



PACIFIC RADIANCE LTD
Company Registration No. 200609894C

**Full Financial Statement and Dividend Announcement
For the Financial Year Ended 31 December 2020 (“FY 2020”)**

This announcement is pursuant to Rule 705(2) of the SGX Listing Manual.

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

1(a)(i) An income statement and statement of comprehensive income or a statement of comprehensive income (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			Group		
	4Q 2020	4Q 2019	+ / (-)	FY 2020	FY 2019	+ / (-)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	13,703	20,742	(34)	63,520	74,758	(15)
Cost of sales	(13,251)	(16,729)	(21)	(56,233)	(59,575)	(6)
Gross profit	452	4,013	(89)	7,287	15,183	(52)
Other operating income	2,322	1,810	28	16,535	17,147	(4)
General and administrative expenses	(4,018)	(2,840)	41	(14,584)	(17,474)	(17)
Other operating expenses	(35,196)	(51,114)	(31)	(46,616)	(71,541)	(35)
Finance costs	(4,691)	(8,937)	(48)	(20,740)	(25,840)	(20)
Share of results of joint ventures	–	(291)	NM	568	219	NM
Share of results of associates	–	–	NM	–	–	NM
Loss before taxation	(41,131)	(57,359)	(28)	(57,550)	(82,306)	(30)
Taxation	170	(339)	NM	(892)	(1,054)	(15)
Loss for the period	(40,961)	(57,698)	(29)	(58,442)	(83,360)	(30)
Other comprehensive income:						
<u>Items that may be reclassified subsequently to profit or loss:</u>						
Foreign currency translation	(1,856)	(999)	86	(1,036)	(705)	47
Other comprehensive income for the period, net of tax	(1,856)	(999)	86	(1,036)	(705)	47
Total comprehensive income for the period	(42,817)	(58,697)	(27)	(59,478)	(84,065)	(29)
Loss for the period attributable to:						
Equity holders of the Company	(41,157)	(58,151)	(29)	(58,645)	(84,691)	(31)
Non-controlling interests	196	453	(57)	203	1,331	(85)
	(40,961)	(57,698)	(29)	(58,442)	(83,360)	(30)
Total comprehensive income for the period attributable to:						
Equity holders of the Company	(43,013)	(59,148)	(27)	(59,681)	(85,396)	(30)
Non-controlling interests	196	451	(57)	203	1,331	(85)
	(42,817)	(58,697)	(27)	(59,478)	(84,065)	(29)

NM: Not Meaningful

1(a)(ii) Items, if significant must be included in the income statement

Loss for the period was stated after charging/(crediting) the following:

	Group		Group	
	4Q 2020 US\$'000	4Q 2019 US\$'000	FY2020 US\$'000	FY2019 US\$'000
Depreciation of property, plant and equipment (included in cost of sales)	3,650	4,268	14,739	15,930
Depreciation of property, plant and equipment (included in general and administrative expenses)	204	194	798	787
Impairment of doubtful receivables, net	2,580	18	3,211	465
Impairment of amounts due from related companies, net	9,171	9,377	16,702	11,057
Impairment of club membership	–	8	–	8
Impairment of investment in joint ventures	–	–	964	3,395
Impairment of investment securities	50	–	50	–
Impairment of property, plant and equipment	19,733	39,049	23,213	39,049
Impairment of assets held for sale	43	–	43	–
Loss on disposal of property, plant and equipment, net	–	124	180	886
Loss on disposal of assets held for sale	22	–	22	14,754
Recognition of deferred capital grant income	–	(1,159)	–	(1,159)
Recognition of financial guarantee liabilities	235	648	235	648
Gain on debt forgiveness of bank loans	(1,452)	–	(13,329)	(14,256)
Net fair value loss on derivatives	–	–	–	29
Reclassification of foreign currency translation reserve to profit or loss on disposal of a subsidiary	–	–	(75)	–
Exchange loss	3,354	1,889	1,921	1,048
Interest income	(86)	(210)	(562)	(739)
Net fair value loss/(gain) on held for trading investment securities	7	4	35	(4)
Write back of provision for tax no longer required in respect of prior years, net	(278)	(263)	(278)	(263)

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.

	Group		Company	
	As at 31 Dec 2020	As at 31 Dec 2019	As at 31 Dec 2020	As at 31 Dec 2019
	US\$'000	US\$'000	US\$'000	US\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	209,299	243,471	–	–
Investment in subsidiaries	–	–	–	5
Investment in associates	–	–	–	–
Investment in joint ventures	–	3,012	–	–
Investment securities	–	50	–	–
Club memberships	140	148	–	–
Amounts due from related companies	55,405	51,435	–	–
Other receivables	–	241	–	–
	264,844	298,357	–	5
Current assets				
Inventories	738	798	–	–
Trade receivables	18,747	28,931	–	–
Other receivables	6,245	7,345	2,755	3,402
Amounts due from related companies	18,405	34,346	149,323	137,682
Investment securities	8	43	–	–
Assets held for sale	1,225	–	–	–
Cash and bank balances	19,076	18,013	138	103
	64,444	89,476	152,216	141,187
Total assets	329,288	387,833	152,216	141,192
EQUITY AND LIABILITIES				
Current liabilities				
Trade payables	12,642	17,182	–	–
Other liabilities	113,157	95,281	13,041	11,419
Amounts due to related companies	7,679	7,518	236,818	218,580
Bank loans	397,094	409,971	–	–
Notes payable	75,660	74,310	75,660	74,310
Provision for taxation	1,222	1,365	–	–
Lease liabilities	1,231	1,307	–	–
	608,685	606,934	325,519	304,309
Non-current liabilities				
Other liabilities	11,717	11,717	–	–
Provisions	251	244	–	–
Deferred tax liabilities	2,713	3,106	–	–
Lease liabilities	7,843	8,282	–	–
	22,524	23,349	–	–
Total liabilities	631,209	630,283	325,519	304,309
Net liabilities	(301,921)	(242,450)	(173,303)	(163,117)

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 (cont'd).

	Group		Company	
	As at 31 Dec 2020 US\$'000	As at 31 Dec 2019 US\$'000	As at 31 Dec 2020 US\$'000	As at 31 Dec 2019 US\$'000
Equity attributable to equity holders of the Company				
Share capital	162,854	162,854	162,854	162,854
Treasury shares	(2,135)	(2,290)	(2,135)	(2,290)
Accumulated losses	(441,744)	(383,099)	(333,959)	(323,766)
Other reserves	(9,152)	(7,968)	(63)	85
	(290,177)	(230,503)	(173,303)	(163,117)
Non-controlling interests	(11,744)	(11,947)	–	–
Total equity	(301,921)	(242,450)	(173,303)	(163,117)

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

Amount repayable in one year or less, or on demand

Group		Group	
As at 31 Dec 2020		As at 31 Dec 2019	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
397,740	75,660	410,605	74,310

Amount repayable after one year

Group		Group	
As at 31 Dec 2020		As at 31 Dec 2019	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
–	–	–	–

Details of any collateral:

The Group's secured portion of bank loans is secured by:

- first legal mortgages over the vessels of the Group, with net book value of US\$149.6 million and US\$181.4 million as at 31 December 2020 and 31 December 2019 respectively;
- first legal mortgages over assets held for sale of the Group, with net book value of US\$1.2 million as at 31 December 2020;
- escrow mortgages over the buildings, ship-repair yard and plant and equipment of the Group, with net book value of US\$38.2 million and US\$40.0 million as at 31 December 2020 and 31 December 2019 respectively;
- a right to take assignment of charter earnings of the mortgaged vessels and insurance policies of the mortgaged vessels, mortgaged buildings and mortgaged ship-repair yard; and
- cash pledged of US\$1.4 million and US\$2.9 million as at 31 December 2020 and 31 December 2019 respectively.

Secured borrowings include lease liabilities financed by bank lenders of US\$646,000 and US\$634,000 as at 31 December 2020 and 31 December 2019 respectively.

In addition, certain of the Group's bank loans are secured by corporate guarantees from the Company and its subsidiaries.

The banks are entitled to enforce their rights against the mortgaged assets as the terms of the bank loans have been breached.

The Group is in the process of restructuring its debt obligations. Please refer to Note 10 for more information.

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

	Group	
	FY 2020	FY 2019
	US\$'000	US\$'000
Cash flows from operating activities:		
Loss before taxation	(57,550)	(82,306)
Adjustments for:		
Depreciation of property, plant and equipment	15,537	16,717
Recognition of deferred capital grant income	–	(1,159)
Recognition of financial guarantee liabilities	235	648
Finance costs	20,740	25,840
Interest income	(562)	(739)
Share of results of joint ventures	(568)	(219)
Loss on disposal of property, plant and equipment, net	180	886
Loss on disposal of assets held for sale	22	14,754
Impairment of doubtful receivables, net	3,211	465
Impairment of amounts due from related companies	16,702	11,057
Impairment of club membership	–	8
Impairment of property, plant and equipment	23,213	39,049
Impairment of assets held for sale	43	–
Impairment of investment in joint ventures	964	3,395
Impairment of investment securities	50	–
Net gain on debt forgiveness of bank loans	(13,329)	(14,256)
Net fair value loss on derivatives	–	29
Net fair value loss/(gain) on held for trading investment securities	35	(4)
Share-based payment expense	7	97
Exchange differences	1,474	775
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Operating cash flows before changes in working capital	10,404	15,037
Decrease/(increase) in trade and other receivables	8,089	(11,936)
Increase in amounts due from/to related companies, net	(3,367)	(3,838)
Decrease/(increase) in inventories	60	(397)
(Decrease)/increase in trade payables and other liabilities	(5,304)	2,714
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Cash generated from operations	9,882	1,580
Taxes paid	(1,036)	(898)
Interest paid	(1,588)	(1,726)
Interest received	23	545
	<hr/>	<hr/>
Net cash flows generated from/(used in) operating activities	7,281	(499)
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1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd).

	Group	
	FY 2020 US\$'000	FY 2019 US\$'000
Cash flows from investing activities:		
Purchase of property, plant and equipment	(4,815)	(7,554)
Proceeds from sale of property, plant and equipment	336	213
Proceeds from sale of assets held for sale	1,680	13,250
Proceeds from sale of club membership	6	-
Proceeds from sale of a joint venture	2,135	-
Loan to related companies, net	(2,075)	(746)
Dividend income from a joint venture	460	408
Purchase of investment securities	-	(50)
Net cash inflow on dissolution of a joint venture	-	31
Deposit paid for proposed acquisition of a company	-	(2,700)
Net cash flows (used in)/generated from investing activities	(2,273)	2,852
Cash flows from financing activities:		
Payment of principal portion of lease liabilities	(203)	(142)
Repayment of bank loans	(3,765)	(14,961)
Cash and bank balances released as securities	1,482	529
Net cash flows used in financing activities	(2,486)	(14,574)
Net increase/(decrease) in cash and bank balances	2,522	(12,221)
Effect of exchange rate changes on cash and bank balances	23	32
Cash and bank balances at beginning of the year	15,096	27,285
Cash and bank balances at end of the year	17,641	15,096
Breakdown of cash and bank balances at end of the year:		
Cash and bank balances as per balance sheet	19,076	18,013
Cash pledged	(1,435)	(2,917)
	17,641	15,096

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	Treasury Shares	Accumulated losses	Total other reserves	Foreign currency translation reserve	Employee share-based payments reserve	Hedging reserve	Defined benefit plan	Capital reserve	Total	Non-controlling interests	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
The Group												
Balance at 1 January 2020	162,854	(2,290)	(383,099)	(7,968)	(1,712)	228	114	126	(6,724)	(230,503)	(11,947)	(242,450)
Loss for the year	-	-	(58,645)	-	-	-	-	-	-	(58,645)	203	(58,442)
<u>Other comprehensive income</u>												
- Foreign currency translation	-	-	-	(961)	(961)	-	-	-	-	(961)	-	(961)
- Foreign currency translation, reclassified to profit or loss	-	-	-	(75)	(75)	-	-	-	-	(75)	-	(75)
Total comprehensive income for the year	-	-	(58,645)	(1,036)	(1,036)	-	-	-	-	(59,681)	203	(59,478)
<u>Contributions by and distributions to equity holders</u>												
- Grant of equity-settled share performance awards to employees	-	-	-	7	-	7	-	-	-	7	-	7
- Treasury shares reissued pursuant to employee share award plan	-	155	-	(155)	-	(65)	-	-	(90)	-	-	-
Total contributions by and distributions to equity holders	-	155	-	(148)	-	(58)	-	-	(90)	7	-	7
Balance at 31 December 2020	162,854	(2,135)	(441,744)	(9,152)	(2,748)	170	114	126	(6,814)	(290,177)	(11,744)	(301,921)

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	Treasury Shares	Accumulated losses	Total other reserves	Foreign currency translation reserve	Employee share-based payments reserve	Hedging reserve	Defined benefit plan	Capital reserve	Total	Non-controlling interests	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
The Group												
Balance at 1 January 2019	162,854	(2,485)	(298,408)	(3,763)	(1,008)	213	114	127	(3,209)	(141,802)	(16,680)	(158,482)
Loss for the year	-	-	(84,691)	-	-	-	-	-	-	(84,691)	1,331	(83,360)
<u>Other comprehensive income</u>												
- Foreign currency translation	-	-	-	(704)	(704)	-	-	-	-	(704)	(1)	(705)
- Re-measurement of defined benefit plans	-	-	-	(1)	-	-	-	(1)	-	(1)	1	-
Total comprehensive income for the year	-	-	(84,691)	(705)	(704)	-	-	(1)	-	(85,396)	1,331	(84,065)
<u>Contributions by and distributions to equity holders</u>												
- Grant of equity-settled share performance awards to employees	-	-	-	97	-	97	-	-	-	97	-	97
- Treasury shares reissued pursuant to employee share award plan	-	195	-	(195)	-	(82)	-	-	(113)	-	-	-
Total contributions by and distributions to equity holders	-	195	-	(98)	-	15	-	-	(113)	97	-	97
<u>Changes in ownership interests in subsidiaries</u>												
- Acquisition of non-controlling interests without a change of control	-	-	-	(3,402)	-	-	-	-	(3,402)	(3,402)	3,402	-
Total changes in ownership interests in subsidiaries	-	-	-	(3,402)	-	-	-	-	(3,402)	(3,402)	3,402	-
Balance at 31 December 2019	162,854	(2,290)	(383,099)	(7,968)	(1,712)	228	114	126	(6,724)	(230,503)	(11,947)	(242,450)

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 (cont'd).

	Share capital	Treasury Shares	Accumulated losses	Total other reserves	Employee share-based payments reserve	Capital reserve	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
The Company							
Balance at 1 January 2020	162,854	(2,290)	(323,766)	85	228	(143)	(163,117)
Loss for the year	–	–	(10,193)	–	–	–	(10,193)
Total comprehensive income for the year	–	–	(10,193)	–	–	–	(10,193)
<u>Contributions by and distributions to equity holders:</u>							
- Grant of equity-settled performance share awards to employees	–	–	–	7	7	–	7
- Treasury shares reissued pursuant to employee share award plan	–	155	–	(155)	(65)	(90)	–
Total contributions by and distributions to equity holders	–	155	–	(148)	(58)	(90)	7
Balance at 31 December 2020	162,854	(2,135)	(333,959)	(63)	170	(233)	(173,303)
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Balance at 1 January 2019	162,854	(2,485)	(305,761)	183	213	(30)	(145,209)
Loss for the year	–	–	(18,005)	–	–	–	(18,005)
Total comprehensive income for the year	–	–	(18,005)	–	–	–	(18,005)
<u>Contributions by and distributions to equity holders:</u>							
- Grant of equity-settled performance share awards to employees	–	–	–	97	97	–	97
- Treasury shares reissued pursuant to employee share award plan	–	195	–	(195)	(82)	(113)	–
Total contributions by and distributions to equity holders	–	195	–	(98)	15	(113)	97
Balance at 31 December 2019	162,854	(2,290)	(323,766)	85	228	(143)	(163,117)

- 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.**

In view of the debt restructuring, the Company did not renew the Share Buy Back Mandate (first approved by the Shareholders on 30 April 2014 and last renewed at the Annual General Meeting on 28 April 2017) at the last Annual General Meeting on 25 June 2020. The Company has not bought back any ordinary shares during the fourth quarter of 2020.

As at 31 December 2020, the Company's total issued shares is 725,755,013 ordinary shares (31 December 2019: 725,755,013) with 10,327,000 (31 December 2019: 11,098,000) ordinary shares being held as treasury shares.

The Company has no subsidiary holdings as at 31 December 2020 and 31 December 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.**

The Company's total issued shares excluding treasury shares is 715,428,013 as at 31 December 2020 (31 December 2019: 714,657,013).

- 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 2020	: 11,098,000 shares
Treasury shares reissued pursuant to employee performance share plan:	: (771,000) shares
Purchase of treasury shares during the year	: Nil
As at 31 December 2020	: 10,327,000 shares

- 1(d)(v) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

The Company has no subsidiary holdings as at 31 December 2020 and 31 December 2019. There was no sales, transfers, cancellation and/or use of subsidiary holdings for the year ended 31 December 2020.

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

The financial statements for the year under review 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.**

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial reporting period as those applied in the audited financial statements for the year ended 31 December 2019, except as disclosed in Note 5 below.

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 1 January 2020, the Group and the Company adopted all new and revised SFRS(I)s and INT SFRS(I)s that are relevant to its operations and are effective for annual periods beginning on or after 1 January 2020.

The adoption of new/revised SFRS(I)s and INT SFRS(I)s did not have any significant 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.**

	Group	
	FY 2020	FY 2019
Loss attributable to equity holders of the Company (US\$'000)	(58,645)	(84,691)
Weighted average ordinary shares for calculation ('000):		
- applicable to basic earnings per share	715,120	714,116
- based on a fully diluted basis	715,120	714,116
Loss per ordinary share ("EPS") (US cents)		
(a) Based on weighted average number of ordinary shares on issue	(8.2)	(11.9)
(b) On a fully diluted basis	(8.2)	(11.9)

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	
	As at 31 Dec 20	As at 31 Dec 19	As at 31 Dec 20	As at 31 Dec 19
Net liability value (US\$'000)	(290,177)	(230,503)	(173,303)	(163,117)
Total number of ordinary shares issued ('000)	715,428	714,657	715,428	714,657
Net liability value per ordinary share (US cents)	(40.6)	(32.3)	(24.2)	(22.8)

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.**

REVIEW OF GROUP PERFORMANCE

Revenue

Financial year ended 31 December 2020 ("FY 2020") vs Financial year ended 31 December 2019 ("FY 2019")

Revenue decreased by approximately US\$11.2 million or 15% from US\$74.8 million in FY 2019 to US\$63.5 million in FY 2020.

The decrease was attributed mainly to the decrease in revenue from the Subsea Business of US\$11.1 million or 72% from US\$15.3 million for FY 2019 to US\$4.2 million for FY 2020 due to lower utilisation of vessels. Revenue from the Shipyard Business also decreased by US\$0.5 million or 11% from US\$5.1 million for FY 2019 to US\$4.6 million for FY 2020 due to lower completion of ship repair works.

This was partially offset by an increase in revenue from the Offshore Support Services Business of US\$0.4 million or 1% from US\$54.3 million for FY 2019 to US\$54.7 million for FY 2020 due to higher utilisation of vessels.

3 months ended 31 December 2020 ("4Q 2020") vs 3 months ended 31 December 2019 ("4Q 2019")

Revenue decreased by approximately US\$7.0 million or 34% from US\$20.7 million in 4Q 2019 to US\$13.7 million in 4Q 2020.

The decrease was attributed mainly to the decrease in revenue from the Offshore Support Services Business of US\$3.9 million or 25% from US\$15.6 million in 4Q 2019 to US\$11.7 million in 4Q 2020. Revenue from the Subsea Business decreased by US\$2.6 million or 82% from US\$3.2 million in 4Q 2019 to US\$0.6 million in 4Q 2020. The decrease in revenue from Offshore Support Services Business and Subsea Business was due to lower utilisation of vessels.

Revenue from the Shipyard Business also decreased by US\$0.6 million or 30% from US\$2.0 million in 4Q 2019 to US\$1.4 million in 4Q 2020 due to lower completion of ship repair works.

Gross profit

Financial year ended 31 December 2020 ("FY 2020") vs Financial year ended 31 December 2019 ("FY 2019")

Gross profit decreased by approximately US\$7.9 million or 52% from US\$15.2 million for FY 2019 to US\$7.3 million for FY 2020.

The decrease was mainly attributable to weaker performances from the Offshore Support Services Business and Subsea Business, and partially offset by improved performance from the Shipyard Business.

3 months ended 31 December 2020 ("4Q 2020") vs 3 months ended 31 December 2019 ("4Q 2019")

Gross profit decreased by approximately US\$3.5 million or 89% from US\$4.0 million for 4Q 2019 to US\$0.5 million for 4Q 2020.

The overall decrease in gross profit was mainly attributable to weaker performances from all 3 business segments.

REVIEW OF GROUP PERFORMANCE (CONT'D)

Other operating income

Financial year ended 31 December 2020 ("FY 2020") vs Financial year ended 31 December 2019 ("FY 2019")

Other operating income decreased by approximately US\$0.6 million or 4% from US\$17.1 million in FY 2019 to US\$16.5 million in FY 2020.

The decrease was mainly attributable to lower gain on debt forgiveness of bank loans by US\$1.0 million from US\$14.3 million in FY 2019 to US\$13.3 million for FY 2020 and absence of deferred capital grant income recorded in FY 2019. The decrease was partially offset by government grant income from Jobs Support Scheme of US\$1.0 million in FY 2020.

3 months ended 31 December 2020 ("4Q 2020") vs 3 months ended 31 December 2019 ("4Q 2019")

Other operating income increased by approximately US\$0.5 million or 28% from US\$1.8 million in 4Q 2019 to US\$2.3 million in 4Q 2020.

The increase was mainly due to gain on debt forgiveness of bank loan of US\$1.5 million recorded in 4Q 2020. The increase was partially offset by recognition of deferred capital grant income of US\$1.2 million recorded in 4Q 2019.

General and administrative expenses

Financial year ended 31 December 2020 ("FY 2020") vs Financial year ended 31 December 2019 ("FY 2019")

General and administrative expenses decreased by approximately US\$2.9 million or 17% from US\$17.5 million in FY 2019 to US\$14.6 million in FY 2020.

The decrease was mainly due to lower Group's restructuring expenses and staff cost incurred for the period under review.

3 months ended 31 December 2020 ("4Q 2020") vs 3 months ended 31 December 2019 ("4Q 2019")

General and administrative expenses increased by approximately US\$1.2 million or 41% from US\$2.8 million in 4Q 2019 to US\$4.0 million in 4Q 2020, mainly due to the Group's restructuring expenses recorded in 4Q 2020.

Other operating expenses

Financial year ended 31 December 2020 ("FY 2020") vs Financial year ended 31 December 2019 ("FY 2019")

Other operating expenses decreased by approximately US\$24.9 million or 35% from US\$71.5 million in FY 2019 to US\$46.6 million in FY 2020.

The decrease was mainly attributable to lower loss on disposal of property, plant and equipment and assets held for sale of US\$15.4 million, lower impairment of property, plant and equipment of US\$15.8 million and lower impairment of investment in joint ventures of US\$2.4 million in FY 2020. This was partially offset by an increase in impairment of doubtful receivables of US\$8.4 million.

REVIEW OF GROUP PERFORMANCE (CONT'D)

Other operating expenses (cont'd)

3 months ended 31 December 2020 ("4Q 2020") vs 3 months ended 31 December 2019 ("4Q 2019")

Other operating expenses decreased by approximately US\$15.9 million or 31% from US\$51.1 million in 4Q 2019 to US\$35.2 million in 4Q 2020.

The decrease was mainly attributable to lower impairment of property, plant and equipment of US\$19.3 million. This was partially offset by an increase in impairment of doubtful receivables of US\$2.3 million and higher exchange loss of US\$1.5 million in 4Q 2020.

Finance costs

Financial year ended 31 December 2020 ("FY 2020") vs Financial year ended 31 December 2019 ("FY 2019")

3 months ended 31 December 2020 ("4Q 2020") vs 3 months ended 31 December 2019 ("4Q 2019")

Finance costs decreased by approximately US\$5.1 million or 20% from US\$25.8 million in FY 2019 to US\$20.7 million in FY 2020.

Finance costs decreased by approximately US\$4.2 million or 48% from US\$8.9 million in 4Q 2019 to US\$4.7 million in 4Q 2020.

The decrease in finance costs for both periods was mainly attributable to a decrease in interest rates and a decrease in bank loans outstanding from US\$410.0 million as at 31 December 2019 to US\$397.1 million as at 31 December 2020, partially offset by higher overdue interest charges.

Share of results of joint ventures

Financial year ended 31 December 2020 ("FY 2020") vs Financial year ended 31 December 2019 ("FY 2019")

Share of results of joint ventures increased by approximately US\$0.3 million from US\$0.2 million for FY 2019 to US\$0.6 million for FY 2020.

This was mainly attributable to share of profit of a joint venture which was subsequently disposed in FY 2020, and the Group capped its share of losses of the other joint ventures up to its interest in these joint ventures.

3 months ended 31 December 2020 ("4Q 2020") vs 3 months ended 31 December 2019 ("4Q 2019")

Share of results of joint venture was nil for 4Q 2020, compared to US\$0.3 million loss for 4Q 2019.

This was mainly attributable to the disposal of a joint venture in 3Q 2020 and the Group capped its share of losses of the other joint ventures up to its interest in these joint ventures.

REVIEW OF GROUP PERFORMANCE (CONT'D)

Taxation

Financial year ended 31 December 2020 ("FY 2020") vs Financial year ended 31 December 2019 ("FY 2019")

Taxation expense decreased by US\$0.2 million or 15% from US\$1.1 million in FY 2019 to US\$0.9 million in FY 2020.

The decrease was mainly attributable to writeback of deferred tax expense of US\$0.4 million in FY 2020, that was partially offset by higher withholding tax expenses of US\$0.6 million.

3 months ended 31 December 2020 ("4Q 2020") vs 3 months ended 31 December 2019 ("4Q 2019")

A taxation credit of US\$0.2 million was recorded in 4Q 2020 compared to taxation expense of US\$0.3 million in 4Q 2019, mainly attributed to writeback of deferred tax expense in 4Q 2020.

REVIEW OF STATEMENT OF FINANCIAL POSITION

Non-current assets

The Group's non-current assets amounted to US\$264.8 million as at 31 December 2020. The decrease in non-current assets from US\$298.4 million as at 31 December 2019 was mainly due to:

- (i) the decrease in property, plant and equipment by US\$34.2 million mainly due to impairment of US\$23.2 million, depreciation of US\$15.5 million and transfer to assets held for sale of US\$3.0 million, partially offset by additions of US\$4.8 million; and
- (ii) the decrease in investment in joint ventures by US\$3.0 million mainly due to impairment of investment in a joint venture of US\$1.0 million and disposal of a joint venture, partially offset by share of results.

The decrease was partially offset by the increase in non-current portion of amounts due from related companies by US\$4.0 million.

Current assets

The Group's current assets amounted to US\$64.4 million as at 31 December 2020. The decrease in current assets from US\$89.5 million as at 31 December 2019 was mainly due to:

- (i) the decrease in current portion of amounts due from related companies by US\$15.9 million;
- (ii) the decrease in trade receivables by US\$10.2 million; and
- (iii) the decrease in other receivables by US\$1.1 million.

This was partially offset by:

- (iv) the increase in assets held for sale by US\$1.2 million; and
- (v) the increase in cash and bank balances by US\$1.1 million.

REVIEW OF STATEMENT OF FINANCIAL POSITION (CONT'D)

Current liabilities

The Group's current liabilities amounted to US\$608.7 million as at 31 December 2020. The increase in current liabilities from US\$606.9 million as at 31 December 2019 was attributed mainly to:

- (i) the increase in other liabilities by US\$17.9 million mainly due to accrual of interest expense; and
- (ii) the increase in notes payable by US\$1.4 million due to foreign exchange movement; and
- (iii) the increase in amounts due to related parties by US\$0.2 million.

This was partially offset by:

- (iv) the decrease in current bank loans by US\$12.9 million due to repayment and debt forgiveness of bank loans; and
- (v) the decrease in trade payables by US\$4.5 million.

The Group is in negative working capital position of US\$544.2 million as at 31 December 2020. The Group is in the process of restructuring its debt obligations, please refer to Note 10 for more information.

Non-current liabilities

The Group's non-current liabilities amounted to US\$22.5 million as at 31 December 2020. Non-current liabilities decreased from US\$23.3 million as at 31 December 2019 primarily due to decrease in lease liabilities of US\$0.4 million and deferred tax liabilities of US\$0.4 million.

REVIEW OF CASH FLOWS

In FY 2020, the Group generated net cash inflow of US\$2.5 million.

Net cash inflow from operating activities was US\$7.3 million. This was mainly due to cash inflow from operating activities before working capital changes of US\$10.4 million, partially offset by net interest and taxes paid of US\$2.6 million and net working capital outflow of US\$0.5 million.

Net cash outflow from investing activities was US\$2.3 million. This was mainly due to the increase in property, plant and equipment of US\$4.8 million and net loan to related companies of US\$2.1 million, partially offset by the proceeds from sale of a joint venture of US\$2.1 million and proceeds from sale of assets held for sale of US\$1.7 million.

Net cash outflow from financing activities was US\$2.5 million. This was mainly due to repayment of bank loans of US\$3.8 million, partially offset by the release of US\$1.5 million pledged cash to repay the bank loans.

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 financial performance of the Group for 4Q FY2020 and FY2020 was weaker than the respective comparative periods mainly attributed to the impact of the COVID 19 pandemic. Revenue was affected by cancellation, deferment and delay in commencement of charter contracts especially towards the latter part of FY2020 and costs related to COVID 19 measures imposed by governments within the Group's network have increased operating expenses, including crew costs and quarantine expenses. These challenging operating conditions are expected to continue into FY2021. While recent positive development on the vaccine front has helped boost oil prices and investor sentiment, the recovery path is expected to be slow and uneven in the near to mid-term till the global pandemic can be put under control. The Group will continue to stay vigilant in managing costs and liquidity to sustain its operations and focus on progressing with its Debt Restructuring.

In respect of the ongoing Debt Restructuring, the Company has announced that the major secured creditors of the Group have on 5 November 2020 entered into a letter of agreement ("Letter Agreement") with an owner of offshore support vessels (the "Third Financier") for the proposed acquisition of loan receivables and all related rights, claims and securities in relation to all loans and arrangements provided by these creditors for the financing of the Group (the "Loans"). The Group is concurrently working towards having a separate letter of agreement executed with the Third Financier to, following the acquisition of the Loans, restructure the Loans through the purchase of vessels from the Group so as to release and discharge the Group of its liabilities in relation to the Loans and to collaborate with the Group and appoint the Group as ship managers of the vessels with ship management contracts. In relation to the notes payable, the Group announced on 10 February 2021 that it has launched a consent solicitation exercise to seek the approval of the noteholders for the proposed restructuring of the notes payable and the noteholders meeting will be held on 10 March 2021. The Group is also working in parallel to restructure its remaining liabilities through bi-lateral agreements and scheme of arrangements.

Due diligence on the Group by the Third Financier is progressing and the definitive agreements are being negotiated between the relevant parties. The Group is working closely with all stakeholders to ensure that the Debt Restructuring can be completed in an expedient manner. Any further material developments in relation to the Debt Restructuring will be disseminated at the appropriate juncture.

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) Books closure date

Not applicable.

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

No dividend was recommended as the Group is in a net loss position and in the midst of a restructuring exercise.

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.

Not applicable as the Group has not obtained a general mandate from shareholders for Interested Party Transactions ("IPTs").

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

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

	Offshore Support Services Business	Subsea Business	Shipyards Business	Per consolidated financial statements
	US\$'000	US\$'000	US\$'000	US\$'000
2020				
Revenue:				
External customers	54,721	4,228	4,571	63,520
Results:				
Interest income	488	74	–	562
Finance costs	(18,369)	(264)	(2,107)	(20,740)
Depreciation and amortisation	(10,351)	(2,337)	(2,849)	(15,537)
Share of results of joint ventures	568	–	–	568
Share of results of associates	–	–	–	–
Impairment of property, plant and equipment	(19,984)	(3,229)	–	(23,213)
Impairment of assets held for sale	(43)	–	–	(43)
Other non-cash expenses (Note A)	(15,926)	(5,010)	9	(20,927)
Segment loss	(41,689)	(11,209)	(4,652)	(57,550)
Assets:				
Investment in associates	–	–	–	–
Investment in joint ventures	–	–	–	–
Additions to non-current assets (Note B)	4,700	110	5	4,815
Segment assets	210,885	66,482	51,921	329,288
Segment liabilities	548,969	17,262	64,978	631,209

Note A. Other non-cash expenses consist of impairment of joint ventures and associates, financial assets and club membership.

Note B. Additions to non-current assets consist of additions to property, plant and equipment.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

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

	Offshore Support Services Business	Subsea Business	Shipyards Business	Per consolidated financial statements
	US\$'000	US\$'000	US\$'000	US\$'000
2019				
Revenue:				
External customers	54,293	15,328	5,137	74,758
Results:				
Interest income	707	–	32	739
Finance costs	(23,843)	(221)	(1,776)	(25,840)
Depreciation and amortisation	(10,859)	(2,761)	(3,097)	(16,717)
Share of results of joint ventures	219	–	–	219
Share of results of associates	–	–	–	–
Impairment of property, plant and equipment	(26,412)	(9,105)	(3,532)	(39,049)
Other non-cash expenses (Note A)	(8,066)	(6,857)	(2)	(14,925)
Segment loss	(60,464)	(11,975)	(9,867)	(82,306)
Assets:				
Investment in associates	–	–	–	–
Investment in joint ventures	3,012	–	–	3,012
Additions to non-current assets (Note B)	6,583	971	631	8,185
Segment assets	251,894	80,678	55,261	387,833
Segment liabilities	548,997	19,158	62,128	630,283

Note A. Other non-cash expenses consist of impairment of joint ventures and associates, financial assets and club membership.

Note B. Additions to non-current assets consist of additions to property, plant and equipment.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results) (CONT'D)

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

Geographical information

Revenue is based on the geographical location in which the services are performed. Non-current assets are based on the geographical location of the companies that own the assets:

	Revenue		Non-current assets	
	FY 2020	FY 2019	As at 31 Dec 2020	As at 31 Dec 2019
	US\$'000	US\$'000	US\$'000	US\$'000
Asia	46,097	61,056	209,439	243,619
Middle East	16,581	13,702	–	–
Latin America	662	–	–	–
Africa	180	–	–	–
	63,520	74,758	209,439	243,619

Non-current assets information presented above consists of property, plant and equipment and club memberships as presented in the consolidated balance sheet.

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

Refer to part 8 and 10.

16. **A breakdown of sales**

	Group		Increase/ (Decrease) %
	FY 2020 US\$'000	FY 2019 US\$'000	
Sales reported for first half year	32,793	36,065	(9)
Operating loss after tax before deducting non-controlling interests reported for first half year	(6,452)	(15,306)	(58)
Sales reported for second half year	30,727	38,693	(21)
Operating loss after tax before deducting non-controlling interests reported for second half year	(51,990)	(68,054)	(24)

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

Not applicable.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results) (CONT'D)

18. 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.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Pang Wei Kuan	38	Son of Mr Pang Yoke Min who is the substantial shareholder and executive chairman of the Company. Brother of Mr Pang Wei Meng who is the executive director of the Company.	Acting Chief Executive Officer Appointed from 1 January 2020. Responsible for the Group's strategic development, and oversight of the commercial, marketing, business development and QHSSE functions.	Previously Managing Director, Commercial and Business Development. (February 2013 to December 2019)
Alphonsus Ang	62	Brother-in-law of Mr Pang Yoke Min who is the substantial shareholder and executive chairman of the Company. Uncle of Mr Pang Wei Meng who is the executive director of the Company.	General Manager – Procurement. Appointed in 2007. Responsible for the development of the Group's supply chain management policies as well as the management of procurement activities in alignment with the Group's strategies and business plans.	None.
James Ang	60	Brother-in-law of Mr Pang Yoke Min who is the substantial shareholder and executive chairman of the Company. Uncle of Mr Pang Wei Meng who is the executive director of the Company.	Ship Repair Manager. Appointed in 2011. Responsible for management of the ship-repair yard.	None.

19. Confirmation of Directors and Executive Officers' undertakings pursuant to Listing Rule 720(1)

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

On behalf of the Board of Directors

Pang Yoke Min
Executive Chairman

Pang Wei Meng
Executive Director

26 February 2021