

**FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

The Board of Directors (“the Board”) of Falcon Energy Group Limited (“the Company, and together with its subsidiaries, “the Group”) hereby announce the unaudited consolidated results of the Group for the financial year ended 30 June 2019 (“FY2019”).

The Board refers to the Company’s previous announcements under “Scheme Of Arrangement – Corporate Debt Restructuring : Scheme Document and Notice of Scheme Meeting” dated 10 February 2021 and 7 August 2020, and the subsequent update announcements.

In the attempt to restructure the Company, the Company’s secured creditors had ordered that their pledged assets be sold in the market for the purpose of partial repayment of outstanding amounts.

At the date of this report, the following assets have been sold or marked for sale :

Disposed Assets - Vessels						
No.	Date	Description	Secured / Pledged	Disposal Amount (USD)	Impairment (USD)	Utilisation of proceeds
1	24-Apr-19	T4	Noteholders and trustees	689,810.00	-	Settlement of Cost of Sale; and to be distributed trustee's professional fees
2	30-Sep-20	Energy Miner	OCBC Ltd	234,900.00	5,434,970	Partial repayment of the said vessel's loan with OCBC
				IDR3.5 Billion		
3	11-May-21	Garuda Emas	MayBank Berhad	2,500,000.00	8,597,821	Settlement of Cost of Sale; Partial repayment of the said vessel's loan with Maybank
4	16-Nov-21	Berani	CIMB Bank	7,000,000.00	21,501,117	Settlement of Cost of Sale; Partial repayment of the said vessel's loan with CIMB
5	15-Jan-22	K300	CIMB Bank	120,000.00	19,191,008	Settlement of Cost of Sale; Partial repayment of the said vessel's loan with CIMB
6	20-Jan-22	Falcon Warrior	AmBank	2,250,000.00	13,256,571	Settlement of Cost of Sale; Partial repayment of the said vessel's loan with Ambank
7	20-Jan-22	SS3	AmBank	2,250,000.00	7,115,446	Settlement of Cost of Sale; Partial repayment of the said vessel's loan with Ambank
Disposal In Progress - Vessels						
No.	Date	Description	Secured / Pledged	Disposal Amount (USD)	Impairment (USD)	Utilisation of proceeds
1	TBA	Bayu Laut	CIMB Bank	950,000.00	6,525,518	Settlement of Cost of Sale; Partial repayment of the said vessel's loan with CIMB
2	TBA	Bayu Constructor	MayBank	1,200,000.00	2,664,192	Settlement of Cost of Sale; Partial repayment of the said vessel's loan with Maybank

The consolidated financial statements of the Group were drawn up based on records and data after the impairments of all vessels of a total of USD88.43 million.

FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2019

PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENT OF FULL YEAR RESULTS

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

THE GROUP			
	FY 2019 US\$'000	FY 2018 US\$'000	Increase/ (Decrease) %
<b>Revenue</b>	29,433	44,537	-33.9%
Cost of sales	(22,923)	(24,572)	-6.7%
<b>Gross profit before direct depreciation</b>	6,510	19,965	-67.4%
Direct depreciation	(13,556)	(29,501)	-54.0%
<b>Gross (loss)/profit after direct depreciation</b>	(7,046)	(9,536)	
Other operating income	13,745	2,209	522.2%
Other expenses	(245,323)	(52,629)	366.1%
Administrative expenses	(15,445)	(19,213)	-19.6%
Finance costs	(5,457)	(10,050)	-45.7%
Share of net loss of associates and joint ventures	(3,595)	(4,234)	-15.1%
<b>Loss before income tax</b>	(263,121)	(93,453)	181.6%
Income tax (expense)/credit	(257)	9	NM
<b>Loss for the year</b>	(263,378)	(93,444)	181.9%
Loss for the year attributable to:			
Owners of the Company	(247,118)	(76,437)	223.3%
Non-controlling interests	(16,260)	(17,007)	-4.4%
<b>Loss for the year</b>	(263,378)	(93,444)	181.9%
<b>1(a)(ii) Statement of Comprehensive income</b>			
<b>Loss for the year</b>	(263,378)	(93,444)	181.9%
Other comprehensive income :			
Foreign currency translation of foreign entities	-	65	-100.0%
<b>Total comprehensive loss for the year</b>	(263,378)	(93,379)	182.1%
Total comprehensive loss attributable to:			
Owners of the company	(247,118)	(76,395)	223.5%
Non-controlling interests	(16,260)	(16,984)	-4.3%
<b>Total comprehensive loss for the year</b>	(263,378)	(93,379)	182.1%

**Notes:**

NM = Not meaningful

**1(a)(iii) Loss before income tax is arrived at after charging / (crediting):-**

	<b>THE GROUP</b>	
	<b>FY 2019</b>	<b>FY 2018</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Depreciation and amortisation expenses	14,081	30,442
Exchange loss/(gain) - net	1,695	2,343
Interest expense	5,457	10,050
Interest income	(26)	(196)
Loss on disposal of property, plant and equipment	478	11
Property, plant and equipment written off	-	6
Allowance for doubtful trade receivables	40,484	2,904
Allowance for doubtful other receivables	-	7,252
Allowance for impairment of property, plant and equipment	88,429	24,636
Allowance for impairment in investment in joint venture	-	6,243
Allowance for impairment in investment in associated companies	21,352	239
Gain on disposal of subsidiaries	(9,096)	-
Loss on dilution of subsidiary to associate	7,936	-
Bad debts recovered	993	(261)
Write off of other receivables	-	11,355
Provision for onerous contract	87,100	-

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

	THE GROUP		THE COMPANY	
	30/6/2019 US\$'000	30/6/2018 US\$'000	30/6/2019 US\$'000	30/6/2018 US\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances	1,641	4,576	10	37
Trade receivables	7,121	48,859	-	-
Other receivables	7,517	26,745	276	272
Inventories	220	282	-	-
Assets held for sale	2,251	114,846	-	-
<b>Total current assets</b>	<b>18,750</b>	<b>195,308</b>	<b>286</b>	<b>309</b>
<b>Non-current assets</b>				
Other receivables	1,193	1,193	-	-
Property, plant and equipment	41,269	151,168	11	63
Subsidiaries	-	-	42,446	42,140
Associates	18,862	4,683	*	*
Joint venture	-	3,751	*	*
Available-for-sale investments	2,098	2,098	2,098	2,098
Other intangible assets	-	186	-	-
Deferred tax assets	339	541	-	-
Assets held for sale	-	7,581	-	-
<b>Total non-current assets</b>	<b>63,761</b>	<b>171,201</b>	<b>44,555</b>	<b>44,301</b>
<b>Total assets</b>	<b>82,511</b>	<b>366,509</b>	<b>44,841</b>	<b>44,610</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Trade payables	10,972	13,342	-	-
Other payables	126,159	44,678	164,164	141,469
Finance leases	10	106	-	11
Borrowings	92,487	114,192	21,984	39,454
Income tax payable	32	3,366	-	-
Current liabilities associated with assets held for sales	-	31,021	-	-
<b>Total current liabilities</b>	<b>229,660</b>	<b>206,705</b>	<b>186,148</b>	<b>180,934</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	5,100	5,100	-	-
Other payables	778	14,011	-	-
Finance leases	2	191	-	-
Notes payables	36,982	36,657	36,982	36,657
Liabilities associated with assets held for sale	-	6,831	-	-
<b>Total non-current liabilities</b>	<b>42,862</b>	<b>62,790</b>	<b>36,982</b>	<b>36,657</b>
<b>Capital and reserves</b>				
Share capital	231,009	231,009	231,009	231,009
Treasury shares	(4,114)	(4,114)	(4,114)	(4,114)
Capital reserve	(1,451)	(19,608)	-	11,824
Share-based payments	-	639	-	639
Merger reserve	(151,692)	(151,692)	-	-
Foreign currency translation reserve	323	(362)	-	-
Accumulated (loss)/profits	(264,808)	(412)	(405,184)	(412,339)
<b>Equity attributable to owners of the Company</b>	<b>(190,733)</b>	<b>55,460</b>	<b>(178,289)</b>	<b>(172,981)</b>
Non-controlling interests	722	41,554	-	-
<b>Total equity</b>	<b>(190,011)</b>	<b>97,014</b>	<b>(178,289)</b>	<b>(172,981)</b>
<b>Total liabilities and equity</b>	<b>82,511</b>	<b>366,509</b>	<b>44,841</b>	<b>44,610</b>

**Notes:**

\* Amount less than US\$1,000

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

	<b>THE GROUP</b>			
	<b>As at 30/6/2019</b>		<b>As at 30/6/2018</b>	
	<b>Secured US\$'000</b>	<b>Unsecured US\$'000</b>	<b>Secured US\$'000</b>	<b>Unsecured US\$'000</b>
Amount repayable in one year or less, or on demand	92,497	-	114,298	-
Amount repayable after one year	36,984	-	36,848	-
<b>Total</b>	<b>129,481</b>	<b>-</b>	<b>151,146</b>	<b>-</b>

**Details of any collateral:**

- 1) The Group's borrowings are secured by:
  - i) corporate guarantee from Company and certain subsidiaries;
  - ii) legal mortgages over the relevant property;
  - iii) legal mortgages over certain vessels of the Group;
  - iv) certain fixed deposits and bank balances;
  - v) assignment of certain vessels' charter hire income and insurance policies; and
  - vi) pledge of a subsidiary's shares.
  
- 2) Obligations under finance lease are secured by the lessor's charge over the leased assets.

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

	<b>THE GROUP</b>	
	<b>FY 2019 US\$'000</b>	<b>FY 2018 US\$'000</b>
<b>Cash flows from operating activities</b>		
Loss before income tax	(263,121)	(93,453)
Adjustments for:		
Allowance for doubtful trade receivables	40,484	2,904
Allowance for doubtful other receivables	-	7,252
Allowance for impairment in investment in joint venture	-	6,243
Allowance for impairment in associated companies	21,352	239
Allowance for impairment of property, plant and equipment	88,429	24,636
Trade receivables written back	(993)	(261)
Depreciation and amortisation expenses	14,081	30,442
Exchange difference	1,695	2,343
Interest expense	5,457	10,050
Interest income	(26)	(196)
Loss on disposal of property, plant and equipment	478	11
Gain on disposal of subsidiaries	(9,096)	-
Loss on dilution of subsidiary to associate	7,936	-
Property, plant and equipment written off	-	6
Share of net loss/(profit) of associates and joint ventures	3,595	4,234
Write off of other receivables	-	11,355
Provision of onerous contract	87,100	-
Operating cash flows before movements in working capital	<u>(2,629)</u>	<u>5,805</u>
Inventories	(91)	590
Trade receivables	(4,454)	87
Other receivables	1,108	(291)
Trade payables	4,290	(1,797)
Other payables	1,700	774
Cash generated from operations	<u>(76)</u>	<u>5,168</u>
Income tax expense	(124)	-
<b>Net cash (used in) / generated from operating activities</b>	<u>(200)</u>	<u>5,168</u>
<b>Cash flows from investing activities</b>		
Interest received	26	196
Proceeds from assets held for sale	29,419	5,449
Net cash inflow from dilution of interest in a subsidiary	(608)	-
Fixed deposits and bank balances pledged	(108)	1,140
Purchases of property, plant and equipment	(2,104)	(4,156)
Proceeds from disposal of property, plant and equipment	-	310
<b>Net cash generated from investing activities</b>	<u>26,625</u>	<u>2,939</u>



<b>THE GROUP</b>		
	<b>FY 2019</b>	<b>FY 2018</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Cash flows from financing activities</b>		
Interest paid	(1,598)	(5,375)
Repayment of finance lease obligations	(30)	(191)
Repayment of borrowings	(20,979)	(6,974)
Repayment of liabilities associated with assets held for sale	(6,864)	(3,465)
Advance from related parties	-	2,500
Proceeds of borrowings	-	2,951
Proceeds from issuance of shares	-	1,481
<b>Net cash used in financing activities</b>	<b>(29,471)</b>	<b>(9,073)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(3,046)</b>	<b>(966)</b>
Effect of exchange rate changes	2	83
Cash and cash equivalents at beginning of the year	4,386	9,518
<b>Cash and cash equivalents at end of the year (Note)</b>	<b>1,342</b>	<b>8,635</b>
<b>Cash and cash equivalents represent:</b>		
Bank and cash balance	1,524	7,626
Fixed deposits	117	1,199
	1,641	8,825
Less : fixed deposits and bank balances pledged	(299)	(190)
<b>Cash and cash equivalents in statement of cash flows</b>	<b>1,342</b>	<b>8,635</b>

**Note:**

	<b>FY2019</b>	<b>FY2018</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Cash and bank balances as per Consolidated Statement of Financial Position	1,342	4,386
Cash and bank balances reclassified to Non-current assets held for sales	-	4,249
Cash and cash equivalents as per above	1,342	8,635

**FALCON ENERGY GROUP LIMITED**

Registration No. 200403817G



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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding

	Share capital US\$'000	Treasury shares US\$'000	Capital reserve US\$'000	Share option reserve US\$'000	Merger reserve US\$'000	Foreign currency translation reserve US\$'000	Accumulated profits/(losses) US\$'000	Total attributable to equity holders of the parent US\$'000	Non-controlling interests US\$'000	Total US\$'000
<b>THE GROUP</b>										
<b>Balance as at 1 July 2018</b>	231,009	(4,114)	(19,608)	639	(151,692)	(362)	(412)	55,460	41,554	97,014
<b>Total comprehensive income for the year</b>										
Loss for the year	-	-	-	-	-	-	(247,118)	(247,118)	(16,260)	(263,378)
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	(247,118)	(247,118)	(16,260)	(263,378)
<b>Transactions with owners of the Company, recognised directly in equity</b>										
Transfer of share option reserve to accumulated profits/(losses)	-	-	-	(639)	-	-	639	-	-	-
Subsidiaries diluted	-	-	29,781	-	-	-	(29,741)	40	(18,277)	(18,237)
Transfer of unexercised warrant reserve to accumulated profit/(losses)	-	-	(11,824)	-	-	-	11,824	-	-	-
Disposal of interest in subsidiaries	-	-	200	-	-	685	-	885	(6,295)	(5,410)
<b>Total</b>	-	-	18,157	(639)	-	685	(17,278)	925	(24,572)	(23,647)
<b>Balance as at 30 June 2019</b>	231,009	(4,114)	(1,451)	-	(151,692)	323	(264,808)	(190,733)	722	(190,011)
<b>Balance as at 1 July 2017</b>	229,528	(4,114)	(19,608)	639	(151,692)	(404)	76,025	130,374	58,538	188,912
<b>Total comprehensive income for the year</b>										
Loss for the year	-	-	-	-	-	-	(76,437)	(76,437)	(17,007)	(93,444)
Other comprehensive income for the year	-	-	-	-	-	42	-	42	23	65
<b>Total</b>	-	-	-	-	-	42	(76,437)	(76,395)	(16,984)	(93,379)
<b>Transactions with owners of the Company, recognised directly in equity</b>										
Issuance of share capital	1,481	-	-	-	-	-	-	1,481	-	1,481
<b>Total</b>	1,481	-	-	-	-	-	-	1,481	-	1,481
<b>Balance as at 30 June 2018</b>	231,009	(4,114)	(19,608)	639	(151,692)	(362)	(412)	55,460	41,554	97,014



	Share capital US\$'000	Treasury shares US\$000	Capital reserve US\$000	Share option reserve US\$'000	Accumulated profits US\$'000	Total US\$'000
<b>THE COMPANY</b>						
<b>Balance as at 1 July 2018</b>	231,009	(4,114)	11,824	639	(412,339)	(172,981)
Loss for the year representing total comprehensive income for the year	-	-	-	-	(5,308)	(5,308)
<b>Transaction with owners of the Company, recognised directly in equity</b>						
Transfer of expired warranty reserve	-	-	(11,824)	-	11,824	-
Transfer of share option reserve	-	-	-	(639)	639	-
<b>Balance as at 30 June 2019</b>	<b>231,009</b>	<b>(4,114)</b>	<b>-</b>	<b>-</b>	<b>(405,184)</b>	<b>(178,289)</b>
<b>Balance as at 1 July 2017</b>	229,528	(4,114)	11,824	639	(338,375)	(100,498)
Loss for the year representing total comprehensive income for the year	-	-	-	-	(73,964)	(73,964)
<b>Transaction with owners of the Company, recognised directly in equity</b>						
Issuance of share	1,481	-	-	-	-	1,481
<b>Total</b>	<b>1,481</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,481</b>
<b>Balance as at 30 June 2018</b>	<b>231,009</b>	<b>(4,114)</b>	<b>11,824</b>	<b>639</b>	<b>(412,339)</b>	<b>(172,981)</b>

**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 issue, as at the end of the current financial periods reported on and as at the end of the corresponding period of the immediately preceding financial year.**

	No. of shares	
	30 June 2019	30 June 2018
<b>Issued ordinary shares</b>		
Balance at the beginning of the financial year	893,442,375	823,442,375
Placement of new shares	-	70,000,000
	<u>893,442,375</u>	<u>893,442,375</u>
Less: Treasury shares	(16,810,900)	(16,810,900)
Total issued shares excluding treasury shares	<u>876,631,475</u>	<u>876,631,475</u>
Outstanding share options	-	1,090,000

The share option offered by the Company was lapsed and became null and void as at 30 Jun 2019.

**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 above.

**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.**

Balance as at 1 July 2018 / 30 June 2019

**No of shares**  
16,810,900

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

The figures have neither been audited nor 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 in paragraph 5 below, the Group has applied the same accounting policies and methods of computations in the financial statements for the current financial period compared with those of the audited financial statements as at 30 June 2019.

**5. If there were 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.**

The Group has adopted the new and revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for current financial period. The adoption of these new and revised FRS, INT FRS does not have a material impact on the financial statements 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.**

	<b>THE GROUP</b>	
	<b>FY 2019</b>	<b>FY 2018</b>
Net loss attributable to Owners of the Company (US\$'000)	<u>(247,118)</u>	<u>(76,395)</u>
Weighted average number of ordinary shares ('000)	<u>876,631</u>	<u>832,289</u>
<b>Loss per ordinary share ("LPS") for the year</b>		
(a) Basic LPS (US cents)	(28.19)	(9.18)
(b) On a fully diluted LPS (US cents)	(28.19)	(9.18)

**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.**

	THE GROUP		THE COMPANY	
	As at 30/06/2019 US cents	As at 30/06/2018 US cents	As at 30/06/2019 US cents	As at 30/06/2018 US cents
<b>Net asset value ("NAV") per ordinary share based on issued share capital excluding treasury shares as at end of the period reported on</b>	(21.76)	6.32	(20.34)	(19.73)

**Notes:**

The Group's and the Company's NAV (represented as equity attributable to owners of the Company) per ordinary share as at 30 June 2019 and 30 June 2018 have been computed based on the number of 876,631,475 ordinary shares issued excluding treasury shares respectively.

**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.**

Operationally, the Group recorded a decrease in revenue of USD15.10 million or 33.9% from USD45.54 million in FY2018 to USD29.43 million in FY2019. The difference is mainly made up of:

- i) Marine Division's revenue decreased by USD7.61 million from USD30.05 million in FY2018 to USD22.41 million in FY2019 mainly attributed to lower deployment rate of the vessels and decrease in charter rates.
- ii) Discontinue of Oilfield Projects and Resources Divisions leading to decrease of revenue of USD6.01 million during the period.
- iii) Oilfield and Drilling Services Division's revenue recognition decreased by USD1.65 million from USD8.67 million in FY2018 to USD7.02 million in FY2019.

The Group recorded a lower Gross Loss of USD7.05 million in FY2019 from Gross Loss of USD9.53 million in FY2018. Gross Loss Margin increased by 2.5% from Gross Loss Margin from of 21.4% in FY2018 to Gross Loss Margin of 23.9% in FY2019.

Other operating income increased by USD11.54 million or 522.2% from USD2.21 million to USD13.74 million, mainly attributable to gain on disposal of subsidiary Falcon Oilfield Services Pte Ltd and its subsidiaries of USD9.10 million, recovery of doubtful debt and bad debt of USD0.99 million and provision of sundry services of USD1.45 million.

Other expenses increased by USD192.69 million or 366.1% from USD52.63 million in FY2018 to USD245.32 million in FY2019. This was mainly attributable to increase in allowance for doubtful debts of USD38.50 million from USD1.98 million in FY2018 to USD40.48 million, provision of onerous contract of USD87.10 million, increase in impairment of vessels of USD85.10 million from USD3.33 million in FY2018 to USD88.43 million in FY2019, loss on disposal of subsidiary of USD7.94 million, and increased in impairment of associate companies of USD9.88 million from USD11.49 in FY2018 million to USD21.37 million in FY2019. Together with absence of expenses in FY2019 in provision of deposits of USD11.48 million, impairment of investment in property of USD6.61 million, impairment in dues from joint ventures of USD16.87 million, and impairment of office premises of USD0.92 million.

Administrative expenses decreased by USD3.77 million from USD19.21 million in FY2018 to USD15.45 million in FY2019, mainly attributable to lower operational activities and cost reduction initiatives.

Finance costs decreased by USD4.59 million from USD10.05 million in FY2018 to USD5.46 million in FY2019 due to lower interest expenses incurred on reduced bank borrowings.

The share of loss from associates and joint ventures decreased by USD0.64 million from USD4.23 million in FY2018 to USD3.56 million in FY2019 due to operating losses recorded by the associates and joint ventures.

With the abovementioned factors, the Group recorded a loss before tax of approximately USD263.38 million in FY2018.

Statement of financial position and Statement of cash flow:

Current assets decreased by USD176.56 million from USD195.31 million as at FY2018 to USD18.75 million as at FY2019. The decrease was mainly attributable to absence of disposal of Asset held for sale in interests in CH Offshore Ltd ("CHO") of USD103.76 million, a joint venture Dictamismo S DE R.L. DE.C.V of USD9.08 million, the Group's leasehold office premises of USD9.59 million in FY2019, as well as classification of vessels for sale of USD2.25 million in FY2019. In addition, during the period, cash and bank balances decreased by USD2.94 million from USD4.58 million in FY2018 to USD1.64 million in FY2019, trade receivables decreased by USD41.74 million from USD48.86 million in FY2018 to USD7.12 million in FY2019, other receivables decreased by USD15.23 million from USD26.75 million in FY2018 to USD7.52 million in FY2019.

Non-current assets decreased by USD107.44 million from USD171.20 million as at FY2018 to USD63.76 million as at FY2019. This was mainly attributable to the decrease in property, plant and equipment of USD109.90 from USD151.17 million in FY2018 to USD41.27 million in FY2019, and reclassification of CHO from joint venture and asset held for sale to associates.

Current liabilities increased by USD22.96 million from USD206.71 million as at FY2018 to USD229.66 million as at FY2019. The increase was mainly attributable to provision of onerous contract of USD87.10 million in the drilling division, reduction in borrowings of USD21.71 million, and absence of non-current liabilities associated with assets held for sale in of USD31.02 million.

Non-current liabilities decreased by USD19.93 million during the financial period from USD62.79 million in FY2018 to USD42.86 million in FY2019. This was mainly attributable to reduction in other payables of USD13.23 million and absence non-current liabilities associated with assets held for sale in of USD6.83 million

The Group's operating activities cash flow before movement of working capital in FY2019 was a deficit of USD2.63 million, in line with operational loss during the financial period. Net operating activities after movement of working capital was a deficit of USD0.20 million, mainly due to larger increase in payables than receivables. Net cash flow in investing activities of USD26.6 million was mainly attributable to dilution of assets held for sale during the period, as well as utilization of cash in property, plant and equipment of USD2.1 million. Net cash flow in financing activities of deficit of USD29.47 million was mainly attributable to repayment of borrowing principles and interests.

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

Not applicable.

**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 Company continues to face difficult challenges and uncertainties.

The Company's focus in the next few months is to work with its Independent Financial Advisor to file a Scheme of Arrangement in the shortest possible time frame.

Success of the Scheme of Arrangement is crucial to relinquish the Company from its heavy liabilities and for the Company to be able to operate normally.

**11. Dividend**

**(a) Current financial period reported on**

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

No.

**(b) Corresponding period of the immediately preceding financial year**

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

No.

**(c) Date payable**

Not applicable.

**(d) Book closure date**

Not applicable.

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

No final dividend has been declared for the financial year ended 30 June 2019.

**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.**

The Group did not obtain a general mandate from shareholders for Interested Person Transactions.

**Interested Person Transactions**

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	US\$'000	US\$'000
<b>Cai Wenxing</b> <sup>(1)</sup>		
- rental of premises	192	-
<b>CDS International Forwarding (TianJin) Co Ltd</b> <sup>(2)</sup>		
- sale of services	207	-
- purchase of services	404	-

Note:

(1) Mr Cai Wenxing is a Director of the Company.

(2) Mr Cai Wenxing holds 70% of the equity interest in CDS International Forwarding (TianJin) Co Ltd.

Mr Cai Wenxing and Ms Cai Wenting (Alternate Director to Mr Cai Wenxing) have resigned as Directors of Falcon Energy Group Limited on 14 October 2019.

**14. CONFIRMATION PURSUANT TO RULE 720(1) OF THE SGX LISTING MANUAL**

The Company confirms that it has procured the undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 pursuant to Rule 720(1) of the Listing Manual.

**PART 2 - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

**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.**

Segment information about the Group's operations is presented below:

	Marine US\$'000	Oilfield and drilling services US\$'000	Oilfield projects US\$'000	Resources US\$'000	Corporate US\$'000	Elimination US\$'000	Total US\$'000
<b>BUSINESS SEGEMENT</b>							
<b>1 Jul 2018 to 30 Jun 2019</b>							
<b>Revenue</b>							
External sales	22,413	7,020	-	-	-	-	29,433
Inter-segment sales	-	-	-	-	-	-	-
Total revenue	<u>22,413</u>	<u>7,020</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,433</u>
<b>Results</b>							
Segment result	(120,183)	(40,292)	(451)	(573)	(92,596)	-	(254,095)
Share of net loss of associates and joint ventures							(3,595)
Interest income	25	1	-	-	-	-	26
Finance costs	(2,799)	(124)	(76)	-	(2,458)	-	(5,457)
Loss before income tax							(263,121)
Income tax expense							257
Loss for the year							<u>(263,378)</u>
<b>1 Jul 2017 to 30 Jun 2018</b>							
<b>Revenue</b>							
External sales	29,855	8,670	5,104	908	-	-	44,537
Inter-segment sales	199	-	-	-	-	(199)	-
Total revenue	<u>30,054</u>	<u>8,670</u>	<u>5,104</u>	<u>908</u>	<u>-</u>	<u>(199)</u>	<u>44,537</u>
<b>Results</b>							
Segment result	(59,688)	(5,580)	1,988	(942)	(15,143)	-	(79,365)
Share of net loss of associates and joint ventures							(4,234)
Interest income	190	6	-	-	-	-	196
Finance costs	(3,825)	(211)	(122)	-	(5,892)	-	(10,050)
Loss before income tax							(93,453)
Income tax credit							9
Loss for the year							<u>(93,444)</u>
<b>Assets and liabilities</b>							
<b>30 June 2019</b>							
Segment assets	<u>79,125</u>	<u>51</u>	<u>2,537</u>	<u>495</u>	<u>303</u>	<u>-</u>	<u>82,511</u>
Segment liabilities	<u>98,388</u>	<u>19</u>	<u>10,957</u>	<u>263</u>	<u>162,895</u>	<u>-</u>	<u>272,522</u>
<b>30 June 2018</b>							
Segment assets	<u>289,498</u>	<u>66,720</u>	<u>7,281</u>	<u>538</u>	<u>2,472</u>	<u>-</u>	<u>366,509</u>
Segment liabilities	<u>130,347</u>	<u>40,833</u>	<u>10,746</u>	<u>128</u>	<u>87,441</u>	<u>-</u>	<u>269,495</u>

	Marine US\$'000	Oilfield and drilling services US\$'000	Oilfield projects US\$'000	Resources US\$'000	Corporate US\$'000	Total US\$'000
<b>Other information</b>						
<b>30 Jun 2019</b>						
Allow ance for doubtful trade receivables	1,417	38,843	224	-	-	40,484
Allow ance for doubtful other receivables	-	-	-	22	-	22
Write off of other receivables	-	-	-	-	-	-
Capital additions	1,846	181	-	-	12	2,039
Allow ance for impairment in associated companies	21,352	-	-	-	-	21,352
Depreciation and amortisation expenses	13,173	838	-	5	65	14,081
Loss/(Gain) on disposal of property, plant and equipment	-	-	478	-	-	478
Allow ance for impairment of property, plant and equipment	88,429	-	-	-	-	88,429
<b>30 Jun 2018</b>						
Allow ance for doubtful trade receivables	1,419	1,485	-	-	-	2,904
Allow ance for doubtful other receivables	6,060	118	-	1,068	6	7,252
Write off of other receivables	-	-	-	-	113,555	113,555
Capital additions	3,945	211	-	-	-	4,156
Allow ance for impairment in associated companies	239	-	-	-	-	239
Depreciation and amortisation expenses	27,308	1,096	1,921	9	108	30,442
Loss/(Gain) on disposal of property, plant and equipment	33	(39)	17	-	-	11
Amortisation of term loan issuing costs	-	-	-	-	716	716
Property, plant and equipment w ritten off	6	-	-	-	-	6
Allow ance for impairment in joint venture	6,243	-	-	-	-	6,243
Allow ance for impairment of property, plant and equipment	23,719	917	-	-	-	24,636

**Geographical segments**

The Group's operations are located in Americas, Asia and Middle East. The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods/services and assets by their respective locations.

	<b>Revenue US\$'000</b>	<b>Non-current assets* US\$'000</b>
<b>30 Jun 2019</b>		
China	921	-
Indonesia	21,501	29,125
Mexico	682	-
United Arab Emirates	85	-
Singapore	2,424	13,337
Dubai	246	-
India	3,390	-
Russia	178	-
Brunei	6	-
<b>Total</b>	<b>29,433</b>	<b>42,462</b>
<b>30 Jun 2018</b>		
China	1,083	40
Indonesia	20,395	84,721
Mexico	669	326
United Arab Emirates	1,239	4
Singapore	15,343	67,486
America	5,104	-
India	545	-
Mashall Island	159	-
<b>Total</b>	<b>44,537</b>	<b>152,577</b>

\* exclude associates, joint ventures, available-for-sale investments and deferred tax assets.

**Information about major customers**

The Group's revenue derived from customers who individually account for 10% of more of the Group's revenue is detailed below:

	<b>Marine</b>		<b>Oilfield and drilling services</b>		<b>Oilfield projects</b>		<b>Resources</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Customer 1	13,107	-	-	-	-	-	-	-

**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.**

Please refer to paragraph 8 for the review.





**17. A breakdown of sales**

	The Group		
	Year ended 30 June 2019 (12 months) US\$'000	Year ended 30 June 2018 (12 months) US\$'000	Increase/ (Decrease) %
(a) Sales reported for first 6 months	16,103	25,766	-38%
(b) Operating (loss)/profit after tax reported for first 6 months	(12,920)	(11,674)	11%
(c) Sales reported for remaining months	13,330	18,771	-29%
(d) Operating loss after tax reported for remaining months	(250,458)	(81,770)	206%

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

No annual dividend paid for the financial year ended 2019 and 2018.

**19. Disclosure of person occupying a managerial positions in the issuer of any of its principal subsidiaries who is relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Not applicable.

**BY ORDER OF THE BOARD**

**Tan Pong Tyea**  
 Chairman and Chief Executive Officer

**25 February 2022**