



SWIBER HOLDINGS LIMITED

(Incorporated in Singapore)

(Company Registration Number :200414721N)

Full Year Financial Statement for the Year Ended 31 December 2006

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	GROUP			GROUP		
	4th Qtr of 2006	4th Qtr of 2005	+ / (-)	FY 2006	FY 2005	+ / (-)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
REVENUE	23,577	6,070	288.4	66,772	18,400	262.9
Cost of Sales	(18,876)	(3,067)	515.5	(51,462)	(10,669)	382.4
GROSS PROFIT	4,701	3,003	56.5	15,310	7,731	98.0
Other operating income	1,893	346	447.1	3,532	739	377.9
Administrative expenses	(2,573)	(1,067)	141.1	(4,794)	(1,909)	151.1
Other operating expenses	(136)	425	(132.0)	(897)	(343)	161.5
Share of profit of associated company	121	25	384.0	377	521	(27.6)
Finance costs	(178)	(70)	154.3	(550)	(105)	423.8
Profit before tax	3,828	2,662	43.8	12,978	6,634	95.6
Income tax expense	94	(138)	(168.1)	(838)	(456)	83.8
Profit after tax	3,922	2,524	55.4	12,140	6,178	96.5
Attributable to :						
Equity holders of the company	4,200	2,573	63.2	12,129	6,166	96.7
Minority Interest	(278)	(49)	467.3	11	12	(8.3)
	3,922	2,524	55.4	12,140	6,178	96.5

Notes

The Group's profit before tax is arrived at after (charging)/crediting the following :

	GROUP		GROUP	
	4th Qtr of 2006	4th Qtr of 2005	FY 2006	FY 2005
	US\$'000	US\$'000	US\$'000	US\$'000
Interest income	46	3	52	9
Interest on borrowings	(178)	(70)	(550)	(105)
Depreciation	(342)	(189)	(1,091)	(356)
Provision for doubtful debts	(107)	490	(107)	(0)
Foreign exchange gain /(Loss)	(289)	(93)	(425)	208
Gain on disposal of plant and equipment	-	231	1,052	231

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

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
	US\$'000	US\$'000	US\$'000	US\$'000
ASSETS				
Current assets :				
Cash and bank balances	11,489	2,773	128	12
Trade receivables	28,927	5,379	-	-
Other receivables	3,753	3,843	58	6,035
Due from subsidiaries	-	-	1,142	-
Assets held for sale	3,564	1,549	-	-
Total current assets	47,733	13,544	1,328	6,047
Non-current assets :				
Plant and equipment	38,582	13,107	402	-
Subsidiaries	-	-	33,546	8,438
Associated company	2,855	2,778	-	-
Joint Venture	1,800	-	-	-
Deferred tax assets	19	24	-	-
Other assets	11	26	-	-
Total non-current assets	43,267	15,935	33,948	8,438
Total assets	91,000	29,479	35,276	14,485
LIABILITIES AND EQUITY				
Current liabilities:				
Bank loans	4,376	1,261	-	-
Hire purchase creditors	49	-	39	-
Trade payables	19,736	4,617	-	-
Progress billing	3,750	-	-	-
Other payables	6,418	3,309	1,508	1,319
Due to subsidiaries	-	-	4	-
Income tax payable	261	316	-	-
Total current liabilities	34,590	9,503	1,551	1,319
Non-current liabilities:				
Bank loans	6,409	3,432	-	-
Hire purchase creditors	427	-	335	-
Employee benefits liabilities	40	32	-	-
Deferred tax liabilities	489	114	-	-
Total non-current liabilities	7,365	3,578	335	-
Capital, reserves and minority interest:				
Share capital	31,634	9,001	31,634	9,001
Share premium	-	2,412	-	2,412
Exchange translation reserve	49	(168)	-	24
Accumulated profits	16,784	4,655	1,756	1,729
Equity attributable to equity holders of the Company	48,467	15,900	33,390	13,166
Minority interest	578	498	-	-
Total equity	49,045	16,398	33,390	13,166
Total liabilities and equity	91,000	29,479	35,276	14,485

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand			
As at 31/12/2006		As at 31/12/2005	
Secured (US\$'000)	Unsecured (US\$'000)	Secured (US\$'000)	Unsecured (US\$'000)
4,425	-	1,261	-

Amount repayable after one year			
As at 31/12/2006		As at 31/12/2005	
Secured (US\$'000)	Unsecured (US\$'000)	Secured (US\$'000)	Unsecured (US\$'000)
6,836	-	3,432	-

Details of any collateral :

The Group's borrowings are secured by way of :

1. Legal mortgage over certain vessels / assets
2. Corporate guarantees from Swiber Holdings Limited (for certain loans)

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

	GROUP	
	FY 2006	FY 2005
	US\$'000	US\$'000
Cash flows from operating activities		
Profit before tax	12,978	6,634
Adjustments for :		
Interest income	(52)	(9)
Provision for doubtful debts	107	-
Finance costs	550	105
Depreciation of plant and equipment	1,091	356
Gain on disposal of plant and equipment	(1,052)	(231)
Provision for employee benefit	8	-
Share of profit of associated company	(377)	(521)
Operating cash flows before movement in working capital	<u>13,253</u>	<u>6,334</u>
Trade receivables	(23,655)	16
Other receivables	89	(622)
Other assets	15	54
Trade payables	15,119	506
Progress billing	3,750	-
Other payables	3,057	954
Cash generated from operations	<u>11,628</u>	<u>7,242</u>
Income taxes paid	(513)	(229)
Interest paid	(498)	(105)
Net cash from operating activities	<u>10,617</u>	<u>6,908</u>
Cash flow from investing activities:		
Interest received	52	9
Dividend received from associated company	300	-
Proceeds on disposal of plant and equipment	8,327	493
Purchases of plant and equipment	(35,368)	(12,472)
Investment in associates	-	(840)
Investment in joint venture	(1,800)	-
Minority interest contribution for increase in share capital of subsidiary	27	-
Pledged deposit	(2,013)	-
Net cash from / (used in) investing activities	<u>(30,475)</u>	<u>(12,810)</u>
Cash flow from financing activities:		
Repayment of bank loans	(1,836)	(596)
Proceed from issue of shares	22,341	4,212
Share issue expenses	(2,120)	-
Repayment of lease liabilities	(11)	-
New bank loans raised	7,929	4,210
Net cash from financing activities	<u>26,303</u>	<u>7,826</u>
Net increase / (decrease) in cash and bank balances	6,445	1,924
Cash and cash equivalents at beginning of the year	2,740	970
Effect of foreign exchange rate changes	258	(154)
Cash and cash equivalents at end of the year	<u>9,443</u>	<u>2,740</u>
Cash and cash equivalents consist of:		
Cash at bank	9,440	2,554
Cash on hand	3	2
Fixed deposits	2,046	217
	<u>11,489</u>	<u>2,773</u>
Less: Pledged deposits	(2,046)	(33)
Total	<u>9,443</u>	<u>2,740</u>

During the year, plant and equipment amounting to US\$488,000 (2005:US\$Nil) were acquired under finance lease

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

	Share capital	Share premium	Merger reserve	Currency translation reserves	Accumulated profit	Total	Minority interest	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
GROUP								
Balance at 1 January 2005	174	-	-	(78)	6,213	6,309	515	6,824
Issue of shares	9,001	2,412	-	-	-	11,413	-	11,413
Adjustment arising from restructuring exercise	(174)	-	(6,523)	-	-	(6,697)	-	(6,697)
Transfer from accumulated profits to merger reserve	-	-	6,523	-	(6,523)	-	-	-
Profit for the year	-	-	-	-	6,166	6,166	12	6,178
Exchange differences arising on translation of foreign operations	-	-	-	(90)	-	(90)	(29)	(119)
Dividends	-	-	-	-	(1,201)	(1,201)	-	(1,201)
Balance at 31 December 2005	9,001	2,412	-	(168)	4,655	15,900	498	16,398
GROUP								
Balance at 1 January 2006	9,001	2,412	-	(168)	4,655	15,900	498	16,398
Issue of new shares pursuant to the restructuring exercise	951	-	-	-	-	951	-	951
Issue of shares pursuant to Initial Public Offering	21,390	-	-	-	-	21,390	-	21,390
Share issue expenses	(2,120)	-	-	-	-	(2,120)	-	(2,120)
Increase of share capital of subsidiary	-	-	-	-	-	-	27	27
Adjustment arising from abolition of par value of shares **	2,412	(2,412)	-	-	-	-	-	-
Profit for the year	-	-	-	-	12,129	12,129	11	12,140
Exchange differences arising on translation of foreign operations	-	-	-	217	-	217	42	259
Balance at 31 December 2006	31,634	-	-	49	16,784	48,467	578	49,045
COMPANY								
At date of incorporation	-	-	-	-	-	-	-	-
Issue of shares	9,001	2,412	-	-	-	11,413	-	11,413
Profit for the year	-	-	-	-	2,930	2,930	-	2,930
Exchange differences arising on translation of foreign operations	-	-	-	24	-	24	-	24
Dividends	-	-	-	-	(1,201)	(1,201)	-	(1,201)
Balance at 31 December 2005	9,001	2,412	-	24	1,729	13,166	-	13,166
COMPANY								
Balance at 1 January 2006	9,001	2,412	-	24	1,729	13,166	-	13,166
Issue of new shares pursuant to the restructuring exercise	951	-	-	-	-	951	-	951
Issue of shares pursuant to Initial Public Offering	21,390	-	-	-	-	21,390	-	21,390
Share issue expenses	(2,120)	-	-	-	-	(2,120)	-	(2,120)
Adjustment arising from abolition of par value of shares **	2,412	(2,412)	-	-	-	-	-	-
Profit for the year	-	-	-	-	5	5	-	5
Exchange differences arising on translation of foreign operations	-	-	-	(24)	22	(2)	-	(2)
Balance at 31 December 2006	31,634	-	-	-	1,756	33,390	-	33,390

** As a result of the Singapore Companies (Amendment) Act 2005 which came into effect on 30 January 2006, the concept of authorised share capital and par value has been abolished. Any amount standing to the credit of share premium account has been transferred to the company's share capital on the effective date.

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

On 7 November 2006, the company issued 94,000,000 new shares pursuant to its Initial Public Offering ('IPO') at S\$0.355 per share for cash and the company was admitted on 8 November 2006 to the official list of the SGX-ST.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed below, the Group has applied the same accounting policies and methods of computation as in the consolidated financial statements of the Group for FY 2005. The Group adopted the following Financial Reporting Standards ("FRS") with effect from 1 January 2006:

FRS 1 (revised)	Presentation of Financial Statements
FRS 16 (revised)	Property, plant and equipment
FRS 19 (revised)	Employee Benefits
FRS 21 (revised)	The Effects of Changes in Foreign Exchange Rates
FRS 24 (revised)	Related Party Disclosures
FRS 32 (revised)	Financial Instruments : Disclosure and Presentation
FRS 37 (revised)	Provisions, Contingent Liabilities and Contingent Assets
FRS 28 (revised)	Intangible Assets
FRS 39 (revised)	Financial Instruments: Recognition and Measurement
FRS 101 (revised)	First-time Adoption of Financial Reporting Standards
FRS 104 (revised)	Insurance Contracts
FRS 106	Exploration for and Evaluation of Mineral Resources

The adoption of the above FRS has no material effect on the Group's financial statements

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

Please refer to item 4.

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

Earnings per Ordinary Share for the period based on net profit attributable to Shareholders :	GROUP	
	FY 2006	FY 2005
(i) Based on weighted average number of ordinary shares on issue (US cents)	4.32	2.31
(ii) On a fully diluted basis (US cents)	4.32	2.31
Weighted average number of shares in issue for basic and diluted Earnings per Ordinary Shares	280,482,192	267,399,267

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-**

- (a) **current financial period reported on; and**
 (b) **immediately preceding financial year.**

	Group		Company	
	as at 31/12/2006	as at 31/12/2005	as at 31/12/2006	as at 31/12/2005
Net asset value per ordinary share based on issued share capital at the end of the financial period (US cents)	13.13	6.36	9.05	5.27
Issue share capital at the end of the period	369,000,000	250,000,000	369,000,000	250,000,000

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

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

The Group's revenue increased by approximately US\$17.51 million or 288.4% from US\$6.07 million in the 4th quarter of FY 2005 to US\$23.58 million in the 4th quarter of FY 2006. This increase was mainly attributed to increase in revenue from our offshore EPCIC business as a result of the Group securing new contracts for the transportation and installation of offshore pipelines, jacket and top decks in Malaysia. The increase in net profit in the 4th quarter of FY 2006 was in tandem with the increase in the Group's revenue in the current year.

The Group's revenue for FY 2006 increased by approximately US\$48.37 million or 262.9% as compared to FY2005 mainly due to increase in EPCIC projects and offshore marine support (OMS) business. The net profit for FY 2006 was significantly higher at US\$12.14 million as compared to US\$6.18 million achieved in FY 2005 and the increase was in line with increase in EPCIC projects and offshore marine chartering business.

The Group's balance sheet remained healthy with total equity of US\$49.05 million and debt to equity ratio of 0.23 times as at 31 December 2006. Cash and cash equivalents increased due mainly to net cash generated from operating activities, proceed from disposal of fixed assets, proceed from issue of shares (net) and proceed from new bank loans offset by purchases of fixed assets investment in company and repayment of bank loans.

Trade receivables and trade payables as at 31 December 2006 increased considerably as compared with that of 31 December 2005 mainly due to the increased EPCIC and OMS activities in the fourth quarter of FY2006 for projects in Malaysia.

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

N/A

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

As at 31 December 2006, the Group has total outstanding order book of approximately US\$25.9m. Subsequent to year end the Group has further secured a contract of US\$14.0m and a Letter of Intent of US\$146.6m.

The increased level of offshore oil and gas exploration, development and production would increase the demand for our offshore EPCIC services. The growth in our Offshore EPCIC business is expected to translate into higher demand for our offshore marine support operations.

The encouraging outlook of the offshore oil and gas industry and barring unforeseen circumstances, our Executive Directors are confident that the Group is able to secure more contracts and FY2007 2006 will be more favourable than that of FY2006

11. **Dividend**

(a) **Current Financial Period Reported On**

Any dividend recommended for the current financial period reported on? None

(b) **Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? None

(c) **Date payable**

Not applicable

(d) **Books closure date**

Not applicable

12. **If no dividend has been declared/recommended, a statement to that effect.**

No dividend has been declared for the financial year ended 31 December 2006

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

Business segments

<u>FY 2006</u>	Group			Total
	Offshore EPCIC Services	Offshore marine support	Eliminations	
	US\$'000	US\$'000	US\$'000	
Revenue				
External sales	46,792	19,980	-	66,772
Inter-segment sales	-	54,540	(54,540)	-
Total revenue	<u>46,792</u>	<u>74,520</u>	<u>(54,540)</u>	<u>66,772</u>
Result				
Segment result	<u>10,460</u>	<u>1,548</u>		12,008
Unallocated income				1,143
Finance costs				(550)
Share of profit of associated company				377
Profit before tax				<u>12,978</u>
Income tax expense				<u>(838)</u>
Profit for the year				<u>12,140</u>

<u>FY 2006</u>	Group			Total
	Offshore EPCIC Services	Offshore marine support		
	US\$'000	US\$'000	US\$'000	
Other information				
Capital additions		1,651	31,739	33,390
Depreciation		151	913	1,064
Balance sheet				
Assets				
Segment assets		22,732	47,461	70,193
Unallocated assets				20,807
Consolidated total assets				<u>91,000</u>
Liabilities				
Segment liabilities		8,757	17,362	26,119
Unallocated liabilities				15,836
Consolidated total liabilities				<u>41,955</u>

FY 2005	Group			
	Offshore EPCIC Services	Offshore marine support	Eliminations	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Revenue				
External sales	5,934	12,466	-	18,400
Inter-segment sales	-	13,028	(13,028)	-
Total revenue	<u>5,934</u>	<u>25,494</u>	<u>(13,028)</u>	<u>18,400</u>
Result				
Segment result	<u>407</u>	<u>6,327</u>	<u>(516)</u>	6,218
Finance costs				(105)
Share of profit of associated company				<u>521</u>
Profit before tax				6,634
Income tax expense				<u>(456)</u>
Profit for the year				<u><u>6,178</u></u>

FY 2005	Group		
	Offshore EPCIC Services	Offshore marine support	Total
	US\$'000	US\$'000	US\$'000
Other information			
Capital additions	37	12,192	12,229
Depreciation	3	353	356
Balance sheet			
Assets			
Segment assets	5,818	20,883	26,701
Unallocated assets			<u>2,778</u>
Consolidated total assets			<u><u>29,479</u></u>
Liabilities			
Segment liabilities	566	7,392	7,958
Unallocated liabilities			<u>5,123</u>
Consolidated total liabilities			<u><u>13,081</u></u>

Geographical Segments

FY 2006	Group		
	Revenue⁽¹⁾	Assets⁽²⁾	Capital Expenditure⁽²⁾
	US\$'000	US\$'000	US\$'000
Singapore	11,791	54,468	29,241
Malaysia	40,543	35,395	4,312
Indonesia	6,899	1,137	265
Others	7,539	-	-
	<u>66,772</u>	<u>91,000</u>	<u>33,818</u>

FY 2005	Group		
	Revenue⁽¹⁾	Assets⁽²⁾	Capital Expenditure⁽²⁾
	US\$'000	US\$'000	US\$'000
Singapore	3,138	24,577	12,226
Malaysia	6,322	3,473	-
Indonesia	4,914	1,429	3
Others	4,026	-	-
	<u>18,400</u>	<u>29,479</u>	<u>12,229</u>

(1) The Group's operations are carried out offshore through its companies located in Singapore, Malaysia and Indonesia. Analysis of the Group's sales is by geographical market, irrespective of the origin of the work/services.

(2) Analysis of the carrying amount of segment assets and additions to the property, plant and equipment analysed by the geographical area in which the assets are located.

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

In FY2006, the Group recorded total revenue of US\$66.77m and increase of US\$48.37m. This increase is mainly due to the offshore EPCIC contracts in Malaysia for the offshore transportation and installation of pipelines and offshore production structures in Malaysia. Revenue for the offshore EPCIC segment which includes offshore marine support activities supporting the offshore EPCIC services accounted for a significant 70% of Group sales for FY2006 at US\$46.8m. The total revenue from Malaysia accounted for US\$40.54m or 60.72% of the total Revenue. Despite the increase in Revenue of the offshore EPCIC services, the gross profit margin of the Group has dropped from 42.0% in FY2005 to 22.9% in FY2006 and this is mainly due to chartering of third party derrick crane barges and vessels for the installation jobs in Malaysia.

Our revenue is project-based, and revenue contribution from each geographical location is dependent on the number and size of contracts. Therefore, the revenue contribution from each geographical location tends to vary from year to year.

15. A breakdown of sales

	Group		
	12/31/2006	12/31/2005	Increase / (Decrease)
	US\$'000	US\$'000	%
Sales reported for first half year	13,950	8,883	57.04
Operating profit after tax before deducting minority interest reported for first half year	2,591	2,283	13.49
Sales reported for second half year	52,822	9,517	455.03
Operating profit after tax before deducting minority interest reported for second half year	9,549	3,895	145.16

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Latest Year	Previous Year
	US\$'000	US\$'000
(a) Ordinary	-	-
(b) Preference	-	-
(c) Total	<u>-</u>	<u>-</u>

17. Interested Person Transactions

- (a) **Aggregate value of all interested person transactions, conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transaction less than S\$100,000).**
- (b) **Aggregate value of all interested person transactions during the financial period up to 31 December 2006 (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual)**

	FY 2006	FY 2005
	US\$'000	US\$'000
Transactions for chartering of vessels and providing services to		
Associates of Swissco International	<u>214</u>	<u>12</u>
Transactions for chartering of vessels, purchase of goods and services from		
Associates of Swissco International	<u>1,916</u>	<u>907</u>

Swissco International Limited ceased to be interested party on 08 November 2006 upon listing of the Company

BY ORDER OF THE BOARD

Goh Kim Teck
Chairman
26-Feb-07

The initial public offering of the shares of Swiber Holdings Limited was sponsored by Westcomb Capital Pte Ltd