



Ezion Holdings Limited

(Company No.: 199904364E)

Fourth Quarter Financial Statement And Dividend Announcement For The Year Ended 31 December 2014

PART1- INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

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

	Group (Fourth Quarter)		Incr/ (Decr)	Group (Year-To-Date)		Incr/ (Decr)
	3 months ended	3 months ended		12 months ended	12 months ended	
	31.12.2014	31.12.2013		31.12.2014	31.12.2013	
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	104,573	83,718	24.9	386,512	281,924	37.1
Cost of sales and servicing	(51,665)	(42,948)	20.3	(190,544)	(148,729)	28.1
Gross profit	52,908	40,770	29.8	195,968	133,195	47.1
Other income, net	36,532	2,046	N/M	45,778	28,548	60.4
Administrative expenses	(6,366)	(5,301)	20.1	(19,339)	(18,058)	7.1
Other operating expenses	(2,143)	(2,541)	(15.7)	(7,999)	(4,805)	66.5
Results from operating activities	80,931	34,974	131.4	214,408	138,880	54.4
Finance income	981	2,016	(51.3)	5,801	5,427	6.9
Finance costs	(6,571)	(3,612)	81.9	(22,488)	(12,242)	83.7
Net finance costs	(5,590)	(1,596)	250.3	(16,687)	(6,815)	144.9
Share of results of associates and jointly controlled entities (net of tax)	8,162	7,787	4.8	28,042	30,903	(9.3)
Profit before income tax	83,503	41,165	102.8	225,763	162,968	38.5
Income tax credit/(expense)	183	(700)	N/M	(2,029)	(2,640)	(23.1)
Profit after income tax	83,686	40,465	106.8	223,734	160,328	39.5
Non-controlling interest	18	46	(60.9)	(76)	60	(226.7)
Profit for the period	83,704	40,511	106.6	223,658	160,388	39.4

Profit for the period is arrived at after crediting/(charging) the following items:-

	Group (Fourth Quarter)		Incr/ (Decr)	Group (Year-To-Date)		Incr/ (Decr)
	3 months ended	3 months ended		12 months ended	12 months ended	
	31.12.2014	31.12.2013		31.12.2014	31.12.2013	
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Other income including interest income, net	37,513	4,062	N/M	51,579	33,975	51.8
Interest on borrowings	(6,571)	(3,612)	81.9	(22,488)	(12,242)	83.7
Depreciation of plant and equipment	(29,363)	(16,362)	79.5	(102,754)	(45,395)	126.4
(Impairment losses)/Reversal of impairment losses on trade receivables	(230)	(411)	(44.0)	(209)	587	N/M
Impairment loss on plant and equipment	-	(986)	N/M	-	(986)	N/M
Foreign exchange gain/(loss), net	928	(112)	N/M	1,147	1,028	11.6
Adjustment for underprovision of tax respect of prior year	-	(85)	N/M	(25)	(11)	127.3
Gain on disposal of subsidiaries, joint venture, asset held for sale and plant and equipment	34,949	2,024	N/M	35,774	19,722	81.4

N/M - not meaningful

See note 8 for more explanation on the income statement review

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

	Group		Company	
	31.12.2014 US\$'000	31.12.2013 US\$'000	31.12.2014 US\$'000	31.12.2013 US\$'000
Non-current assets				
Plant and equipment	2,135,580	1,463,967	747	688
Subsidiaries	-	-	1,043,354	742,353
Joint ventures	104,109	188,149	51,518	71,483
Associates	68,805	6,127	74,232	6,220
Other assets	13,832	5,173	132	143
	2,322,326	1,663,416	1,169,983	820,887
Current assets				
Trade receivables	159,580	107,142	4,053	5,297
Other current assets	127,555	106,542	31,651	19,456
Cash and cash equivalents	371,510	165,978	316,992	119,162
	658,645	379,662	352,696	143,915
Total assets	2,980,971	2,043,078	1,522,679	964,802
Equity				
Share capital	535,654	345,537	535,654	345,537
Perpetual securities	211,874	97,678	211,874	97,678
Redeemable exchangeable preference shares	23,464	23,464	-	-
Reserves	(21,424)	(13,273)	(980)	(108)
Retained earnings	563,059	346,936	140,734	94,521
Equity attributable to owners of the Company	1,312,627	800,342	887,282	537,628
Non-controlling interests	(6)	(94)	-	-
Total equity	1,312,621	800,248	887,282	537,628
Non-current liabilities				
Financial liabilities	892,220	652,030	103,918	88,522
Notes payable	315,532	210,786	315,532	210,786
Other payables	33,453	3,670	21,598	16,736
	1,241,205	866,486	441,048	316,044
Current liabilities				
Trade payables	69,886	69,104	40	252
Other payables	61,732	77,358	120,540	42,386
Financial liabilities	288,292	223,089	70,057	64,688
Provision for taxation	7,235	6,793	3,712	3,804
	427,145	376,344	194,349	111,130
Total liabilities	1,668,350	1,242,830	635,397	427,174
Total equity and liabilities	2,980,971	2,043,078	1,522,679	964,802

See note 8 for more explanation on the statement of financial position review

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

Amount repayable in one year or less, or on demand

As at 31.12.2014		As at 31.12.2013	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
248,542	39,750	193,339	29,750

Amount repayable after one year

As at 31.12.2014		As at 31.12.2013	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
892,220	315,532	652,030	210,786

Details of any collateral

The Group's vessels are pledged to financial institutions as security for the term loans.

1(b)(iii) Statement of comprehensive income for three months ended 31 December 2014

	Group (Fourth Quarter)			Group (Year-To-Date)		
	3 months ended		Incr/ (Decr) %	12 months ended		Incr/ (Decr) %
	31.12.2014	31.12.2013		31.12.2014	31.12.2013	
	US\$'000	US\$'000		US\$'000	US\$'000	
Profit after tax	83,686	40,465	106.8	223,734	160,328	39.5
Other comprehensive income						
<u>Items that may be reclassified subsequently to profit or loss:</u>						
Translation differences relating to financial statements of foreign operations	(3,934)	(87)	N/M	(3,676)	499	N/M
Share of foreign currency translation differences of associates	(149)	-	N/M	(149)	-	N/M
Exchange differences on monetary items forming part of net investment in foreign operations	(1,730)	120	N/M	(3,149)	(3,145)	0.1
Effective portion of changes in fair value of cash flow hedges	(633)	(670)	(5.5)	(428)	(670)	(36.1)
Exchange differences on disposal of subsidiaries to profit and loss	(782)	-	N/M	(782)	-	N/M
Other comprehensive income for the period	(7,228)	(637)	N/M	(8,184)	(3,316)	146.8
Total comprehensive income for the period	76,458	39,828	92.0	215,550	157,012	37.3
Attributable to:						
Owners of the Company	76,476	39,874	91.8	215,507	157,072	37.2
Non-controlling interests	(18)	(46)	(60.9)	43	(60)	N/M
	76,458	39,828	92.0	215,550	157,012	37.3

Note :

There are no tax effects relating to each component of other comprehensive income for the period.

N/M - not meaningful

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

	Group (Fourth Quarter)		Group (Year-To-Date)	
	3 months ended		12 months ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	US\$'000	US\$'000	US\$'000	US\$'000
Cash flows from operating activities				
Profit after tax	83,686	40,465	223,734	160,328
Adjustments for:				
Income tax (credit)/expense	(183)	700	2,029	2,640
Depreciation expense	29,363	16,363	102,754	45,395
Net gain on disposal of subsidiaries, joint venture, assets held for sales and plant and equipment	(45)	(1,816)	(870)	(19,514)
Gain on disposal of subsidiaries	(34,904)	-	(34,904)	-
Finance income	(981)	(2,016)	(5,801)	(5,427)
Finance costs	6,571	3,612	22,488	12,242
Financial guarantee income provided to joint ventures	(1,265)	(903)	(6,190)	(3,887)
Impairment loss on plant and equipment	-	986	-	986
Impairment loss on trade receivables	230	1,488	209	490
Equity-settled share-based payment transactions	478	438	2,050	1,711
Share of results of associates and jointly controlled entities	(8,162)	(7,787)	(28,042)	(30,903)
Operating cash flow before working capital changes	74,788	51,530	277,457	164,061
Changes in working capital:				
Trade receivables and other assets	(9,366)	(14,816)	(46,463)	(59,744)
Trade and other payables	9,911	36,293	(15,802)	53,402
Cash generated from operating activities	75,333	73,007	215,192	157,719
Income tax paid	(305)	(374)	(1,643)	(2,260)
Net cash from operating activities	75,028	72,633	213,549	155,459
Cash flows from investing activities				
Purchase of plant and equipment	(114,217)	(161,319)	(458,296)	(703,503)
Proceeds from disposal of plant and equipment	60	1,586	7,060	15,190
Proceeds from disposal of assets held for sale	-	22,500	-	24,850
Proceeds from disposal of joint venture	-	-	-	35,791
Proceeds from disposal of subsidiary, net of cash disposed	10,614	(242)	10,614	-
Acquisition of subsidiary, net of cash acquired	8,432	-	(18,011)	(3,477)
Advance payments for purchase of plant and equipment	(20,776)	(28,344)	(70,696)	(42,546)
Investments in joint ventures	(2,505)	(22,995)	19,026	(53,918)
Investments in associate	-	(146)	(4,417)	(1,301)
Investment in available-for-sale investment	-	1,039	(11,267)	1,039
Investment in other assets	-	(5,000)	-	(5,000)
Interest received	3,543	(1,311)	6,070	324
Net cash used in investing activities	(114,849)	(194,232)	(519,917)	(732,551)
Cash flows from financing activities				
Proceeds from borrowings	43,729	100,680	333,700	463,238
Repayment of borrowings	(48,725)	(20,870)	(162,407)	(69,314)
Proceeds from issuance of notes, net of transaction costs	-	-	198,147	136,230
Net proceeds from issuance of ordinary shares	53	-	157,547	73,912
Net proceeds from issuance of redeemable exchangeable preference shares	-	355	-	23,464
Net proceeds from issuance of perpetual securities	116,500	-	116,500	-
Redemption of perpetual securities	(2,304)	-	(2,304)	-
Repayment of notes	-	-	(79,694)	-
Release of deposits pledged	-	-	-	1,414
Dividend paid	-	-	(959)	(779)
Interest paid	(15,114)	(1,800)	(30,385)	(12,843)
Net cash from financing activities	94,139	78,365	530,145	615,322
Net increase in cash and cash equivalents	54,318	(43,234)	223,777	38,230
Cash and cash equivalents at beginning of the period	332,936	208,957	165,978	133,497
Effect of exchange rate fluctuations	(15,744)	255	(18,245)	(5,749)
Cash and cash equivalents at end of the period	371,510	165,978	371,510	165,978

See note 8 for explanation on the statement of cash flows review

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	Perpetual securities	Redeemable exchangeable preference shares	Treasury shares	Foreign currency translation reserve	Hedging reserve	Statutory reserve	Retained earnings	Total	Non-controlling interest	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Group											
At 1 January 2013	260,499	97,678	11,126	(102)	(9,733)	-	(6)	193,387	552,849	-	552,849
Total comprehensive income for the period	-	-	-	-	(2,646)	(670)	-	160,388	157,072	(60)	157,012
Translations with owners, recognised directly in equity											
Dividends	-	-	-	-	-	-	-	(779)	(779)	-	(779)
Issue of shares	73,912	-	-	-	-	-	-	-	73,912	-	73,912
Exchange of redeemable preference shares	11,126	-	12,338	-	-	-	-	-	23,464	-	23,464
Disposal of subsidiary with non-controlling interests	-	-	-	-	(116)	-	-	-	(116)	(34)	(150)
Accrued perpetual securities distributions	-	-	-	-	-	-	-	(7,771)	(7,771)	-	(7,771)
Share-based payment transactions	-	-	-	-	-	-	-	1,711	1,711	-	1,711
At 31 December 2013	345,537	97,678	23,464	(102)	(12,495)	(670)	(6)	346,936	800,342	(94)	800,248
At 1 January 2014	345,537	97,678	23,464	(102)	(12,495)	(670)	(6)	346,936	800,342	(94)	800,248
Total comprehensive income for the period	-	-	-	-	(7,723)	(428)	-	223,658	215,507	43	215,550
Translations with owners, recognised directly in equity											
Dividends	-	-	-	-	-	-	-	(959)	(959)	-	(959)
Issue of shares	190,117	-	-	-	-	-	-	-	190,117	-	190,117
Issue of perpetual securities	-	116,500	-	-	-	-	-	-	116,500	-	116,500
Accrued perpetual securities distributions	-	-	-	-	-	-	-	(8,627)	(8,627)	-	(8,627)
Redemption of perpetual securities	-	(2,304)	-	-	-	-	-	1	(2,303)	-	(2,303)
Share-based payment transactions	-	-	-	-	-	-	-	2,050	2,050	-	2,050
Changes in ownership interests in subsidiaries											
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	-	-	-	-	(6)	(6)
Disposal of subsidiary with non-controlling interests	-	-	-	-	-	-	-	-	-	51	51
At 31 December 2014	535,654	211,874	23,464	(102)	(20,218)	(1,098)	(6)	563,059	1,312,627	(6)	1,312,621

	Share capital	Perpetual securities	Treasury shares	Hedging reserve	Statutory reserve	Retained earnings	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Company							
At 1 January 2013							
Total comprehensive income for the period							
	260,499	97,678	(102)	-	(6)	68,898	426,967
	-	-	-	-	-	32,462	32,462
Translations with owners, recognised directly in equity							
Dividends	-	-	-	-	-	(779)	(779)
Issue of shares	72,373	-	-	-	-	-	72,373
Exchange of redeemable preference shares	12,665	-	-	-	-	-	12,665
Accrued perpetual securities distributions	-	-	-	-	-	(7,771)	(7,771)
Share-based payment transactions	-	-	-	-	-	1,711	1,711
At 31 December 2013	345,537	97,678	(102)	-	(6)	94,521	537,628
At 1 January 2014	345,537	97,678	(102)	-	(6)	94,521	537,628
Total comprehensive income for the period	-	-	-	(872)	-	53,748	52,876
Translations with owners, recognised directly in equity							
Dividends	-	-	-	-	-	(959)	(959)
Issue of shares	190,117	-	-	-	-	-	190,117
Issue of perpetual securities	-	116,500	-	-	-	-	116,500
Accrued perpetual securities distributions	-	-	-	-	-	(8,627)	(8,627)
Redemption of perpetual securities	-	(2,304)	-	-	-	1	(2,303)
Share-based payment transactions	-	-	-	-	-	2,050	2,050
At 31 December 2014	535,654	211,874	(102)	(872)	(6)	140,734	887,282

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

During first quarter of 2014, the Company issued 18,392,046 new ordinary shares at an issue price of S\$2.2407 per share. The newly issued shares rank pari passu in all respects with the previously issued shares. The net proceeds from the placement shares which amounted to approximately US\$32.5 million (equivalent to S\$41,211,057) was used to acquire the aggregate of 1,100,000 shares in the issued share capital of Teras Conquest 4 Pte Ltd, which represented 100% of the issued and paid-up share capital of the Teras Conquest 4 Pte Ltd.

During second quarter of 2014, the Company issued:

(i) 100,000,000 new ordinary shares at an issue price of S\$1.94 per share. The net proceeds from the placement shares which amounted to approximately US\$151.3 million is meant for acquisition of offshore and marine assets and for general working capital.

(ii) 1,848,862 new ordinary shares at an issue price of S\$2.0445 per share. The net proceeds from the placement shares which amounted to approximately US\$3 million was used to acquire the aggregate of 42,000,000 shares in the issued share capital of Alpha Energy Limited, which represented 29.8% of the enlarged issued and paid-up share capital of Alpha Energy Limited, excluding treasury shares.

(iii) 10,042,200 shares were issued under the Company's Employee Share Option Scheme.

The newly issued shares above in the second quarter of 2014 rank pari passu in all respects with the previously issued shares.

During the third quarter of 2014, the Company issued 263,136,643 ordinary shares pursuant to the bonus issue on the basis of one (1) bonus share for every five (5) existing ordinary shares. Following the issue of bonus shares, the aggregate number of issued shares increased from 1,315,683,044 shares to 1,578,819,687 shares.

During the fourth quarter of 2014, 168,000 shares were issued under the Company's Employee Share Option Scheme. The newly issued shares rank pari passu in all respects with the previously issued shares.

As at 31 December 2014, the share capital less treasury shares of the Company was 1,578,303,687 ordinary shares (1,578,987,687 issued ordinary shares less 684,000 treasury shares). As at 31 December 2013, the share capital less treasury shares of the Company was 1,184,829,936 ordinary shares (1,185,399,936 issued ordinary shares less 570,000 treasury shares).

As at 31 December 2014, there were 300 redeemable exchangeable preference shares in a subsidiary available for exchange to 19,787,830 ordinary shares of the Company and as at 31 December 2013, there were 300 redeemable exchangeable preference shares in a subsidiary available for exchange to 19,787,830 ordinary shares of the Company.

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

As at 31 December 2014, the issued and paid up share capital excluding treasury shares of the Company comprised 1,578,303,687 (31 December 2013: 1,184,829,936) ordinary shares.

As at 31 December 2014, subsidiary of the Company has 300 (31 December 2013: 300) redeemable exchangeable preference shares outstanding.

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

The movement of treasury shares are as follows:

As at 1 January 2014 = 570,000 shares

Purchase of treasury shares during the period = Nil

Transfer of treasury shares during the period = Nil

Issue of bonus treasury shares during the period = 114,000 shares

As at 31 December 2014 = 684,000 shares

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 by the Company's auditors.

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 under item 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 December 2013.

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.**

On 15 September 2014, the Company issued 263,136,643 ordinary shares pursuant to the bonus issue on the basis of one (1) bonus share for every five (5) existing ordinary shares. Following the issue of bonus shares, the aggregate number of issued shares increased from 1,315,683,044 shares to 1,578,819,687 shares. As a result, the number of ordinary shares used for the per share calculations has been adjusted for retrospectively as required by FRS 33.

The Group has adopted the new and revised FRSs and Interpretation of FRS (INT FRS) that are effective for financial periods beginning 1 January 2014. The adoption of these new and revised FRS and INT FRSs did not have material effect on the financial performance or position of the Group.

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

	Group (Fourth Quarter) 3 months ended		Group (Year-To-Date) 12 months ended	
	31.12.2014	31.12.2013 Restated	31.12.2014	31.12.2013 Restated
(a) Based on weighted average number	5.30 cts	3.15 cts	16.53 cts	13.65 cts
(b) On a fully diluted basis	5.20 cts	3.08 cts	16.17 cts	13.33 cts

Note :

Weighted average ordinary shares for calculation of:

- Basic earnings per shares	1,578,218,000	1,284,875,000	1,352,722,000	1,174,990,000
- Diluted earnings per share	1,608,344,000	1,312,852,000	1,382,848,000	1,202,967,000

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

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

	Group		Company	
	31.12.2014	31.12.2013 Restated	31.12.2014	31.12.2013 Restated
Net asset value per ordinary share based on existing issued share capital excluding treasury shares as at the end of the period reported on	83.17 cts	56.29 cts	56.22 cts	37.81 cts

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

INCOME STATEMENT REVIEW

4Q14 vs 4Q13

The Group's revenue for the three months ended 31 December 2014 ("4Q14") increased by US\$20.9 million (24.9%) to US\$104.6 million as compared to the corresponding three months ended 31 December 2013 ("4Q13"). The increase in revenue was mainly due to the chartering contribution from the deployment of additional units of the Group's multi-purpose self-propelled jack-up rig ("Liftboat") and Jack-up Rig (collectively called "Service Rigs").

The cost of sales and servicing for 4Q14 increased by US\$8.7 million (20.3%) to US\$51.7 million as compared to 4Q13. The increase corresponded with the increase in business activities.

As a result of the above, the Group's gross profit for 4Q14 improved by US\$12.1 million (29.8%) to US\$52.9 million as compared to 4Q13.

The higher other income was mainly contributed by gain from disposal of subsidiaries.

The increase in finance costs in 4Q14 was due mainly to additional interest expense for the funding of newly acquired and delivered Service Rigs.

The higher share of associates and jointly controlled entities' results in 4Q14 as compared to 4Q13 were mainly due to higher contribution from the Group's associate, Charisma Energy Services Limited.

Profit before income tax increased by US\$42.3 million (102.8%) to US\$83.5 million as a result of all the above.

Charter income derived from Singapore flagged vessels are exempted from tax under Section 13A of the Income Tax Act of Singapore. Current period income tax credit relates to overprovision of prior period's corporate tax expense.

FY2014 vs FY2013

The Group's revenue for the year ended 31 December 2014 ("FY2014") increased by US\$104.6 million (37.1%) to US\$386.5 million as compared to the corresponding year ended 31 December 2013 ("FY2013"). The increase in revenue was mainly due to the chartering contribution from the deployment of additional units of the Group's Service Rigs.

The cost of sales and servicing for FY2014 increased by US\$41.8 million (28.1%) to US\$190.5 million as compared to FY2013 corresponded to the increase in business activities.

As a result of the above, the Group's gross profit for FY2014 improved by US\$62.8 million (47.1%) to US\$196.0 million as compared to FY2013.

The higher other income was mainly contributed by gain from disposal of subsidiaries in 4Q14.

The higher administrative and other operating expenses in FY2014 as compared to FY2013 was due mainly to the enlarged management team and enhanced operating structure in tandem with the increased business activities.

The increase in finance costs in FY2014 was due mainly to additional interest expense for the funding of newly acquired and delivered Service Rigs.

The share of associates and jointly controlled entities' results was lower by US\$2.9 million in FY2014 as compared to FY2013 due to acquisition of the remaining issued share capital of jointly controlled entities and becoming fully owned subsidiaries of the Group, which is consolidated.

Profit before income tax increased by US\$62.8 million (38.5%) to US\$225.8 million as a result of all the above.

Charter income derived from Singapore flagged vessels are exempted from tax under Section 13A of the Income Tax Act of Singapore. Current year's income tax expense of US\$2.0 million relates to the corporate tax expense and withholding tax expense incurred by vessels operating in certain overseas waters.

STATEMENT OF FINANCIAL POSITION REVIEW

Non-current Assets

The Group's Non-current Assets amounted to US\$2,322.3 million as at 31 December 2014. The increase in Non-current Assets was mainly due to the acquisition and refurbishment of the Group's Service Rigs. The decrease in Joint Ventures was attributable to the acquisition of the remaining issued share capital of jointly controlled entities and becoming fully owned subsidiaries of the Group and repayments of loans provided to the jointly controlled entities during the financial year ended 31 December 2014. Aside from the share of profits from associates, the increase in Associates was due to the subscription for shares in Alpha Energy Limited and AusGroup Limited, respectively.

Current Assets

The Group's Current Assets amounted to US\$658.6 million as at 31 December 2014. The increase was due to an increase in Trade Receivables from the deployment of additional units of the Group's Service Rigs and increase in Cash and Bank balances as a result of the cash flow generated from operations, proceeds from issuance of notes and issuance of new ordinary shares to a strategic investor in 2Q14. Included in the Other Current Assets were the advance payments and deposits made for the construction of Service Rigs.

Total Liabilities

The Group's Total Liabilities amounted to US\$1,668.4 million as at 31 December 2014. The increase in Non-current Financial Liabilities was due mainly to the issuance of notes and additional drawdown of bank borrowings to finance the progress construction, acquisition, conversion and refurbishment of the Group's Service Rigs. Included in other payables were the advance payments and performance deposits received.

Total Equity

The increase in Total Equity was attributable mainly to the profit derived in the year and issuance of new ordinary shares and perpetual securities.

STATEMENT OF CASH FLOWS REVIEW

Cash Flow from Operating Activities

The Group's net cash inflow from operating activities was US\$213.5 million. This was mainly due to the net cash generated by the operations of the Group.

Cash Flow from Investing Activities

The Group's net cash used in investing activities was US\$519.9 million. This was mainly due to the progress payments made and the deployment of funds towards the purchase and refurbishment of the Group's Service Rigs. The net cash used in investing activities was partially offset by proceeds from repayments of loans from joint ventures and disposal of subsidiaries.

Cash Flow from Financing Activities

The Group's net cash inflow from financing activities US\$530.1 million. This was mainly due to the increase in bank borrowings to finance the Group's Service Rigs, issuance of notes and issuance of perpetual securities. This is partially offset by repayments of bank borrowings and notes during the year.

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

In line with the prospect statement made in 3Q14.

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

The oil and gas industry as a whole faces a challenging year ahead in view of the drastic decrease in the prices of fossil fuel over the last four months. Going forward, the management expects oil majors to reduce exploration and development activities and to cut corresponding capital expenditure, and to re-focus on extraction from existing infrastructure. The Group will continue to focus its effort in growing its Service Rig Division to support its customers to better cope with the current environment.

Following the successful restructuring on its port and marine supply base business in Australia into AusGroup Limited in 4Q14, the Group has further strengthened its balance sheet and increased management focus to further grow its Service Rig business. Ezion expects more of its service rigs to be deployed in FY15 and will also endeavour to explore strategic tie-up to further enhance its business.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Final
Dividend Type	Cash
Dividend Rate	SGD0.001 per ordinary share
Tax Rate	Tax exempt (one-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Final
Dividend Type	Cash
Dividend Rate	SGD0.001 per ordinary share
Tax Rate	Tax exempt (one-tier)

(c) Date payable

To be announced at a later date.

(d) Books closure date

To be announced at a later date.

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

Not applicable.

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

There was no interested person transaction during the period under review.

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

Not applicable.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

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

Business Segments

	Offshore Logistic Support Services	Service Rigs	Total operations
Year ended 31 December 2014	US\$'000	US\$'000	US\$'000
Revenue	87,645	298,867	386,512
Reportable segment results from operating activities	24,203	162,122	186,325
Other income	35,004	10,774	45,778
Share of results of associates and joint ventures, net of tax	3,727	24,315	28,042
Finance income	104	5,697	5,801
Finance expense	(5,287)	(17,201)	(22,488)
Unallocated share of results of associates, net of tax			-
Unallocated expenses			(17,695)
Profit before income tax			225,763
Income tax expense			(2,029)
Profit for the year			223,734
Reportable segment assets	429,809	2,063,178	2,492,987
Investment in associates and joint ventures	95,077	77,837	172,914
Unallocated assets			315,070
Total assets			2,980,971
Reportable segment liabilities	233,116	1,408,898	1,642,014
Unallocated liabilities			26,336
Total liabilities			1,668,350
Capital expenditure	27,297	492,033	519,330
Unallocated capital expenditure			330
Total capital expenditure			519,660
Other material non-cash items:			
Depreciation	17,185	85,319	102,504
Unallocated depreciation			250
Total depreciation			102,754
Gain on disposal of subsidiaries, joint venture, assets held for sale, and plant and equipment	35,774	-	35,774
Impairment loss on trade receivables	-	(209)	(209)

Business Segments (Cont'd)

	Offshore Logistic Support Services	Service Rigs	Total operations
Year ended 31 December 2013	US\$'000	US\$'000	US\$'000
Revenue	111,416	170,508	281,924
Reportable segment results from operating activities	34,124	93,028	127,152
Other income	19,343	9,205	28,548
Share of results of joint ventures, net of tax	2,280	28,623	30,903
Finance income	852	4,575	5,427
Finance expense	(4,564)	(7,678)	(12,242)
Unallocated expenses			(16,820)
Profit before income tax			162,968
Income tax expense			(2,640)
Profit for the year			160,328
Reportable segment assets	493,725	1,205,519	1,699,244
Investment in joint ventures	60,058	128,091	188,149
Unallocated assets			155,685
Total assets			2,043,078
Reportable segment liabilities	303,773	914,904	1,218,677
Unallocated liabilities			24,153
Total liabilities			1,242,830
Capital expenditure	191,559	536,183	727,742
Unallocated capital expenditure			194
Total capital expenditure			727,936
Other material non-cash items:			
Depreciation	14,204	30,920	45,124
Unallocated depreciation			271
Total depreciation			45,395
Gain on disposal of assets held for sale, subsidiary and plant and equipment	17,809	1,705	19,514
Impairment loss on plant and equipment	(986)	-	(986)
Impairment loss on trade receivables	(490)	-	(490)

Geographical segments

	Revenue		Non-current assets ⁽¹⁾		Capital expenditure	
	2014 US\$'000	2013 US\$'000	2014 US\$'000	2013 US\$'000	2014 US\$'000	2013 US\$'000
Singapore	24,801	50,722	1,369,511	1,035,678	219,686	387,749
Australia	56,187	96,554	9,056	35,446	16,273	34,513
Asia	150,187	66,658	303,984	37,774	215,456	173,991
Europe	128,979	61,917	340,211	289,110	56,642	125,383
Other countries	26,358	6,073	112,818	65,959	11,603	6,300
	386,512	281,924	2,135,580	1,463,967	519,660	727,936

(1) Non-current assets presented consist of plant and equipment

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

Refer to item 8.

17. A breakdown of sales as follow:-

	Group		
	2014 US\$'000	2013 US\$'000	Increase/ (decrease) %
First Half			
(a) Revenue	187,069	122,027	53.3
(b) Profit after tax	90,596	80,564	12.5
Second Half			
(c) Revenue	199,443	159,897	24.7
(d) Profit after tax	133,138	79,764	66.9

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

	Latest Full Year (US\$'000)	Previous Full Year (US\$'000)
Ordinary	1,168	936
Preference	-	-
Total:	1,168	936

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

Pursuant to Rule 704(13) of the listing manual of the Singapore Exchange Securities Trading, the Company confirms that there is no person occupying a managerial position in the Company or in any of its subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Lim Ka Bee
Company Secretary
16 February 2015