

Pacific International Lines (Private) Limited
Consolidated Income Statements
For the financial year ended 31 December 2019

	Group	
	Unaudited	Audited
	2019	2018
	US\$'000	US\$'000
Turnover	3,475,422	4,490,573
Other operating income	17,660	18,409
Changes in inventories of finished goods and work in progress	17,188	76,607
Raw material and consumables used	(545,580)	(1,377,444)
Investment and interest income	6,434	7,145
Staff costs	(209,229)	(311,881)
Depreciation	(347,876)	(233,073)
Amortisation of intangible assets	(2,706)	(2,372)
Allowance of impairment losses, net	(589,954)	(818)
Gain on disposal of shares in subsidiaries	7,771	58,277
Gain/(loss) on disposal of shares in associates and joint ventures	9,391	(2,325)
Gain on disposal of shares in investments	283	-
Fair value changes in:		
- investments, at fair value through profit or loss, net	(20,059)	(16,716)
- derivative financial instruments, net	(5,411)	(777)
Foreign exchange differences	(8,499)	12,295
Shipping expenses	(2,157,535)	(2,413,250)
Administration and non-shipping expenses	(214,120)	(282,145)
Finance costs	(243,591)	(207,609)
Share of results of associates and joint ventures	5,136	11,945
Loss before taxation	(805,275)	(173,159)
Taxation	(44,804)	(35,164)
Loss for the year	(850,079)	(208,323)

The significant losses in 2019 were primarily due to non-cash impairment charges of approximately \$600 million, arising from motor vessels which were written down to their net realisable values. Most of these motor vessels are expected to be disposed as part of the Company's asset disposal plan.

Pacific International Lines (Private) Limited
Consolidated Balance Sheets
As at 31 December 2019

	Group	
	Unaudited 2019 US\$'000	Audited 2018 US\$'000
Non-Current Assets		
Fixed assets	1,555,039	4,656,702
Right-of use-assets	1,855,431	-
Investment property	18,504	18,068
Intangible assets	26,275	33,316
Subsidiaries	-	-
Associates and joint ventures	119,723	143,641
Investments	28,730	79,691
Deferred tax assets	512	611
Deferred transaction costs	44,116	50,406
Prepayments	1,212	4,460
Derivative financial instruments	-	1,061
Amounts due from related companies	-	-
Amounts due from holding company	147,294	147,294
	3,796,836	5,135,250
Current Assets		
Investments	3,145	693
Stocks	124,256	295,687
Trade debtors	231,537	450,731
Other debtors	98,495	155,209
Contract assets	11,316	11,927
Deferred transaction costs	6,290	6,366
Prepayments	10,549	14,577
Derivative financial instruments	863	42
Amounts due from related companies	38,244	34,190
Short-term fixed deposits, secured	861	51,925
Cash and short-term deposits	218,718	227,200
	744,274	1,248,547
Assets classified as held for sale	655,522	-
	1,399,796	1,248,547
Current Liabilities		
Derivative financial instruments	8,045	1,354
Trade creditors	405,970	522,606
Loans	1,137,697	882,190
Lease liabilities	232,809	-
Lease creditors	-	102,898
Bills payable	1,608	80,236
Other creditors and accruals	146,328	214,811
Contract liabilities	126,291	118,603
Amounts due to related companies	109,523	261,053
Notes	44,246	79,567
Provision for taxation	22,964	4,804
	2,235,481	2,268,122
Liabilities associated with assets classified as held for sale	52,787	-
	2,288,268	2,268,122
Net Current Liabilities	(888,472)	(1,019,575)

Pacific International Lines (Private) Limited
Consolidated Balance Sheets
As at 31 December 2019

	Group	
	Unaudited 2019 US\$'000	Audited 2018 US\$'000
Non-Current Liabilities		
Loans	218,641	1,073,657
Amounts due to related companies	181,164	20,448
Notes	-	43,630
Lease liabilities	1,665,539	-
Lease creditors	-	1,258,360
Other creditors	25,109	17,437
Deferred tax liabilities	6,792	13,554
	2,097,245	2,427,086
Net Assets	811,119	1,688,589
Equity attributable to equity holders of the Company		
Share capital	376,127	376,127
Capital reserve	29,946	38,798
Revaluation reserve	4,175	4,735
Fair value reserve	5,377	6,590
Hedging reserve	16	16
Foreign currency translation reserve	(13,442)	(14,136)
Share options reserve	621	631
Other reserve	8,797	8,961
Revenue reserve	27,262	817,291
Reserves of disposal group held for sale	(753)	-
	438,126	1,239,013
Non-controlling interests	372,993	449,576
Total equity	811,119	1,688,589

Pacific International Lines (Private) Limited
Statement of Consolidated Cash Flow
For the year ended 31 December 2019

	Group	
	Unaudited 2019 US\$'000	Audited 2018 US\$'000
Cash flows from operating activities		
Loss before taxation	(805,275)	(173,159)
Adjustments for:		
Amortisation of intangible assets	2,706	2,372
Depreciation	347,876	233,073
Dividend income from investments	(2,304)	(1,401)
Fair value changes in investments	20,059	16,716
Net fair value changes in derivative financial instruments	5,411	777
Fixed assets written off, net of amount recovered	8,581	1,652
Right-of-use assets written off, net of amount recovered	14,847	-
Gain on disposal of fixed assets, net	2,994	32,375
Gain on termination of right-of-use assets	(1,109)	-
Gain on revaluation of investment property	(436)	-
Gain on disposal of shares in subsidiaries	(7,771)	(58,277)
(Gain)/loss on disposal of shares in associates and joint ventures	(9,391)	2,325
Gain on disposal of shares in investments	(283)	-
Interest income	(4,130)	(5,744)
Interest expense	225,640	193,176
Amortisation of deferred transaction costs	13,005	10,240
Amortisation of Note issuance costs	1,443	1,402
Write-back of impairment loss on associates and joint ventures	(1,100)	(113)
Write-back of impairment loss on long-term loans to associates of a subsidiary	(12)	(45)
Allowance of impairment loss on fixed assets	405,864	-
Allowance of impairment loss on right-of-use assets	181,193	-
Allowance of impairment loss on trade debtors and other debtors	3,911	880
Allowance of impairment loss on amount due from holding company/related companies	98	96
Share of results of associates and joint ventures	(5,136)	(11,945)
Gain on bargain purchase	-	(1,565)
Currency realignment	7,212	14,589
Operating income before working capital changes	403,893	257,424
Decrease in prepayments, trade and other debtors	96,971	130,828
Decrease in stocks	13,563	17,421
Decrease in trade and other creditors and accruals	(69,896)	(28,314)
Decrease in bills payable	(25,182)	(131,597)
Cash flows generated from operations	419,349	245,762
Interest income received	3,586	5,661
Interest paid	(211,279)	(173,944)
Income taxes paid	(19,985)	(27,928)
Freight taxes paid	(9,715)	(6,820)
Net cash flows generated from operating activities	181,956	42,731

Pacific International Lines (Private) Limited
Statement of Consolidated Cash Flow
For the year ended 31 December 2019

	Group	
	Unaudited 2019 US\$'000	Audited 2018 US\$'000
Cash flows from investing activities		
(Additional)/repayment of loan by a subsidiary's associates and joint ventures	(1,586)	9,159
Repayment of/(additional) loan by an associates and joint ventures	4,943	(2,317)
Additional investment in associates and joint ventures, net	(3,881)	(12,485)
Increase in investments	(46)	(10,342)
Proceeds from sales of investments	26,821	-
Cash inflow arising from disposal of subsidiaries	445,389	31,684
Cash inflow arising from disposal of associates and joint ventures	19,564	203
Cash inflow arising from acquisition of subsidiaries	225	2,288
Dividends from associates and joint ventures	6,670	10,315
Dividends from investments	2,304	1,401
Addition of other intangible assets	(372)	(575)
Proceeds from assets held for sale	-	13
Proceeds from sales of fixed assets	26,700	108,444
Proceeds from sales of fixed assets written off	1,370	466
Purchase of fixed assets	(119,543)	(203,376)
Net cash flows generated from/(used in) investing activities	408,558	(65,122)
Cash flows from financing activities		
Acquisition of non-controlling interests without a change in control	-	(8,756)
Dividends paid by subsidiaries to non-controlling interests	(17,956)	(9,934)
Withdrawal/(placement) of short-term fixed deposits, secured	51,064	(50,774)
Capital contribution by subsidiaries to non-controlling interests	108	-
Proceeds from loans	840,199	775,011
Repayment of loans	(1,357,028)	(868,856)
Proceeds from issuance of Notes	50,000	80,000
Repayment of Notes	(130,000)	(70,391)
Payment of transaction costs related to issuance of Notes	(1,009)	(1,043)
Payment of transaction costs related to loans	(2,900)	(2,836)
Increase in net amounts due to associates and joint ventures	7,856	38,714
Decrease in net amounts due to related companies	(3,046)	(10,616)
Increase in net amounts due to directors	16,282	168
Cash payment for the principal portion of lease liability	(43,499)	-
Increase in amount due to lease creditors, net	-	79,901
Net cash flows used in financing activities	(589,929)	(49,412)
Net increase/(decrease) in cash and cash equivalents	585	(71,803)
Net decrease in cash and cash equivalents reclassified to assets held for sale	(9,124)	-
Effect of exchange rate changes on cash and cash equivalents	(1,267)	(5,212)
Cash and cash equivalents at beginning of year	227,200	304,215
Cash and cash equivalents at end of year	217,394	227,200