business continuity management

Global Corporate Social Responsibility ("CSR")

The EMAS Global CSR programme is part of the Group's efforts to be a good corporate citizen and contribute to society. Currently in its fourth year since its inception in 2011, the programme continues to garner support and active participation from our employees globally.

Environment Sustainability

One of the areas of focus for the Group's CSR efforts is on the conservation of the environment. Across the Group's various offices, employees took part in the Earth Hour by switching off their lights and powers when they leave the office. Notices were also circulated to remind employees on the initiative and transform these actions into daily habits.

Community Engagement

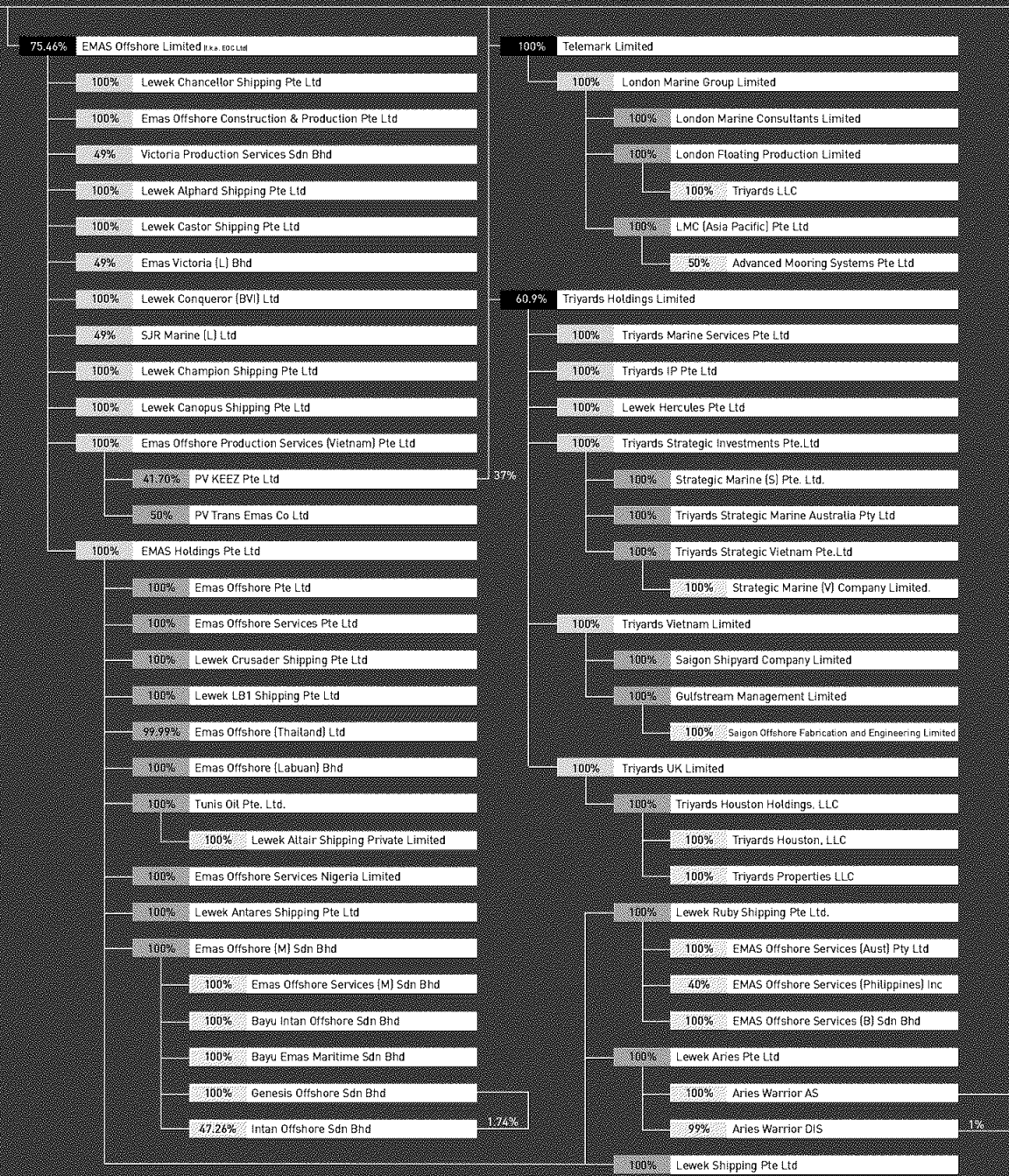
The Singapore office participated in 'Football with a Heart 2015', an executive football charity fundraiser for ten beneficiaries.

In Houston, our employees donated toys and money to the Toys for Tots organisation, extending their helping hand to the less fortunate children in the surrounding Houston communities to experience the joy of Christmas.

In Vietnam, TRIYARDS organised charity fairs where all proceeds were donated to the charity funds. Additionally, TRIYARDS' employees also sponsored food packages or cash packages for the orphanages and less fortunate families as part of the community giving back programme.



EZRA HOLDINGS LIMITED
GROUP STRUCTURE AS AT 23 NOVEMBER 2015





* Includes an effective interest of 9.1% held by EMAS Offshore 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

Mr. Eng Heng Nee Philip
Lead Independent Director

Dr. Ngo Get Ping
Independent Director

Mr. Soon Hong Teck
Independent Director

Mdm. Ho Geok Choo Madeleine
Independent Director

Mr. Tan Cher Liang
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

Mdm. Ho Geok Choo Madeleine
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

Mdm. Ho Geok Choo Madeleine
Independent Director

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

Mdm. Ho Geok Choo Madeleine
Independent Director

Enterprise Risk 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

Mdm. Ho Geok Choo Madeleine
Independent Director

Executive Committee

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

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

Company Secretary

Mr. Yeo Keng Nien

Registered Office

15 Hoe Chiang Road
#28-01 Tower Fifteen
Singapore 089316

Telephone: (65) 6349 8535
Facsimile: (65) 6345 0139

Website: www.emas.com
Email: ir@ezrahholdings.com

Auditors

Ernst & Young LLP
One Raffles Quay
North Tower Level 18
Singapore 048583

Partner-in-charge: Mr. Shekaran
Krishnan (appointed since financial
year ended 31 August 2015)

Share Registrar

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

Principal Bankers

DBS Bank Ltd
12 Marina Boulevard Level 46
Marina Bay Financial Centre Tower 3
Singapore 018982

DNB Bank Asia, Singapore Branch
8 Shenton Way
Singapore 068811

**Oversea-Chinese Banking
Corporation Limited**
65 Chulia Street
OCBC Centre
Singapore 049513

United Overseas Bank Limited
80 Raffles Place
UOB Plaza Singapore 048624



FINANCIAL CONTENTS

42	Corporate Governance
56	Directors' Statement
63	Independent Auditor's Report
65	Statements Of Financial Position
67	Income Statements
69	Statements Of Comprehensive Income
70	Statements Of Changes In Equity
75	Consolidated Statement Of Cash Flows
78	Notes To The Financial Statements
206	Statistic Of Shareholdings
208	Notice Of Annual General Meeting Proxy Form



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, which are substantially in line with the principles set out in the Code of Corporate Governance 2012 (the "Code"). Where there are deviations from the Code, appropriate explanations are provided.

(A) BOARD MATTERS

Board's Conduct of its Affairs

The Board assumes responsibility for stewardship of the Group and the 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 Management is accountable to the Board.

The Board comprises eight (8) 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;
- (a) establish goals for Management and review and monitor the performance and achievement of these goals;
- (b) provide entrepreneurial leadership and ensure Management leadership of high quality, effectiveness and integrity;
- (c) set the Company's values and standards, and ensure that the obligations to shareholders and other stakeholders are understood and met;
- (d) establish a framework of prudent and effective controls which enables risk to be assessed and managed, including safeguarding of shareholders' interest and the Company's assets;
- (e) identify the key stakeholder groups and recognise that their perceptions affect the Company's reputation; and
- (f) consider sustainability issues as part of the Company's strategic formulation.

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.



CORPORATE GOVERNANCE REPORT

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"), an Enterprise Risk Committee ("ERC") and an Executive Committee ("EXCO"), 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 briefed on the Director's duties and responsibilities. Orientation programme will be organised for 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. At AC meetings, the external auditors, Ernst & Young LLP provides regular updates on developments in accounting standards wherever it is relevant and applicable to the Group.

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.

Board Composition and Guidance

The Board comprises eight (8) Directors, five 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 Director

Mr. Lee Chye Tek Lionel (Group Chief Executive Officer and Managing 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. Eng Heng Nee Philip (Lead Independent Director)

Dr. Ngo Get Ping (Independent Director)

Mr. Soon Hong Teck (Independent Director)

Mdm. Ho Geok Choo Madeleine (Independent Director)

Mr. Tan Cher Liang (Independent Director)

Currently, the Independent Directors of the Company make up more than half of the Board composition. This provides a strong and independent element on the Board which facilitates the exercise of independent and objective judgment on its corporate affairs.

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 21 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.



CORPORATE GOVERNANCE REPORT

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 Chief Executive Officer and Managing Director ("Group CEO and 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) setting the agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;
- (iii) promoting a culture of openness and debate at the Board;
- (iv) ensuring that the Directors receive accurate, timely and clear information;
- (v) ensuring effective communications with shareholders;
- (vi) encouraging constructive relations within the Board and between the Board and Management;
- (vii) facilitating the effective contribution of Non-Executive Directors; and
- (viii) promoting high standard of corporate governance.

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

Mr. Eng Heng Nee Philip is the Lead Independent Director of the Company and he is available to shareholders where they have concerns when contact through the normal channel of the Chairman, Group CEO and 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.

Executive Committee ("EXCO")

The EXCO was formed on 29 October 2014 and comprises of Mr. Eng Heng Nee Philip as Chairman, Mr. Koh Poh Tiong, Mr. Lee Kian Soo, and Mr. Lee Chye Tek Lionel as members.

The EXCO has delegated Board authority to perform the following functions:

- (a) chart the course and strategic direction of the Group and oversees and provides guidance to the Ezra Group management;
- (b) review and deliberate on the Group's strategic objectives, governance structure, and major corporate projects / initiatives; and
- (c) facilitate the decision-making process on major commitments affecting the Group.



CORPORATE GOVERNANCE REPORT

Board Membership

Nominating Committee ("NC")

The NC comprises Mr. Eng Heng Nee Philip as Chairman, Dr. Ngo Get Ping, Mr. Soon Hong Teck, Mr. Koh Poh Tiong and Mdm. Ho Geok Choo Madeleine 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, and as and when circumstances require 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;
- (g) assessing the effectiveness and performance of the Board as a whole by analysing the strengths and weaknesses of the Board; and
- (h) reviewing the training and development programs for 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 lesser 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. The NC will also review the number of directorship of each Director and ensure that each Director does not hold more than 6 listed company directorships. Approval will be required from the NC if a Director's directorship exceeds 6 listed companies. For Executive Director, new appointment as a director of a listed company has to be approved by NC prior to appointment.

Each member of the NC shall abstain from voting on any resolution in respect of the assessment of his or her 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.



CORPORATE GOVERNANCE 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.

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, Enterprise Risk Committee and Executive 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
Mdm. Ho Geok Choo Madeleine

Remuneration Committee ("RC")

Dr. Ngo Get Ping (Chairman)
Mr. Eng Heng Nee Philip
Mr. Soon Hong Teck
Mr. Koh Poh Tiong
Mdm. Ho Geok Choo Madeleine

Audit Committee ("AC")

Mr. Soon Hong Teck (Chairman)
Mr. Eng Heng Nee Philip
Dr. Ngo Get Ping
Mr. Koh Poh Tiong
Mdm. Ho Geok Choo Madeleine

Enterprise Risk Committee ("ERC")

Mr. Eng Heng Nee Philip (Chairman)
Mr. Soon Hong Teck
Dr. Ngo Get Ping
Mr. Koh Poh Tiong
Mdm. Ho Geok Choo Madeleine

Executive Committee ("EXCO")

Mr. Eng Heng Nee Philip (Chairman)
Mr. Koh Poh Tiong
Mr. Lee Kian Soo
Mr. Lee Chye Tek Lionel



CORPORATE GOVERNANCE REPORT

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 *		Executive Committee *	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Mr. Koh Poh Tiong	8	8	1	1	1	1	4	4	4	4	14	14
Mr. Lee Kian Soo	8	8	NA	NA	NA	NA	NA	NA	NA	NA	14	14
Mr. Lee Chye Tek Lionel	8	8	NA	NA	NA	NA	NA	NA	NA	NA	14	11
Dr. Ngo Get Ping	8	8	1	1	1	1	4	4	4	4	NA	NA
Mr. Soon Hong Teck	8	8	1	1	1	1	4	4	4	4	NA	NA
Mr. Eng Heng Nee Philip	8	8	1	1	1	1	4	4	4	4	14	14
Mdm. Ho Geok Choo Madeleine **	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Mr. Tan Cher Liang ***	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Capt. Adarash Kumar A/L Chranji Lal Amarnath #	8	7	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Mr. Karl Erik Kjelstad ##	1	1	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Note:-

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

** Mdm. Ho Geok Choo Madeleine is appointed on the Board with effect from 23 October 2015.

*** Mr. Tan Cher Liang is appointed on the Board with effect from 27 November 2015.

Capt. Adarash Kumar A/L Chranji Lal Amarnath stepped down from the Board with effect from 25 September 2015.

Mr. Karl Erik Kjelstad stepped down from the Board with effect from 1 January 2015.

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.

Access to Information

Prior to each Board meeting, 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.



CORPORATE GOVERNANCE REPORT

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, Mr. Koh Poh Tiong and Mdm. Ho Geok Choo Madeleine as members.

The Board had 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 one (1) meeting.

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 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

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. The RC ensures that the performance related elements of remuneration form a significant part of the total remuneration package of Executive Directors and key executives and is designed to align their interest with those of shareholders and link rewards to corporate and individual performance. The RC has access to appropriate advice from the Corporate Human Resource Department. The RC may from time to time, and where necessary or required, seek advice from external consultants on remuneration of Directors and key executives. Any 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 2015.

Non-Executive Directors

	Fee ² %	Others [*] %	Total %
Above S\$500,000 to S\$750,000			
Mr. Koh Poh Tiong	44.1	55.9	100.0
Mr. Lee Kian Soo ¹	12.0	88.0	100.0
Up to S\$250,000			
Dr. Ngo Get Ping	100.0	–	100.0
Mr. Soon Hong Teck	100.0	–	100.0
Mr. Eng Heng Nee Philip	100.0	–	100.0
Mr. Karl Erik Kjelstad ^{**}	100.0	–	100.0
Mdm. Ho Geok Choo Madeleine ^{***}	–	–	–
Mr. Tan Cher Liang ^{****}	–	–	–

Note: –

¹ Mr. Lee Chye Tek Lionel is the son of Mr. Lee Kian Soo.

² These fees have been approved by shareholders as a lump sum at the AGM for FY2014.

^{*} Others include advisory fees and other benefits.

^{**} Mr. Karl Erik Kjelstad stepped down from the Board with effect from 1 January 2015.

^{***} Mdm. Ho Geok Choo Madeleine is appointed on the Board with effect from 23 October 2015.

^{****} Mr. Tan Cher Liang is appointed on the Board with effect from 27 November 2015.



CORPORATE GOVERNANCE REPORT

Executive Directors and Key Executives

Name of Executive	Salary & CPF %	Bonus %	Other Benefits %	Total %
Above S\$500,000 to S\$750,000				
Mr. Lee Chye Tek Lionel ¹	91.1	-	8.9	100.0
Capt. Adarash Kumar A/L Chranji Lal Amarnath [#]	78.3	6.5	15.2	100.0
Mr. Sack Daniel Francois Yves	73.1	-	26.9	100.0
Above S\$250,000 to S\$500,000				
Ms. Yap Siew Leng, Cheryl	88.4	11.0	0.6	100.0
Mr. Eugene Cheng Chee Mun	87.1	7.0	5.9	100.0
Mr. Robert James Davidson	77.9	-	22.1	100.0
Mr. David Lowther	77.8	-	22.2	100.0
Up to S\$250,000				
Mr. Yeo Keng Nien	89.8	10.2	-	100.0

Note:-

¹ Mr. Lee Chye Tek Lionel is the son of Mr. Lee Kian Soo.

[#] Capt. Adarash Kumar A/L Chranji Lal Amarnath stepped down from the Board with effect from 25 September 2015.

The Company is of the opinion that it is not in the best interest of the Company to disclose the total remuneration of each Director and Key Executive in dollar terms, given the sensitivity of remuneration matters and the competitiveness of the industry for key talent.

Except as disclosed in Note 1 above, no employee of the Group was an immediate family member of a Director or the Chief Executive Officer and whose remuneration exceeded S\$50,000 during the financial year ended 31 August 2015.

(C) ACCOUNTABILITY AND AUDIT

Accountability

The Board is accountable to the shareholders and other stakeholders while 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 timely, detailed analysis, explanation and assessment of the Group's financial position and prospects.

To enable effective monitoring and decision-making by the Board, Management provides the Board with a continual flow of relevant information on a regular basis as well as quarterly management accounts of the Group. In particular, prior to the release of quarterly and full year results to the public, Management will present the Group's financial performance together with appropriate details to the AC, which will review and recommend the same to the Board for approval and authorisation for the release of the results. In addition, the financial performance together with appropriate details will be presented to the Board prior to the Board's approval and authorisation for the release of the results.



CORPORATE GOVERNANCE REPORT

Audit Committee ("AC")

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

Most 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 their submission to the Board of Directors;
- (f) review and report to the Board at least annually on the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls;
- (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 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 or she 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 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 Management. The AC has reasonable resources to enable it to discharge its functions properly.



CORPORATE GOVERNANCE REPORT

The AC has met with the internal and external auditors without the presence of 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.

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 183 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 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 AC 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 2015, are adequate to address financial, operational and compliance risks, which the Group considers relevant and material in its current business environment.

In addition, the Board had received assurance from the CEO and CFO that: (a) the financial records have been properly maintained and the financial statements give true and fair view of the Group's operations and finances; and (b) regarding the effectiveness of the Company's risk management and internal control systems is adequate in all material aspects.

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 an Enterprise Risk Committee ("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, Mr. Koh Poh Tiong and Mdm. Ho Geok Choo Madeleine. The Chairman of the ERC is Mr. Eng Heng Nee Philip.



CORPORATE GOVERNANCE REPORT

The responsibilities of ERC are as follows:

- (a) review and endorse the risk governance approach for the Company;
- (b) provide the tone at the top to set and instil the right culture throughout the company for effective risk governance;
- (c) review the adequacy and effectiveness of the of the risk management program so that 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) review the reports submitted by the Enterprise Risk Management to monitor 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; these reports include actions taken to mitigate the risks identified where possible; and
- (e) providing oversight of the risk management system, and system of internal controls, and reviewing their adequacy and effectiveness at least on an annual basis.

A dedicated ERM function facilitates the implementation of the ERM Framework over the identification, prioritisation, assessment, management and monitoring of key risks. Through this Framework, risk capabilities and competencies are continuously enhanced. The risk management process in place covers, inter alia, financial, operational 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, risk transfer through insurance, 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 implementation of these controls are checked by the Internal Audit department and regularly reviewed by the Audit Committee. Key managers also provide quarterly management assurance to the Board that these controls are complied with.

Internal Audit

The Internal Audit department is an independent function of the Group. The Head of Internal Audit primary reporting is to the AC Chairman on audit matters, and to the Group CFO on administrative matters. The AC approves the hiring, removal, evaluation and compensation of the Head of Internal Audit. Staffed by suitably qualified executives, Internal Audit shall have unrestricted access to all documents, records, properties and personnel, and unrestricted direct access to the AC. Internal Audit reports are submitted to the AC for deliberation, with copies of these reports extended to the CEO and relevant senior management officers. Group Internal Audit is guided by the International Standards for the Professional Practice of Internal Auditing set by the IIA. An audit plan for the next financial year has been developed using a structured risk assessment framework.



CORPORATE GOVERNANCE REPORT

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 are protected from reprisal to the extent possible. All concerns raised through the whistle-blowing email account (lid@whistleblowingsg.com) are received by Internal Audit who will assess the actions required. All whistle-blowing cases and their assessments are reported by Internal Audit to the AC Chairman and Group CEO and MD. They will decide whether further action or review is required, and if so, whether this should be conducted by an internally appointed Board of Inquiry or external authority. All employees have a duty to cooperate with investigations initiated under the Policy. 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 effort to promote fraud control awareness.

(D) SHAREHOLDERS' RIGHTS AND RESPONSIBILITIES

The Group ensures that all shareholders are treated fairly and equitably. The Company recognises, protects and facilitates the exercise of shareholders' rights and continually reviews and updates such governance arrangements.

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.

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 auditor's report.

Since 2013, the Company has conducted electronic poll voting for all resolutions passed at the AGM for greater transparency in the voting process. Votes cast for or against and the respective percentages on each resolution, will be tallied and displayed 'live' on-screen to shareholders immediately after each poll is conducted. The total number of votes cast for or against the resolutions and the respective percentages are also announced in a timely manner after the AGM via SGXNET. 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.



CORPORATE GOVERNANCE REPORT

Dividend

The Group does not have a formal policy on dividend distribution.

(E) 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.

(F) 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 2015.

(G) 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	266



DIRECTORS' STATEMENT

The directors are pleased to present their statement 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, income statement, statement of comprehensive income and statement of changes in equity of the Company for the financial year ended 31 August 2015.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

- (i) the consolidated financial statements of the Group and the statement of financial position, income statement, statement of comprehensive income and statement of changes in equity of the Company are drawn up to give a true and fair view of the financial position of the Group and the Company as at 31 August 2015 and the financial performance, changes in equity and cash flows of the Group and the financial performance and changes in equity of the Company for the 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.

2. DIRECTORS

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

Mr. Koh Poh Tiong
Mr. Lee Kian Soo
Mr. Lee Chye Tek Lionel
Mr. Soon Hong Teck
Dr. Ngo Get Ping
Mr. Eng Heng Nee Philip
Mdm. Ho Geok Choo Madeleine

In accordance with Articles 106 of the Company's Articles of Association, Mr. Eng Heng Nee Philip retires. The director, being eligible, offers himself for re-election. Dr. Ngo Get Ping is retiring by rotation and has decided not to offer himself for re-election to office.

3. 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.

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 (other than wholly-owned subsidiaries), as stated below:



DIRECTORS' STATEMENT

4. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONT'D)

	Direct interest			Deemed interest		
	At 1 September 2014	At 31 August 2015	At 21 September 2015	At 1 September 2014	At 31 August 2015	At 21 September 2015
The Company						
Ordinary shares						
Mr. Koh Poh Tiong	348,000	1,049,568	1,049,568	-	-	-
Mr. Lee Kian Soo	15,050,000	45,390,800	45,390,800	-	-	-
Mr. Lee Chye Tek Lionel	184,790,384	573,711,846	573,711,846	36,465,920	107,720,463	107,720,463
Capt. Adarash Kumar A/L Chranji Lal Amarnath	7,888,070	8,203,592	8,203,592	-	-	-
Mr. Eng Heng Nee Philip	200,000	603,200	603,200	-	-	-
Dr. Ngo Get Ping	80,000	473,280	473,280	-	-	-
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	800	-	-	-
Mr. Lee Kian Soo	1,505,000	1,505,000	1,505,000	-	-	-
Mr. Lee Chye Tek Lionel	18,479,038	16,959,038	16,959,038	201,302,827	201,302,827	201,302,827
Capt. Adarash Kumar A/L Chranji Lal Amarnath	788,807	788,807	788,807	-	-	-
EMAS Offshore Limited						
Ordinary shares						
Mr. Koh Poh Tiong	-	150,000	150,000	-	-	-
Mr. Lee Kian Soo	-	-	-	50,711,064	330,844,316	-
Mr. Lee Chye Tek Lionel	-	4,121,500	4,121,500	50,711,064	330,844,316	330,844,316
Capt. Adarash Kumar A/L Chranji Lal Amarnath	-	164,000	164,000	-	-	-
Mr. Eng Heng Nee Philip	-	100,000	100,000	-	-	-

Capt. Adarash Kumar A/L Chranji Lal Amarnath has an interest in conditional award of shares as disclosed in section 5 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.



DIRECTORS' STATEMENT

4. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONT'D)

From 17 September 2015, Mr. Lee Kian Soo is no longer deemed to be interested in the shares of EMAS Offshore Limited held by the Company.

Except as disclosed in this statement, 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.

5. EMPLOYEE SHARE OPTION SCHEME AND EMPLOYEE SHARE PLAN

Ezra Holdings Limited - Employee Share Plan

The Remuneration Committee is responsible for administering the share option and employee share plan. At the date of this statement, 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
Mdm. Ho Geok Choo Madeleine

The Company implemented the Employee Share Plan (the "Ezra Employee Share Plan") with the approval of shareholders at the Extraordinary General Meeting held on 28 January 2009. The Ezra Employee Share Plan shall continue to be in force up to a maximum of ten years from 28 January 2009. The Ezra Employee Share 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 Ezra Employee Share 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 statement, 15,664,981 shares have been granted under the Ezra Employee Share Plan for performance period ended 31 August 2008 to 31 August 2015. There were no shares vested during the financial years ended 31 August 2015 and 2014. The shares that were vested were settled by the delivery of existing shares held as treasury shares or payment in cash.

	Since commencement of the Ezra Employee Share Plan to end of financial year				Balance as at 31 August 2015
	Share awards granted during the financial year	Aggregate share awards granted	Aggregate share awards vested	Aggregate share awards cancelled	
<i>For staff and key executives</i>	-	13,827,153	(2,568,462)	(11,258,691)	-
<i>For Executive Director</i>					
- <i>Capt. Adarash Kumar</i>					
- <i>A/L Chranji Lal Amarnath</i>	-	1,837,828	(1,099,319)	(738,509)	-
Total	-	15,664,981	(3,667,781)	(11,997,200)	-



DIRECTORS' STATEMENT

5. EMPLOYEE SHARE OPTION SCHEME AND EMPLOYEE SHARE PLAN (CONT'D)

EMAS Offshore Limited – Employee Share Option Scheme

In 2007, the shareholders of EMAS Offshore Limited ("EOL") approved the EOC Employee Share Option Scheme ("EOC ESOS") for the granting of non-transferable options that are settled by physical delivery of the ordinary shares of EOL ("EOL Shares"), to directors and key employees of EOL. The EOL ESOS shall continue to be in force up to a maximum of ten years from 15 August 2007.

The EOC ESOS will be administered by the EOL Remuneration Committee, or such other committee comprising directors duly authorised and appointed by the Board of Directors of EOL, which will decide the provisions and terms and conditions of each grant.

During the financial year, no options to take up unissued EOL Shares were granted; no EOL Shares were issued by virtue of the exercise of an option to take up unissued shares; and at the end of the financial year, there were no unissued EOL Shares under option.

EMAS Offshore Limited – Employee Share Plan

EOL implemented the Employee Share Plan (the "EOL Employee Share Plan") with the approval of EOL's shareholders at an Extraordinary General Meeting held on 22 August 2014. The EOL Employee Share Plan shall continue to be in force up to a maximum of ten years from 22 August 2014. This EOL Employee Share Plan gives the flexibility to either allot and issue new EOL Shares or purchase and deliver existing EOL treasury shares upon the vesting of awards.

Participants will receive fully paid EOL Shares free of charge, upon the Participant satisfying the criteria set out in the EOL Employee Share Plan. The vesting period for the shares granted is three years. The number of EOL 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 EOL's share at grant date.

The Remuneration Committee of EOL is responsible for administering the share option and employee share plan of EOL.

As at date of this statement, no EOL Shares have been granted under the EOL Employee Share Plan for performance period ended 31 August 2015.

Triyards Holdings Limited – Employee Share Plan

Triyards Holdings Limited ("Triyards") has set up an employee share based incentive plan (the "Triyards Employee Share Plan") which was approved at the Extraordinary General Meeting held on 31 August 2012.

Except for controlling shareholders or their associates, the employees, executive directors and independent directors of Triyards and its subsidiaries shall, subject to certain conditions, be eligible to participate in the Triyards Employee Share Plan.

The Triyards Employee Share Plan shall continue to be in force at the discretion of the Triyards Remuneration Committee, subject to a maximum of ten (10) years commencing on adoption date. This Triyards Employee Share Plan gives the flexibility to either allot and issue new shares of Triyards ("Triyards Shares") or purchase and deliver existing treasury shares upon vesting of the awards. Participants will receive fully paid Triyards Shares free of charge, upon the Participant satisfying the criteria set out in the Triyards Employee Share Plan.



DIRECTORS' STATEMENT

5. EMPLOYEE SHARE OPTION SCHEME AND EMPLOYEE SHARE PLAN (CONT'D)

Triyards Holdings Limited – Employee Share Plan (cont'd)

The number of Triyards 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 Triyards' share at grant date.

The Remuneration Committee of Triyards is responsible for administering the share based incentive plan of Triyards.

As at the date of this statement, no shares or awards have been granted under the Triyards Employee Share Plan for performance period ended 31 August 2015.

6. OPTIONS

Triyards Holdings Limited – Warrants

As at 31 August 2015, Triyards has 29,500,000 warrants ("Warrant") which were issued to a third party and not exercised. Each Warrant carries the right to subscribe for 1 new ordinary share in the capital of Triyards (the "New Share") at the exercise price of US\$0.5626 for each New Share. These warrants are exercisable from 6 July 2015 to 6 July 2018.

7. AUDIT COMMITTEE

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

Mr. Soon Hong Teck (Chairman)
Dr. Ngo Get Ping
Mr. Koh Poh Tiong
Mr. Eng Heng Nee Philip
Mdm. Ho Geok Choo Madeleine

The Company has adopted the Best Practices Guide and the Code of Corporate Governance 2012 in relation to the roles and responsibilities of the AC. The AC carried out its functions in accordance with section 201B (5) of the Singapore Companies Act, Chapter 50, including the following:

- (a) reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors;
- (b) reviewed the quarterly and annual financial statements and the auditors' report on the annual financial statements of the Group and the Company before their submission to the board of directors;
- (c) reviewed effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor;
- (d) met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- (e) reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;



DIRECTORS' STATEMENT

7. AUDIT COMMITTEE (CONT'D)

- (f) reviewed the cost effectiveness and the independence and objectivity of the external auditors;
- (g) reviewed the nature and extent of non-audit services provided by the external auditors;
- (h) recommended to the board of directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit;
- (i) reported actions and minutes of the AC to the board of directors with such recommendations as the AC considers appropriate;
- (j) reviewed interested person transactions, if any, in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual;
- (k) performed 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); and
- (l) 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 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 or she 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 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.

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.

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.



DIRECTORS' STATEMENT

8. AUDITOR

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

On behalf of the Board of Directors,

Lee Kian Soo
Director

Lee Chye Tek Lionel
Director

Singapore
23 November 2015



INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 August 2015

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 65 to 205 which comprise the statements of financial position of the Group and the Company as at 31 August 2015, 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 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 financial statements and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting 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.



INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 August 2015

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 financial position of the Group and of the Company as at 31 August 2015 and the financial performance 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 subsidiary corporations incorporated in Singapore of which we are the auditor have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
23 November 2015



STATEMENTS OF FINANCIAL POSITION

As at 31 August 2015

(Amounts expressed in United States dollars)

	Note	Group		Company	
		2015 US\$'000	2014 US\$'000	2015 US\$'000	2014 US\$'000
Non-current assets					
Fixed assets	4	1,012,908	1,593,955	870	1,468
Goodwill	5a	17,848	231,370	-	-
Other intangible assets	5b	9,634	10,509	-	-
Investments in subsidiaries	6	-	-	224,040	306,965
Investments in associated companies	7	212,818	187,765	-	29,743
Investments in joint venture companies	8	191,265	25,738	6,987	18,987
Available-for-sale ("AFS") investments	9	3,112	3,075	3,075	3,075
Long term receivables due from subsidiaries	10	-	-	139,021	13,817
Long term receivables from associated companies	11	-	48,080	-	37,800
Funding scheme pension	12	-	48	-	-
Trade receivable	13	30,258	49,621	-	-
Other receivables	13	37,591	-	-	-
Deferred tax assets	26	700	2,496	-	-
Current assets					
Assets held for sale	14	102,548	120,298	351,805	101,785
Assets included in disposal group classified as held for sale	15	1,590,852	-	-	-
Inventories and work-in-progress	16	78,017	91,364	-	-
Trade receivables	13	253,813	546,406	-	-
Other receivables	13	96,277	36,517	4,050	1,969
Other current assets	17	44,484	69,042	503	536
Balances due from					
- subsidiaries	13	-	-	653,741	792,050
- associated companies	13	76,957	145,110	7,183	13,234
- joint venture companies	13	221	22,090	-	6
Derivative financial instruments	41	177	615	-	615
Cash and cash equivalents	18	377,601	174,365	292,267	94,827
Cash pledged	19	40,234	4,528	-	-
		2,661,181	1,210,335	1,309,549	1,005,022



STATEMENTS OF FINANCIAL POSITION

As at 31 August 2015 (Cont'd)

(Amounts expressed in United States dollars)

	Note	Group		Company	
		2015	2014	2015	2014
		US\$'000	US\$'000	US\$'000	US\$'000
Current liabilities					
Liabilities included in disposal group classified as held for sale	15	979,896	-	-	-
Trade payables	20	53,777	154,001	-	-
Other payables	20	174,393	270,282	20,482	33,278
Bills payable to banks	21	255,797	228,585	41,957	56,601
Deferred income	22	868	1,540	-	-
Progress billing in excess of work-in-progress	13a	56,642	61,766	-	-
Balances due to					
- subsidiaries	20	-	-	55,996	40,278
- associated companies	20	7,410	60,789	-	-
- joint venture companies	20	2,500	2,500	2,500	2,500
Derivative financial instruments	41	38,291	3,847	34,752	3,398
Lease obligations	23	2,522	1,054	-	30
Bank term loans	24	153,609	281,122	12,000	92,192
Notes payable	25	226,489	-	226,489	-
Perpetual securities	28	106,232	-	106,232	-
Provision for tax		15,224	17,734	2,192	2,125
		2,073,650	1,083,220	502,600	230,402
Net current assets		587,531	127,115	806,949	774,620
Non-current liabilities					
Other payables	20	-	(26,076)	-	(6,076)
Pension liability	12	-	(1,297)	-	-
Deferred income	22	(10,193)	(24,442)	-	-
Lease obligations	23	(11,886)	(811)	-	-
Bank term loans	24	(607,810)	(665,940)	(154,000)	(11,000)
Notes payable	25	(105,806)	(374,405)	(105,806)	(374,405)
Deferred tax liabilities	26	(2,659)	(1,032)	-	-
		1,365,311	1,185,769	921,136	794,994
NET ASSETS					
EQUITY					
Share capital	27	634,736	490,085	634,736	490,085
Perpetual securities	28	-	123,047	-	123,047
Accumulated profits		557,734	523,716	300,298	190,976
Capital reserves	29a	(48,019)	(3,242)	7,448	(2,353)
Fair value adjustment reserve	29b	-	4,951	-	-
Hedging reserve	29c	(17,238)	243	(13,970)	615
Translation reserve	29d	(15,826)	(1,622)	-	-
Treasury shares	30	(7,376)	(7,376)	(7,376)	(7,376)
		1,104,011	1,129,802	921,136	794,994
Non-controlling interests		261,300	55,967	-	-
TOTAL EQUITY		1,365,311	1,185,769	921,136	794,994

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



INCOME STATEMENTS

For the financial year ended 31 August 2015

(Amounts expressed in United States dollars)

	Note	Group		Company	
		2015 US\$'000	2014 US\$'000	2015 US\$'000	2014 US\$'000
(Re-presented)					
Continuing operations					
Revenue	31	543,839	489,942	30,012	37,426
Cost of sales		(453,557)	(397,881)	-	-
Gross profit		90,282	92,061	30,012	37,426
Other income/(expenses), net	32	124,945	7,611	165,240	(1,152)
Administrative expenses		(82,159)	(65,756)	(56,368)	(24,659)
Profit from continuing operations	33	133,068	33,916	138,884	11,615
Financial income	35	5,214	3,604	2,622	11,965
Financial expenses	36	(43,607)	(39,084)	(21,383)	(23,000)
Share of profit of associated companies		12,243	33,780	-	-
Share of profit of joint venture companies		13,594	3,196	-	-
Profit before tax from continuing operations		120,512	35,412	120,123	580
Tax	26	(13,196)	(7,714)	(1,244)	(429)
Profit after tax from continuing operations		107,316	27,698	118,879	151
Discontinued operations					
(Loss)/profit from discontinued operations, net of tax	15	(40,299)	26,324	-	-
Profit after tax		67,017	54,022	118,879	151



INCOME STATEMENTS

For the financial year ended 31 August 2015 (Cont'd)

(Amounts expressed in United States dollars)

Note	Group		Company	
	2015 US\$'000	2014 US\$'000	2015 US\$'000	2014 US\$'000
(Re-presented)				
Attributable to:				
Owners of the Company				
- Profit from continuing operations, net of tax	84,030	18,945	118,879	151
- (Loss)/profit from discontinued operations, net of tax	(40,299)	26,324	-	-
Profit for the year attributable to owners of the Company	43,731	45,269	118,879	151
Non-controlling interests				
- Profit from continuing operations, net of tax	23,286	8,753		
- Profit from discontinued operations, net of tax	-	-		
Profit for the year attributable to non-controlling interests	23,286	8,753		
Earnings per share (US cents) from:				
	37			
Continuing operations attributable to owners of the Company				
- Basic	4.40	1.13		
- Diluted	4.40	1.13		
Discontinued operations attributable to owners of the Company				
- Basic	(2.11)	1.57		
- Diluted	(2.11)	1.57		
Total profit attributable to owners of the Company				
- Basic	2.29	2.70		
- Diluted	2.29	2.70		

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 2015

(Amounts expressed in United States dollars)

	Group		Company	
	2015 US\$'000	2014 US\$'000	2015 US\$'000	2014 US\$'000
	(Re-presented)			
Profit after tax	67,017	54,022	118,879	151
Other comprehensive income:				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Exchange differences on translating foreign operations	(8,123)	1,217	-	-
Fair value change on cash flow hedges	(17,901)	3,169	(14,585)	3,169
Reclassification of fair value reserves on step-up of associated company included in profit or loss	(1,715)	-	-	-
Reclassification of hedging reserves on step-up of associated company included in profit or loss	199	-	-	-
Share of other comprehensive income of associated companies and joint venture companies	(9,911)	3,127	-	-
	(37,451)	7,513	(14,585)	3,169
<u>Items that will not be reclassified to profit or loss</u>				
Remeasurement loss on defined benefits obligations	(156)	-	-	-
Other comprehensive income, net of tax	(37,607)	7,513	(14,585)	3,169
Total comprehensive income for the financial year	29,410	61,535	104,294	3,320
Attributable to:				
Owners of the Company	7,811	52,782	104,294	3,320
Non-controlling interests	21,599	8,753	-	-
	29,410	61,535	104,294	3,320
Attributable to owners of the Company:				
Total comprehensive income from continuing operations, net of tax	48,361	26,350	104,294	3,320
Total comprehensive income from discontinued operations, net of tax	(40,550)	26,432	-	-
	7,811	52,782	104,294	3,320

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 2015

(Amounts expressed in United States dollars)

Group	Attributable to owners of the Company										Total equity attributable to owners of the Company US\$'000
	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	Company interests US\$'000	Non-controlling interests US\$'000	
Balance at 1 September 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
Total comprehensive income for the financial year	--	--	45,269	(32)	1,460	3,033	3,052	--	52,782	8,753	61,535
Accrued perpetual securities distribution	--	10,434	(10,434)	--	--	--	--	--	--	--	--
Payment of perpetual securities distribution	--	(10,327)	--	--	--	--	--	--	(10,327)	--	(10,327)
Payment on dividend on ordinary shares (Note 45)	--	--	(3,814)	--	--	--	--	--	(3,814)	--	(3,814)
Payment of dividend by subsidiary company to non-controlling interests	--	--	--	--	--	--	--	--	--	(1,541)	(1,541)
Total transactions with owners in their capacity as owners	--	107	(14,248)	--	--	--	--	--	(14,141)	(1,541)	(15,682)
Balance at 31 August 2014	490,085	123,047	523,716	(3,242)	4,951	243	(1,622)	(7,376)	1,129,802	55,967	1,185,769



STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 August 2015 (Cont'd)

(Amounts expressed in United States dollars)

Group	Attributable to owners of the Company										Total equity attributable to owners of the Company US\$ '000
	Share capital US\$ '000	Perpetual securities US\$ '000	Accumulated profits US\$ '000	Fair value			Hedging reserve US\$ '000	Translation reserve US\$ '000	Treasury shares US\$ '000	Non-controlling interests US\$ '000	
				Capital reserves US\$ '000	adjustment reserve US\$ '000	reserves US\$ '000					
Balance at 1 September 2014	490,085	123,047	523,716	(3,242)	4,951	243	(1,622)	(7,376)	1,129,802	55,967	1,185,769
Total comprehensive income for the financial year	-	-	43,575	872	(4,951)	(17,481)	(14,204)	-	7,811	21,599	29,410
Accrued perpetual securities distribution	-	9,557	(9,557)	-	-	-	-	-	-	-	-
Payment of perpetual securities distribution	-	(10,072)	-	-	-	-	-	-	(10,072)	-	(10,072)
Payment of dividend by subsidiary company to non-controlling interests	-	-	-	-	-	-	-	-	-	(969)	(969)
Share issuance, net of issuance expenses	144,651	-	-	-	-	-	-	-	144,651	-	144,651
Total contributions by and distribution to owners	144,651	(515)	(9,557)	-	-	-	-	-	134,579	(969)	133,610
Dilution of equity interest in subsidiaries to non-controlling interest without change in control	-	-	-	(55,800)	-	-	-	-	(55,800)	185,771	129,971
Acquisition of non-controlling interest in subsidiaries	-	-	-	350	-	-	-	-	350	(1,068)	(718)
Total changes in ownership interests in subsidiaries	-	-	-	(55,450)	-	-	-	-	(55,450)	184,703	129,253
Total transactions with owners in their capacity as owners	144,651	(515)	(9,557)	(55,450)	-	-	-	-	79,129	183,734	262,863



STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 August 2015 (Cont'd)

(Amounts expressed in United States dollars)

	Attributable to owners of the Company							Total equity attributable to owners of the Company	Non-controlling interests	Total Equity
	Share capital	Perpetual securities	Accumulated profits	Capital reserves	Fair value adjustment	Hedging reserve	Translation reserve			
Group	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
634,736	--	557,734	(48,019)	--	(17,238)	(15,826)	(7,376)	1,104,011	261,300	1,365,311
Balance at 31 August 2015										
Others										
Reclassification of perpetual securities as liabilities	--	(122,532)	--	9,801	--	--	--	(112,731)	--	(112,731)

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 2015 (Cont'd)

(Amounts expressed in United States dollars)

	Attributable to owners of the Company							Total Equity US\$ '000
	Share capital US\$ '000	Perpetual securities US\$ '000	Accumulated profits US\$ '000	Capital reserves US\$ '000	Hedging reserve US\$ '000	Total reserves US\$ '000	Treasury shares US\$ '000	
Company								
Balance at 1 September 2013	490,085	122,940	205,073	(2,353)	(2,554)	200,166	(7,376)	805,815
Total comprehensive income for the financial year	-	-	151	-	3,169	3,320	-	3,320
Accrued perpetual securities distribution	-	10,434	(10,434)	-	-	(10,434)	-	-
Payment of perpetual securities distribution	-	(10,327)	-	-	-	-	-	(10,327)
Payment of dividend on ordinary shares (Note 45)	-	-	(3,814)	-	-	(3,814)	-	(3,814)
Total transactions with owners in their capacity as owners	-	107	(14,248)	-	-	(14,248)	-	(14,141)
Balance at 31 August 2014	490,085	123,047	190,976	(2,353)	615	189,238	(7,376)	794,994



STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 August 2015 (Cont'd)

	Attributable to owners of the Company							Total Equity US\$'000
	Share capital US\$'000	Perpetual securities US\$'000	Accumulated profits US\$'000	Capital reserves US\$'000	Hedging reserve US\$'000	Total reserves US\$'000	Treasury shares US\$'000	
Company								
Balance at 1 September 2014	490,085	123,047	190,976	(2,353)	615	189,238	(7,376)	794,994
Total comprehensive income for the financial year	-	-	118,879	-	(14,585)	104,294	-	104,294
Accrued perpetual securities distribution	-	9,557	(9,557)	-	-	(9,557)	-	-
Payment of perpetual securities distribution	-	(10,072)	-	-	-	-	-	(10,072)
Share issuance, net of issuance expenses	144,651	-	-	-	-	-	-	144,651
Total transactions with owners in their capacity as owners	144,651	(515)	(9,557)	-	-	(9,557)	-	134,579
Others								
Reclassification of perpetual securities as liabilities	-	(122,532)	-	9,801	-	9,801	-	(112,731)
Balance at 31 August 2015	634,736	-	300,298	7,448	(13,970)	293,776	(7,376)	921,136

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 2015

(Amounts expressed in United States dollars)

	Note	Group	
		2015 US\$'000	2014 US\$'000
Cash flows from operating activities			
Profit before tax from continuing operations		120,512	35,412
(Loss)/profit before tax from discontinued operations		(26,229)	39,290
Profit before tax		94,283	74,702
Adjustments:			
Depreciation of fixed assets		103,092	71,289
Impairment loss on fixed assets		10,000	607
Fixed assets written off		72	3,057
Inventories written off		328	-
Amortisation of other intangible assets		1,957	843
(Gain)/loss on disposal of fixed assets		(30,522)	197
Share of profit of associated companies		(12,391)	(33,763)
Share of profit of joint venture companies		(13,594)	(3,196)
Gain on dilution of interest in associated companies		-	(4,995)
Realised loss on derivative instruments, net		9,623	270
Fair value changes in respect of FVTPL investments, net		-	(345)
Unrealised exchange (gain)/loss		(33,310)	539
Interest expense		55,645	42,656
Interest income		(5,254)	(3,629)
Gross dividend income from AFS investments		(4,800)	(1,200)
Gross dividend income from FVTPL investments		-	(180)
Bad debts written off/(recovered)		259	(898)
Allowance for doubtful debts, net		12,899	4,149
Realised loss on share of hedging reserves on step up of associated companies to subsidiaries		199	-
Realised gain on share of fair value reserves on step up of associated companies to subsidiaries		(1,715)	-
Gain on bargain purchase on acquisition of subsidiaries		(118,047)	-
Loss on step up of associated and joint venture companies		42,329	-
Impairment loss on goodwill		311	-
Operating profit before working capital changes		111,364	150,103
(Increase)/decrease in:			
Inventories and work-in-progress		(5,179)	(10,305)
Trade receivables		92,684	(106,191)
Other receivables and other current assets		(16,668)	15,342
Due from associated companies, net		17,539	1,377
Due from joint venture companies, net		8,439	(340)
Increase/(decrease) in:			
Trade payables		7,303	1,834
Other payables		(17,777)	85,174
Progress billing in excess of work-in-progress		18,237	20,738
Cash from operations		215,942	157,732
Interest paid		(50,177)	(44,520)
Interest income received		3,981	3,245
Tax paid		(27,222)	(16,435)
Net cash generated from operating activities		142,524	100,022



CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 August 2015 (Cont'd)

(Amounts expressed in United States dollars)

	Note	Group	
		2015 US\$'000	2014 US\$'000
Cash flows from investing activities			
Purchase of fixed assets	A	(319,960)	(326,963)
Purchase of intangible asset		(549)	(433)
Purchase of an AFS investment		-	(3,075)
Proceeds from disposal of fixed assets		30,268	5,911
Proceeds from disposal of assets held for sale		15,300	-
Proceeds from disposal of FVTPL investments		-	2,627
Dividend received (net) from FVTPL investments		-	180
Dividend received (net) from an associated company		8,859	-
Dividend received (net) from a joint venture company		-	1,260
Dividend received (net) from an AFS		1,200	-
Increase in cash pledged		(6,806)	(1,868)
Acquisition of subsidiaries, net of cash paid	B	25,206	-
Interest paid and capitalised as fixed assets		(8,707)	(8,614)
Net cash used in investing activities		(255,189)	(330,975)
Cash flows from financing activities			
Proceeds from bills payable, net		43,171	25,077
Repayment of lease obligations, net		(2,551)	(1,027)
Proceeds from bank term loans		549,838	404,245
Repayment of bank term loans		(403,947)	(225,187)
Payment for derivative instruments, net		(9,623)	(270)
Redemption of convertible bonds		-	(50,000)
Acquisition of non-controlling interests		(718)	-
Proceeds from issuance of new ordinary shares by the Company, net of transaction costs		144,651	-
Proceeds from issuance of new ordinary shares by subsidiaries, net of transaction costs		59,899	-
Proceeds from issuance of fixed rate notes, net of transaction costs		-	94,587
Payment for perpetual securities distribution		(10,072)	(10,327)
Payment of dividend on ordinary shares		-	(3,814)
Payment of dividend by subsidiary company to non-controlling interest		(969)	(1,541)
Net cash generated from financing activities		369,679	231,743
Net increase in cash and cash equivalents		257,014	790
Effects of exchange rate changes on cash and cash equivalents		(5,559)	497
Cash and cash equivalents at beginning of financial year		174,365	173,078
Cash and cash equivalents at end of financial year	18	425,820	174,365

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 2015 (Cont'd)

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

A. PURCHASE OF FIXED ASSETS

	Group	
	2015	2014
	US\$'000	US\$'000
Aggregate cost of fixed assets acquired	412,298	341,505
Amount payable to third party shipbuilders (included in other payables)		
– remaining unpaid at the end of financial year	(2,416)	(6,446)
– opening balance paid during the financial year	6,446	1,611
Interest capitalised	(8,707)	(8,614)
Purchase by way of lease obligations	(49,941)	(1,093)
Option price payable (included in other payables)	(37,720)	–
Purchase of fixed assets in cash	319,960	326,963

B. ACQUISITION OF SUBSIDIARIES, NET OF CASH PAID

The net cash inflows on the acquisition are set out below:

	Group
	2015
	US\$'000
Total cash consideration	
– Acquisition of SM Group (Note 6(d))	(20,507)
– Acquisition of EOL Group (Note 6(d))	–
– Acquisition of Lewek Antares (Note 6(d))	–
Less: cash in subsidiaries acquired	
– Acquisition of SM Group (Note 6(d))	4,852
– Acquisition of EOL Group (Note 6(d))	40,166
– Acquisition of Lewek Antares (Note 6(d))	695
Net cash inflow on acquisition of subsidiaries	25,206



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

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").

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 adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual periods beginning on or after 1 September 2014. The adoption of these standards and Interpretations did not have any effect on the financial performance or position of the Group and the Company.

FRS 112 Disclosure of Interests in Other Entities

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

The Group has incorporated the additional required disclosures into the notes to the financial statements.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

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 that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
FRS 114 Regulatory Deferral Accounts	1 January 2016
Amendments to FRS 16 and FRS 41: <i>Agriculture: Bearer Plants</i>	1 January 2016
Amendments to FRS 27 <i>Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to FRS 16 and FRS 38: <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to FRS 111: <i>Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
Improvements to FRSs (November 2014)	
(a) Amendments to FRS 105 <i>Non-current Assets Held for Sales and Discontinued Operations</i>	1 January 2016
(b) Amendments to FRS 107 <i>Financial Instruments Disclosures</i>	1 January 2016
(c) Amendments to FRS 19 <i>Employee Benefits</i>	1 January 2016
(d) Amendments to FRS 34 <i>Interim Financial Reporting</i>	1 January 2016
Amendments to FRS 110 & FRS 28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	1 January 2016
Amendments to FRS 1: <i>Disclosure Initiative</i>	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28: <i>Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
FRS 115 <i>Revenue from Contracts with Customers</i>	1 January 2017
FRS 109 <i>Financial Instruments</i>	1 January 2018

Except for FRS 115 and FRS 109, the directors expect that the adoption of the other standards 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 FRS 115 and FRS 109 are described below.

FRS 115 *Revenue from Contracts with Customers*

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

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 115 Revenue from Contracts with Customers (cont'd)

Key issues for the Group include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The Group is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

FRS 109 Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the Group to make changes to its current systems and processes.

The Group currently measures its investments in unquoted equity securities at cost. Under FRS 109, the Group will be required to measure the investment at fair value. Any difference between the previous carrying amount and the fair value would be recognised in the opening retained earnings when the Group apply FRS 109.

FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Group is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

2.3 Foreign currencies

The 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) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

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

2.3 Foreign currencies (cont'd)

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into USD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the average exchange rates for the year. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

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 associated companies or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations are recognised initially in other comprehensive income and accumulated under translation reserve in equity. The translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(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.

2.4 Basis of consolidation and business combinations

(a) Basis of consolidation

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 similar 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.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

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

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

(a) Basis of consolidation (cont'd)

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; and
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) Business combinations

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.

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 profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, 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. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

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.

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



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

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

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.

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 investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.7 Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

Joint ventures

The Group recognises its interest in joint venture companies as investments and accounts for the investments using the equity method. The accounting policy for investment in joint venture companies is set out in Note 2.8.

The Group has not entered into any joint operation arrangement.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

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

2.8 Associated companies and joint venture companies

An associated company is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group account for its investments in associated companies and joint venture companies using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associated company or joint venture company's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associated companies or joint venture companies are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associated companies or joint venture companies. The profit or loss reflects the share of results of the operations of the associated companies or joint venture companies. Distributions received from joint venture companies or associated companies reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associated companies or joint venture companies, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associated companies or joint venture companies are eliminated to the extent of the interest in the associated companies or joint venture companies.

When the Group's share of losses in an associated company or joint venture company equals or exceeds its interest in the associated company or joint venture company, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated company or joint venture company.

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

Upon loss of significant influence or joint control over the associated company or joint venture company, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

If the Group's ownership interest in an associated company or a joint venture company is reduced, but the Group continues to apply the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

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

2.9 Fixed assets

Fixed assets are initially recorded at cost. Subsequent to recognition, fixed assets other than freehold land are measured at cost less accumulated depreciation and any accumulated impairment losses.

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 fixed asset comprises its purchase price, any directly attributable costs of bringing the asset to working condition for its intended use 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 2.18. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to the profit or loss.

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

Depreciation is calculated on a straight-line basis over the estimated useful lives of the fixed assets as follows:

Vessels	:	15 – 25 years
Assets on board the vessels	:	3 – 20 years
Drydocking expenditure	:	5 years
Motor vehicles	:	5 – 10 years
Leasehold buildings	:	30 to 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 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 carrying values of fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

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.

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



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

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

2.10 Intangible assets

(a) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to 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 have 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.

(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 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.

Gains or losses arising from de-recognition 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 de-recognised.

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.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

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

2.10 Intangible assets (cont'd)

(b) Other intangible assets (cont'd)

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.

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 indication exists, or when an 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.

Impairment losses of continuing operations are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

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 unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

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

2.12 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised 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.

Subsequent measurement

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

(i) Available-for-sale financial assets

The Group classifies investment in non-quoted equity as available-for-sale financial assets.

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are 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 de-recognised.

Investment in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

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

Financial assets at fair value through profit or loss include financial assets held for trading. 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.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

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

2.12 Financial instruments (cont'd)

(a) Financial assets (cont'd)

(ii) Financial assets at fair value through profit or loss (cont'd)

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 measured at fair value with changes in fair value recognised in profit and 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.

(iii) 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 de-recognised or impaired, and through the amortisation process.

De-recognition

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

Regular way purchase or sale of a financial asset

All regular way purchases and sales of financial assets are recognised or de-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.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

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

2.12 Financial instruments (cont'd)

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised 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:

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

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. 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.

(ii) Financial liabilities at amortised cost

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

De-recognition

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



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

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

2.12 Financial instruments (cont'd)

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statements of financial position, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.13 Impairment of financial assets

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

(a) 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.

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.

(b) Financial assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost had 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 current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(c) 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

For the financial year ended 31 August 2015

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

2.13 Impairment of financial assets (cont'd)

(c) 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.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks, fixed deposits maturing within three months and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.15 Assets held for sale and discontinued operations

(a) Assets held for sale

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

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

(b) Discontinued operations

A component of the Group is classified as a 'discontinued operations' when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business of geographical area of operations.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

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

2.15 Assets held for sale and discontinued operations (cont'd)

(b) Discontinued operations (cont'd)

In profit or loss of the current reporting period, and of the comparative period of the previous year, all income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes, even when the Group retains a non-controlling interest in the subsidiaries after the sale. The resulting profit or loss (after taxes) is reported separately in profit or loss.

2.16 Inventories and work-in-progress

Inventories are stated at the lower of cost and net realisable value. 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.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

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.

2.17 Derivative financial instruments and hedging activities

The Group uses derivative financial instruments such as forward currency contract, cross currency swap contract and fuel hedging contracts to hedge its risks associated with foreign currency and fuel price fluctuations. 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 contract, cross currency swap contracts and fuel hedging 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.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

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

2.17 Derivative financial instruments and hedging activities (cont'd)

Hedge accounting (cont'd)

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.

2.18 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.

2.19 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.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

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

2.20 Leases

(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 inception of the lease 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.

(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 in which the Group does not transfer 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. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. The accounting policy for rental income is set out in Note 2.25. Contingent rents are recognised as revenue in the period in which they are earned.

2.21 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 taxation 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.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

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

2.21 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 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 the 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 venture companies, 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, the 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 venture companies, 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 period 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 period 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 end of each reporting period.

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.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

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

2.21 Taxes (cont'd)

(b) Deferred tax (cont'd)

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 taxation 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 arise. 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.

(c) Sales tax

Revenue, 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 taxation authority is included as part of receivables or payables in the statement of financial position.

2.22 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.

2.23 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.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

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

2.24 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.

On the election of the Company to repay the perpetual securities, the perpetual securities will be reclassified as a financial liability under FRS 39. The financial liability is initially recognised at fair value and any difference between the carrying amount of the liability and the previously recognised equity instrument is recognised in equity.

No gain or loss is recognised in the profit or loss on the reclassification.

2.25 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 Group assesses its revenue arrangements to determine if it is acting as principal or agent. 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 and completion of physical proportion of contract work. 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.

- (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.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

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

2.26 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 and completion of physical proportion of contract work.

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 can be 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.

2.27 Employee benefits

(a) Pensions and other post employment benefits

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. 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 period in which the related service is performed.

(b) Employee leave entitlement

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



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

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

2.27 Employee benefits (cont'd)

(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 payment 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 net defined benefit liability or asset 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 reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method. Defined benefit costs comprise of service cost, net interest on the net defined benefit liability or asset and rereasurements of net benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as expense in profit or loss. Past service costs are recognised when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on high quality corporate bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognised as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognised immediately in other comprehensive income in the period in which they arise. Remeasurements are recognised in retained earnings within equity and are not reclassified to profit or loss in subsequent periods.

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. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

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.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

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

2.28 Contingencies

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.

2.29 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.

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.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

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

(a) Judgments made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the consolidated 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 FRS17 (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 8 (2014: 10) vessels that are on sale and leaseback arrangements amounting to US\$35,682,000 (2014: US\$31,577,000) were recognised as expenses in the profit or loss during the financial year.

(b) 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 are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were 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. Management has assessed that the residual value of the vessels are not material. 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% (2014: 4%) difference in the expected useful lives of the vessels from management's estimates would result in approximately 4.2% (2014: 2.7%) 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 2015, the carrying amount of trade and other receivables of the Group amounted to US\$284,071,000 and US\$133,868,000 (2014: US\$596,027,000 and US\$36,517,000) respectively.

Included in the Group's trade receivables aged more than 365 days is a balance amounting to US\$86,567,000 (2014: US\$69,621,000). The Group expects that these amounts will be recoverable.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

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

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

(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.

(iv) Income taxes

The Group has exposure to income taxes in numerous jurisdictions. It also enjoys tax incentives in Singapore. Significant judgment 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 2015, the carrying amount of the Group's current tax payable, deferred tax assets, and deferred tax liabilities were US\$15,224,000 (2014: US\$17,734,000), US\$700,000 (2014: US\$2,496,000) and US\$2,659,000 (2014: US\$1,032,000), 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 and completion of physical proportion of contract work.

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.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

4. FIXED ASSETS

104

Group	Vessels and assets under construction		Assets on board the vessels		Drydocking expenditure	Motor vehicles	Leasehold building	Plant and machinery	Yard improvements and renovation	Office equipment, furniture and fittings	Computers	Total
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Cost												
At 1 September 2013	396,050	793,616	69,098	44,828	2,965	79,425	95,052	5,025	6,062	10,752	1,502,873	
Additions	191,188	71,466	663	12,483	1,112	45,000	15,738	124	987	2,744	341,505	
Disposals	-	(10,250)	-	-	(108)	-	(6)	-	(59)	(247)	(10,670)	
Written off	(2,560)	-	-	-	-	-	(933)	-	(5)	(3)	(3,501)	
Reclassification												
- Fixed assets	(12,905)	18	7,924	-	-	595	4,222	-	17	129	-	-
- Assets held for sale	-	(9,000)	-	(1,126)	-	-	-	-	-	-	(10,126)	
- Inventories	(3,454)	-	(1,934)	-	-	-	(636)	-	(188)	-	(6,212)	
Translation difference	(7)	(25)	-	-	11	(2)	(3)	4	38	(22)	(6)	
At 31 August 2014	568,312	845,825	75,751	56,185	3,980	125,018	113,434	5,153	6,852	13,353	1,813,863	



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

Group	Vessels and assets under construction		Assets on board the vessels		Drydocking expenditure	Motor vehicles	Leasehold building	Plant and machinery	Yard improvements and renovation	Office equipment, furniture and fittings	Computers	Total
	US\$'000	US\$'000	US\$'000	US\$'000								
Cost												
At 1 September 2014	568,312	845,825	75,751	56,185	3,980	125,018	113,434	5,153	6,852	13,353	1,813,863	
Additions	158,686	69,595	15,646	9,803	-	38,060	118,073	112	281	2,042	412,298	
Acquisition of subsidiaries	41,800	169,814	160	4,675	384	21,199	16,071	240	356	593	255,292	
Disposals	-	(83,760)	-	(759)	(475)	-	(645)	(11)	(207)	(52)	(85,909)	
Written off	-	-	-	-	(22)	(11)	(931)	(1,661)	(473)	(1,939)	(5,037)	
Reclassification												
- Fixed assets	(683,568)	658,335	14,171	241	-	10,466	86	144	125	-	-	-
- Inventories	(2,889)	-	-	-	-	-	-	-	-	-	-	(2,889)
- Attributable to discontinued operations (Note 15)	(13,739)	(763,283)	(87,803)	(7,285)	(219)	(80,461)	(126,104)	(426)	(3,482)	(4,769)	(1,087,571)	
Translation difference	(699)	(480)	-	-	(76)	(1,505)	(4,473)	(49)	(148)	(73)	(7,503)	
At 31 August 2015	67,903	896,046	17,925	62,860	3,572	112,766	115,511	3,502	3,304	9,155	1,292,544	

4. FIXED ASSETS (CONT'D)



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

Group	Vessels and assets under construction		Assets on board the vessels		Drydocking expenditure	Motor vehicles	Leasehold building	Plant and machinery	Yard improvements and renovation	Office equipment, furniture and fittings		Computers	Total
	US\$ '000	US\$ '000	US\$ '000	US\$ '000						US\$ '000	US\$ '000		
At 1 September 2013	-	87,779	6,913	12,323	1,192	9,464	26,413	3,129	3,235	6,194	156,642		
Depreciation charge for the year	-	33,291	5,903	11,007	414	4,557	11,739	522	1,132	2,724	71,289		
Impairment loss	-	607	-	-	-	-	-	-	-	-	607		
Disposals	-	(4,149)	-	-	(103)	-	(4)	-	(59)	(247)	(4,562)		
Written off	-	-	-	-	-	-	(436)	-	(5)	(3)	(444)		
Reclassification	-	-	-	-	-	-	-	-	-	-	-		
- Assets held for sale	-	(2,619)	-	(507)	-	-	-	-	-	-	(3,126)		
- Inventories	-	-	-	-	-	-	(328)	-	(138)	-	(466)		
Translation difference	-	(66)	-	-	6	-	(11)	8	47	(16)	(32)		
At 31 August 2014	-	114,843	12,816	22,823	1,509	14,021	37,373	3,659	4,212	8,652	219,908		

4. FIXED ASSETS (CONT'D)



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

Group	Vessels and assets under construction	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 furniture and fittings US\$'000	Computers US\$'000	Total US\$'000
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Accumulated depreciation and impairment loss											
At 1 September 2014	-	114,843	12,816	22,823	1,509	14,021	37,373	3,659	4,212	8,652	219,908
Depreciation charge for the year	-	47,650	6,664	13,137	448	8,895	21,790	638	1,187	2,683	103,092
Impairment loss	-	10,000	-	-	-	-	-	-	-	-	10,000
Acquisition of subsidiaries	-	30,387	82	1,178	354	4,421	5,290	237	327	519	42,795
Disposals	-	(14,094)	-	(669)	(366)	-	(306)	(11)	(207)	(52)	(15,705)
Written off	-	-	-	-	(22)	(9)	(861)	(1,661)	(473)	(1,939)	(4,965)
Reclassification	-	-	-	-	-	-	(193)	-	(41)	-	(234)
- Inventories	-	-	-	-	-	-	-	-	-	-	-
Attributable to discontinued operations (Note 15)	-	(25,667)	(16,234)	(2,856)	(213)	(4,654)	(16,227)	(393)	(2,350)	(3,672)	(72,266)
Translation difference	-	(1,124)	(16)	-	(51)	(306)	(1,327)	(30)	(109)	(26)	(2,989)
At 31 August 2015	-	161,995	3,312	33,613	1,659	22,368	45,539	2,439	2,546	6,165	279,636
Net carrying amount											
At 31 August 2015	67,903	734,051	14,613	29,247	1,913	90,398	69,972	1,063	758	2,990	1,012,908
At 31 August 2014	568,312	730,982	62,935	33,362	2,471	110,997	76,061	1,494	2,640	4,701	1,593,955



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

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 2013	339	1,916	428	1,386	4,069
Additions	-	108	3	217	328
Disposal	(339)	-	-	-	(339)
At 31 August 2014 and 1 September 2014	-	2,024	431	1,603	4,058
Additions	-	-	-	33	33
At 31 August 2015	-	2,024	431	1,636	4,091
Accumulated depreciation					
At 1 September 2013	-	785	201	1,009	1,995
Depreciation charge for the year	-	340	85	170	595
At 31 August 2014 and 1 September 2014	-	1,125	286	1,179	2,590
Depreciation charge for the year	-	349	71	211	631
At 31 August 2015	-	1,474	357	1,390	3,221
Net carrying amount					
At 31 August 2015	-	550	74	246	870
At 31 August 2014	-	899	145	424	1,468

- (a) Vessels and assets under construction are not depreciated until such time they are completed and are ready for their intended use. Included in the cost of vessels and assets under construction were borrowing costs arising from borrowings used to finance their construction amounting to approximately US\$567,000 (2014: US\$8,614,000). The capitalisation rates varied from 1.84% to 2.93% (2014: 3.37% to 3.52%) representing the borrowing costs to finance the vessels under construction.
- (b) Certain vessels and assets under construction, vessels and assets on board vessels with carrying amount of US\$743,159,000 (2014: US\$1,274,601,000) are pledged in connection with the bill payable to banks (Note 21) and term loan facilities (Note 24) granted by financial institutions.
- (c) Certain assets under leasehold building and plant and machinery with carrying amount of US\$37,685,000 (2014: US\$26,705,000) are pledged in connection with a term loan facility granted by financial institutions (Note 24).
- (d) During the financial year, the Group had carried out a review on the recoverable amount of its leasehold buildings. Based on the assessment, no impairment loss (2014: nil) had been recognised as the expected recoverable amount is higher than the carrying amount.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

4. FIXED ASSETS (CONT'D)

(d) Fixed assets purchased under finance leases stated at net carrying amounts were as follows:

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Motor vehicles	891	1,138	-	-
Computers	1,432	1,443	-	-
Office equipment	152	13	-	-
Plant & Machinery	1,899	-	-	-
Vessel	11,309	-	-	-
	15,683	2,594	-	-

Lease assets are pledged as security for the related finance lease liabilities.

(e) The Group's major properties as at 31 August 2015 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
51 Shipyard Road Singapore 628139	24,319 sq m	30-year lease commencing from 1 July 2013	Office/warehouse/ workshop/wharf
Thanh My Loi Precinct, District 2, Ho Chi Minh City, Vietnam	97,069 sq m	35-year lease commencing from 5 December 1996	Ship building and ship repair
Dong Xuyen Industrial Zone, Rach Dua Ward, Vung Tau City, Vietnam	90,978 sq m	39-year lease commencing from 1 July 2007	Ship building and ship repair
0 Almeda Road, Houston TX77045, United States of America	175,468 sq ft	Freehold	Crane fabrication yard
12221 Almeda 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



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

4. FIXED ASSETS (CONT'D)

(e) The Group's major properties as at 31 August 2015 were as follows:

Location	Gross floor area	Tenure	Usage
12218 Robin Blvd, Houston TX77045, United States of America	366,000 sq ft	Freehold	Crane fabrication yard/parking
4 Pioneer Sector 1, Singapore 628416	11,267 sq m	12-year lease commencing from 1 June 2011	Ship building and ship repair
12 Dong Xuyen Industrial Zone, Rach Dua Ward Vung Tau City, Vietnam	88,996 sq m	40-year lease commencing from 30 June 2006	Ship building and ship repair
2269 Avenue B, Ingleside, Texas United States of America	481,576 sq m	Freehold	Deepwater support facility/pipeline fabrication base
Sløvågveien 68 5960 Dalsøyra Norway	4,700 sq m	15-year lease commencing from November 2014	Pipeline fabrication and marine base/ warehouse

5. INTANGIBLE ASSETS

(a) Goodwill

	Group US\$'000
Cost	
At 1 September 2013	231,017
Translation difference	353
At 31 August 2014 and 1 September 2014	231,370
Impairment loss on goodwill	(311)
Attributable to discontinued operations	(212,816)
Translation difference	(395)
At 31 August 2015	<u>17,848</u>

Key assumptions used in the value in use calculations

The calculations of value in use for the Group's cash generating units ("CGU") are most sensitive to the following assumptions:

Budgeted gross profit margin – Gross profit margins are based on average values achieved based on past experience preceding the start of the budget period. Factors, such as anticipated efficiency, scale of economies and industry outlook, affecting gross profit margins in the value in use calculations are considered when budgeting for this component.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

5. INTANGIBLE ASSETS (CONT'D)

(a) Goodwill (cont'd)

Key assumptions used in the value in use calculations (cont'd)

Growth rates – The forecasted growth rates are based on industry research and do not exceed the long-term average growth rate for the industries relevant to the CGUs.

Pre-tax discount rate – Discount rates represent the current market assessment of the risks specific to each CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and derived from its weighted average cost of capital ("WACC"). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors which are evaluated annually using publicly available market data.

Impairment testing of goodwill

Goodwill acquired through business combination is allocated to the 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	
	2015	2014	2015	2014	2015	2014
	US\$'000	US\$'000				
Subsidiary companies:						
– Saigon Shipyard Company Limited	665	665	1%	2%	13%	9%
– Telemark Limited	17,183	17,578	5%	10%	13%	7%
– Emas Offshore Services (Australia) Pty Ltd	–	311	–	2%	–	5%
– AMC Group	–	212,816	–	5%-14%	–	8%
	<u>17,848</u>	<u>231,370</u>				



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

5. INTANGIBLE ASSETS (CONT'D)

(b) Other intangible assets

Group	Land lease rights	Customer relationships	Development costs in progress	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Cost				
At 1 September 2013	2,054	10,420	7,200	19,674
Addition	-	-	433	433
At 31 August 2014 and 1 September 2014	2,054	10,420	7,633	20,107
Addition	-	1,301	548	1,849
Attributable to discontinued operations	-	(8,900)	-	(8,900)
At 31 August 2015	2,054	2,821	8,181	13,056
Accumulated amortisation				
At 1 September 2013	(635)	(8,120)	-	(8,755)
Amortisation for the year	(76)	(767)	-	(843)
At 31 August 2014 and 1 September 2014	(711)	(8,887)	-	(9,598)
Amortisation for the year	(79)	(1,878)	-	(1,957)
Attributable to discontinued operations	-	8,133	-	8,133
At 31 August 2015	(790)	(2,632)	-	(3,422)
Net carrying amount				
At 31 August 2015	1,264	189	8,181	9,634
At 31 August 2014	1,343	1,533	7,633	10,509

The land lease rights have a remaining amortisation period of 16 years (2014: 17 years).

Customer relationships have a remaining amortisation period of 1 year (2014: 2 years).

Development costs in progress relate to development expenditures incurred on an intellectual property for the design of a jack-up drilling unit. No amortisation expense was recognised as the rig design is not complete as at year end. In addition, there is no impairment in respect of the intangible asset as the design is going through the final stages of marketability.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

6. INVESTMENTS IN SUBSIDIARIES

	Company	
	2015	2014
	US\$'000	US\$'000
Unquoted ordinary shares, at cost	44,474	281,524
Quoted ordinary shares, at cost	179,566	25,441
	224,040	306,965

As at 31 August 2015, the market value of the quoted ordinary shares in subsidiaries is US\$103,371,000 (2014: US\$122,587,000).

The market value of the quoted ordinary shares is based on quoted prices available in active market (fair value hierarchy level 1).

(a) Composition of the Group

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	
			2015	2014
			%	%
Held by the Company				
Ezra Marine Services Pte Ltd ⁽¹⁾	Supply of marine gas and oil, ship building and engineering works	Singapore	100	100
Emas IT Solutions Pte Ltd ⁽¹⁾	Provision of IT maintenance services	Singapore	100	100
Flyinn Travel Pte Ltd (formerly known as Lewek Scarlet Shipping Pte Ltd) ⁽¹⁾	Ticketing agencies (including airline, tour bus and cruise ship)	Singapore	100	100
Emas Risk Services Pte Ltd ⁽¹⁾	Business and management consultancy services	Singapore	100	100
Asian Drilling Services Pte Ltd ⁽¹⁾	Petroleum, mining and prospecting services	Singapore	100	100
Ezra Energy Services Pte Ltd ⁽¹⁾	Petroleum, mining and prospecting services and investment holding	Singapore	100	100
HCM Logistics Limited ^(a)	Investment holding	British Virgin Islands	100	100
Lewek Sapphire Shipping Pte Ltd ⁽¹⁾	Investment holding	Singapore	100	100
Emas Offshore Angola Pte Ltd ⁽¹⁾	Investment holding	Singapore	100	100
Amsa Offshore Pte Ltd ⁽¹⁾	Ship brokerage and agency services	Singapore	75	75



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) Composition of the Group (cont'd)

Name of company	Principal activities	Country of incorporation and place of business	Effective interest	
			2015	2014
			%	%
Held by the Company (cont'd)				
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
NAV Equipment Limited ^(a)	Dormant	British Virgin Islands	100	100
Lewek Victory Shipping Pte Ltd ⁽¹⁾	Ship owner and provision of ship chartering services	Singapore	100	100
DP Polar Pte Ltd ⁽¹⁾	Dormant	Singapore	100	100
Fodemas Pte Ltd ⁽¹⁾	Shipping agent and provision of ship chartering services	Singapore	100	100
Emas Ghana Pte Ltd ⁽¹⁾	Investment holding	Singapore	100	100
Fodemas Limited ^(a)	Dormant	British Virgin Islands	100	100
Sarah Gold Shipping Pte Ltd ⁽¹⁾	Dormant	Singapore	100	100
Tunis Oil Limited ^(a)	Dormant	Isle of Man	100	100
Emas-AMC Holdings Pte Ltd ⁽¹⁾	Investment holding	Singapore	100	100
Emas-AMC Pte Ltd ⁽¹⁾	Provision of subsea services	Singapore	100	100
Emas-AMC AS ⁽²⁾	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 ⁽¹⁾	Provision of subsea services	Singapore	100	100
Lewek Constellation Pte Ltd ⁽¹⁾	Ship owner and provision of ship chartering services	Singapore	100	100
Emas Subsea Services Pte Ltd ⁽¹⁾	Provision of subsea services	Singapore	100	100
Emas Subsea Services (UK) Limited ⁽²⁾	Management support services and investment holding	United Kingdom	100	100
Tunis Oil Pte Ltd ⁽¹⁾	Investment holding	Singapore	-	100



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) Composition of the Group (cont'd)

Name of company	Principal activities	Country of incorporation and place of business	Effective interest	
			2015	2014
			%	%
Held by the Company (cont'd)				
Lewek Aries Pte Ltd ⁽¹⁾	Ship owner, provision of ship chartering services and investment holding	Singapore	-	100
Emas Offshore Pte Ltd ⁽¹⁾	Shipping agent and provision of ship chartering	Singapore	-	100
Lewek Crusader Shipping Pte Ltd ⁽¹⁾	Ship owner and provision of ship chartering services	Singapore	-	100
Emas Offshore Services (NZ) Pty Ltd [^]	Dormant	New Zealand	-	100
Emas Offshore (Labuan) Bhd ⁽²⁾	Ship owner and provision for ship chartering services	Labuan	-	100
Emas Offshore (M) Sdn Bhd ⁽²⁾	Shipping agent and provision of ship chartering and investment holding	Malaysia	-	100
Emas Offshore Services Pte Ltd ⁽¹⁾	Ship management services	Singapore	-	100
Lewek Ebony Shipping Pte Ltd ^{(1)**}	Dormant	Singapore	-	100
Lewek Ivory Shipping Pte Ltd ^{(1)**}	Dormant	Singapore	-	100
Lewek LB 1 Shipping Pte Ltd ⁽¹⁾	Ship owner and provision of ship chartering services	Singapore	-	100
Lewek Ruby Shipping Pte Ltd ⁽¹⁾	Investment holding	Singapore	-	100
Lewek Shipping Pte Ltd ⁽¹⁾	Ship owner and provision of ship chartering services	Singapore	-	100
Lewek Robin Shipping Pte Ltd ^{(1)**}	Dormant	Singapore	-	100
Emas Offshore Services Nigeria Limited ⁽³⁾	Ship management services	Nigeria	-	100
Emas Offshore (Thailand) Ltd ⁽²⁾	Provision of marine oil and gas sales, ship chartering services, ship management services and engineering works, agency services	Thailand	-	99.99
EMAS Offshore Limited (formerly known as EOC Limited) ^{(1)*}	Investment holding	Singapore	75	-
Triyards Holdings Limited ⁽¹⁾	Investment holding	Singapore	61	67
Telemark Limited ^a	Investment holding	Jersey, Channel Islands	100	100
JKTS Assets Management Pte Ltd ^{(1)**}	Dormant	Singapore	49	49

115



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) Composition of the Group (cont'd)

Name of company	Principal activities	Country of incorporation and place of business	Effective interest	
			2015 %	2014 %
Subsidiaries held by subsidiaries				
Emas-AMC (Thailand) Co., Ltd ^{(2) (a)}	Provision of subsea services	Thailand	99.99	99.99
Emas Saudi Arabia Ltd ^{# (b)}	Provision of subsea services	Saudi Arabia	100	-
Lewek Constellation AS ^{# (c)}	Ship owner and provision of ship chartering services	Norway	100	-
Emas Subsea Services LLC ^{(a) (d)}	Provision of subsea services	United States of America	100	100
Emas-AMC Pty Ltd ^{(2) (e)}	Provision of subsea services	Australia	100	100
Emas-AMC Inc. ^{(a) (e)}	Provision of subsea services	United States of America	100	100
Emas Marine Base Holdings Co., LLC ^{(a) (e)}	Investment holding	United States of America	100	100
Emas Marine Base LLC ^{(a) (f)}	Provision of general spooling, fabrication and ancillary services	United States of America	100	100
Emas Energy Services Pte Ltd ^{(1) (g)}	Petroleum, mining and prospecting services and investment holding	Singapore	100	100
Emas Energy Services (Thailand) Limited ^{(2) (h)}	Provision of engineering and technical services	Thailand	99.99	99.99
Intrepid Global Pte Ltd ^{(1) (g)}	Dormant	Singapore	90	90
Future Trillion Enterprises Limited ^{(1) (i)}	Ship owner and provision of ship chartering services	British Virgin Islands	100	100
Emas Offshore Construction and Production Pte Ltd ^{(1) (j)}	Provision of ship management services and ship and boat leasing with operator (including chartering)	Singapore	75	-
Lewek Champion Shipping Pte Ltd ^{(1) (j)}	Provision of ship chartering services	Singapore	75	-
Lewek Chancellor Shipping Pte Ltd ^{(1) (j)}	Ship owner and provision of ship chartering services	Singapore	75	-
Lewek Conqueror (BVI) Ltd ^{(1) (j)}	Ship owner and provision of ship chartering services	British Virgin Islands / Singapore	75	-



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) Composition of the Group (cont'd)

Name of company	Principal activities	Country of incorporation and place of business	Effective interest	
			2015 %	2014 %
Subsidiaries held by subsidiaries (cont'd)				
Lewek Emerald Shipping Pte Ltd ^{** (j)}	Dormant	Singapore	75	-
Lewek Eversure Shipping Pte Ltd ^{** (j)}	Dormant	Singapore	75	-
Lewek Evershine Shipping Pte Ltd ^{^ (j)}	Dormant	British Virgin Islands/ Singapore	-	-
Emas Offshore Production Services (Vietnam) Pte Ltd ^{(1) (j)}	Investment holding	Singapore	75	-
EOC Victoria Production Sdn Bhd ^{^ (j)}	Dormant	Malaysia	-	-
Lewek Alphard Shipping Pte Ltd ^{(1) (j)}	Ship owner and provision of ship chartering services	Singapore	75	-
Lewek Castor Shipping Pte Ltd ^{(1) (j)}	Ship owner and provision of ship chartering services	Singapore	75	-
Lewek Canopus Shipping Pte Ltd ^{(1) (j)}	Ship owner and provision of ship chartering services	Singapore	75	-
Emas EOC Ventures Pte Ltd ^{(1) ** (k)}	Dormant	Singapore	88	-
Emas Holdings Pte. Ltd. ^{(1) (j)}	Investment holding	Singapore	75	-
Lewek Aries Pte Ltd ^{(1) (l)}	Ship owner, provision of ship chartering services and investment holding	Singapore	75	-
Aries Warrior AS ^{(6) (m)}	Dormant	Norway	75	100
Aries Warrior DIS ^{(6) (m)}	Dormant	Norway	75	100
Tunis Oil Pte Ltd ^{(1) (k)}	Investment holding	Singapore	75	-
Lewek Altair Shipping Private Limited ^{(2) (n)}	Ship Owner and provision of ship chartering services	India	75	100
Lewek Ruby Shipping Pte Ltd ^{(1) (k)}	Investment holding	Singapore	75	-
Emas Offshore Services (Australia) Pty Ltd ^{(8) (o)}	Ship management services	Australia	75	100
Emas Offshore Services (B) Sdn Bhd ^{(2) (o)}	Ship management services	Brunei	75	100
Emas Offshore (M) Sdn Bhd ^{(2) (k)}	Shipping agent and provision of ship chartering and investment holding	Malaysia	75	-



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) Composition of the Group (cont'd)

Name of company	Principal activities	Country of incorporation and place of business	Effective interest	
			2015	2014
			%	%
Subsidiaries held by subsidiaries (cont'd)				
Emas Offshore Services (M) Sdn Bhd ^{(2) (p)}	Ship management services	Malaysia	75	100
Bayu Emas Maritime Sdn Bhd ^{(4) (p)}	Management support services	Malaysia	75	100
Bayu Intan Offshore Sdn Bhd ^{(4)** (p)}	Dormant	Malaysia	75	100
Genesis Offshore Sdn Bhd ^{(4) (p)}	Investment holding	Malaysia	75	100
Emas Offshore Pte Ltd ^{(1) (i)}	Shipping agent and provision of ship chartering	Singapore	75	-
Emas Offshore Services Pte Ltd ^{(1) (i)}	Ship management services	Singapore	75	-
Lewek Ebony Shipping Pte Ltd ^{(1)** (i)}	Dormant	Singapore	75	-
Lewek Ivory Shipping Pte Ltd ^{(1)** (i)}	Dormant	Singapore	75	-
Lewek LB 1 Shipping Pte Ltd ^{(1) (i)}	Ship owner and provision of ship chartering services	Singapore	75	-
Lewek Robin Shipping Pte Ltd ^{(1)** (i)}	Dormant	Singapore	75	-
Lewek Shipping Pte Ltd ^{(1) (i)}	Ship owner and provision of ship chartering services	Singapore	75	-
Emas Offshore Services Nigeria Limited ^{(3) (i)}	Ship management services	Nigeria	75	-
Lewek Crusader Shipping Pte Ltd ^{(1) (i)}	Ship owner and provision of ship chartering services	Singapore	75	-
Emas Offshore (Labuan) Bhd ^{(2) (i)}	Ship owner and provision for ship chartering services	Labuan	75	-
Emas Offshore (Thailand) Ltd ^{(2) (i)}	Provision of marine oil and gas sales, ship chartering services, ship management services and engineering works, agency services	Thailand	75	-
Lewek Antares Shipping Pte Ltd ^{(1) (i)}	Ship owner and provision of ship chartering services	Singapore	75	-
Triyards Vietnam Limited ^{(a) (i)}	Investment holding	Isle of Man	61	67
Gulfstream Management Limited ^{(a) (i)}	Investment holding	British Virgin Islands	61	67



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) Composition of the Group (cont'd)

Name of company	Principal activities	Country of incorporation and place of business	Effective interest	
			2015 %	2014 %
Subsidiaries held by subsidiaries (cont'd)				
Saigon Offshore Fabrication and Engineering Limited ^{(2) (s)}	Construct and repair vessels, fabrication of metal structure and assembly and installation of structures for oil and gas industries	Vietnam	61	67
Saigon Shipyard Company Limited ^{(2) (r)}	Construct and repair vessels, fabrication of metal structure and assembly and installation of structures for oil and gas industries	Vietnam	61	67
Triyards UK Limited ^{(7) (q)}	Investment holding	United Kingdom	61	67
Triyards Houston Holdings LLC ^{(a) (t)}	Investment holding	United States of America	61	67
Triyards Houston, LLC ^{(a) (u)}	Provision of engineering and fabrication services	United States of America	61	67
Triyards Properties, LLC ^{(a) (v)}	Property and asset holding	United States of America	61	67
Triyards Strategic Investments Pte Ltd ^{(1) (q)}	Investment holding	Singapore	61	67
Triyards Strategic Vietnam Pte Ltd ^{(1) (v)}	Investment holding	Singapore	61	67
Strategic Marine (V) Company Limited ^{(2) (w)}	Build, assemble, design and repair various vessels and floating equipment	Vietnam	61	-
Strategic Marine (S) Pte Ltd ^{(1) (v)}	Construction of boats	Singapore	61	-
Triyards Strategic Marine Australia Pty Ltd (formerly known as SAV Land Pty Ltd) ^{(8) (v)}	Investment holding	Australia	61	67
Triyards Marine Services Pte Ltd ^{(1) (q)}	Supply of equipment for ship building, engineering works	Singapore	61	67



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) Composition of the Group (cont'd)

Name of company	Principal activities	Country of incorporation and place of business	Effective interest	
			2015	2014
			%	%
Subsidiaries held by subsidiaries (cont'd)				
Lewek Hercules Pte Ltd ^{(1) (a)}	Ship owner and provision of ship chartering services	Singapore	61	67
Triyards IP Pte Ltd ^{(1) (a)}	Leasing of non-financial intangible assets	Singapore	61	67
London Marine Group Limited ^{(5) (x)}	Investment holding	United Kingdom	100	100
London Marine Consultants Limited ^{(5) (y)}	Provision of advisory and consultancy services	United Kingdom	100	100
LMC (Asia Pacific) Pte Ltd ^{(1) (y)}	Provision of advisory and consultancy services	Singapore	100	100
London Floating Production Limited ^{(5) (y)}	Provision of advisory and consultancy services	United Kingdom	100	100
Triyards, LLC ^{(a) (z)}	Provision of engineering and fabrication services	United States of America	100	100

Note:

- ⁽¹⁾ : Audited by Ernst & Young LLP, Singapore
⁽²⁾ : Audited by member firms of EY Global in the respective countries
⁽³⁾ : Audited by Baker Tilly, Nigeria
⁽⁴⁾ : Audited by Y.L. Chee & Co., Chartered Accountants (Malaysia)
⁽⁵⁾ : Audited by Thorne Lancaster Parker, Chartered Accountants & Registered Auditors, United Kingdom
⁽⁶⁾ : Audited by Deloitte & Touche, Norway
⁽⁷⁾ : Audited by Anderson Anderson & Brown LLP, Chartered Accountants (United Kingdom)
⁽⁸⁾ : Audited by Moore Stephens, Perth
^(a) : Not required to be audited under the laws of the country of incorporation
* : The Group held 46% interest in EOL in FY 2014 and accounted for it as an associated company (Note 7)
** : In the process of being struck off
^ : Struck off during the financial year
: Incorporated during the financial year
: Not appointed



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) Composition of the Group (cont'd)

Ownership structure

(a)	:	Held by Emas-AMC Pte Ltd
(b)	:	Held by Emas-AMC Pte Ltd (70%) and Emas Subsea Services Pte Ltd (30%)
(c)	:	Held by Lewek Constellation Pte Ltd
(d)	:	Held by Emas Subsea Services (UK) Limited
(e)	:	Held by Emas-AMC AS
(f)	:	Held by Emas Marine Base Holdings Co., LLC
(g)	:	Held by Ezra Energy Services Pte Ltd
(h)	:	Held by Emas Energy Services Pte Ltd
(i)	:	Held by Lewek Sapphire Shipping Pte Ltd
(j)	:	Held by EMAS Offshore Limited
(k)	:	Held by the Company (50%) and EMAS Offshore Limited (50%)
(l)	:	Held by Emas Holdings Pte Ltd
(m)	:	Held by Lewek Aries Pte Ltd
(n)	:	Held by Tunis Oil Pte Ltd
(o)	:	Held by Lewek Ruby Shipping Pte Ltd
(p)	:	Held by Emas Offshore (M) Sdn Bhd
(q)	:	Held by Triyards Holdings Limited
(r)	:	Held by Triyards Vietnam Limited
(s)	:	Held by Gulfstream Management Limited
(t)	:	Held by Triyards UK Limited
(u)	:	Held by Triyards Houston Holdings LLC
(v)	:	Held by Triyards Strategic Investments Pte Ltd
(w)	:	Held by Triyards Strategic Vietnam Pte Ltd
(x)	:	Held by Telemark Limited
(y)	:	Held by London Marine Group Limited
(z)	:	Held by London Floating Production Limited

(b) Interest in subsidiaries with material non-controlling interest ("NCI")

The Group has the following subsidiaries that have NCI that are material to the Group:

Name of subsidiaries	Principal place of business	Proportion of ownership interest held by NCI	Profit allocated to NCI during the reporting period	Accumulated NCI at the end of reporting period	Dividends paid to NCI during the reporting period
			US\$'000	US\$'000	US\$'000
31 August 2015:					
Triyards Holdings Limited	Singapore	39%	10,634	81,468	969
EMAS Offshore Limited	Singapore	25%	12,692	180,264	-
31 August 2014:					
Triyards Holdings Limited	Singapore	33%	8,879	56,359	1,541



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) Summarised financial information about subsidiaries with material NCI

Summarised financial information including goodwill on acquisition and consolidation adjustments but before intercompany eliminations of subsidiaries with material non-controlling interests are as follows:

Summarised balance sheets

	Triyards Holdings Limited		EMAS Offshore Limited
	2015	2014	2015
	US\$'000	US\$'000	US\$'000
Non-current			
Assets	147,425	115,054	1,085,484
Liabilities	(17,800)	(5,929)	(586,102)
Net non-current assets	129,625	109,125	499,382
Current			
Assets	282,746	246,475	404,973
Liabilities	(203,958)	(186,353)	(369,867)
Net current assets	78,788	60,122	35,106
Net assets	208,413	169,247	534,488

Summarised statement of comprehensive income

	Triyards Holdings Limited		EMAS Offshore Limited
	2015	2014	2015
	US\$'000	US\$'000	US\$'000
Sales	270,113	268,620	247,171
Profit before tax	29,933	31,082	207,517
Tax expense	(2,779)	(4,417)	(7,973)
Profit for the year	27,154	26,665	199,544
Other comprehensive income	(1,250)	-	(51,612)
Total comprehensive income	25,904	26,665	147,932
Other summarised information			
Net cash generated from/(used in)			
Operating activities	58,355	7,723	(8,944)
Investing activities	(36,055)	(13,585)	(3,627)
Financing activities	(4,142)	13,143	21,521



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(d) Acquisition of subsidiaries

EMAS Offshore Limited ("EOL") (formerly known as EOC Limited)

On 10 July 2014, the Company has entered into a business combination agreement with EMAS Offshore Limited ("EOL") (formerly known as EOC Limited) (the "Business Combination Agreement") in connection with the proposed sale of certain subsidiaries, joint venture companies and associated companies held by the Group (collectively, the "OSS Companies").

In exchange for the sale of the OSS Companies, EOL will make pay a consideration of US\$520.0 million to the Company to be satisfied via the following:

- (i) US\$25.0 million, payable in cash;
- (ii) US\$370.0 million, satisfied by the allotment and issue of 280,133,252 new shares, based on the issue price of NOK 8.18 per share, by EOL to the Company; and
- (iii) deferred cash payment of US\$125.0 million ("Deferred Consideration") over a period of 3 years (the "Payment Period"), with interest payable at the rate of 3.5% per annum on the outstanding principal amount of the Deferred Consideration in the second and third years of the Payment Period.

The shareholders' approval for the Business Combination Agreement was obtained in a shareholders' Extraordinary General Meeting ("EGM") held on 19 August 2014 and on 3 October 2014, the Business Combination Agreement was completed together with EOL's secondary public offering ("secondary public offering") of 48,585,000 shares on the SGX-ST.

Upon completion of the Business Combination Agreement and EOL's secondary public offering, the Group's effective interest in EOL stepped up from 45.7% to 75.2% and equity accounting of EOL and its subsidiaries ("EOL Group") as an associated company ceased on the date of completion. EOL Group was consolidated as subsidiaries of the Group upon cessation of equity accounting.

As a result of the Business Combination Agreement, the Group's effective interest in an existing joint venture company, Lewek Antares Shipping Pte Ltd ("Lewek Antares") stepped up from 50.0% to 75.2% and equity accounting of Lewek Antares as a joint venture company ceased on the date of completion. Lewek Antares was consolidated as a subsidiary of the Group upon cessation of equity accounting.

In accordance with FRS 103, Business Combinations, the purchase price allocation exercise for EOL Group has been finalised and the fair value of the identifiable assets, liabilities and contingent liabilities (excluding those of Lewek Antares) at date of acquisition are as follows:



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(d) Acquisition of subsidiaries (cont'd)

EMAS Offshore Limited ("EOL") (formerly known as EOC Limited) (cont'd)

	Fair value recognised on acquisition US\$'000
Statement of financial position	
Assets	
Fixed assets	118,801
Investment in an associated company	69,948
Investment in joint venture companies	185,379
AFS investments	56,003
Trade receivables	25,245
Other receivables and deposits	3,707
Due from related parties	23
Due from an associated company	29,731
Due from joint venture companies	15,034
Prepayments	5,035
Restricted cash	30,000
Cash and cash equivalent	40,166
	579,072
Liabilities	
Trade payables	6,044
Other payables and accruals	61,277
Due to related parties	92,445
Bills payable	123,042
Bank term loan	64,158
Provision for tax	1,347
Derivative liabilities	407
	348,720
Net identifiable assets at fair value	230,352
Less:	
– Net assets attributable to existing non-controlling interests of EOL Group	(233)
– Net assets attributable to Lewek Antares	(18,431)
Net identifiable assets at fair value acquired	211,688
Less: Non-controlling interest measured at the non-controlling interest's proportionate share of EOL Group's net identifiable assets	(32,607)
Less: Fair value adjustment of existing interests in EOL Group	(39,550)
Less: Gain on bargain purchase on acquisition	(105,878)
Non-cash consideration	33,653

The non-cash consideration comprises of the Group's dilution in its interest in the OSS Companies subsequent to the completion of the Business Combination Agreement, measured at its fair value in relation to EOL Group's market capitalisation.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(d) Acquisition of subsidiaries (cont'd)

EMAS Offshore Limited ("EOL") (formerly known as EOC Limited) (cont'd)

Trade receivables

Trade receivables acquired comprise of trade receivables with fair value of US\$2,600,000 and gross amounts of US\$6,771,000. At the acquisition date, US\$4,171,000 of the contractual cash flows pertaining to trade receivables is not expected to be collected.

Impact of acquisition on the results of the Group

Included in the profit for the financial period is the US\$12,545,000 attributable to the additional business contributed by the acquired entities. Revenue for the period from the acquired entities amounted to US\$1,392,000.

The effect on the revenue and profit for the period, had the Business Combination Agreement been effected on 1 September 2014, is immaterial.

Lewek Antares Shipping Pte Ltd

In accordance with FRS 103, Business Combinations, the purchase price allocation exercise has been finalised and the fair value of the identifiable assets, liabilities and contingent liabilities at date of acquisition are as follows:

	Fair value recognised on acquisition US\$'000
<i>Statement of financial position</i>	
Assets	
Fixed assets	66,000
Due from related parties	143
Cash and cash equivalent	695
	<u>66,838</u>
Liabilities	
Trade payables	61
Due to related parties	10,441
Bank term loan	31,535
	<u>42,037</u>
Net identifiable assets at fair value acquired	24,801
Less: Non-controlling interest measured at the non-controlling interest's proportionate share of Lewek Antares' net identifiable assets	(3,821)
Less: Fair value adjustment of existing interests in Lewek Antares	(12,400)
Less: Gain on bargain purchase on acquisition	(8,580)
	<u>-</u>
Consideration	-



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(d) Acquisition of subsidiaries (cont'd)

Lewek Antares Shipping Pte Ltd (cont'd)

Impact of acquisition on the results of the Group

The revenue and profit contribution for the financial period by Lewek Antares and the revenue and profit for the period, had the acquisition been effected on 1 September 2014, are immaterial.

Strategic Marine (S) Pte. Ltd. ("SMS") and Strategic Marine (V) Company Limited ("SMV")

On 14 October 2014, subsidiaries of Triyards Holdings Limited, Triyards Strategic Investments Pte Ltd and Triyards Strategic Vietnam Pte Ltd, entered into separate equity purchase agreements with Henderson Marine Base Pty Ltd to purchase the entire issued share capital of Strategic Marine (S) Pte. Ltd. and the entire charter capital of Strategic Marine (V) Company Limited. for an aggregate consideration of Australian Dollar 23.3 million (equivalent to US\$20.5 million).

The Group has acquired SMS and SMV in order to expand its business through both organic expansion and acquisitions of quality assets in key strategic regions to develop its core business. These also provide the Group with increased fabrication capacities that will enable the Group to tap on increased resources to achieve economies of scale and scope. The increased capacity can also be used for new product and service offerings by the Group. This will further enable the Group to increase the market reach for its current product and service offerings via the tapping of their existing clientele base.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(d) Acquisition of subsidiaries (cont'd)

Strategic Marine (S) Pte. Ltd. ("SMS") and Strategic Marine (V) Company Limited ("SMV") (cont'd)

In accordance with FRS 103, Business Combinations, the purchase price allocation exercise has been finalised and the fair value of the identifiable assets, liabilities and contingent liabilities at date of acquisition are as follows:

	Fair value recognised on acquisition US\$'000
<i>Statement of financial position</i>	
Assets	
Fixed assets	27,696
Intangible assets	1,301
AFS investments	39
Inventories and work in progress	2,653
Trade receivables	23,740
Other receivables	7,472
Other current assets	788
Cash and cash equivalent	4,852
	<hr/> 68,541
Liabilities	
Trade payables	8,535
Other payables	18,963
Bank term loan	13,163
Provision for tax	1,683
Deferred tax liabilities	2,101
	<hr/> 44,445
Net identifiable assets at fair value acquired	24,096
Less: Gain on bargain purchase on acquisition	<hr/> (3,589)
Cash consideration	<hr/> 20,507



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(d) Acquisition of subsidiaries (cont'd)

Strategic Marine (S) Pte. Ltd. ("SMS") and Strategic Marine (V) Company Limited ("SMV") (cont'd)

Impact of acquisition on the results of the Group

Gain on bargain purchase of US\$3,590,000 arose from the acquisition of SMS and SMV at lower than fair value of the net assets and recognised as part of other income/(expenses), net in the income statement.

From the date of acquisition, SMS and SMV have contributed revenue and income totalling of US\$71,880,000 and US\$1,745,000 respectively to the Group's revenue and profit after tax. If the business combination had occurred on 1 September 2014, the contribution to the Group's revenue and profit after tax for the financial year would have been US\$78,684,000 and US\$2,904,000 respectively.

7. INVESTMENTS IN ASSOCIATED COMPANIES

The Group's material investments in associated companies are summarised below:

	Group		Company	
	2015 US\$'000	2014 US\$'000	2015 US\$'000	2014 US\$'000
EMAS Offshore Limited	-	106,831	-	29,743
Intan Offshore Sdn Bhd	33,074	29,184	-	-
Perisai Petroleum Teknologi Bhd (quoted)	101,861	51,312	-	-
PV Keez Pte Ltd	77,161	-	-	-
Other associated companies	722	438	-	-
	212,818	187,765	-	29,743
Fair value of investments in associated companies for which there is a published price quotation	19,427	118,838	-	59,236



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

7. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

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	
			2015 %	2014 %
Held by the Company				
EMAS Offshore Limited (formerly known as EOC Limited) #	Investment holding	Singapore	-*	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
Held by subsidiaries				
Intan Offshore Sdn Bhd ##	Ship owning and provision of ship chartering services	Malaysia	37	49
Perisai Petroleum Teknologi Bhd ##	Investment holding	Malaysia	21	11
Fode & Emas Joint Venture Company Limited ^	Provision of offshore services and vessels to oil and gas industry	Nigeria	40	40
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	25
Sri Emas (GH) Limited ###	Provision of construction, marine, production and well intervention services	Ghana	49	-(-)
Emas Offshore Services (Philippines) Inc ***	Provision of ship chartering services	Philippines	30	40
PV Keez Pte Ltd #	Ship owning and provision of ship chartering services	Singapore	31	-

Note:

: Audited by Ernst & Young LLP, Singapore

: Audited by Baker Tilly AC, Malaysia

: Audited by SCG Audits, Ghana

@ : Not required to be audited under the laws of the country of incorporation

** : Audited by BDO Tauranga Ltd, New Zealand

*** : In process of appointment

^ : Not appointed

* : The Group holds 75.25% and 50% of ownership interest in EMAS Offshore Limited and Emas EOC Venture Pte Ltd, respectively in FY2015 and accounts for them as subsidiaries [Note 6]

** : In the process of being struck off

(-) : Reclassified from investment in joint venture company



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

7. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

Perisai Petroleum Teknologi Bhd ("Perisai")

In April 2014, Perisai issued in total 108,419,998 new ordinary shares of MYR0.10 share each. Following the issuance of shares, HCM Logistics Limited ("HCM")'s and Emas Offshore (M) Sdn Bhd ("Emas (M)")'s equity interest in Perisai was reduced to 5.53% and 5.92%, respectively.

In August 2014, Emas (M) has entered into Share Purchase Agreement to transfer 70,683,000 units of ordinary shares in Perisai to HCM for the consideration of MYR1.3958 per share. Following the transfer, HCM's equity interest in Perisai was increased from 5.53% to 11.45%. Whereas, Emas (M)'s equity interest in Perisai was reduced from 5.92% to 0%.

In July 2014, the Company has entered into business combination agreement with EMAS Offshore Limited ("EOL") which owns 12.13% direct equity interest in Perisai. Following the business combination, HCM's equity interest in Perisai remained at 11.45%. Whereas, EOL's effective equity interest in Perisai is 9.12%.

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 2014 to 30 June 2015, based on Perisai's quarterly results which were announced on Bursa Malaysia. Perisai's results for the period from 1 July 2015 to 31 August 2015 is not publicly available and accordingly will be equity accounted in the financial year ending 31 August 2016.

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.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

7. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

Fode & Emas Joint Venture Company Limited and Gallatin Marine Management LLC

The carrying value of the cost of investment and share of post-acquisition reserves of Fode & Emas Joint Venture Company Limited and Gallatin Marine Management LLC have been reclassified to "Assets included in disposal group held classified as held for sale" (Note 15).

Pledged Assets

Part of the Group's interest in Perisai Petroleum Teknologi Bhd with carrying amount of US\$51,949,000 (2014: US\$ Nil) is pledged in connection with the bill payables of the Group (Note 21).

Summarised financial information

Aggregate information about the Group's investments in associated companies that are not individually material are as follows:

	Group	
	2015	2014
	US\$'000	US\$'000
Profit or loss after tax from continuing operations	512	58
Other comprehensive income	-	-
Total comprehensive income	512	58

The summarised financial information in respect of EMAS Offshore Limited, Intan Offshore Sdn Bhd, Perisai Petroleum Teknologi Bhd and PV Keez Pte Ltd based on its FRS financial statements, adjusted to reflect adjustments made when using the equity method, and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

7. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

Summarised financial information (cont'd)

	Perisai Petroleum Teknologi Bhd		Intan Offshore Sdn Bhd		PV Keez Pte Ltd	EMAS Offshore Limited
	2015 US\$'000	2014 US\$'000	2015 US\$'000	2014 US\$'000	2015 US\$'000	2014 US\$'000
Current assets	47,555	37,128	41,422	35,863	39,465	176,927
Non-current assets	592,154	646,612	61,407	59,614	350,720	366,937
Total assets	639,709	683,740	102,829	95,477	390,185	543,864
Current liabilities	(83,496)	(95,849)	(7,838)	(7,092)	(139,507)	(165,337)
Non-current liabilities	(219,207)	(223,211)	(27,493)	(28,826)	(37,816)	(145,100)
Total liabilities	(302,703)	(319,060)	(35,331)	(35,918)	(177,323)	(310,437)
Net assets	337,006	364,680	67,498	59,559	212,862	233,427
Net assets relating to non- controlling interest of the associated company	(33,239)	(33,083)	-	-	-	(234)
Redeemable preference shares classified as equity	-	-	-	-	(28,000)	-
	303,767	331,597	67,498	59,559	184,862	233,193
Proportion of the Group's ownership *	20.6%	11.5%	49.0%	49.0%	41.7%	45.7%
Group's share of net assets	62,516	37,988	33,074	29,184	77,087	106,569
Goodwill	39,345	13,324	-	-	-	-
Other adjustments	-	-	-	-	74	262
Net assets	101,861	51,312	33,074	29,184	77,161	106,831
Revenue	59,170	21,471	14,277	13,370	76,008	46,974
Profit after tax from continuing operations	6,844	1,668	7,940	7,501	19,340	54,452
Profit after tax from discontinued operations	-	5,120	-	-	-	-
Other comprehensive income	41,849	6,590	-	-	(2,056)	3,190
Total comprehensive income	48,693	13,378	7,940	7,501	17,284	57,642

* Rounded to nearest one decimal place.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

8. INVESTMENTS IN JOINT VENTURE COMPANIES

The Group's material investments in joint venture companies are summarised below:

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Emas Victoria (L) Bhd	150,974	-	-	-
Eminent Offshore Logistics Pte Ltd *	6,289	7,900	4,443	4,443
Lewek Antares Shipping Pte Ltd	-	14,211	-	12,000
SJR Marine (L) Ltd	27,667	-	-	-
Other joint venture companies	6,335	3,627	2,544	2,544
	191,265	25,738	6,987	18,987

* The investment in Eminent Offshore Logistics Pte Ltd includes a shareholder's loan which is unsecured, interest-free and has no fixed terms of repayment. The loan is not expected to be repaid within twelve months from the end of the financial year.

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	
			2015	2014
			%	%
Held by the Company				
S.E. Mariam Sdn Bhd ^	Ship owner and provision of ship chartering services	Malaysia	49	49
New Strong Group Limited ^a	Dormant	British Virgin Islands	50	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
Held by subsidiaries				
Advanced Mooring Systems Pte Ltd *	Provision of engineering services	Singapore	50	50
EZCA Offshore, LDA ^a	Dormant	Angola	40	40
Sri Emas (GH) Limited #	Provision of construction, marine, production and well intervention services	Ghana	-(⁻)	49
PVTrans Emas Co Ltd ^{##}	Operation and maintenance of floating, production, storage and offloading unit	Vietnam	38	-
Emas Victoria (L) Bhd ^{***}	Ship owning and provision of ship chartering services	Malaysia	37	-



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

8. INVESTMENTS IN JOINT VENTURE COMPANIES (CONT'D)

Name of company	Principal activities	Country of incorporation and place of business	Effective interest	
			2015	2014
			%	%
Held by subsidiaries				
Victoria Production Services Sdn Bhd **	Operation and maintenance of floating production storage and offloading unit	Malaysia	37	-
SJR Marine (L) Ltd ***	Leasing of vessels, barges and equipment on bareboat basis	Malaysia	37	-

Notes:

- ^ : Audited by P.S. Yap, ISMA & Associate, Chartered Accountants
- ^^ : Audited by KPMG LLP, Singapore
- *** : Audited by Baker Tilly Monteiro & Heng, Malaysia
- * : Audited by Ernst & Young LLP, Singapore
- ** : Audited by Baker Tilly AC, Malaysia
- # : Audited by SCG Audits, Ghana
- ## : Audited by Deloitte Vietnam Company Limited, in process of being dissolved
- @ : Not required to be audited under the laws of the country of incorporation
- (+) : The Group holds 75.25% of effective ownership interest in Lewek Antares Shipping Pte Ltd in FY2015 and accounts for it as subsidiary (Note 6)
- (-) : Reclassified to investment in associates

Although the Group owns less than half of the equity interests in Emas Victoria (L) Bhd, Victoria Production Services Sdn Bhd and SJR Marine (L) Ltd ("SJR Marine"), these entities have not been regarded as associates of the Group as management have assessed that the Group has half of the total board seats by virtue of the contractual arrangements with the joint venture party. Accordingly, all decisions over the relevant activities of these entities require unanimous approval.

Simultaneous with the initial agreement over the transfer of the 49% equity interest in SJR Marine from Perisai Petroleum Teknologi Bhd ("PPT") to the Group on 5 December 2012, the Company entered into the following supplementary agreement:

- (i) PPT grants the Group the right to acquire all of PPT's remaining equity interest in SJR Marine (the "Call Option Shares") from PPT, and the Group may exercise the Call Option at the Call Option Price at any time during the two year period from the completion date of the acquisition of the 49% equity interests in SJR Marine ("Completion Date") ("Call Option Period"). The Call Option Price is fixed at the price equivalent to 51% of the net assets value of SJR Marine at the Completion Date;
- (ii) In the event the Call Option is not exercised during the Call Option Period, the parties shall use their best endeavours to procure SJR Marine to sell SJR Marine's vessel, the Enterprise 3, to an interested third party within a period of 12 months from the expiry of the Call Option Period ("Enterprise 3 Disposal Period") on terms to be agreed upon by the parties. Where SJR Marine is unable to dispose of Enterprise 3 within the Enterprise 3 Disposal Period, PPT shall be entitled to exercise its right under the Put Option; and



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

8. INVESTMENTS IN JOINT VENTURE COMPANIES (CONT'D)

- (iii) The Group grants PPT the right ("Put Option") to sell all of its remaining equity interest in SJR Marine ("Put Option Shares") to the Group. The Group shall acquire the Put Option Shares at the Put Option Price which is equivalent to the Call Option Price. PPT may exercise the Put Option at any time within the period of one month prior to the expiry of the Enterprise 3 Disposal Period ("Put Option Period"). In the event that the Put Option is not exercised within the Put Option Period, PPT's Put Option Rights shall lapse.

At the reporting date, management has assessed that the Call Option is out of the money.

Significant restrictions

Emas Victoria (L) Bhd, Victoria Production Services Sdn Bhd and SJR Marine (L) Ltd cannot distribute profits or repay advances made by the Group unless consents are obtained from the joint venture partner and the banks under the loan covenants.

Summarised financial information

Aggregate information about the Group's investments in joint venture companies that are not individually material are as follows:

	Group	
	2015	2014
	US\$'000	US\$'000
Profit after tax from continuing operations	1,541	138
Other comprehensive income	(270)	(91)
Total comprehensive income	1,271	47

Summarised financial information, in respect of Emas Victoria (L) Bhd, Eminent Offshore Logistics Pte Ltd, Lewek Antares Shipping Pte Ltd and SJR Marine (L) Ltd based on its FRS financial statements, adjusted to reflect adjustments made when using the equity method, and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

8. INVESTMENTS IN JOINT VENTURE COMPANIES (CONT'D)

Summarised financial information (cont'd)

	EMAS Victoria	Eminent Offshore	Logistics Pte	Lewek Antares	SJR Marine (L)
	(L) Bhd	Ltd		Shipping Pte Ltd	Ltd
	2015	2015	2014	2014	2015
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Cash and cash equivalents	20,214	156	71	700	3,032
Other current assets	19,772	4,862	5,208	1	23
Total current assets	39,986	5,018	5,279	701	3,055
Non-current assets	410,826	9,822	12,176	70,220	99,199
Total assets	450,812	14,840	17,455	70,921	102,254
Current financial liabilities (excluding trade and other payables and provisions)	(12,654)	-	-	(4,760)	(6,650)
Other current liabilities	(17,465)	(10,081)	(1,551)	(10,964)	(22,841)
	(30,119)	(10,081)	(1,551)	(15,724)	(29,491)
Non-current liabilities	(177,542)	-	(7,923)	(26,775)	(16,300)
Total liabilities	(207,661)	(10,081)	(9,474)	(42,499)	(45,791)
Net assets	243,151	4,759	7,981	28,422	56,463
Proportion of the Group's ownership	49.0%	50.0%	50.0%	50.0%	49.0%
Group's share of net assets	119,144	2,379	3,990	14,211	27,667
Shareholder's loan	-	3,910	3,910	-	-
Additional investment	34,555	-	-	-	-
Deferred gain from sale of fixed assets	(2,725)	-	-	-	-
Net assets	150,974	6,289	7,900	14,211	27,667



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

8. INVESTMENTS IN JOINT VENTURE COMPANIES (CONT'D)

Summarised financial information (cont'd)

	EMAS Victoria	Eminent Offshore	Logistics Pte	Lewek Antares	SJR Marine (L)
	(L) Bhd	Ltd		Shipping	Ltd
	2015	2015	2014	2014	2015
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Revenue	65,985	127	3,481	8,030	-
Depreciation and amortisation	(21,624)	(567)	(664)	(3,259)	(4,798)
Operating (expenses)/income	(4,461)	(2,749)	(1,575)	(31)	52
Interest expense	(7,648)	-	-	(714)	(575)
Interest income	-	-	-	-	-
Profit/(loss) before tax from continuing operations	32,252	(3,189)	1,242	4,026	(5,321)
Income tax expense	(6)	(34)	(200)	-	-
Profit/(loss) after tax from continuing operations	32,246	(3,223)	1,042	4,026	(5,321)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	32,246	(3,223)	1,042	4,026	(5,321)
Dividends received from the joint venture company during the year	-	-	-	1,260	-

9. AVAILABLE-FOR-SALE INVESTMENTS

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Unquoted equity investments, at cost	3,112	3,075	3,075	3,075

Included in the unquoted equity investments at cost is amount of US\$3,075,000 (2014: US\$3,075,000) which is an investment in preference shares in a private limited company that is not quoted on any market and does not have any comparable industry peer that is listed. The investment is carried at cost as fair value cannot be measured reliably.

The Group does not intend to dispose of these investments in the foreseeable future.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

10. LONG TERM RECEIVABLES DUE FROM SUBSIDIARIES

As at 31 August 2015, included in the long term receivables from subsidiaries is an amount of US\$14,021,000 (2014: US\$13,817,000) which is denominated in GBP, non-trade in nature, unsecured, bears interest rate at 1.5% (2014: 1.5%) above Pound Sterling ("GBP") London Inter Bank Offer Rate ("LIBOR") of 0.53% to 0.57% (2014: 0.51% to 0.53%) per annum and with no fixed repayment terms.

The remaining US\$125,000,000 is denominated in USD, non-trade in nature, unsecured, repayable within 3 years commencing from 3 October 2014 (the "Repayment Period") with interest payable at the rate of 3.5% per annum on the outstanding principal amount in the second and third year of the Payment Period.

11. LONG TERM RECEIVABLE FROM ASSOCIATED COMPANIES

As at 31 August 2015, there are no long term receivables from associated companies.

As at 31 August 2014, the long term receivables from associated companies included a non-trade receivable of US\$37,800,000 and trade receivable of US\$10,280,000. The non-trade receivable is unsecured and bear fixed interest rate of 6% per annum and floating interest rate at 1.5% per annum above USD LIBOR of 0.23% to 0.29% per annum. The trade receivable is unsecured and interest free. The balances are denominated in United States Dollars.

12. FUNDING SCHEME PENSION/PENSION LIABILITY

The Group has recognised pension obligations as a result from the acquisition of Emas AMC AS. The carrying value of the pension liabilities have been reclassified to "Liabilities included in disposal group classified as held for sale".

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.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

12. FUNDING SCHEME PENSION/PENSION LIABILITY (CONT'D)

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 2014 to provide additional lifelong 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:

	2014		
	%		
Rate of increase in pensions	0.6 – 4.0		
Rate of increase in compensation	3.75		
Increase in social security base amount	3.5		
Expected return on assets	4.0		
Discount rate	4.0		
	Group		
	Funded	Unfunded	Total
	2014	2014	2014
	US\$'000	US\$'000	US\$'000
Defined benefit obligation at end of financial year	4,842	1,297	6,139
Fair value of assets at end of financial year	4,890	-	4,890
Net amount recognised - assets/(liabilities)	48	(1,297)	(1,249)



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

12. FUNDING SCHEME PENSION/PENSION LIABILITY (CONT'D)

	Group		
	Funded	Unfunded	Total
	2014	2014	2014
	US\$'000	US\$'000	US\$'000
Change in defined benefit obligation			
Defined benefit obligation at beginning of financial year	4,490	1,503	5,993
Service cost	148	250	398
Interest cost	177	53	230
Benefits paid	(221)	(376)	(597)
Remeasurement losses/(gains)	315	(119)	196
Translation difference	(67)	(14)	(81)
Defined benefit obligation at end of financial year	4,842	1,297	6,139
Change in plan assets			
Fair value of assets at beginning of financial year	4,496	-	4,496
Interest income	179	-	179
Employer contribution	356	-	356
Benefits paid	(171)	-	(171)
Remeasurement gains	97	-	97
Translation difference	(67)	-	(67)
Fair value of assets at end of financial year	4,890	-	4,890

The fair value of plan assets by each classes as at the end of the reporting period are as follows:

	Group
	2014
	US\$'000
Equities	406
Bonds	689
Money market	1,188
Hold to maturity bonds	1,555
Real estate	729
Others	323
	<u>4,890</u>



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Trade and other receivables (current):				
Trade receivables	253,813	546,406	-	-
Other receivables	96,277	36,517	4,050	1,969
Balances due from				
- subsidiaries	-	-	653,741	792,050
- associated companies	76,957	145,110	7,183	13,234
- joint venture companies	221	22,090	-	6
	427,268	750,123	664,974	807,259
Trade and other receivables (non-current):				
Long term receivables from subsidiaries (Note 10)	-	-	139,021	13,817
Long term receivables from associated companies (Note 11)	-	48,080	-	37,800
Trade receivable	30,258	49,621	-	-
Other receivables	37,591	-	-	-
	67,849	97,701	139,021	51,617
Total trade and other receivables (current and non-current)	495,117	847,824	803,995	858,876
Add: Cash and cash equivalents (Note 18)	377,601	174,365	292,267	94,827
Add: Cash pledged (Note 19)	40,234	4,528	-	-
Total loans and receivables	912,952	1,026,717	1,096,262	953,703



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

13. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables

	Group	
	2015	2014
	US\$'000	US\$'000
Trade receivables		
- Billed	211,884	429,556
- Unbilled relating to construction contracts	78,710	159,597
- Unbilled - others	7,727	17,922
	298,321	607,075
Less: Allowance for doubtful debts	(14,250)	(11,048)
	284,071	596,027
Contract costs incurred to-date	205,783	1,176,090
Attributable profits less recognised losses to date	65,383	181,392
Less: Progress billings	(249,098)	(1,259,651)
	22,068	97,831
Represented by :		
Trade receivables – Unbilled relating to construction contracts	78,710	159,597
Progress billings in excess of cost to customers	(56,642)	(61,766)
	22,068	97,831
Analysis of allowance for doubtful debts is as follows:		
At beginning of the financial year	11,048	11,775
Allowance for the financial year	12,899	4,149
Written off against allowance	(4,605)	(3,872)
Write back of allowance	-	(1,075)
Translation difference	(217)	71
Attributable to discontinued operations	(4,875)	-
At end of the financial year	14,250	11,048



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

13. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables (cont'd)

Allowance for trade receivables are individually assessed at the end of the reporting period. 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.

The age analysis of trade receivables is as follows:

	2015		2014	
	Gross US\$'000	Allowance US\$'000	Gross US\$'000	Allowance US\$'000
Not past due or less than 60 days overdue	182,409	-	386,523	-
Past due				
- 61 to 180 days	8,562	-	54,528	-
- More than 180 days	107,350	(14,250)	166,024	(11,048)
	298,321	(14,250)	607,075	(11,048)

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 have been disclosed in Note 41.

(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	
	2015 US\$'000	2014 US\$'000
At beginning of the financial year	31	31
Written off against allowance	(30)	-
At end of the financial year	1	31



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

13. TRADE AND OTHER RECEIVABLES (CONT'D)

(c) Non-current other receivables

The long term receivables relate to deferred considerations of US\$51,575,000 which will be offset against the purchase option or recovered upon the end of the operating lease. The fair value of the deferred consideration at initial recognition is estimated by discounting the expected future cash flows at the Group's weighted average interest rate of floating rate loans of 3.03% to 7.98%.

Deferred consideration is carried at amortised cost discounted at an effective interest rate of 3.03% (2014: Nil%) as follows:

	Group	
	2015	2014
	US\$'000	US\$'000
Balance at beginning of the financial year	-	-
Re-class from other receivables (current)	5,200	-
Acquired through business combination	22,645	-
Arising from disposal of vessels on sale and leaseback arrangements	9,117	-
Amortisation of interest income	629	-
Balance at end of the financial year	37,591	-

(d) 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	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
United States Dollar	6,228	47,178	-	-
Singapore Dollar	4,278	1,834	286	-
Malaysian Ringgit	2,503	11,374	-	-
Euro	777	4,788	-	-
Pound Sterling	-	15	-	-
Vietnamese Dong	7,580	3,118	-	-

(e) 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.

An allowance for doubtful debt on balance due from subsidiaries amounting to US\$34,799,000 has been made for the financial year ended 31 August 2015. These subsidiaries have suffered financial losses in the current and past financial years.

As at 31 August 2015, the allowance for doubtful debt on balance due from subsidiaries is US\$34,799,000 (2014: US\$Nil).



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

14. ASSETS HELD FOR SALE

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Vessels	-	17,750	-	-
Investment in associated companies	102,548	102,548	101,785	101,785
Investment in subsidiaries	-	-	250,020	-
	102,548	120,298	351,805	101,785

The board of directors has supported the decisions to dispose the above business assets. These decisions are 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.

15. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 27 August 2015, the Company announced that a binding Memorandum of Understanding has been signed with Chiyoda Corporation ("Chiyoda"), an unrelated party, to form a joint venture for part of the subsea services segment. As a result, certain subsidiaries of the Group in the subsea services segment (the "disposal group") will be diluted from a controlled subsidiary to a jointly controlled entity. Subsequently, the Company entered into a binding sale and subscription agreement with Chiyoda for the proposed joint venture on 29 September 2015.

As at 31 August 2015, the assets and liabilities related to those subsidiaries have been presented in the consolidated statement of financial position as "Assets included in the disposal group held for sale" and "Liabilities included in the disposal group held for sale", and its results are presented separately on profit or loss as "(Loss)/profit from discontinued operations, net of tax".

The completion of the sale is subject to certain conditions being fulfilled. As at date of the financial statements, the sale has not been completed.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

15. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONT'D)

Statement of financial position disclosures

The major classes of assets and liabilities of the disposal group classified as held for sale and the related reserves as at 31 August 2015 are as follows:

	<u>Group</u>
	<u>2015</u>
	<u>US\$'000</u>
Assets:	
Fixed assets	1,015,305
Goodwill	212,816
Other intangible assets	767
Investments in associated companies	101
Deferred tax assets	1,720
Inventories and work-in-progress	23,502
Trade and other receivables	263,111
Balances due from associated companies	1,478
Balances due from joint venture companies	1,760
Other current assets	20,973
Cash and cash equivalents	48,219
Cash pledged	1,100
Assets included in disposal group classified as held for sale	<u>1,590,852</u>
Liabilities:	
Trade and other payables	339,009
Bills payable to banks	85,832
Progress billing in excess of work-in-progress	23,361
Derivative financial instruments	3,060
Lease obligations	4,318
Bank term loans	58,833
Provision for tax	5,031
Lease obligations	24,215
Bank term loans	434,335
Pension liability	952
Deferred tax liabilities	950
Liabilities included in disposal group classified as held for sale	<u>979,896</u>
Reserves:	
Included in accumulated profits – Defined benefits re-measurement	(156)
Hedging reserve	(184)
Translation reserve	(1,131)



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

15. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONT'D)

Income statement disclosures

The results of the disposal group for the years ended 31 August are as follows:

	Group	
	2015	2014
	US\$'000	US\$'000
Revenue	976,417	998,409
Expenses	(1,001,394)	(955,095)
Other income/(expenses), net	10,598	(460)
Share of profit/(losses) of associated companies	148	(17)
Financial income	40	25
Financial expenses	(12,038)	(3,572)
(Loss)/profit before tax from discontinued operations	(26,229)	39,290
Tax	(14,070)	(12,966)
(Loss)/profit from discontinued operations, net of tax	(40,299)	26,324

Cash flow statement disclosures

The cash flows attributable to the disposal group are as follows:

	Group	
	2015	2014
	US\$'000	US\$'000
Operating	94,160	70,628
Investing	(268,682)	(209,893)
Financing	201,286	129,243
Net cash inflows/(outflows)	26,764	(10,022)



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

16. INVENTORIES AND WORK-IN-PROGRESS

	Group	
	2015	2014
	US\$'000	US\$'000
Inventories held for trading, at cost	39,210	22,927
Consumables	2,126	23,789
Work-in-progress	36,681	44,648
Total inventories and work-in-progress at lower of cost and net realisable value	78,017	91,364

The Group has not made any allowance for stock obsolescence during the financial year.

17. OTHER CURRENT ASSETS

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Deposits	5,350	18,816	480	526
Prepayments	30,330	47,054	23	10
Advance payments to suppliers	8,804	3,172	-	-
	44,484	69,042	503	536



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

18. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following amounts:

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
<u>From continuing operations</u>				
Fixed deposits	117,023	91,175	67,330	90,890
Cash and bank balances	260,578	83,190	224,937	3,937
Cash and cash equivalents from continuing operations	377,601	174,365	292,267	94,827
<u>From discontinued operations (Note 15)</u>				
Fixed deposits	10,514	-	-	-
Cash and bank balances	37,705	-	-	-
Cash and cash equivalents from discontinued operations	48,219	-	-	-
Total cash and cash equivalents	425,820	174,365	292,267	94,827

(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 0.01% to 3.70% (2014: 0.35% to 0.75%) per annum.

Significant fixed deposits denominated in foreign currency (with reference to the respective functional currencies of the Company and the respective subsidiaries) as at 31 August are as follows:

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Singapore Dollar	67,330	25,116	67,330	25,116
Norwegian Kroner	10,514	-	-	-



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

18. CASH AND CASH EQUIVALENTS (CONT'D)

(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	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
United States Dollar	100	7,977	-	-
Singapore Dollar	80,389	8,657	72,386	2,267
Euro	443	2,671	-	-
Malaysian Ringgit	122	2,206	-	-
Vietnamese Dong	475	479	-	-

19. CASH PLEDGED

Certain operating bank accounts of the subsidiaries with balances amounting to US\$43,840,000 (2014: US\$8,300,000) are pledged to financial institutions for banking facilities granted to the Group. Except for an amount of US\$40,234,000 (2014: US\$4,528,000), there is no restriction on the use of the remaining bank balances.

20. TRADE AND OTHER PAYABLES

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Trade and other payables (current):				
Trade payables	53,777	154,001	-	-
Other payables	174,393	270,282	20,482	33,278
Balances due to				
- subsidiaries	-	-	55,996	40,278
- associated companies	7,410	60,789	-	-
- joint venture companies	2,500	2,500	2,500	2,500
	238,080	487,572	78,978	76,056



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

20. TRADE AND OTHER PAYABLES (CONT'D)

	Group		Company	
	2015	2014	2015	2014
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Other payables (non-current):				
Other payables	-	26,076	-	6,076
Total trade and other payables (current and non-current)	238,080	513,648	78,978	82,132
Add:				
- Bills payable to banks (Note 21)	255,797	228,585	41,957	56,601
- Lease obligations (Note 23)	14,408	1,865	-	30
- Bank term loans (Note 24)	761,419	947,062	166,000	103,192
- Notes payable (Note 25)	332,295	374,405	332,295	374,405
- Perpetual securities (Note 28)	106,232	-	106,232	-
Total financial liabilities carried at amortised cost	1,708,231	2,065,565	725,462	616,360

(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	
	2015	2014
	US\$ '000	US\$ '000
United States Dollar	1,210	24,381
Singapore Dollar	14,001	20,545
Euro	4,638	3,310
Malaysian Ringgit	3	925
Norwegian Kroner	702	918
Vietnamese Dong	8,252	11,338



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

20. TRADE AND OTHER PAYABLES (CONT'D)

(b) Other payables

Details of other payables are as follows:

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Advance billing made to customers	45	2,621	-	-
Accrued interest payable	13,083	11,975	10,747	8,267
Accrued operating expenses	106,423	180,488	1,363	584
Deferred consideration	6,195	12,326	6,195	12,326
Other creditors	8,511	82,502	2,177	18,177
Payable to third party shipbuilders	2,416	6,446	-	-
Option price payable	37,720	-	-	-
	174,393	296,358	20,482	39,354

Other creditors and amounts payable to shipbuilders are unsecured, interest-free and repayable in cash on demand.

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	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Singapore Dollar	20,657	31,358	13,544	25,372
Vietnamese Dong	2,835	1,311	-	-
Malaysia Ringgit	620	536	-	-
Euro	177	303	-	-
Norwegian Kroner	42	54	-	-

(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.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

21. BILLS PAYABLE TO BANKS

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Bills payable				
– secured	90,800	30,800	18,000	–
– unsecured	164,997	197,785	23,957	56,601
	255,797	228,585	41,957	56,601

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	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Singapore Dollar	21,731	7,547	5,182	5,602
Euro	–	4,315	–	–
Vietnamese Dong	5,244	–	–	–

Bills payable of the Group are secured by:

- (a) first and second mortgage in the name of vessels owned by the Group;
- (b) pledge of shares in an associated company;
- (c) assignment of current and earning accounts and receivables;
- (d) assignment of charter income, charter contracts and vessel insurance contracts in favour of the financial institution; and
- (e) corporate guarantee from the Company and subsidiaries.

The bills payable of the Group bear interest at 0% to 3.5% (2014: 0% to 3.5%) 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 3.34% (2014: 0.12% to 2.84%) per annum. The bills payable of the Company bear interest at 1.5% to 2.0% (2014: 1.5% to 2.9%) per annum above the bank's COF or SIBOR of 0.23% to 1.48% (2014: 0.12% to 0.98%) per annum.

During the financial year, the effective interest rates of the bills payable of the Group and the Company ranged from 1.66% to 5.97% and 1.73% to 3.15% (2014: 1.72% to 4.50% and 1.73% to 3.08%) per annum respectively.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

22. DEFERRED INCOME

	Group	
	2015	2014
	US\$'000	US\$'000
Current	868	1,540
Non-current	10,193	24,442
	11,061	25,982

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	
	2015	2014
	US\$'000	US\$'000
At beginning of the financial year	25,982	28,650
Amortisation during the financial year	(870)	(2,735)
Addition during the financial year	-	67
Recognised as part of loss on step-up of interest in associated and joint venture companies to subsidiaries	(14,051)	-
At end of the financial year	11,061	25,982



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

23. LEASE OBLIGATIONS

	Group			
	Minimum payments 2015 US\$'000	Present value of payments 2015 US\$'000	Minimum payments 2014 US\$'000	Present value of payments 2014 US\$'000
Not later than one year	3,648	2,522	1,127	1,054
Later than one year but not later than five years	12,463	11,886	877	811
Total minimum lease payments	16,111	14,408	2,004	1,865
Less: Amounts representing finance charges	(1,703)	-	(139)	-
Present value of minimum lease payments	14,408	14,408	1,865	1,865

	Company	
	Minimum payments 2014 US\$'000	Present value of payments 2014 US\$'000
Not later than one year, representing total minimum lease payments	33	30
Less: Amounts representing finance charges	(3)	-
Present value of minimum lease payments	30	30

Lease terms are for 2 to 7 years (2014: 2 to 7 years) with options to purchase at the end of the lease term. One (2014: Nil) of the leases mandates the transfer of ownership of the leased asset 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 1.24% to 9.40% (2014: 1.88% to 6.20%) per annum. The effective interest rates ranged from 3.53% to 11.14% (2014: 3.57% to 11.44%) per annum.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

24. BANK TERM LOANS

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Due within 1 year	153,609	281,122	12,000	92,192
Due within 2 to 5 years	588,979	647,417	154,000	11,000
Due after 5 years	18,831	18,523	-	-
	607,810	665,940	154,000	11,000
	761,419	947,062	166,000	103,192

The balance comprises:

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Secured				
(a) Term loan with principal of US\$5,350,000 bears interest at 1.25% (2014: 1.25%) per annum above USD SIBOR of 0.15% to 0.19% (2014: 0.15% to 0.19%) per annum. The loan is repayable over 10 years in equal monthly instalments commencing 28 February 2007. The monthly instalment amounts to US\$49,904 for the remaining 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.	854	1,447	-	-
(b) Term loan with principal of US\$12,457,000 bears interest at 1.10% (2014: 1.10%) per annum above USD LIBOR of 0.23% to 0.28% (2014: 0.23% to 0.27%) 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.	3,114	4,360	-	-



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

24. BANK TERM LOANS (CONT'D)

The balance comprises:

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Secured				
(c) Term loan with principal of US\$54,798,969 bears interest at 2.50% (2014: 2.50%) above USD LIBOR of 0.23% to 0.29% (2014: 0.23% to 0.27%). 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.	25,580	32,455	-	-
(d) Term loan with principal of S\$19,500,000 bears interest at 2.50% (2014: 2.50%) above Swap Offer Rate ("SOR") of 0.22% to 0.80% (2014: 0.21% to 0.23%). 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.	2,589	6,827	-	-
(e) Term loan with a principal of US\$84,500,000 that bears interest at 2.25% (2014: 2.25%) above USD LIBOR of 0.23% to 0.28% (2014: 0.23% to 0.24%). The loan is repayable over 19 equal quarterly instalments of US\$2,640,625 commencing on 6 June 2014 and a final instalment of US\$34,328,125. 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 equipment 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.	71,297	81,860	-	-



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

24. BANK TERM LOANS (CONT'D)

The balance comprises:

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Secured				
(f) Term loan with principal of US\$9,975,000 bears interest at 2.25% (2014: 2.25%) per annum above USD LIBOR of 0.23% to 0.29% (2014: 0.23% to 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.	7,475	8,725	-	-
(g) Term loan with principal of US\$8,750,000 bears interest at 2.25% (2014: 2.25%) per annum above bank's USD LIBOR of 0.23% to 0.29% (2014: 0.23% to 0.24%). The loan is repayable over 18 equal quarterly instalments of US\$284,375 commencing 3 months from 13 December 2013 and a final instalment of US\$3,631,250. 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.	7,044	8,181	-	-
(h) Term loan with principal of US\$23,500,000 bears interest at 2.30% (2014: 2.30%) per annum above USD LIBOR of 0.23% to 0.28% (2014: 0.23% to 0.27%) 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.	14,140	17,260	-	-



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

24. BANK TERM LOANS (CONT'D)

The balance comprises:

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Secured				
(i) Term loan with principal of US\$2,000,000 bears interest at 2.30% (2014: 2.30%) per annum above USD LIBOR of 0.23% to 0.28% (2014: 0.14% to 0.23%) per annum. This loan is repayable over 13 equal quarterly instalments of US\$83,333 commencing on 10 April 2014 and a final instalment of US\$916,667. 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.	1,500	1,833	-	-
(j) Term loan with principal of US\$16,500,000 bears interest at 2.50% (2014: 2.50%) per annum above USD LIBOR of 0.23% to 0.28% (2014: 0.23% to 0.27%). 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.	11,138	13,613	-	-
(k) Term loan with principal of US\$4,750,000 bears interest at 2.50% (2014: 2.50%) per annum above USD LIBOR of 0.23% to 0.28% (2014: 0.23% to 0.27%). 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.	3,206	3,919	-	-



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

24. BANK TERM LOANS (CONT'D)

The balance comprises:

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Secured				
(l) Term loan with principal of US\$8,250,000 bears interest at 2.50% (2014: 2.50%) per annum above USD LIBOR of 0.23% to 0.28% (2014: 0.23% to 0.27%). 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 vessels and corporate guarantee from the Company and a subsidiary.	5,569	6,806	-	-
(m) Term loan with principal of US\$4,500,000 bears interest at 2.50% (2014: 2.50%) per annum above USD LIBOR of 0.23% to 0.28% (2014: 0.23% to 0.27%). 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.	3,038	3,713	-	-
(n) Term loan with principal of US\$11,000,000 bears interest at 2.50% (2014: 2.50%) per annum above USD LIBOR of 0.23% to 0.28% (2014: 0.23% to 0.27%). 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.	7,425	9,075	-	-



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

24. BANK TERM LOANS (CONT'D)

The balance comprises:

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Secured				
(o) Term loan with principal of US\$8,400,000 bears interest at 2.50% per annum above USD LIBOR of 0.28% to 0.33%. The loan is repayable over 20 equal quarterly instalments of US\$300,000 commencing 3 months from 26 May 2015 and a final instalment of US\$2,400,000. 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 a subsidiary.	8,100	-	-	-
(p) Term loan with principal of US\$16,200,000 bears interest at 2.50% per annum above USD LIBOR of 0.29%. The loan is repayable quarterly over US\$800,000 for the first two instalments and US\$578,600 for the remaining 18 instalments commencing 3 months from 11 June 2015 and a final instalment of US\$4,185,200. 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 a subsidiary.	16,200	-	-	-
(q) Term loan with principal of US\$41,600,000 bears interest at 2.80% (2014: 2.80%) per annum above bank's USD LIBOR of 0.23% to 0.33% (2014: 0.23% to 0.26%). 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.	32,724	36,274	-	-



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

24. BANK TERM LOANS (CONT'D)

The balance comprises:

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Secured				
(r) Term loan with principal of US\$25,200,000, bears interest at 2.0% to 2.3% per annum over USD LIBOR of 0.23% to 0.28% per annum. The loan is repayable over 19 equal quarterly instalments of US\$787,500 commencing on 8 October 2014 and a final instalment of US\$10,237,500. 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 a subsidiary.	22,050	-	-	-
(s) Term loan with principal of US\$28,000,000, bears interest at 2.25% per annum over USD LIBOR of 0.23% to 0.31% per annum. The loan is repayable over 20 equal quarterly instalments of US\$875,000 commencing on 9 February 2015 and a final instalment of US\$10,500,000. 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 a subsidiary.	25,375	-	-	-
(t) Term loan with principal of US\$17,000,000, bears interest at 2.25% per annum over USD LIBOR of 0.26% to 0.29% per annum. The loan is repayable over 20 equal quarterly instalments of US\$850,000 commencing on 28 January 2015. 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 a subsidiary.	15,300	-	-	-



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

24. BANK TERM LOANS (CONT'D)

The balance comprises:

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Secured				
(u) Term loan with principal of S\$4,000,000, bears interest at 4.50% per annum over SGD SIBOR of 0.40% to 1.02% per annum. The loan is repayable over 36 equal monthly instalments of S\$55,000 for each of the two tranches commencing on 9 January 2013 and 1 February 2013 respectively. This term loan is secured by way of corporate guarantee from a subsidiary and minimum maintenance of debt reserve account.	379	-	-	-
(v) Term loan with principal of US\$30,000,000 bears interest at 1.50% above USD LIBOR of 0.27% to 0.33% per annum. The loan is secured by way of second priority mortgage over the vessel, assignment of charter income and charter contracts, assignment of vessel insurances, charge over all monies held in fixed deposit account and operating account of the vessel and corporate guarantee from a subsidiary.	30,000	-	-	-
(w) Term loan with principal of US\$22,610,000, bears interest at 1.80% per annum over USD LIBOR of 0.23% to 0.28% per annum. The loan is repayable over 26 equal quarterly instalments of US\$595,000 commencing on 30 November 2011 and a final instalment of US\$7,140,000. 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.	13,090	-	-	-



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

24. BANK TERM LOANS (CONT'D)

The balance comprises:

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Secured				
(x) Term loan with principal of US\$23,205,000, bears interest at 1.80% per annum over USD LIBOR of 0.23% to 0.28% per annum. The loan is repayable over 26 equal quarterly instalments of US\$595,000 commencing on 30 November 2011 and a final instalment of US\$7,735,000. 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.	13,685	-	-	-
(y) Term loan with principal of US\$45,000,000 bears interest at 2.85% above USD LIBOR of 0.27% to 0.28% per annum. The loan is secured by way of second priority mortgage over four vessels and fourth priority mortgage over one 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.	45,000	-	-	-
(z) Term loan with principal of US\$4,320,000, bears interest at 1.50% (2014: 1.50%) per annum above USD LIBOR of 0.23% to 0.28% (2014: 0.23% to 0.28%) per annum. The loan is repayable over 11 equal quarterly instalments of US\$240,000 commencing 3 months from 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 on board), 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.	2,160	3,120	-	-



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

24. BANK TERM LOANS (CONT'D)

The balance comprises:

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Secured				
(aa) Term loan with principal of US\$3,000,000, bears interest at 1.50% (2014: 1.50%) per annum above USD LIBOR of 0.23% to 0.28% (2014: 0.12% to 0.23%) per annum. The loan is repayable over 8 equal quarterly instalments of US\$183,673 commencing 3 calendar months after date of drawdown on 19 March 2014 and final instalment of US\$1,530,612. This term loan is secured by way of a legal mortgage over the vessel (including all equipment and fixtures on board), 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.	1,898	2,633	-	-
(ab) Term loan with principal of US\$7,231,000 bears interest at 1.00% (2014: 1.00%) per annum above USD LIBOR of 0.23% (2014: 0.23% to 0.27%) 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. The loan was fully repaid during the financial year.	-	2,531	-	-
(ac) Term loan with principal of US\$6,650,000 bears interest at 2.20% (2014: 2.20%) per annum above USD LIBOR of 0.23% to 0.28% (2014: 0.22% to 0.26%) 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. The loan was fully repaid during the financial year.	-	2,850	-	-



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

24. BANK TERM LOANS (CONT'D)

The balance comprises:

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Secured				
(ad) Term loan with principal of US\$24,000,000 bears interest at 1.90% (2014: 1.90%) above USD LIBOR of 0.23% to 0.33% (2014: 0.23% to 0.26%) 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.	12,885	16,305	-	-
(ae) Term loan with principal of US\$10,000,000 bears interest at 1.90% (2014: 1.90%) above USD LIBOR of 0.23% to 0.33% (2014: 0.21% to 0.23%) and is repayable over 22 equal quarterly instalments of US\$454,545 commencing on 25 February 2014. 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.	6,818	8,636	-	-
(af) Term loan with principal of US\$24,000,000 bears interest at 1.90% (2014: 1.90%) above USD LIBOR of 0.23% to 0.28% (2014: 0.23% to 0.27%) 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. 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.	13,740	17,160	-	-



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

24. BANK TERM LOANS (CONT'D)

The balance comprises:

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Secured				
(ag) Term loan with principal of US\$10,000,000 bears interest at 1.90% (2014: 1.90%) above USD LIBOR of 0.23% to 0.28% (2014: 0.17% to 0.24%) and is repayable over 22 equal quarterly instalments of US\$454,545 commencing on 7 April 2014. 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.	7,273	9,091	-	-
(ah) Term loan with principal of US\$3,500,000 bears interest at 2.25% (2014: 2.25% to 2.5%) per annum above USD SIBOR of 0.24% to 0.48% (2014: 0.24% to 0.52%) 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. The loan was fully repaid during the financial year.	-	1,100	-	-
(ai) Term loan with principal of US\$22,000,000 bears interest at 2.25% (2014: 2.25% to 2.50%) per annum above USD LIBOR of 0.23% to 0.30% (2014: 0.22% to 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.	15,712	18,856	-	-



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

24. BANK TERM LOANS (CONT'D)

The balance comprises:

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Secured				
{aj} Term loan with principal of US\$21,700,000 bears interest at 2.20% (2014: 2.20%) per annum above USD LIBOR of 0.23% to 0.29% (2014: 0.23%). The loan is repayable over 20 equal quarterly instalments of US\$775,000 commencing 3 months from 18 March 2014 and a final instalment of US\$6,200,000. 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 and a subsidiary.	17,825	20,925	-	-
{ak} Term loan with principal of US\$16,892,470 bears interest at 2.20% (2014: 2.20%) per annum above USD LIBOR of 0.23% to 0.33% (2014: 0.23%). The loan is repayable over 20 equal quarterly instalments of US\$603,303 commencing 3 months from 21 May 2014 and a final instalment of US\$4,826,420. 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 and a subsidiary.	13,876	16,289	-	-
{al} Term loan with principal of US\$3,500,000 bears interest at 2.20% (2014: 2.20%) per annum above USD LIBOR of 0.20% to 0.33% (2014: 0.20% to 0.23%). The loan is repayable over 20 equal quarterly instalments of US\$125,000 commencing 3 months from 20 June 2014 and a final instalment of US\$1,000,000. The term loan is secured by way of second preferred mortgage over the vessel, second priority assignment of charter income and charter contracts, second priority assignment of vessel insurances, charge over earnings and retention accounts of the vessel and corporate guarantees from the Company and a subsidiary.	2,875	3,500	-	-



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

24. BANK TERM LOANS (CONT'D)

The balance comprises:

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Secured				
(am) Term loan with principal of US\$16,095,207 bears interest at 2.20% (2014: 2.20%) per annum above USD LIBOR of 0.23% to 0.33% (2014: 0.23%). The loan is repayable over 20 equal quarterly instalments of US\$574,829 commencing 3 months from 21 May 2014 and a final instalment of US\$4,598,630. 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 and a subsidiary.	13,221	15,521	-	-
(an) Term loan with principal of US\$4,200,000 bears interest at 2.20% (2014: 2.20%) per annum above USD LIBOR of 0.20% to 0.33% (2014: 0.20% to 0.23%). The loan is repayable over 20 equal quarterly instalments of US\$150,000 commencing 3 months from 20 June 2014 and a final instalment of US\$1,200,000. The term loan is secured by way of second preferred mortgage over the vessel, second priority assignment of charter income and charter contracts, second priority assignment of vessel insurances, charge over earnings and retention accounts of the vessel and corporate guarantee from the Company and a subsidiary.	3,450	4,200	-	-
(ao) Term loan with principal limit of S\$42,526,400 bears interest at 1.50% per annum above SGD SIBOR of 0.34% to 1.43%. The loan is repayable over 83 equal monthly instalments of S\$236,257 and a final instalment of S\$22,917,005. The loan is secured by a charge over the assets financed by the term loan facility, assigned contracts and monies payables under the assigned contracts, assignment of insurances over the assets and corporate guarantee from the Company.	28,870	6,635	-	-
(ap) Term loan with principal of EUR20,124,050 bears interest at between 3.61% to 4.09% (2014: 4.09%) above EURIBOR. Interest (including fixed margin) during the year ranges from 3.98% to 4.11% (2014: 4.11% to 4.21%). The loan is repayable over 11 equal quarterly instalments of EUR784,000 commencing on 1 January 2014 and a final instalment of EUR11,500,000. The 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. The loan was fully repaid during the financial year.	-	23,330	-	-



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

24. BANK TERM LOANS (CONT'D)

The balance comprises:

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Secured				
(aq) Term loan with principal of US\$9,450,000 bears interest at 1.80% (2014: 1.80%) above USD SIBOR of 0.15% to 0.20% (2014: 0.15% to 0.18%) 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.	5,306	6,320	-	-
(ar) Term loan with principal of US\$9,450,000 bears interest at 1.80% (2014: 1.80%) above USD SIBOR of 0.15% to 0.20% (2014: 0.15% to 0.18%) 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.	5,306	6,320	-	-
(as) Term loan with principal of US\$398,000,000 bears interest at 3.25% (2014: 3.25%) per annum above USD LIBOR of 0.19% to 0.29% (2014: 0.12% to 0.27%) per annum. The loan is repayable over 20 quarterly instalments ranging from US\$8,278,400 to US\$8,338,100 commencing on July 2015 and a final instalment of US\$240,471,600. This term loan will be secured by way of a first, second and third priority legal mortgage of the vessel (including all equipment and fixtures onboard), first and second priority 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.	-*	256,990	-	-



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

24. BANK TERM LOANS (CONT'D)

The balance comprises:

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Secured				
(at) Term loan with principal of US\$83,000,000 bears interest at 1.90% (2014: 1.90%) above USD LIBOR of 0.23% to 0.33% (2014: 0.23% to 0.26%) 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.	-*	59,600	-	-
(au) Term loan with principal of US\$5,000,000 bears interest at 1.90% (2014: 1.90%) above USD LIBOR of 0.23% to 0.33% (2014: 0.20% to 0.23%) and is repayable over 16 equal quarterly instalments of US\$193,000 commencing 19 May 2014 and final instalment of US\$1,912,000. 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.	-*	4,614	-	-
(av) Term loan with principal of US\$15,120,000 bears interest at 2.50% (2014: 2.50%) above USD LIBOR of 0.23% to 0.35% (2014: 0.23% to 0.24%) and is repayable over 20 equal quarterly instalments of US\$756,000 commencing 3 months from 18 November 2013. The term loan is secured by way of charge over the equipments (together with any accessories, spares and parts) delivered, assignment of the sale agreement of the undelivered equipments, assignment of equipment insurances charter contracts and earnings, a charge over earning and retention accounts and corporate guarantee from the Company.	-*	12,852	-	-
(aw) Term loan with principal of US\$4,360,000 bears interest at 2.50% (2014: 2.50%) above USD LIBOR of 0.23% to 0.32% (2014: 0.23% to 0.24%) and is repayable over 20 equal quarterly instalments of US\$231,500 commencing 3 months from 12 February 2014. The term loan is secured by way of charge over the equipments (together with any accessories, spares and parts) delivered, assignment of the sale agreement of the undelivered equipments, assignment of equipment insurances charter contracts and earnings, a charge over earning and retention accounts and corporate guarantee from the Company.	-*	4,167	-	-



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

24. BANK TERM LOANS (CONT'D)

The balance comprises:

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Secured				
{ax} Short term multi-currency loan with principal limit of US\$150,000,000 bears interest at 0.30% (2014: 0.30%) above bank's COF rate of 0.15% to 0.35% (2014: 0.25% to 0.29%) 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.	5,000	82,828	5,000	82,828
{ay} Short term loan with principal limit of US\$21,000,000 to finance the purchase of equipment and materials for the construction of vessels, bears interest at 4.06% (2014: 4.06%) per annum over USD LIBOR of 0.15% to 0.27% (2014: 0.15% to 0.27%) per annum. The loan is secured by way of assignment of shipbuilding contracts and corporate guarantee from the Company.	19,247	17,236	-	-
{az} Project financing loan with total principal limit of US\$70,000,000 bears interests at 3.75% (2014: 3.75%) per annum over USD LIBOR of 0.15% to 0.27% (2014: 0.15% to 0.27%) per annum to finance the cost of construction of new projects in relation to the design, construction and delivery of vessel or platform and to finance local purchase with limit of US\$20,000,000. The loan is secured by way of first priority assignment over the benefits of the Borrowers 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.	9,870	57,848	-	-
{ba} Term loan with principal limit of US\$6,000,000 to finance development costs of the yard, bears interest at 2.65% (2014: 2.65%) per annum over bank's cost of funds of 1.25% (2014: 1.25%) per annum. The loan is repayable over 6 semi-annual instalments of US\$1,000,000 each commencing on 11 August 2014. This term loan is secured by way of legal mortgage or pledges of machines/ equipment and assets financed under the term loan facility and corporate guarantee from the Company.	3,000	5,000	-	-



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

24. BANK TERM LOANS (CONT'D)

The balance comprises:

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Secured				
(bb) Term loan with principal limit of US\$3,000,000, bears interest at 3.50% (2014: nil) per annum over USD LIBOR of 0.20% (2014: nil) per annum. The loan is repayable over 20 equal quarterly instalments of US\$150,000 commencing 3 months from the date of drawdown. This term loan is secured by way of legal mortgage or pledges of machines/equipment and assets financed under the term loan facility and corporate guarantee from a subsidiary.	3,000	-	-	-
(bc) Term loan with principal limit of US\$12,000,000, bears interest at 3.35% (2014: nil) per annum over USD LIBOR of 0.40% (2014: nil) per annum. The loan is repayable over 4 equal quarterly instalments of US\$500,000, 8 equal quarterly instalments of US\$1,000,000 and a final instalment of US\$2,000,000. This term loan is secured by corporate guarantee from a subsidiary.	3,383	-	-	-
(bd) Term loan with principal limit of S\$5,000,000, bears interest at 3.25% (2014: nil) per annum over SGD SIBOR of 0.16% to 0.94% (2014: nil) per annum. The loan is repayable by quarterly instalments of S\$240,000. This term loan is secured by way of fixed and floating charge over the assets financed under the term loan facility and corporate guarantee from a subsidiary.	1,530	-	-	-
(be) Project financing loan with total principal limit of S\$2,400,000, bears interests at 2.50% (2014: nil) per annum over SGD Swap Offer Rate ("SOR") of 0.95% to 1.47% (2014: nil) per annum to finance the cost of construction of new projects in relation to the design, construction and delivery of vessel. The loan is secured by way of fixed and floating charge over the assets financed under the term loan facility and corporate guarantee from a subsidiary.	635	-	-	-



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

24. BANK TERM LOANS (CONT'D)

The balance comprises:

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Secured				
(bf) Project financing loan with total principal limit of US\$2,500,000, bears interests at 3.60% per annum over USD LIBOR of 0.19% to 0.20% per annum to finance the cost of construction of new projects in relation to the design, construction and delivery of vessel. The loan is secured by way of first priority assignment over the benefits arising from projects, including work-in-progress, charge over earnings account and assignment of insurances relating to the project and corporate guarantee from a subsidiary.	2,500	-	-	-
(bg) Project financing loan with total principal limit of US\$1,800,000, bears interests at 6.00% per annum to finance the cost of construction of new projects in relation to the design, construction and delivery of vessel. The loan is secured by way of fixed and floating charge over the assets financed under the term loan facility and corporate guarantee from a subsidiary.	1,216	-	-	-
(bh) Project financing loan with total principal limit of US\$5,000,000, bears interests at 5.50% per annum to finance the cost of construction of new projects in relation to the design, construction and delivery of vessel. The loan is secured by way of fixed and floating charge over the assets financed under the term loan facility and corporate guarantee from a subsidiary.	2,223	-	-	-
(bi) Term loan with principal limit of US\$10,000,000, bears interest at 3.00% per annum over bank's cost of funds of 3.13% per annum. The loan is repayable over 60 equal monthly instalments of US\$166,000. This term loan is secured by way of legal mortgage or pledges of machines/equipment and assets financed under the term loan facility and corporate guarantee from a subsidiary.	9,430	-	-	-



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

24. BANK TERM LOANS (CONT'D)

The balance comprises:

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Unsecured				
(bj) Term loan with principal limit of S\$5,000,000, bears interest at 3.50% (2014: 3.50%) per annum over SGD SIBOR of 0.34% to 0.88% (2014: 0.34%) per annum. The loan is repayable over 35 equal monthly instalments of S\$135,000 commencing 1 month from the date of drawdown and a final instalment of S\$275,000. This term loan is secured by way of corporate guarantee from a subsidiary.	2,298	3,893	-	-
(bk) Term loan with principal of US\$26,000,000, bears interest at 2.25% (2014: 2.25%) per annum over USD LIBOR of 0.32% (2014: 0.32% to 0.42%) per annum. The loan is repayable over 11 equal semi-annual instalments of US\$2,363,636 commencing on 24 November 2009. The loan was fully repaid during the financial year.	-	2,364	-	2,364
(bl) Term loan with principal of US\$39,000,000, bears interest at 2.30% (2014: 2.30%) per annum over USD LIBOR of 0.33% to 0.48% (2014: 0.23% to 0.33%) per annum. The loan is repayable over 5 semi-annual instalments of US\$3,500,000 commencing 6 months from the drawdown on 1 August 2011 and a final instalment of US\$21,500,000. The final instalment was extended and repayable over 6 semi-annual instalments of US\$3,500,000 commencing on 1 August 2014 and a final instalment of US\$500,000. This term loan is secured by way of corporate guarantee from certain subsidiaries.	11,000	18,000	11,000	18,000
(bm) Term loan with principal of US\$150,000,000 bears interest at 2.50% per annum over USD LIBOR of 0.32% per annum. The loan is repayable in full in 18 months from 31 August 2015.	150,000	-	150,000	-
	761,419	947,062	166,000	103,192

Note:

- * These loans are part of discontinued operations and balances from these loans are reclassified as part of "Liabilities included in disposed group classified as held for sale".



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

25. NOTES PAYABLE

	Redemption Date/ Maturity Date	Group and Company	
		2015	2014
		US\$'000	US\$'000
Current liabilities			
SGD 225 million	September 2015	159,351	-
SGD 95 million	March 2016	67,138	-
		226,489	-
Non-current liabilities			
SGD 150 million	April 2018	105,806	119,372
SGD 225 million	September 2015	-	179,574
SGD 95 million	March 2016	-	75,459
		105,806	374,405

The notes bear fixed interest rate from 4.75% to 5.00% (2014: 4.75% to 5.00%) per annum payable semi-annually.

The above notes are listed on SGX-ST with fair value of US\$318,145,000 (2014: US\$377,796,000) based on quoted market prices. The market value of the notes payable are based on quoted prices available in active market (fair value hierarchy level 1).

26. TAX

Major components of tax expense for the financial year ended 31 August were as follows:

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
	(Re-presented)			
<u>From continuing operations</u>				
Current tax	10,408	6,565	1,612	834
Withholding tax	4,152	3,679	-	-
Deferred tax	(642)	638	-	-
Over-provision in respect of prior years				
- current tax	(681)	(2,898)	(368)	(405)
- deferred tax	(41)	(270)	-	-
Tax expense from continuing operations	13,196	7,714	1,244	429
Tax expense attributable to discontinued operations (Note 15)	14,070	12,966	-	-
Total tax expense	27,266	20,680	1,244	429



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

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	
	2015 US\$'000	2014 US\$'000	2015 US\$'000	2014 US\$'000
Profit before tax from continuing operations	120,512	35,412	120,123	580
{Loss}/profit before tax from discontinued operations (Note 15)	[26,229]	39,290	-	-
Accounting profit before tax	94,283	74,702	120,123	580
Tax at statutory tax rate of 17%	16,028	12,699	20,421	99
Adjustments for tax effect of:				
Difference in overseas tax rate	[1,713]	5,274	-	-
Expenses not deductible for tax purposes	8,324	19,102	9,384	5,551
Income not taxable	[17,414]	[3,613]	[28,161]	[4,229]
Tax exempt income under Sections 13A or 13F of the Singapore Income Tax Act and rebates available	[4,232]	[12,011]	-	-
Tax rebates	[2,301]	[2,430]	[32]	[45]
Tax incentives	[4,013]	[4,850]	-	-
Utilisation of previously unrecognised deferred tax benefit	[125]	[3,821]	-	-
Current year deferred tax benefit not recognised	25,789	4,338	-	-
Over-provision in prior years	[830]	[3,374]	[368]	[405]
Withholding tax	12,563	15,076	-	-
Share of tax of associated and joint venture companies	[4,344]	[5,658]	-	-
Others	[466]	[52]	-	[542]
Tax expense	27,266	20,680	1,244	429



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

26. TAX (CONT'D)

Tax incentives

Certain of the Group's subsidiaries in Vietnam are entitled to tax incentives under Vietnam's investment scheme which entitles 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 22%.

Group Tax Relief

Under the group tax relief system introduced by the Inland Revenue Authority of Singapore ("IRAS"), a Singapore incorporated company may, upon satisfaction of the criteria set out by IRAS, transfer its unabsorbed capital allowances to another company belonging to the same group, to be deducted against the assessable income of the latter company.

Movements in deferred tax (assets)/liabilities were as follows:

	Group	
	2015 US\$'000	2014 US\$'000
At beginning of the financial year	(1,464)	(2,092)
Charge to profit or loss	41	594
Acquisition of subsidiaries (Note 6)	2,101	-
Attributable to discontinued operations (Note 15)	770	-
Translation difference	511	34
At end of the financial year	<u>1,959</u>	<u>(1,464)</u>
Deferred tax liabilities/(assets) relate to the following:		
Deferred tax liabilities		
Excess of capital allowances over depreciation	694	523
Revaluation of leasehold buildings	1,785	-
Other deferred tax liabilities	180	509
	<u>2,659</u>	<u>1,032</u>
Deferred tax assets		
Other deferred tax assets	(700)	(2,496)
Net deferred tax liabilities/(assets)	<u>1,959</u>	<u>(1,464)</u>

Unrecognised tax losses

At the end of the reporting period, the Group has tax losses of approximately US\$75,298,000 (2014: US\$26,471,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate. The tax losses have no expiry date.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

27. SHARE CAPITAL

	Group and Company			
	2015		2014	
	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	977,896,088	490,085
Bonus issue	38,978,653	-	-	-
Rights issue	1,925,526,236	144,651	-	-
At end of the financial year	2,942,400,977	634,736	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.

On 24 October 2014, the Company announced a proposed bonus issue of new ordinary shares in the capital of the Company (the "Shares") on the basis of one (1) new Share ("Bonus Share") for every 25 existing Shares held by shareholders of the Company. The Company had on 23 December 2014, allotted and issued 38,978,653 Bonus Shares.

On 23 June 2015, the Company obtained shareholders' approval at an extraordinary general meeting for the issue of up to 1,925,526,236 new ordinary shares ("Rights Issue") in the capital of the Company (the "Shares") on the basis of 190 rights Shares ("Rights Shares") for every 100 existing Shares held by shareholders of the Company at S\$0.105 per Rights Share. The Company had on 28 July 2015, allotted and issued 1,925,526,236 Rights Shares.

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.

On 18 August 2015, the Company announced that the perpetual securities will be redeemed on 18 September 2015 and the perpetual securities are reclassified from equity to current liabilities.

Subsequent to 31 August 2015, the perpetual securities were redeemed on 18 September 2015 at par value.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

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;
- (iv) The Group's share of capital and other reserve of an associated company;
- (v) Loss on dilution of equity interest in subsidiaries to non-controlling interest without change in control;
- (vi) Gain on acquisition of non-controlling interest in subsidiaries; and
- (vii) Gain on reclassification of perpetual securities to liabilities.

(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.

(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 gain on fair value changes on derivative financial instruments and the Group's share of hedging reserve of an associated company.

(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.

30. TREASURY SHARES

	Group and Company	
	2015	2014
	US\$'000	US\$'000
At beginning and end of the financial year	(7,376)	(7,376)

As at 31 August 2015, the Company has 3,439,880 (2014: 3,439,880) shares being held as treasury shares.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

31. REVENUE

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
	(Re-presented)			
Offshore Support and Production Services	249,742	279,166	-	-
Marine Services	282,902	188,213	-	-
Energy Services	57,129	30,598	-	-
Dividend income from				
- subsidiaries	-	-	1,692	23,095
- joint venture company	-	-	-	1,260
- associated company	-	-	8,830	-
- AFS investments	-	-	4,800	1,200
- FVTPL investments	-	-	-	180
Management fee income from subsidiaries	-	-	14,327	10,168
Management fee income from associated companies	-	-	363	1,499
Management fee income from a joint venture company	-	-	-	24
	589,773	497,977	30,012	37,426
Less: Inter-segment sales	(45,934)	(8,035)	-	-
	543,839	489,942	30,012	37,426



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

32. OTHER INCOME/(EXPENSES), NET

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
	(Re-presented)			
Gain on disposal of subsidiaries	-	-	155,134	-
Gain on dilution of interest in associated companies	-	4,995	-	-
Gain/(loss) on disposal of fixed assets	30,522	(197)	-	-
Fair value changes in respect of FVTPL investments, net	-	345	-	345
Realised loss on derivative instruments, net	(9,623)	(143)	(9,734)	-
Exchange gain/(loss), net	26,481	(4,420)	19,747	(1,593)
Gross dividend income from AFS investments	4,800	1,200	-	-
Gross dividend income from FVTPL investments	-	180	-	-
Management fee income from associated companies and a joint venture company	401	1,911	-	-
Impairment loss on fixed assets	(10,000)	(607)	-	-
Gain on bargain purchase on acquisition of subsidiary	118,047	-	-	-
Realised loss on share of hedging reserve on step-up of associated companies to subsidiaries	(199)	-	-	-
Realised gain on share of fair value reserve on step-up of associated companies to subsidiaries	1,715	-	-	-
Loss on step-up of associated and joint venture companies to subsidiaries	(42,305)	-	-	-
Impairment loss on goodwill	(311)	-	-	-
Bad debt recovered	343	661	-	-
Other miscellaneous income	5,074	3,686	93	96
	124,945	7,611	165,240	(1,152)



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

33. PROFIT FROM CONTINUING OPERATIONS

The following items have been included in arriving at profit from continuing operations:

	Group		Company	
	2015 US\$'000	2014 US\$'000	2015 US\$'000	2014 US\$'000
	(Re-presented)			
Directors' remuneration *				
– Salaries and bonuses	775	1,181	650	1,181
– Contributions to defined contribution plans	13	18	11	18
– Other personnel expenses	793	851	793	851
Directors' fees	537	498	537	498
Key executive officers' remuneration				
– Salaries and bonuses	1,478	1,932	644	710
– Contributions to defined contribution plans	30	36	25	36
– Other personnel expenses	286	144	17	3
Fixed assets written off	72	2,561	–	–
Inventories written off	279	–	–	–
Allowance for doubtful debts, net	9,052	4,149	34,799	–
Bad debts written off	241	6	–	–
Depreciation of fixed assets	68,126	53,162	631	595
Amortisation of other intangible assets	1,190	76	–	–
Operating lease expenses	76,309	78,540	1,809	1,642

* Refers to directors of the Company.

The following items are inclusive of both continued and discontinued operations.

	Group		Company	
	2015 US\$'000	2014 US\$'000	2015 US\$'000	2014 US\$'000
Audit fees paid to:				
– Auditor of the Company	477	427	85	95
– Other auditors	526	304	–	–
Non-audit fees paid to:				
– Auditor of the Company	220	228	5	194
– Other auditors	84	64	–	–



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

34. PERSONNEL EXPENSES

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
	(Re-presented)			
Salaries and bonuses	110,316	127,922	11,078	14,426
Contributions to defined contribution plans	5,387	3,851	797	841
Other personnel expenses	11,812	14,587	865	1,425
Less: Reallocation of personnel expenses directly attributable to work-in-progress	(32,729)	(28,145)	-	-
	94,786	118,215	12,740	16,692

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. In addition, the Company also has the flexibility to pay cash in lieu of delivery of shares upon vesting of awards.

Participants will receive fully paid shares free of charge, upon the Participant satisfying the criteria set out in the Plan. The Plan does not prescribe a minimum vesting period. 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.

There were no shares (2014: Nil) vested by the delivery of existing shares held as treasury shares or settled by payment in cash. A total 11,997,200 (2014: 4,530,200) shares were lapsed since commencement of the plan.

35. FINANCIAL INCOME

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
	(Re-presented)			
Interest income				
- Bank deposits	1,254	1,205	251	414
- Loan to associated companies	3,331	2,399	1,597	2,399
- Loan to subsidiary	-	-	774	9,152
- Amortisation of non-current assets	629	-	-	-
	5,214	3,604	2,622	11,965



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

36. FINANCIAL EXPENSES

	Group		Company	
	2015 US\$'000	2014 US\$'000	2015 US\$'000	2014 US\$'000
	(Re-presented)			
Interest expense				
- Term loans	36,731	34,009	19,982	20,351
- Letters of credit, trust receipts and money market line	6,468	4,199	1,401	1,840
- Finance leases	778	80	-	13
- Bank overdrafts	197	-	-	-
Accretion of interest on the convertible bonds	-	796	-	796
	44,174	39,084	21,383	23,000
Included in cost of assets under construction *				
- Fixed assets	(567)	-	-	-
	43,607	39,084	21,383	23,000

* The capitalisation rate used to determine the amount eligible for capitalisation varied from 1.84% to 2.93% (2014: 3.37% to 3.52%) representing the borrowing costs to finance the assets 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 Company 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	
	2015	2014 (Restated and re-presented)
Net profit attributable to owners of the parent (US\$'000)	43,731	45,269
Adjusted: Loss/(profit) from discontinued operation, net of tax, attributable to the owners of the Company	40,299	(26,324)
Profit from continuing operations, net of tax, attributable to the owners of the Company used in the computation of basic earnings per share from continuing operations	84,030	18,945
Number of weighted average ordinary shares ('000)		
- Basic EPS	1,908,398	1,673,255 ^(a)
- Diluted EPS	1,908,398	1,673,255 ^(a)



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

37. EARNINGS PER SHARE (CONT'D)

	Group	
	2015	2014
	US\$ '000	US\$ '000
	(Re-presented)	
Earnings per share (US cents) from:		
Continuing operations attributable to owners of the Company		
– Basic	4.40	1.13
– Diluted	4.40	1.13
Discontinued operations attributable to owners of the Company		
– Basic	(2.11)	1.57
– Diluted	(2.11)	1.57
Total profit attributable to owners of the Company		
– Basic	2.29	2.70
– Diluted	2.29	2.70

For the diluted EPS, the weighted average number of ordinary shares for the financial year ended 31 August 2014 includes the number of additional shares to be issued upon conversion of the convertible bonds. Adjustment is made to net profit attributable to the owners of the parent for the effect of the convertible bonds. The diluted EPS is the same as the basic EPS, as the effect of the convertible bonds is anti-dilutive.

The convertible bonds were redeemed on 28 February 2014. Hence, there is no dilutive effect on the financial year ended 31 August 2015.

On 6 July 2015, a subsidiary of the Group, Triyards Holdings Limited ("Triyards"), issued warrants for the purchase of 29,500,000 ordinary shares in Triyards. For the period from 6 July 2015 to 31 August 2015, there is no dilutive impact on the earnings from the warrants issued by Triyards.

^(a) Following the events that took place in the financial year ended 31 August 2015, the weighted average number of ordinary shares for the financial year ended 31 August 2014 has been restated in accordance with FRS 33 Earnings Per Share:

- Bonus issue on 23 December 2014 - the weighted average ordinary shares have been restated based on the assumption that the bonus issue of one (1) Bonus Share for every 25 existing ordinary shares of the Company have been issued and allocated before the beginning of 1 September 2013.
- Rights issue on 28 July 2015 – adjustments have been made to the prior year's weighted average ordinary shares on a pro-rata basis based on an adjustment factor calculated based on the market price and theoretical ex-rights price of an ordinary share.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

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	
	2015 US\$'000	2014 US\$'000	2015 US\$'000	2014 US\$'000
	(Re-presented)			
Income				
Dividend income				
– subsidiaries	–	–	1,692	23,095
– joint venture companies	–	–	–	1,260
– associated companies	–	–	8,830	–
Interest income				
– a subsidiary	–	–	774	9,152
– associated companies	3,331	2,399	1,597	2,399
Management fee income from subsidiaries	–	–	14,327	10,168
Management fee income from associated companies	401	1,887	363	1,499
Management fee income from a joint venture company	–	24	–	24
Ship management fee income from associated companies	162	586	–	–
Technical consultation fee income from associated companies	1,099	1,752	–	–
Sales to associated companies	655	963	–	–
Time charter to associated companies	4,108	3,588	–	–
Subsea services provided to associated companies	–	266	–	–
Expenses				
Bareboat charter from associated companies	12,699	16,785	–	–
Bareboat charter from a joint venture company	–	3,872	–	–
Rental expense to a substantial shareholder	48	80	48	80
Miscellaneous goods and services provided by associated companies of a substantial shareholder	218	244	81	159

Directors' remuneration and fees and key executive officers' remuneration has been disclosed in Note 33.

The Company has given an undertaking to a subsidiary to acquire its interest in an associated company so as to consolidate the Group's interest.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

39. CORPORATE GUARANTEES

The Company had issued corporate guarantees to banks for granting banking facilities to certain subsidiaries, associated companies and joint venture companies.

	Group		Company	
	2015 US\$'000	2014 US\$'000	2015 US\$'000	2014 US\$'000
Corporate guarantees given for the borrowings of:				
- Subsidiaries	-	-	1,272,370	1,122,467
- Associated companies	66,707	63,935	31,227	63,935
- Joint venture companies	-	31,535	-	31,535
	66,707	95,470	1,303,597	1,217,937

The Company had also issued corporate guarantees amounting to US\$697,905,000 (2014: US\$200,411,000) in respect of the operating lease commitments for 14 (2014: 14) vessels.

Corporate guarantees given by the Company will become due and payable on demand when an event of default occurs.

The maximum amount of the financial guarantee contracts are allocated to the earliest period which is within one year, in which the guarantee could be called.

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' statement of the respective subsidiaries.

40. COMMITMENTS

(a) Capital expenditure commitments

	Group	
	2015 US\$'000	2014 US\$'000
Capital expenditure not provided for in the financial statements:		
- Approved and contracted for in respect of construction of vessels	-	82,522
- Approved but not contracted for in respect of construction of vessels	-	67,869
- Approved and contracted for in respect of equipment purchase	17,454	-
- Approved and contracted for in respect of purchase of vessels	71,578	33,400
- Approved and contracted for in respect of yard development	31,439	13,955
- Approved but not yet contracted for in respect of yard development	-	9,452
	120,471	207,198



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

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 non-cancellable lease commitments, whereby the lease period is currently not determinable as the related vessels are still under construction. The land leases contain certain price adjustment clauses which provide for an annual revision over the preceding rate, but not mandatory adjustment, of up to 5.5% per annum for the lease of a plot of land in Singapore and up to 15% every 5 years for the lease of land in Vietnam, 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	
	2015	2014
	US\$'000	US\$'000
Not later than one year	78,675	198,902
Later than one year but not later than five years	251,809	369,576
Later than five years	160,414	179,169
	<u>490,898</u>	<u>747,647</u>

These leases have remaining lease terms of between 1 to 31 (2014: 1 to 32) years.

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 commodity price risk. The Group's principal financial instruments, other than derivative financial instruments and investment securities, comprise bills payable, notes payable, perpetual securities, 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, fuel hedging contracts, cross currency swap contract and interest rate swap and cap 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:



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

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 and the Company'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 receivable from an associated company and fixed deposits. The other financial instruments of the Group and the Company are not subject to significant interest rate risks.

The Group purchases interest rate swap and cap contract to hedge the interest rate risk exposure arising from its variable rate bank loan. The interest rate swap contract requires interest payments at fixed rate of 1.50% per annum for periods up until 8 June 2018. The interest rate cap contract caps interest at 2.5% per annum until 8 June 2018.

Sensitivity analysis of interest rate risk

It is estimated that a one percentage point increase/decrease in interest rate with all other variables held constant would decrease/increase the Group's profit before tax by approximately US\$10,216,000 (2014: US\$8,503,000). 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 2014.

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.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

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			
	2015		2014	
	US\$'000	% of total	US\$'000	% of total
By country:				
Singapore	59,743	20	125,207	21
Southeast Asia (excludes Singapore)	53,659	18	65,955	11
Americas	8,865	3	113,688	19
Other countries ⁽¹⁾	176,054	59	302,225	49
	298,321	100	607,075	100

⁽¹⁾ Includes balance receivable from New Zealand amounting to US\$70,258,000 (2014: US\$69,621,000).

	Group			
	2015		2014	
	US\$'000	% of total	US\$'000	% of total
By industry sectors:				
Offshore Support and Production Services	62,800	21	84,960	14
Marine Services	224,225	75	164,288	27
Subsea Services	11,296	4	357,827	59
	298,321	100	607,075	100

As at 31 August 2015, the Group had 10 (2014: 10) major customers that accounted for approximately 56% (2014: 45%) 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.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

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\$70,258,000 (2014: US\$69,621,000).

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 November 2013, 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.

As at 31 August 2014, the Group has received four (4) payments in accordance to the settlement agreement. The fifth payment which was due on 31 August 2015 was deferred as the Group is in negotiation to restructure the amount due from this debtor. The outstanding amount continues to be guaranteed by a related party.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 13.

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.

The table below analyses the Group's and the Company's financial 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.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Liquidity risk (cont'd)

	Group			
	One year or less	One to five years	Over five years	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Year ended 31 August 2015				
Financial liabilities:				
Trade payables	53,777	-	-	53,777
Other payables	174,393	-	-	174,393
Balances due to associated and joint venture companies	9,910	-	-	9,910
Bills payable	261,432	-	-	261,432
Lease obligations	3,648	12,463	-	16,111
Bank term loans	167,755	620,043	19,389	807,187
Notes payable	234,114	114,437	-	348,551
Perpetual securities	106,690	-	-	106,690
Derivative financial instruments – Foreign currency contract				
– Gross receipts	(282,288)	-	-	(282,288)
– Gross payments	320,176	-	-	320,176
Derivative financial instruments – Interest rate cap and swap	-	197	-	197
Total undiscounted financial liabilities	1,049,607	747,140	19,389	1,816,136
Year ended 31 August 2014				
Financial liabilities:				
Trade payables	154,001	-	-	154,001
Other payables	270,282	26,076	-	296,358
Balances due to associated and joint venture companies	63,289	-	-	63,289
Bills payable	233,676	-	-	233,676
Lease obligations	1,127	877	-	2,004
Bank term loans	307,529	702,010	19,025	1,028,564
Notes payable	17,466	392,783	-	410,249
Derivative financial instruments – Foreign currency contract				
– Gross receipts	(284,012)	-	-	(284,012)
– Gross payments	287,410	-	-	287,410
Derivative financial instruments – Fuel hedging contracts	449	-	-	449
Total undiscounted financial liabilities	1,051,217	1,121,746	19,025	2,191,988



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Liquidity risk (cont'd)

	Company		
	One year or less	One to five years	Total
	US\$'000	US\$'000	US\$'000
Year ended 31 August 2015			
Financial liabilities:			
Other payables	20,482	-	20,482
Balances due to subsidiaries, associated and joint venture companies	58,496	-	58,496
Bills payable	41,957	-	41,957
Bank term loans	12,361	161,661	174,022
Notes payable	234,114	114,437	348,551
Perpetual securities	106,690	-	106,690
Derivative financial instruments – Foreign currency contract			
– Gross receipts	(246,965)	-	(246,965)
– Gross payments	281,717	-	281,717
Total undiscounted financial liabilities	508,852	276,098	784,950
Year ended 31 August 2014			
Financial liabilities:			
Other payables	33,278	6,076	39,354
Balances due to subsidiaries, associated and joint venture companies	42,778	-	42,778
Bills payable	58,294	-	58,294
Lease obligations	33	-	33
Bank term loans	93,506	13,117	106,623
Notes payable	17,466	392,783	410,249
Derivative financial instruments – Foreign currency contract			
– Gross receipts	(284,012)	-	(284,012)
– Gross payments	287,410	-	287,410
Total undiscounted financial liabilities	248,753	411,976	660,729



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

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 2014.

	2015	2014
	Profit before tax	Profit before tax
	US\$'000	US\$'000
Group		
<i>Foreign currencies against USD</i>		
- SGD	(39,490)	(41,615)
- EUR	(504)	(2,379)
- NOK	1,591	-
- MYR	188	1,212
- VND	(828)	(905)
- GBP	261	(303)
Company		
<i>Foreign currencies against USD</i>		
- SGD	(32,425)	(37,723)

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.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

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	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Fuel hedging contracts	-	(449)	-	-
Forward currency contracts	(20,908)	(3,398)	(20,781)	(3,398)
Cross currency swap contracts	(16,980)	-	(13,971)	-
Interest rate cap contract	(303)	-	-	-
Interest rate swaps	(100)	-	-	-
	(38,291)	(3,847)	(34,752)	(3,398)
Cross currency swap contract	-	615	-	615
Forward currency contracts	177	-	-	-
	(38,114)	(3,232)	(34,752)	(2,783)

The table below sets out the notional principal amount of the outstanding fuel hedging contracts, cross currency swap contracts, net forward currency contracts and interest rate swap and cap contracts of the Group and the Company as at 31 August:

	Group		Company	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Notional principal of cross currency swaps contract (2015 and 2014: SGD)	135,102	120,039	106,232	120,039
Notional amount of forward currency contracts (2015 and 2014: SGD)	141,642	280,091	141,642	280,091
Notional amount of forward currency contracts (2015 :EUR)	16,771	-	-	-
Notional amount of interest rate swap (2015 :USD)	11,000	-	-	-
Notional amount of interest rate cap contracts (2015 :USD)	18,000	-	-	-
Notional amount of fuel hedging contracts	-	10,966	-	-



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Derivative financial instruments and hedging activities (cont'd)

Foreign currency risk

As at 31 August 2015, the Group and the Company held 1 (2014: 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 Perpetual Securities with notional value of US\$106,232,000 (2014: US\$120,039,000). The cross currency swap contract covers SGD to USD exposure in respect of the Perpetual Securities distributions from March 2014 to September 2015. The terms of the contract have been negotiated to match the terms of the Perpetual Securities.

As at 31 August 2015, the Group held 1 (2014: Nil) cross currency swap contract that have been designated as hedge of the Group's foreign currency exposure in respect of a SGD denominated bank term loan with notional value of US\$28,870,000 (2014: US\$Nil). The forward currency swap contracts cover SGD to USD exposure in respect of the monthly instalment repayment of the bank loan and interest that are due between September 2015 and April 2018. The terms of the contract have been negotiated to match the terms of the monthly instalment repayment.

As at 31 August 2015, the Group and the Company held 1 (2014: 2) forward currency swap contract that have been designated as hedge of the Group's and the Company's foreign currency exposure in respect of Fixed Rate Notes with notional value of US\$141,642,000 (2014: US\$280,091,000). The forward currency swap contracts cover SGD to USD exposure in respect of the Fixed Rate Notes that due between September 2015 and April 2018. The terms of the contract have been negotiated to match the terms of the Fixed Rate Note.

As at 31 August 2015, the Group held 19 (2014: Nil) forward currency swap contract that have been designated as hedge of the Group's foreign currency exposure in respect of the Group's sales and purchases denominated in Euro with notional values of US\$8,108,000 and US\$8,663,000 (2014: Nil) respectively.

Commodity risk

As at 31 August 2014, the Group held 10 fuel hedging contracts that have been designated as hedge of the Group's exposure in respect of the fluctuation of fuel price with notional value of US\$10,966,000.

As at 31 August 2015, the derivative liabilities arising from the fuel hedging contracts is included as part of "Liabilities included in disposal group classified as held for sale" in the statements of financial position.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

42. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

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

(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			
	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
Year ended 31 August 2015				
<u>Financial assets:</u>				
Derivative financial instruments (Note 41)	-	177	-	177
<u>Financial liabilities:</u>				
Derivative financial instruments (Note 41)	-	(38,291)	-	(38,291)
Year ended 31 August 2014				
<u>Financial assets:</u>				
Derivative financial instruments (Note 41)	-	615	-	615
<u>Financial liabilities:</u>				
Derivative financial instruments (Note 41)	-	(3,847)	-	(3,847)



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

42. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

(a) Fair value of financial instruments that are carried at fair value (cont'd)

	Company			
	Level 1	Level 2	Level 3	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Year ended 31 August 2015				
<u>Financial liabilities:</u>				
Derivative financial instruments (Note 41)	-	(34,752)	-	(34,752)
Year ended 31 August 2014				
<u>Financial assets:</u>				
Derivative financial instruments (Note 41)	-	615	-	615
<u>Financial liabilities:</u>				
Derivative financial instruments (Note 41)	-	(3,398)	-	(3,398)

There are no transfers between levels during the financial year.

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 – The fair value of derivatives are determined using valuation techniques with market observable inputs. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. The models incorporate various inputs including the credit quality of counterparties and interest rate curves. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

(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 interest-bearing receivable from a subsidiary and/or associated companies, 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

For the financial year ended 31 August 2015

42. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

- (c) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

The fair value of financial assets and liabilities by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value are as follows:

	2015		2014	
	Carrying amount	Fair value	Carrying amount	Fair value
	US\$'000	US\$'000	US\$'000	US\$'000
Group				
<u>Financial asset:</u>				
Non-current receivables	67,849	73,628	49,621	54,407
Company				
<u>Financial assets:</u>				
Receivable from a subsidiary	125,000	126,455	-	-

Determination of fair value

Long term receivables and balance due to holding company – Fair values are estimated based on a discounted cash flow basis using the Group's weighted average interest rate of floating rate loans of 2.76% (2014: 2.04%) which is representative of the market rate applicable to companies with similar risk profile.

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.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

43. CAPITAL MANAGEMENT (CONT'D)

The Group defines net debt as loans and borrowings, net of cash and cash equivalents and cash pledged.

	Group	
	2015	2014
	US\$'000	US\$'000
Loans and borrowings	1,470,151	1,551,917
Less: Cash and cash equivalents and cash pledged	(417,835)	(178,893)
Net debt	1,052,316	1,373,024
Total equity of the Group	1,365,311	1,185,769
Net gearing ratio (%)	77	116

44. SEGMENT INFORMATION

For management reporting purposes, the Group is organised into three main operating divisions:

- Offshore Support and Production Services division is mainly engaged in the owning, chartering and the management of offshore support vessels serving the oil and gas industry and offering services that support the post-exploration needs of offshore fields, such as FPSO conversion management and through the associated companies of the Group, owning, chartering and the management of FPSO (floating production, storage and offloading) facilities;
- 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

For the financial year ended 31 August 2015

44. SEGMENT INFORMATION (CONT'D)

Financial year ended 31 August 2015	Offshore Support and Production Services US\$'000	Marine Services US\$'000	Subsea Services US\$'000	Disposal Group Held for Sale US\$'000	Group US\$'000
Revenue					
Sales	249,742	282,902	1,033,546	(976,417)	589,773
Inter-segment sales ⁽¹⁾	(45,934)	–	–	–	(45,934)
Sales to external customers	203,808	282,902	1,033,546	(976,417)	543,839
Profit from operations					
Share of profit of associated companies	11,616				11,616
Share of profit of joint venture companies	14,751				14,751
Financial income					5,214
Financial expenses					(43,607)
Tax					(13,196)
Unallocated other operating income, net					90,659
Unallocated expenses					(8,952)
Unallocated share of profit of associated companies					627
Unallocated share of profit of joint venture companies					(1,157)
Net profit for the financial year					107,316
Assets					
Segment assets	1,407,029	450,688	1,651,188		3,508,905
Unallocated assets					668,410
Total assets					4,177,315
Liabilities					
Segment liabilities	784,189	239,266	986,930		2,010,385
Unallocated liabilities					801,619
Total liabilities					2,812,004
Other information					
Capital expenditure ⁽²⁾	92,049	27,886	289,742		409,677
Unallocated capital expenditure					2,621
Total capital expenditure					412,298
Impairment loss on fixed assets		10,000			10,000
Depreciation and amortisation	46,899	13,551	42,075	(35,733)	66,792
Unallocated depreciation and amortisation					2,524
Total depreciation and amortisation					69,316

⁽¹⁾ Inter-segment sales are eliminated on consolidation

⁽²⁾ Capital expenditure consists of additions to fixed assets



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

44. SEGMENT INFORMATION (CONT'D)

Financial year ended 31 August 2014 (Re-presented)	Offshore Support and Production Services	Marine Services	Subsea Services	Disposal Group Held for Sale	Group
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Revenue					
Sales	279,166	188,213	1,034,642	(1,004,044)	497,977
Inter-segment sales ⁽¹⁾	(8,035)	–	(5,635)	5,635	(8,035)
Sales to external customers	271,131	188,213	1,029,007	(998,409)	489,942
Profit from operations	31,618	22,451	47,390	(42,854)	58,605
Share of profit of associated companies	4,111				4,111
Share of profit of joint venture companies	2,538				2,538
Financial income					3,604
Financial expenses					(39,084)
Tax					(7,714)
Unallocated other operating income, net					(7,048)
Unallocated expenses					(17,641)
Unallocated share of profit of associated companies					29,669
Unallocated share of profit of joint venture companies					658
Net profit for the financial year					<u>27,698</u>
Assets					
Segment assets	857,786	428,843	1,582,711		2,869,340
Unallocated assets					493,652
Total assets					<u>3,362,992</u>
Liabilities					
Segment liabilities	538,415	255,119	739,231		1,532,765
Unallocated liabilities					644,458
Total liabilities					<u>2,177,223</u>
Other information					
Capital expenditure ⁽²⁾	84,384	34,356	219,624		338,364
Unallocated capital expenditure					3,141
Total capital expenditure					<u>341,505</u>
Depreciation and amortisation	37,459	8,162	24,595	(18,894)	51,322
Unallocated depreciation and amortisation					1,916
Total depreciation and amortisation					<u>53,238</u>

⁽¹⁾ Inter-segment sales are eliminated on consolidation

⁽²⁾ Capital expenditure consists of additions to fixed assets



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

44. SEGMENT INFORMATION (CONT'D)

Geographical information

Revenue ⁽¹⁾	Group	
	2015	2014
	US\$'000	US\$'000 (Re-presented)
Singapore	94,200	99,489
South East Asia ⁽²⁾	211,426	206,564
Americas	22,336	39,536
Europe	139,211	36,435
Other countries ⁽³⁾	76,666	107,918
	543,839	489,942

Note:

⁽¹⁾ Revenue is based on the location of customers.

⁽²⁾ South East Asia includes Indonesia, Thailand, Brunei, Malaysia, the Philippines and Vietnam and excludes Singapore.

⁽³⁾ Other countries include Australia, New Zealand, China, Hong Kong, South Korea, India, United Arab Emirates, Angola, Congo, Ghana, Ivory Coast and Nigeria.

Information on major customers

Revenue from six (2014: six) major customers amounting to US\$115,469,000 (2014: US\$127,274,000) arose from sales by the Offshore Support and Production Division.

Revenue from three (2014: three) major customers amounting to US\$116,182,000 (2014: US\$102,842,000) arose from sales by the Marine Services Division.

Revenue from five (2014: five) major customers amounting to US\$599,686,000 (2014: US\$487,299,000) arose from sales by the Subsea Services Division.

Non-current assets (comprising fixed assets, goodwill, other intangible assets and investments in associated and joint venture companies) are based on the location of the companies that own those assets.

Non-current assets	Group	
	2015	2014
	US\$'000	US\$'000
Singapore	980,940	1,350,901
South East Asia ⁽⁴⁾	286,084	230,382
Other countries ⁽⁵⁾	177,449	468,054
	1,444,473	2,049,337

⁽⁴⁾ South East Asia includes Malaysia, Thailand and Vietnam and excludes Singapore.

⁽⁵⁾ Other countries include India, the United Kingdom, British Virgin Islands, United States of America, Australia and Norway.



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 August 2015

45. DIVIDENDS

A final cash dividend amounting to US\$3,814,000 or S\$0.005 per ordinary shares, tax exempt for the financial year ended 31 August 2013 was approved in a shareholders' annual general meeting on 16 December 2013 and was paid on 21 February 2014.

46. COMPARATIVE FIGURES

The comparative figures have been re-presented in accordance with FRS 105 Non-current Assets Held for Sale and Discontinued Operations.

47. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 August 2015 were authorised for issue in accordance with a resolution of the directors on 23 November 2015.



STATISTICS OF SHAREHOLDINGS

As at 20 November 2015

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES*	%
1 - 99	368	1.99	9,105	0.00
100 - 1,000	435	2.36	207,235	0.01
1,001 - 10,000	5,329	28.87	26,245,131	0.89
10,001 - 1,000,000	12,185	66.01	995,381,266	33.87
1,000,001 AND ABOVE	143	0.77	1,917,118,360	65.23
TOTAL	18,460	100.00	2,938,961,097	100.00

* Shareholding excludes treasury shares of 3,439,880 (representing 0.12% of the total number of issued shares)

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	OVERSEA-CHINESE BANK NOMINEES PRIVATE LIMITED	439,168,904	14.94
2	FRONTICA GLOBAL EMPLOYMENT LTD	218,591,278	7.44
3	RAFFLES NOMINEES (PTE) LIMITED	160,351,438	5.46
4	CITIBANK NOMINEES SINGAPORE PTE LTD	157,451,876	5.36
5	DBS NOMINEES (PRIVATE) LIMITED	124,209,734	4.23
6	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	87,498,708	2.98
7	UOB KAY HIAN PRIVATE LIMITED	62,990,446	2.14
8	OCBC SECURITIES PRIVATE LIMITED	48,704,480	1.66
9	RHB BANK NOMINEES PTE LTD	43,316,000	1.47
10	HSBC (SINGAPORE) NOMINEES PTE LTD	41,448,054	1.41
11	PHILLIP SECURITIES PTE LTD	38,488,845	1.31
12	MAYBANK KIM ENG SECURITIES PTE. LTD.	34,645,272	1.18
13	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	30,771,382	1.05
14	CIMB SECURITIES (SINGAPORE) PTE. LTD.	23,938,018	0.81
15	BANK OF SINGAPORE NOMINEES PTE. LTD.	22,325,951	0.76
16	CHUA CHENG ANN	17,770,000	0.60
17	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	17,124,129	0.58
18	LIM & TAN SECURITIES PTE LTD	15,055,752	0.51
19	HENG SIEW ENG	14,755,020	0.50
20	DB NOMINEES (S) PTE LTD	13,345,628	0.45
	TOTAL	1,611,950,915	54.84



SUBSTANTIAL SHAREHOLDERS

As at 20 November 2015

Name of Substantial Shareholder	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Lee Chye Tek Lionel ⁽¹⁾	573,711,846 ⁽²⁾	19.52	107,720,463 ⁽³⁾	3.67
Frontica Global Employment Limited	11,591,278 ⁽⁴⁾	0.39	207,000,000 ⁽⁴⁾	7.04
DNB Bank ASA	207,000,000 ⁽⁵⁾	7.04	-	-
Credit Suisse AG	-	-	154,899,285 ⁽⁶⁾	5.27

⁽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 (Private) Limited	45,240,000
HSBC (Singapore) Nominees Pte Ltd	3,120,000
Raffles Nominees (Pte) Limited	4,960,000
DBS Nominees (Private) Ltd	34,000,000
Citibank Nominees Singapore Pte Ltd	51,792,000
RHB Bank Nominees Pte Ltd	43,316,000
Oversea Chinese Bank Nominees Private Limited	389,883,846

⁽³⁾ The shares are being held under the name of the following nominees:

	No. of Shares
HSBC (Singapore) Nominees Pte Ltd	83,544,000
Oversea Chinese Bank Nominees Pte Ltd	19,130,258
Raffles Nominees (Pte) Limited	116,000

⁽⁴⁾ Kjell Inge Rokke, The Resource Group TRG AS, TRG Holding AS, Aker ASA, Kværner Holding AS, Akastor ASA, Frontica Advantage Group AS, Frontica Group AS and Akastor AS are deemed to be interested in the 218,591,278 shares held directly and indirectly by Frontica Global Employment Limited.

⁽⁵⁾ DNB Bank ASA has a direct interest in 207,000,000 shares due to the execution of forward agreement between Frontica Global Employment Limited and DNB Bank ASA, which gives Frontica Global Employment Limited a right to purchase 207,000,000 shares at the forward price per share on the specified Settlement Date.

⁽⁶⁾ Credit Suisse Group AG is deemed to be interested in the 154,899,285 shares that Credit Suisse AG has an interest in.

Shareholding by the Public

Based on information available to the Company as at 20 November 2015, approximately 75.27% 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

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 Wednesday, 30 December 2015 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 2015 together with the Auditors' Report thereon. **[Resolution 1]**

2. To re-elect Mr. Eng Heng Nee Philip[#], who will retire by rotation pursuant to Article 106 of the Company's Articles of Association (the "Articles") and who, being eligible, will offer himself for re-election as a Director of the Company. **[Resolution 2]**

[#] *Mr. Eng Heng Nee Philip will, upon re-election as Director of the Company, remain as Chairman of the Enterprise Risk Committee, Nominating Committee and Executive Committee and a member of the Audit Committee and Remuneration Committee and will be considered independent.*

(Dr. Ngo Get Ping is retiring by rotation at this Annual General Meeting and has decided not to offer himself for re-election to office).

3. To re-elect the following Directors, who will retire pursuant to Article 90 of the Articles and who, being eligible, will offer themselves for re-election as Directors of the Company:-

- (a) Mdm. Ho Geok Choo Madeleine[^]
- (b) Mr. Tan Cher Liang^{*}

[Resolution 3]

[Resolution 4]

[^] *Mdm. Ho Geok Choo Madeleine will, upon re-election as Director of the Company, remain as a member of the Audit Committee, Remuneration Committee, Nominating Committee and Enterprise Risk Committee and will be considered independent.*

^{*} *Mr. Tan Cher Liang will, upon re-election as Director of the Company, be considered independent.*

4. To re-appoint Mr. Lee Kian Soo, who will retire under Section 153(6) of the Singapore Companies Act, Chapter 50 (the "Companies Act"), to hold office from the date of this Annual General Meeting until the next Annual General Meeting. **[Resolution 5]**
5. To approve the payment of Directors' fees of up to US\$697,400 for the financial year ending 31 August 2016, to be paid quarterly in arrears. **[Resolution 6]**
6. To re-appoint Ernst & Young LLP as the Company's Auditors and to authorise the Directors to fix their remuneration. **[Resolution 7]**
7. 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:

8. Authority to allot and issue shares

That pursuant to Section 161 of the Singapore Companies Act, Cap. 50 (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 hereby authorised 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



NOTICE OF ANNUAL GENERAL MEETING

- {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}

By Order of the Board

Yeo Keng Nien
Company Secretary

Singapore, 14 December 2015

Explanatory Notes:

- (i) The Ordinary Resolution 8 proposed in item 8 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.

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 forty-eight (48) hours before the time appointed for holding the Annual General Meeting.

Personal data privacy:

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

210



EZRA HOLDINGS LIMITED
CO. REG. NO. 199901411N
 (Incorporated In The Republic of Singapore with limited liability)

PROXY FORM

(Please see notes overleaf before completing this Form)

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 Number	Address	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	NRIC/ Passport Number	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 Wednesday, 30 December 2015 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 [v] 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 2015		
2.	Re-election of Mr. Eng Heng Nee Philip as a Director of the Company		
3.	Re-election of Mdm. Ho Geok Choo Madeleine as a Director of the Company		
4.	Re-election of Mr. Tan Cher Liang as a Director of the Company		
5.	Re-appointment of Mr. Lee Kian Soo as a Director of the Company		
6.	Approval of Directors' fees for the financial year ending 31 August 2016		
7.	Re-appointment of Ernst & Young LLP as Auditors of the Company		
8.	Authority to allot and issue new Shares		

Dated this _____ day of _____ 2015

 Signature of Shareholder(s)
 or, Common Seal of Corporate Shareholder

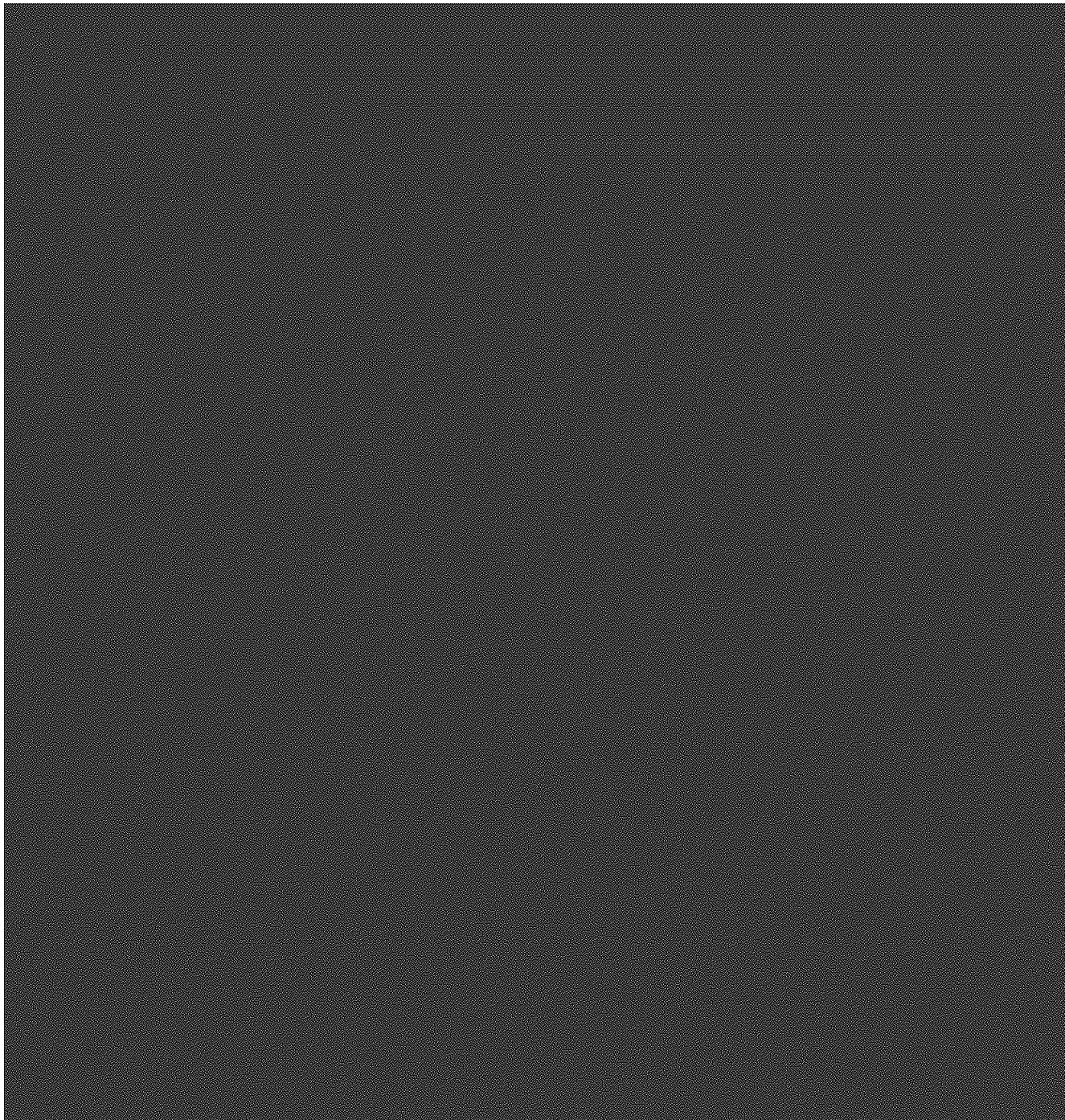
Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

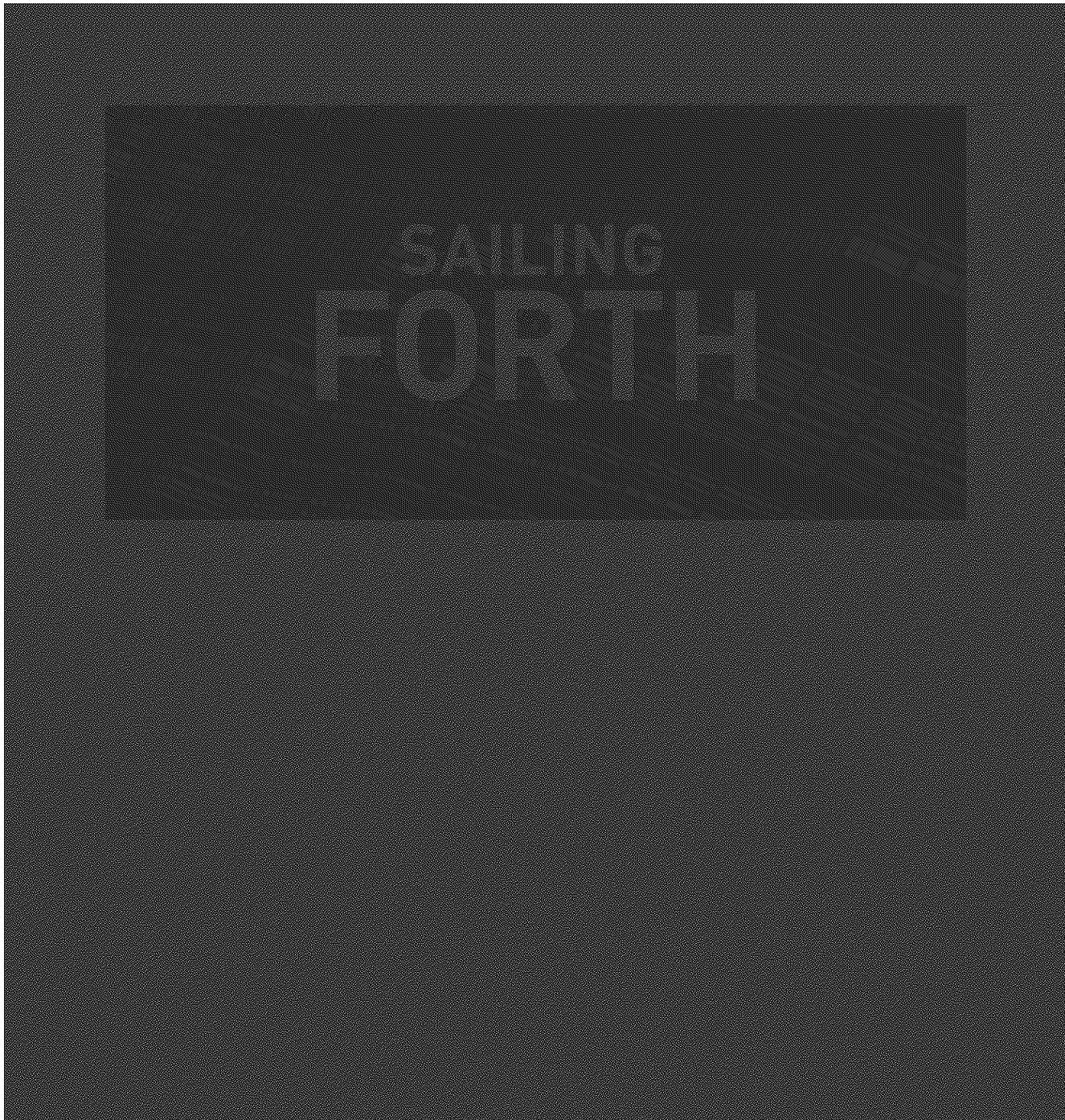




Notes :

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 nominates 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 appointed 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.
8. CPF Approved Nominees acting on the request of the CPF investors who wish to attend the AGM as Observers are requested to submit in writing, a list with details of the investors' names, NRIC/Passport numbers, addresses and number of Shares held. The list, signed by an authorised signatory of the CPF Approved Nominee, should reach the office of Boardroom Corporate & Advisory Services Pte Ltd located at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, at least 48 hours before the time fixed for holding the AGM.
9. By submitting this Proxy Form appointing a proxy/proxies, the Depositor(s) accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 14 December 2015.





Co. Registration No. 199901411N
15 Hoe Chiang Road
#28-01 Tower Fifteen
Singapore 089316
Telephone: +65 6349 8535
Facsimile: +65 6345 0139
Email: ir@ezraholdings.com

WWW.EMAS.COM



EMAS-AMC AS org.nr. 974 453 940

Vedlegg 1

Endring av funksjonell og rapporteringsvaluta

Emas AMC AS har for regnskapsåret 2015 endret sin funksjonelle og rapporteringsvaluta fra NOK til USD.

Funksjonell valuta

Etter regnskapsåret 2014 konkludert Emas AMC AS med at selskapets funksjonelle valuta er USD. Selskapet har vurdert det som at USD er den valutaen som styrer økonomien hvor selskapet opererer. Selskapet har gjort vurdering av funksjonell valuta basert på analyser fra tidligere år samt estimater for fremtidige kostnader, inntekter, finansiering samt konsernsammensetning selskapet tilhører. Selskapet ble del av et større utenlandsk konsern i 2011 og hovedvekten av konserntransaksjoner blir gjort i USD.

Selskapet har gradvis ekspandert kundebasen og har mer operasjoner for utenlandske kunder, samt at hoveddel av fakturert inntekt mot norske kunder foregår i USD.

Hoveddel av kostnader fra eksterne leverandører samt konsernselskap er i USD.

Finansiering fra morselskap er gitt i USD, samt at eventuelle videre kortsiktige eller langsiktig finansiering fra morselskap eller andre konsernselskap vil bli gjort i USD.

På bakgrunn av dette har selskapet vurdert det til at USD best representerer de økonomiske effektene av de underliggende transaksjonene, begivenhetene og betingelsene selskapet operer under.

Den funksjonelle valuta ble endret med effekt fra 1. September 2014. Balansen har blitt konvertert med en valutakurs på 6,19814. Omregningsdifferanser som knyttet til førstegangsinregning er presentert i notene til regnskapet.

Presentasjonsvaluta

Presentasjonsvalutaen i Emas AMC AS er for regnskapsåret 2015 også endret til USD. For sammenligningstall i regnskapet er balanseposter omregnet til balansedagens kurs mens resultatposter er omregnet til transaksjonskurser. For sammenligningstall har man derfor benyttet en retrospektiv beregning av omregnings differanser.



Brønnøysundregistrene

Kundenr : 852841
EMAS-AMC AS
Att: Stina Spanne
Postboks 247 Lilleaker
0216 OSLO

Deres ref.	Vår ref.	Dato
	2015035044	23.11.2015

**Endring av regnskapsåret for
974 453 940 EMAS-AMC AS**

Vi viser til din henvendelse mottatt den 20.11.2015.

Regnskapsregisteret har registrert at enheten har endret avslutningsdato. Den registrerte avslutningsdatoen er nå 31.12.

Årsregnskapet som skal sendes inn, må omfatte regnskapsperioden:

01.09.2014 - 31.12.2015

Årsregnskapet skal fastsettes senest seks måneder etter regnskapsårets slutt, jf. regnskapsloven § 3-1. Komplette årsregnskap skal sendes til Regnskapsregisteret senest innen en måned etter at det er fastsatt, jf. regnskapsloven § 8-2.

Altinn

Fra 1. januar 2015 må årsregnskapet sendes inn via Regnskapsregisteret sine skjema på www.altinn.no. Årsregnskap mottatt i posten vil ikke bli saksbehandlet.

Med hilsen

Brønnøysundregistrene - Regnskapsregisteret

Thor-Arne Baustad
saksbehandler



Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Torstein Kinden Helleland	16.08.2012	24.08.2012
Telefon	Deres referanse	Vår referanse
22078139	Fredrik Hedberg	2012/581786

EMAS-AMC AS
Postboks 247 Lilleaker
0216 OSLO

Fritak for konsernregnskapsplikt for EMAS-AMC AS, org. nr. 974 453 940

Det vises til deres brev av 16. august 2012 der det søkes om fritak fra plikten til å utarbeide konsernregnskap for EMAS-AMC AS.

Skattedirektoratet finner med hjemmel i regnskapsloven av 17. juni 1998 nr. 56 § 3-7 fjerde ledd å kunne gi tillatelse til at det gjøres unntak for konsernregnskapsplikten for EMAS-AMC AS.

Bakgrunn

EMAS-AMC AS er eid 100 % av Ezra Holdings Limited som er hjemmehørende i Singapore. Ezra er notert på Singapore Exchange Securities Trading Limited («SGX-ST»), og opererer i offshoremarkedet. Ezra utarbeider konsernregnskap som omfatter EMAS-AMC AS med datterselskaper. Ezra utarbeider konsernregnskap etter «Singapore Financial Reporting Standards» (FRS), som er nært beslektet med internasjonale regnskapsstandarder og IFRS.

Forutsetninger for vedtaket

Det forutsettes at Ezra Holdings Limited utarbeider konsernregnskap som omfatter den regnskapspliktige og dennes datterselskap. Det legges til grunn at dette konsernregnskapet er utarbeidet i samsvar med FRS og at kravene i regnskapsloven § 3-7 for øvrig følges.

Bestemmelsene i regnskapsloven kapittel 8 gjelder tilsvarende for dette konsernregnskapet. Morselskapet kan etter forskrift av 7.9.2006 nr. 1062 til utfylling og gjennomføring mv. av regnskapsloven § 3-7-1 utarbeide konsernregnskapet på norsk, svensk, dansk eller engelsk.

Kopi av dette brev må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

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



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



Statsautoriserte revisorer
Ernst & Young AS

Dronning Eufemas gate 5, 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 24 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 statement of financial position as at 31 December 2015, the statements of comprehensive 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

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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 December 2015 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, the going concern assumption and the proposal for the allocation of the result 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, 30 June 2016
ERNST & YOUNG AS

Erik Søreng
State Authorised Public Accountant (Norway)



ANNUAL REPORT 2015 EMAS AMC AS

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 Emas AMC PTE. Emas-AMC AS has three wholly owned subsidiaries Emas-AMC Pty, Emas-AMC Inc and EMAS Marine Base Holding Co.LLC. This annual report refers solely to Emas-AMC AS (the company), as the company is exempted from producing a consolidated annual report for the group (i.e. Emas-AMC AS and its wholly owned subsidiaries) the overall financial figures for Emas-AMC AS with its three subsidiaries will be consolidated by the ultimate parent company, Ezra Holdings Limited.

The annual report covers the company's financial year 2015 which for Emas AMC AS commenced on the 1st September 2014 and ended on the 31st of December 2015. Previous financial years have covered the period 1. September to 31. August. From 2016 onwards the financial year will follow the calendar year starting 1. January and ending 31. December. As a transitional year the financial year 2015 will therefore cover 16 months. This report is in English only as an exemption has been granted from having a Norwegian version. Whereas the majority of revenue and cost has been, and will continue to be based in US dollars, the functional currency and reporting currency for the company has been changed to US dollar as of 1 September 2014.

Emas AMC is one of four business divisions within Ezra Holdings Ltd., which operate under the brand name EMAS. EMAS is a leading global provider of offshore construction, production, well intervention and marine services. EMAS' full suite of services is carried out across two listed groups, Ezra Holdings Limited, which is listed on the Singapore stock exchange, and EMAS Offshore Limited, which is listed on the Oslo stock exchange and with a secondary listing on the Singapore stock exchange. 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.

Emas AMC was established in 2011 following a strategic acquisition of Aker Marine Contractors AS (AMC) by Ezra Holdings. The company has a clear vision to become the premier subsea tieback contractor in the global SURF industry. The company's activities are run from the office at Lysaker.

In the financial year 2015 the company has continued its growth and 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. The company has especially focused on further strengthening its rigid pipelay capabilities, and has successfully completed rigid pipe operations on the Ivar Aasen and Aviat projects. These projects represent the first rigid pipeline projects performed in the region and the first projects where pipe was fabricated and spooled from the Emas Marine Base Gulen.

Emas Marine Base Gulen is owned by Gulen Base AS. It is leased to Emas AMC on a 15 year financial lease. The asset was initially recorded at NOK 240,020,679/USD 35,460,655 per November 2014. In October 2015 the construction including VO's was finalized and an additional NOK 10,261,500/ USD 1,203,674 were recorded. The total value represents the construction price including financing in the construction period. The asset is expected to have a minimum useful life of 15 years.

Through the last four years the company has progressed from less complex subsea work to more complex Subsea Umbilicals, Risers and Flowlines and full Engineering, Procurement, Commissioning and Installation projects. In the area of flexible products, templates and structures, Emas AMC has in a short time established a solid position in the North-sea



The company has a very competent global organization with an impressive history as well as some of the world's most advanced construction vessels, with Lewek Connector and Lewek Constellation as the key differentiating assets. The main focus has been on delivering safe, efficient and best value solutions to our clients.

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. The company installs structures (templates and manifolds), flexible and rigid pipes, umbilicals and risers, and undertake purchases and testing of subsea systems. Further, the company also installs mooring systems for floating installations, conducts maintenance, procurement, 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, procurement 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 eight construction vessels on long-term charter agreements or bareboat agreements.

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

Emas AMC had total revenue of USD 411 million for the 16 month financial year compared to revenue of USD 313 million for the 12 months ended 31 August 2014. The growth in revenue is partly due to a prolonged financial year, however can mainly be attributed to increased project activity.

The operating result ended up negative by USD 38.5 million compared to an operating profit of USD 3.5 million in 2014. The overall market conditions were challenging as the industry was affected by lower oil price and lower overall activity. The project portfolio did not achieve desired margins to contribute to an overall operating profit. Further contributing to the loss is the extended financial year from September to December. This has historically been a period with low project activity in the region and vessel utilization opportunities are limited.

Net financials was negative by USD 2 million mainly effected by increased financial expenses related to the financial lease of Emas Marine Base Gulen.

Income tax expense for the year was USD 2 million due to tax correction from previous years and a write-down of deferred tax asset.

The company ended up with a loss after tax of USD -43 million for the financial year compared to profit of USD 0.7 million the previous year.

Revenue from projects is recognized according to the percentage of completion method. The application of this method requires use of judgment and brings along inherent risk related to the estimates. Revenue recognition is based on management's best estimate.

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. For the financial year 2015 the total net cash flow from operations was positive by USD 1,6 million compared to a positive cash flow from operations of USD 15 million in 2014.

The net cash flow from investment activities in 2015 was negative by USD 5 million compared to a negative impact of USD 7 million in 2014. The investment activities are related to purchase of fixed assets.

The net change in cash and cash equivalents was negative with USD 3.8 million, compared to positive of USD 7.4 million in 2014.

BALANCE SHEET AND LIQUIDITY

The Company's cash position per 31.12.2015 was USD 6 million compared to a balance of USD 9.7 million in 2014.

Accounts receivable has gone down slightly from USD 157.5 million in 2014 to USD 152.6 million in 2015.

The company's operating cash flow is derived from approximately 10 – 15 medium to big size projects. Billing is typically based on milestones and/or progress; 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 current backlog of projects is significantly reduced compared to last year. To generate a positive operating cash flow from operations, the company is dependent on securing more projects or external charter agreements. Should company require funding, intercompany loans are available from the parent company or through intra-group short term loans. Funding from parent company is dependent on the overall market situation that directly will affect the group's overall financial status and availability of third party financing.

Total assets for the company at the end of December 2015 were USD 210 million compared to USD 198 million for the end of the financial year 2014. The increase in assets is mainly due to investment in fixed assets, increased from USD 9.6 million in 2014 to USD 44.5 million in 2015. The increase in fixed assets is related to the financial lease of the Emas Marine Base Gulen.

The company's equity was negative by USD 37.7 million at end of December 2015.

FINANCIAL RISK

The company has had limited exposure to credit risk as the customer base is largely made up of a limited number of large energy companies with good creditworthiness. The current market situation with a continued low activity level and low oil price may affect the creditworthiness of the company's counterparts. To mitigate this risk 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 its clients.

During the tender phase and upon contract execution of new projects, currency inflows and outflows are analyzed and resulting currency exposure is minimized by the use of natural hedging i.e. multi-currency contracts. Additional currency exposure is analyzed on a month to month basis and provisions are made for potential unfavorable currency exposure.

OPERATIONS AND MARKET OUTLOOK

The year has been dedicated to further strengthening and showcasing Emas AMC capabilities within the rigid pipelay segment. The company completed the Emas Marine Base Gulen (EMGB) and has successfully executed operations on its two first ridged pipe projects. EMBG is capable of fabricating 1 km long pipe stalks in readiness for loading onto either of the two company's established reel-lay ships. 2015 was the first operational year of the EMBG and pipe was fabricated and spooled to the Lewek Express on both the Ivar Aasen project for Det Norske Oljeselskap and on the Aviat project for Apache.



In terms of offshore work the company has successfully completed the offshore operations for the Heidrun, Aasta Hansteen, Martin Linge, Gode Wind 2, Glitne, Balder and Aviat projects. The Glitne project for Statoil was the first larger decommissioning project for Emas AMC, where subsea equipment from the Glitne field was recovered.

On the Mariner field the company has pre-installed the mooring system, pile anchors, bottom chains and wire segments with buoyancy elements. In June 2016 the company will tow the Mariner FSU from the yard in South Korea to field and perform hook-up to the STL buoy.

Engineering and planning for the Total FSO project in Nigeria continued in 2015 and the project was executed Q1 2016.

The tender and project activity level has remained high throughout year. The company acknowledges that there is a slowdown in the North Sea Market with an increased focus by operators on capex discipline and cost savings. New projects are being postponed and competition on remaining tenders is increasingly tough. The current downturn in the market limits opportunities in 2016 and it will be a year with lower project activity for the company and focus will be on securing external vessel utilization.

To mitigate the effects of the downturn in the North Sea Market, the company will further strengthen its presence and business offerings in other regions like the Mediterranean and West Africa as well as focusing on further expanding its client base. The company will also continue working on adapting the organization and cost base to a lower activity level.

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

HEALTH, SAFETY AND ENVIRONMENT

The company consistently works towards delivering maximum operational capability while protecting health, safety and the environment. The company strives to minimize the impact of our operations on the environment by having in place waste management plans, and ensure full compliance with local/global regulations with regards to all emissions. The Emas AMC vessels are modern and hence following new standards and regulations.

Everyone working for the company required to comply with our safety standards and intervene in unsafe situations. We also actively engage with companies we contract with to enforce safety cultures in their workforce. Our industry is determined to learn from incidents and accidents to prevent similar occurrences in the future. Accidents shall be prevented, however, we recognize the risk associated with our business and are prepared to handle situations that require immediate action to save lives and protect the environment, facilities, equipment and third parties who may be affected. As such, Emas AMC holds regular emergency response courses and exercises. Key focus areas going forward will be to further enhance technical integrity and to continue to implement Compliance and leadership programs which focus on strengthening safety culture and behavior.

During the calendar year 2015 there was not recorded any fatalities, major property damages or major environmental damages during operations by Emas AMC or any of its subcontractors. There were two medical treatment cases and one Lost time incident cases recorded.

WORKING ENVIRONMENT AND PERSONNEL

At year end the company had a permanent staff of 204, a decrease of 5.1% compared to year end 2014 (aug 2014). In addition the company has drawn upon the expertise of consultants, expatriates, temporary and seconded personnel equivalent to 27 full time positions in 2015. This is a significant reduction compared to previous year, especially related to the reduction of consultants. Due to the downturn in the market, the company has needed to implement cost saving initiatives throughout the organization such as reduction of consultants and downsizing of permanent employees. The focus of the downsizing was to retain key competence moving forward but in a smaller scale than previous since the aim is to win and execute similar projects as before. The full effect of the downsizing will not be apparent until later in 2016.



The number of sick days in the extended fiscal year 2015 was 1345.8, in which constitutes 1.58% (1.15% in 2014) of overall worked hours. The sick leave percentage for long term illness constitutes 1.02% for the year (0.63% in 2014). The negative development on these indicators must primarily be seen in light of the increase of staff and the specific circumstances for some of the reported sick leaves. The company continues to maintain a strong and positive position in terms of low numbers 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, work load or stress. Emas AMC focuses on the benefits of utilizing a flexible working time arrangement, as well as providing opportunities for exercise during work hours. These are amongst the factors considered important to the low figures. Emas AMC had three incidents of long term sick leave amongst own personnel in 2015.

EQUAL OPPORTUNITIES

The female population is 23.5% out of 204 permanent employees. This is a slight decrease compared to the previous year, however no specific drivers or initiatives have been established for this purpose. The percentage of females amongst employees below 35 years is 24.3%, an increase compared to 2014. The main reason for this is general changes to employee population through recruitment and turnover. The female percentage in the management team at year end is 37.5%.

When hiring employees the company focuses on 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. 29.6% of all new hires in 2015 were females, a decrease from 33% the previous year. This is still a figure the company is pleased with in an industry with strong male influence. The company practices equal pay for work of equal value. Base salaries for new hires and graduates are independent of gender and are established on the background of internal and external benchmark.

The board and the company management are aware of the social expectations regarding measures to promote equal opportunities in the company and on 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, EmasAMC has separate guidelines for whistle-blowing that particularly address harassment, bullying, and discrimination.

SUBSEQUENT EVENTS

After the reporting date operations have been completed on the FSO Unity project. Per. 31.12.2015 the project was reporting a loss position, however during operations the project margins have deteriorated substantially and this will most likely have a negative effect on the operating result for 2016.

Emas-AMC AS is through its activities involved in legal proceedings, and there is currently one unresolved legal dispute. Emas-AMC AS has made a provision in the financial statements based on their best estimate on the most likely outcome. Emas-AMC AS pursues the above mentioned dispute actively with the contractual and legal remedies available, however the final outcome of the case and the timing of any potential cash flow or additional effect in the financial statements cannot currently be determined with sufficient certainty.

At the end of March 2016 the shares of Emas AMC AS were transferred from Emas-AMC Pte to EMAS CHIYODA Subsea Limited. EMAS CHIYODA Subsea Limited is a new Joint Venture between Ezra holdings Limited and Chiyoda Corporation. As part of this transaction, the new shareholder has agreed to strengthen the equity in the Emas AMC AS by converting USD 61,7 million of intercompany debt to equity. The company is in the process of increasing the par value of each share by NOK 15 from NOK 1010 to NOK 1025.- resulting in a share capital increase NOK 3,241,740.-. The remaining amount of the debt conversion will be converted as above par value equity to cover losses.



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 annual accounts have been prepared accordingly and confirmed by the board. 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. However the company has ongoing projects that could potentially have a negative effect on the financial statements and the board emphasizes that there will always be risk associated with the estimation of future results.

The negative equity shown in the accounts will be remediated by the conversion of intercompany debt of USD 61,7 million into equity as described above. Further, the company has initiated a new round of downsizing to further reduce the cost structure.

A parent company guarantee is also in place covering all potential financial obligations for the company and its subsidiaries for the FY2016. The annual financial statements have been prepared under the going concern assumption, and the Board confirms that the assumption is fulfilled.

The company focuses on being able to continually adapt to market fluctuations and to adjust the level of activity in an efficient manner

OWNERSHIP

Emas-AMC AS was by the end of financial year (31.12.2015) owned 100% by Ezra.

Per. 31.12.2015 Board of Directors consisted of Lionel Lee Chye Tek, Asle Bjørnstad, Svein Haug, Kumar Lal Amarnath Chranji Adarash, Siew Leng Yap, Thea Spieler, Bernt-Erik Wold & David John Lowther.

By 31.12.2015 Emas AMC has a loss after taxes of USD 42.942 million. The board proposes to transfer the loss to the uncovered loss reserve.

Lysaker, 23.06.2016

Tek Lionel Lee Chye
Chairman

Asle Bjørnstad

Svein Haug
Regional Head

David John Lowther

Thea Spieler

Siew Leng Yap

Bernt-Erik Wold

Kumar Chranji Lal Amarnath Adarash



INCOME STATEMENT

<i>Amounts in USD 1000</i>	<i>NOTE</i>	01.09.2014 - 31.12.2015	01.09.2013 - 31.08.2014
Revenue	2	410,624	313,904
Other operating income	2	612	12
Total revenue		411,236	313,916
Cost of sales	17	365,304	241,776
Employee benefits expenses	3.7	59,990	56,836
Depreciation expenses	5	6,639	2,743
Write down on fixed asset	5		497
Other operating expenses		17,811	8,526
Total operating expenses		449,745	310,378
Operating profit/(loss)		-38,509	3,538
Financial income	4	25,167	5,512
Financial expenses	4	27,582	8,318
Profit/(loss) before tax		-40,924	733
Income tax expense	6	2,018	
Profit/(loss) after tax		-42,942	733
Transfers			
To other equity			733
Uncovered loss		-42,942	
Total transfers		-42,942	733
Other comprehensive income			
Actuarial gain/(loss) net defined benefit pension liability		-318	
Total comprehensive income (loss) for the period		-43,260	



BALANCE SHEET

Amounts in USD 1000	NOTE	31.12.2015	31.08.2014
ASSETS			
Intangible assets		54	
Deferred tax assets	6		2,294
Total intangible assets		54	2,294
Machinery & plant and Capatilized vessel equipment			
Equipment	5	33,885	6,668
Equipment	5	10,560	2,386
Asset under construction	5		545
Total tangible fixed assets		44,445	9,600
Investments in subsidiaries and joint ventures	8	168	168
Net pension plan asset	7	86	48
Other financial non-current assets			37
Total financial fixed assets		254	253
Total non-current assets		44,753	12,147
Inventories			
		4,399	4,426
Trade receivables	10	152,649	157,521
Other receivables	10	2,463	14,641
Recivables		155,111	172,162
Cash and bank deposits	11	5,955	9,732
Total current assets		165,465	186,320
Total assets		210,218	198,466



BALANCE SHEET

Amounts in USD 1000	NOTE	31.12.2015	31.08.2014
EQUITY AND LIABILITIES			
Share capital	13	35,217	35,217
Share premium reserve	13	11,651	11,651
Other paid-in equity	13	14,163	14,163
Total paid-in equity		61,031	61,031
Reserves		-162	
Uncovered loss	13	-98,522	-55,423
Total retained earnings		-98,684	-55,423
Total equity		-37,653	5,608
LIABILITIES			
Long-term liabilities			
Pension liabilities	7	807	1,297
Total provisions		807	1,297
Other long term liabilities	19	24,688	212
Total of other long term liabilities		24,688	212
Current liabilities			
Trade creditors	10	158,597	117,838
Public duties payable	10	1,651	3,313
Other short-term liabilities	10,18,19	62,129	70,198
Total short-term liabilities		222,376	191,349
Total liabilities		247,871	192,858
Total equity and liabilities		210,218	198,466

Lysaker, 23.06.2016

Tek Lionel Lee Chye
Chairman of the Board

Asle Bjørnstad
Director

Svein Haug
General Manager/Director

David Lowther
Director

Bernt-Erik Wold
Director

Siew Leng Yap
Director

Thea Spieler
Director

Kumar Chranji Lal Amamath Adarash
Director



CASH FLOW

Amounts in USD 1000

	01.09.2014-31.12.2015	01.09.13-31.08.14
Profit before income taxes	-40,924	733
Taxes paid in the period		
Depreciation	6,639	2,743
Write down fixed asset		497
Impairment of fixed assets		
Change in inventory, trade debtors, trade creditors	45,658	-14,388
Change in other accruals	-9,721	25,250
Net cash flow from operations	1,652	14,834
Proceeds from sale of fixed assets		
Purchase of fixed assets	-5,429	-7,420
Net cash flow from investments	-5,429	-7,420
Repayment of loan intercompany		
Repayment of short term loans		
Proceeds from issuance of equity		-
Repayment of equity		-
Investment i companies		-0
Net cash flow from financing	-	-0
Net change in cash and cash equivalents	-3,777	7,414
Cash and cash equivalents 01.09	9,732	2,318
Cash and cash equivalents 31.08		9,732
Cash and cash equivalents 31.12	5,955	



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 Emas-AMC Pte. and has three wholly owned subsidiaries Emas-AMC Pty, Emas-AMC Inc and EMAS Marine Base Holding Co.LLC. 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 three 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.

For the financial year 2015 the annual financial statements cover the period 01.09.2014 to 31.12.2015. The extended financial year is due to a shift in financial years. Previous financial year's covered the period 1. of September to the 31. of August, from the financial year 2015 it is changed to cover the period 1. of January to the 31. of December. 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 base 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 and associated company

Investments in subsidiaries and associated companies 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 incurred. 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 2015. In 2015, 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 is 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.

Finance Lease

A lease is classified as a finance lease if it transfers substantially all the risk and rewards incident to ownerships. At the beginning of the leasing period, finance leases are recognized at the lower of the fair value of the leased asset and the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as other non-current liabilities, except for the first year instalment which is recognized as current liabilities. Lease payments are appointed between finance charges and reduction of the lease obligation. The corresponding asset is depreciated over the shorter of the lease term or the life of the useful life of the asset.

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 projects and lease agreements on vessels, offices and land. 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.

Change in reporting currency

The company's functional currency is changed from NOK to USD per 01.09.2014.

The change in functional currency is based on analysis of all transaction per currency for the past financial year as well as an estimate for future transaction. Whereas the majority of revenue and cost have been, and will continue to be based in USD, the functional currency and reporting currency has been changed to US dollars as of 1 September 2014.

Balance sheet items have been converted from NOK to USD using an exchange rate of 6.19814.

The company's presentation currency is changed from NOK to USD to be aligned with the functional currency.

Presentation



All amounts are presented in USD 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 USD 1000

	01.09.2014- 31.12.2015	01.09.2013- 31.08.2014
Revenue	410,624	313,904
Other operating income	612	12
Total	411,236	313,916

Geographical distribution

Norway	301,645	150,760
USA	18,493	15,040
Australia	32	22
Great Britain	39,532	11,183
Singapore	7	-14
Sweden	-	88,188
Nederland/Holland	4	11,654
Angola	16,026	-
Nigeria	10,066	5,144
France	-	31,939
Brazil	12,857	
Eqatorial Guinea	9,958	
Gabon	1,644	
Congo	972	
Total	411,236	313,916

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 USD 1000

	01.09.2014 - 31.12.2015	01.09.2013 - 31.08.2014
Payroll expenses		
Salaries	50,259	31,069
Social security	5,624	4,559
Pension costs	2,329	1,883
Other benefits	1,779	19,256
Total payroll expenses	59,990	56,836

Number of employees during the year	215	200
-------------------------------------	-----	-----

Total payroll expenses also includes payments for consultants

Remunerations key management for 12 months

	Salary	Bonus	Other benefits
General Manager	356	0	2

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

	01.09.2014 - 31.12.2015	01.09.2013 - 31.08.2014
Audit fees, exclusive VAT		
Mandatory audit	313	197
Other fees		
Total fees to auditor	313	197

NOTE 4 FINANCIAL ITEMS

Amounts in USD 1000

	01.09.2014 - 31.12.2015	01.09.2013 - 31.08.2014
Financial income		
Interest income from other group entities	-301	-226
Other interest income	-47	-15
Other financial income (agio)	-24,819	-5,272
Total financial income	-25,167	-5,512

	01.09.2014 - 31.12.2015	01.09.2013 - 31.08.2014
Financial expenses		
Interest expenses from other group entities	-	-
Finance charges under financial lease ¹⁾	3,745	763
Other financial expenses (agio)	23,837	7,554
Total financial expenses	27,582	8,318

1) The lease of Emas Marine Base Gulen is recognized as a financial lease



NOTE 5 FIXED ASSETS AND LEASES

Amounts in USD 1000

Tangible fixed assets	Office Equipment	Machinery and plant	Buildings and land
Accumulated cost as of 01.09.14	5,382	-	11,642
Addition financial lease	-	-	-
Additions	71	-	-
Disposals	-	-	-
Accumulated cost as of 31.12.15	5,453	-	11,642
Accumulated depreciations 01.09.14	3,004	-	4,974
Accumulated depreciation 31.12.15	4,241	-	7,380
Accumulated write downs 31.12.15	-	-	-
Net amount as of 31.12.15	1,212	-	4,262
Depreciations for the financial year	1,236	-	2,406
Write down for the financial year	-	-	-
Expected useful life	3-5 years	5-10 years	15 years
Depreciation method	linear	linear	linear

Amounts in USD 1000

Operating lease arrangements	31.12.15
Lease payments recognized in operating expenses for the year	67,635

The operating lease payments which are related to hire of vessels equals USD 64,939. The Boa SubC was redelivered to it's owner in October 2015. The timecharter for Lewek Inspector ends in December 2018 and the bareboat charter on Lewek Connector ends in October 2022. Both of the lease agreements contains a purchase option.

The total operating lease commitments as per 31.12.15 were KUSD 291,799 these consist mainly of charter hire obligations. The obligations related to office facilities as at 31.12.2015, is 5,605 KUSD. The lease agreement lasts until 30.04.2018 with option to extend with 5 years. EMAS AMC AS has signed an agreement to lease EMAS Marine Base Gulen over a period of 15 years starting November 2014. The operating lease portion of EMAS Marine base Gulen is included in the "outstanding lease commitments" below. The financial lease is disclosed in note 19.

Emas AMC AS outstanding lease commitments fall due as follows

	31.12.15
Within one year	55,569
Years two to five	184,434
After five years	51,796
Total	291,799

Further to the above obligations, EMAS AMC AS has ongoing charter parties for the vessels Lewek Express & Lewek Centurion, where both vessels are sublet to group companies reducing the financial exposure for Emas AMC AS. The total gross commitment for the vessels as per 31.12.2015 is 173,623 KUSD. Since the vessel are sublet to group companies they are not presented in EMAS AMC AS financial statement, neither in the balance sheet as receivables/liabilities or in the income statement as revenue/cost.



NOTE 6 TAX

<i>Amounts in USD 1000</i>	01.09.2014 - 31.12.2015	01.09.2013 - 31.08.2014
Tax expenses for the year		
Taxes payable		
Changes in deferred tax	2,294	
(Translation Difference Deferred Tax)	-688	
Federal tax		
Correction tax payable prior years	412	
Foreign Withholding tax		
Total tax expenses	2,018	
Tax calculation		
Operating profit before tax	-40,924	733
Permanent differences	2,426	87
Changes in temporary differences	-2,431	12,189
Tax base current year	-40,930	13,009
Use of tax loss carried forward:	0	-13,009
Basis for tax payable:	0	0
Temporary differences	31.12.2015	31.08.2014
Property, plant and equipment	-3,779	-9,766
Construction contracts	8,576	9,090
Other differences	-5,035	-2,665
Total temporary differences	-238	-3,341
Tax loss carried forward	-81,824	-40,894
(Translation Differences)*	-167	
Tax credits carried forward	-	-783
Base for deferred tax asset	-82,229	-45,018
Adjustments to deferred tax asset	31.12.2015	
25% deferred tax asset	-20,557	-12,155
Deferred tax asset not recognized	-20,556	-9,861
Recognized deferred tax asset	0	-2,294

*Translation differences due to tax return calculated in NOK.



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.

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 235 members, of which 202 members fall under the defined contribution plan and 33 are covered by the closed defined benefit plan.

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

Pension cost	01.09.14 - 31.12.15			01.09.2013 - 31.08.2014		
	Funded	Unfunded	Total	Funded	Unfunded	Total
Current service cost	98	176	274	125	211	336
+ Interest cost	-3	7	4	-3	8	5
- Return on plan assets	-	-	-	-	-	-
= Pension cost	95	183	278	122	220	342
+ Adm. cost	9	-	9	5	-	5
Net pension cost	104	183	287	127	220	347
+ Social security (AGA)	14	32	46	19	38	57
- Amortisation of net actuarial losses (gains)	-	41	41	-	47	47
Net periodic pension cost	118	255	374	146	257	450
Contribution defined contribution plan		1,956	1,956			
New early retirement plan	-					
Cost related to defined contribution plans	-					
Total pension cost			2,329			450

	31.12.2015			31.08.2014		
	Funded	Unfunded	Total	Funded	Unfunded	Total
Opening balance pension liability/ (asset) as of 01.01	-48	1,297	1,249	-216	2,021	1,805
Exchange rate effect	14	-389	-375			
+ NPPC during year	245	8	253	337	-355	-19
- Paid pension premium	-207	-94	-301	-168	-369	-537
Closing balance pension liability (asset) 31.12	5	821	826	-48	1,297	1,249

Pension liabilities	31.12.2015			31.08.2014		
	Funded	Unfunded	Total	Funded	Unfunded	Total
Opening balance	4,842	1,297	6,139	4,431	1,484	5,915
Exchange rate effect	-1,453	-389	-1,842			
Current service cost	99	179	278	146	246	391
Interest	166	40	206	174	52	226
Pension paid	-255	-183	-439	-217	-369	(586)
Actuarial gains and losses	276	-122	153	309	-116	193
Closing balance pension liabilities	3,675	821	4,496	4,842	1,297	6,139

>> NOTE 7 (Continued)

Pension funds	31.12.2015			31.08.2014		
	Funded	Unfunded	Total	Funded	Unfunded	Total
Opening balance	4,890		4,890	4,438		4,438
Exchange rate effect	-1,467		-1,467			
Expected return on assets	162		162	176		176
Deposits	396		396	399		399
Payment	-255		-255	-217		-217
Actuarial gains and losses	-56		-56	95		95



Adm. cost				-		-
Closing balance pension funds	3,670		3,670	4,890		4,890

Actual return on plan assets	Funded	Unfunded	Total	Funded	Unfunded	Total
Expected return on assets	276		276	309		309
Actuarial gains and losses, pension fund total	-209		-209	-214		(214)
Actuarial gains and losses, pension fund other	-56		-56	-95		(95)
Actual returns	11		11	-		-

Distribution pension funds	31.12.2015			31.08.2014		
	Funded	Unfunded	Total	Funded	Unfunded	Total
Current bonds	13.60 %			14.1 %		
Cash unit trust	25.20 %			24.1 %		
Shares	6.10 %			8.3 %		
Hold to maturity bonds	33.90 %			31.8 %		
Investments property	14.70 %			14.9 %		
Alternative investments	4.00 %			4.2 %		
Other	2.60 %			2.6 %		
Total	100 %			100 %		

Financial Assumptions	31.12.2015		31.08.2014	
	Funded	Unfunded	Funded	Unfunded
Discount rate	2.70 %	2.70 %	4.00 %	4.00 %
Expected return	2.70 %	0.00 %	4.00 %	4.00 %
Salary increase	2.75 %	2.75 %	3.75 %	3.75 %
G-regulation	2.50 %	2.50 %	3.50 %	3.50 %
Adjustment of current pension	0.00 %	2.70 %	0,60%	2,75 - 4,00%

Financial Assumptions	31.12.2015		31.08.2014	
	Funded	Unfunded	Funded	Unfunded
Discount rate	2.70 %	2.70 %	4.00 %	4.00 %
Expected return	2.70 %	0.00 %	4.00 %	4.00 %



NOTE 8 INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANY

Amounts in USD 1000

Company name	Business offices	Shares	Book value*	Voting right	Equity (accumulated loss)	Net profit (loss) 31.12.15
EMAS-AMC Pty Ltd.	Perth, Australia	100 %	2	100 %		
EMAS-AMC US Inc.	Houston, USA	100 %	143,791	100 %	-72,009	-39,043
FODE & EMAS Joint Venture Co. Ltd*	Nigeria	40 %	24,039	40 %	-423	-638
Emas Marine Base Holding Inc.	Houston, USA	100 %	99	100 %		

*Book value presented in full amount USD, not USD 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 and joint ventures 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. The financial statements for FODE & EMAS Joint Venture Co. Ltd for 2015 are unaudited.

NOTE 9 FINANCIAL RISK

CREDIT RISK

Credit risk is the risk of financial losses to company if it's customer fails to meet contractual obligations. The companies customer base is largely made up of a limited number of large energy 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 analysed and any resulting currency exposure is minimized by the use of natural hedging i.e. multi-currency contracts. For projects where there is additional currency exposure this is monitored on a month to month basis and provisions are made in order to give a fair statement for the project performance. The company occasionally uses hedging instruments to mitigate 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.

The current backlog of projects is significantly reduced compared to last year, to generate a positive operating cash flow from operations the company is dependent on securing more project or external charter agreements. Alternatively the company would require funding from parent or group companies.

INTEREST RATE RISK

The company has no significant interest rate exposure.



NOTE 10 RECEIVABLES AND DEBT

Amounts in USD 1000

Trade receivables	31.12.2015	31.08.2014
Intercompany	100,279	49,961
Trade receivables, third parties	23,443	41,294
Performed not invoiced construction	28,927	66,265
Provision for losses	-	-
Total trade receivables	152,649	157,521

Other receivables	31.12.2015	31.08.2014
Intercompany		6,885
Excess payment of tax	1,689	364
Other third-party receivables	774	7,392
Total other receivables	2,463	14,641

All receivables are due within one year.

Trade creditors	31.12.2015	31.08.2014
Intercompany	129,890	90,990
Trade payables, third parties	28,706	26,848
Total trade creditors	158,597	117,838

Other short-term liabilities	31.12.2015	31.08.2014
Inter-company	26,814	26,151
Unearned income	810	5,669
Accrued expenses	23,432	33,447
Finacial lease	1,550	-
Fuel Hedging, short term	4,133	236
Employee benefits	5,388	4,697
Total short-term creditors	62,129	70,198

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 15 million for the withholding of tax.

NOTE 12 SHARES AND SHAREHOLDERS

Parent company	Number	Face value	Recognized in USD
The share capital consists of EMAS-AMC AS has 1 shareholder as of 31.12.2015	216,116	NOK 1010	35,216,559

	Shares	Total	Share	Voting right
Ezra Holdings Ltd	216,116	-	216,116	100 %
Total	216,116	-	216,116	100 %



NOTE 13 EQUITY

Amounts in USD 1000

	Share Capital	Share Premium Reserves	Other paid-in equity	Uncovered loss	Total Equity
Equity as per 31.08.13	35,680	11,804	14,350	-57,111	4,722
Effect of Revised IAS 19, prior years				334	
Effect of Revised IAS 19, year ending 31.8.13				-100	
Net profit for the year				733	
Foreign currency translations	-463	-153	-186	722	
Equity as per 31.08.14	35,217	11,651	14,163	-55,423	5,608
Net profit for the year				-42,942	
Actuarial losses OCI				-318	
Equity as per 31.12.15	35,217	11,651	14,163	-98,683	-37,653

The company's functional currency has changed from 1 September 2014, and is now USD (previously NOK).

As a result, the company has also changed presentation currency from NOK til USD:

Opening equity balances at 1.9.2013 is translated with FX rates at 1.9.2013. Net profit for the period ended 31.8.2014 has been translated using monthly average rates. Opening balances for 1.9.2014 has been translated with FX rates as this date.

As a result, foreign currency translation effects have occurred, as listed above, the foreign currency translation effect of shar capital, share premium and other paid-in equity has been posted in retained earnings (uncovered losses)

NOTE 14 CONSTRUCTION CONTRACTS

At year end December 2015 there were 6 ongoing construction contracts

Amounts in USD 1000

Book amounts construction contracts	31.12.2015	31.08.2014
Performed not invoiced construction	28,927	66,265
Invoiced not performed construction	810	5,669
Current projects	31.12.2015	31.08.2014
Total production*	436,750	500,558
Total expenses	435,699	442,264
Estimated profit	1,051	58,294



NOTE 15 GUARANTEE LIABILITIES

Guarantee liabilities not recognized

Emas-AMC AS provides guaranties for project performance to customers on projects in the normal course of its business. These guaranties are usually from a financial institution. As of 31.12.2015 total bank guaranties issued in favour of EMAS AMC's clients amounted to USD 43.2 Million. As of 31.12.2015 bank guaranties issued by our suppliers in our favour amounted to USD 0.74 Million.

The company is also a co-guarantor for vessel loans on Lewek Falcon of USD 96 million and for the Lewek Constellation of USD 503 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.

	01.09.2014 - 31.12.2015	01.09.2013 - 31.08.2014
Transactions with related companies		
Sales to subsidiaries	17,572	15,061
Sales to parent company	1	-14
Sales to other group companies	267	
Total sales to related companies	17,839	15,048
Purchases from subsidiaries	15,406	3,253
Purchases from parent company		-
Purchases from other group companies	44,197	39,789
Total purchases from related companies	59,603	43,042



NOTE 17 COST OF SALES

	01.09.2014 - 31.12.2015	01.09.2013 - 31.08.2014
<i>Amounts in USD 1000</i>		
Bunkers	17,736	14,069
Rental of ships	143,899	87,434
Purchase of materials	99,406	49,530
Purchase of services	94,873	60,409
Others	9,391	30,333
Total	365,304	241,776

NOTE 18 FINANCIAL INSTRUMENTS

Commodity risk

Emas AMC AS has during the financial year used fuel hedging contracts to mitigate potential exposure to fluctuations in the fuel price.

The fair value of the financial instruments are based on quotations given by a third party counterpart. The quotations represent a indicative valuation of the subject transactions at the balance date using a standard methodology for transactions of this kind.

Amounts in USD 1000

	Notional am	MtM value at 31.12.15	Gain/loss booked in the income statement
Maturity shorter than 1 year	5,742	-4,133	-4,133
Total	5,742	-4,133	-4,133

Loan from Parent company

Per 31.12.2015 Emas AMC AS have the following short term loans towards its parent company:

Amounts in USD 1000

	Value at 31.12.15
Loan payable to Ezra holding	25,014



Note 19 OBLIGATIONS UNDER FINANCE LEASE

Obligations under finance leases

The company has access to a spool base facility , Gulen Base, with an estimated usefull life of fifteen years under a fifteen year finance lease. The future minimum lease payments are as follows:

	2015	2014
Within one Year	1,550	
Later than one year but within five years	6,665	
Later than five years	18,023	
	<hr/> 26,238	

the Obligation is classified as:

	2015	2014
Current Liability	1,550	
Non Current Liability	24,688	
	<hr/> 26,238	

NOTE 20 SUBSEQUENT EVENT

1. After the reporting date operations have been completed on the FSO Unity project. Per. 31.12.2015 the project was reporting a loss position, however during operations the project margins have deteriorated substantially and this will most likely have a negative effect on the operating result for 2016.

2. At the end of March 2016 the shares of Emas AMC AS were transferred from Emas-AMC Pte to EMAS CHIYODA Subsea Limited. EMAS CHIYODA Subsea Limited is a new Joint Venture between Ezra holdings Limited and Chiyoda Corporation.

As part of this transaction there is an ongoing proses of finalizing a conversion of intercompany debt to equity, which will strengthen equity with USD 61.68 million.

3. Emas-AMC AS is through its activities involved in legal proceedings, and there is currently an unresolved legal dispute. Emas-AMC AS has made a provision in the financial statements based on their best estimate on the most likely outcome. Emas-AMC AS pursues the above mentioned dispute actively with the contractual and legal remedies available, however the final outcome of the case and the timing of any potential cash flow or additional effect in the financial statements cannot currently be determined with sufficient reliability.

All activity is related to ongoing business.