



**Fourth Quarter Financial Statement And Dividend Announcement For The Twelve Months Ended 31 December 2019**

**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			12 months ended		
	31.12.2019	31.12.2018	%	31.12.2019	31.12.2018	%
	US\$'000	US\$'000		US\$'000	US\$'000	
Revenue	13,194	29,723	(55.6)	90,327	118,696	(23.9)
Cost of sales and servicing	(19,550)	(27,655)	(29.3)	(92,275)	(107,034)	(13.8)
<b>Gross (loss)/profit</b>	<b>(6,356)</b>	<b>2,068</b>	<b>N/M</b>	<b>(1,948)</b>	<b>11,662</b>	<b>N/M</b>
Other income, net	2,479	4,787	(48.2)	4,858	16,211	(70.0)
Administrative expenses	2,318	(4,685)	N/M	(8,115)	(15,696)	(48.3)
Other operating expenses	(71,810)	(364,316)	(80.3)	(463,893)	(388,592)	19.4
<b>Results from operating activities</b>	<b>(73,369)</b>	<b>(362,146)</b>	<b>(79.7)</b>	<b>(469,098)</b>	<b>(376,415)</b>	<b>24.6</b>
Finance income	976	4,333	(77.5)	7,994	7,702	3.8
Finance costs	(72,213)	(21,261)	N/M	(111,798)	(44,985)	N/M
Change in fair value of financial instruments	(24,065)	20,778	N/M	(26,361)	112,371	N/M
<b>Net finance (costs)/income</b>	<b>(95,302)</b>	<b>3,850</b>	<b>N/M</b>	<b>(130,165)</b>	<b>75,088</b>	<b>N/M</b>
Share of results of associates and jointly controlled entities (net of tax)	(158)	(32,272)	(99.5)	(10,082)	(40,520)	(75.1)
<b>Results before income tax</b>	<b>(168,829)</b>	<b>(390,568)</b>	<b>(56.8)</b>	<b>(609,345)</b>	<b>(341,847)</b>	<b>78.3</b>
Income tax expense	1,704	(263)	N/M	(5,591)	(2,492)	N/M
<b>Results after income tax</b>	<b>(167,125)</b>	<b>(390,831)</b>	<b>(57.2)</b>	<b>(614,936)</b>	<b>(344,339)</b>	<b>78.6</b>

Results after income tax is arrived at after crediting/(charging) the following items:-

	Group (Fourth Quarter)		Incr/ (Decr)	Group (Year-To-Date)		Incr/ (Decr)
	3 months ended			12 months ended		
	31.12.2019	31.12.2018	%	31.12.2019	31.12.2018	%
	US\$'000	US\$'000		US\$'000	US\$'000	
Other income <sup>1</sup>	3,455	9,120	(62.1)	12,852	23,913	(46.3)
Interest on borrowings	(72,213)	(21,261)	N/M	(111,798)	(44,985)	N/M
Depreciation of plant and equipment and right-of-use asset	(11,908)	(12,072)	(1.4)	(48,348)	(50,874)	(5.0)
Foreign exchange (loss)/gain, net	(1,700)	(6,714)	(74.7)	(2,058)	2,987	N/M
(Loss)/Gain on disposal of asset held for sale/plant and equipment, net	(4,640)	60	N/M	(5,148)	960	N/M
(Loss)/Gain on derecognition of an associate	(1,768)	6,397	N/M	(8,507)	6,397	N/M
Gain on disposal of an associate	2,206	-	N/M	2,206	-	N/M
Loss allowances for ECLs on financial guarantees to joint ventures	(51,654)	(63,852)	(19.1)	(71,974)	(63,852)	12.7
Change in fair value of financial instruments	(24,065)	20,778	N/M	(26,361)	112,371	N/M
Impairment loss on plant and equipment, trade and other receivables, investment in associates and investment in joint ventures	(22,443)	(290,773)	(92.3)	(375,225)	(284,977)	31.7

<sup>1</sup> Includes interest income

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.**

	<b>Group</b>		<b>Company</b>	
	<b>31.12.2019</b>	<b>31.12.2018</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Non-current assets</b>				
Plant and equipment	599,420	919,069	937	173
Subsidiaries	-	-	68,454	95,886
Loans to subsidiaries	-	-	337,953	372,891
Joint ventures	3,030	7,011	88	88
Loans to joint ventures	67,254	88,877	25,739	25,501
Associates	-	16,943	-	14,513
Loan to associates	-	21,287	-	21,093
Right-of-use assets	1,307	-	1,307	-
Other assets	26,879	30,385	26,879	24,266
	<b>697,890</b>	<b>1,083,572</b>	<b>461,357</b>	<b>554,411</b>
<b>Current assets</b>				
Trade receivables	63,601	69,263	9,588	7,848
Other current assets	62,277	138,075	16,622	17,571
Assets held for sale	14,895	2,162	-	-
Cash and cash equivalents	43,201	49,029	9,297	9,237
	<b>183,974</b>	<b>258,529</b>	<b>35,507</b>	<b>34,656</b>
<b>Total assets</b>	<b>881,864</b>	<b>1,342,101</b>	<b>496,864</b>	<b>589,067</b>
<b>Equity</b>				
Share capital	934,656	930,509	934,656	930,509
Perpetual securities	14,938	14,938	14,938	14,938
Redeemable exchangeable preference shares	23,464	23,464	-	-
Reserves	806	3,140	(1,573)	(767)
Accumulated losses	(1,841,308)	(1,226,803)	(2,077,214)	(1,735,448)
<b>Total equity</b>	<b>(867,444)</b>	<b>(254,752)</b>	<b>(1,129,193)</b>	<b>(790,768)</b>
<b>Non-current liabilities</b>				
Financial liabilities	-	1,276,064	-	822,735
Debt securities	-	118,701	-	118,701
Lease liabilities	818	-	818	-
Other payables	25,608	29,760	1,953	85,046
	<b>26,426</b>	<b>1,424,525</b>	<b>2,771</b>	<b>1,026,482</b>
<b>Current liabilities</b>				
Trade payables	64,751	72,333	392	69
Other payables	62,571	77,572	424,741	340,328
Lease liabilities	519	-	519	-
Financial liabilities	1,403,892	12,246	1,020,006	9,246
Debt securities	177,628	-	177,628	-
Provision for taxation	13,521	10,177	-	3,710
	<b>1,722,882</b>	<b>172,328</b>	<b>1,623,286</b>	<b>353,353</b>
<b>Total liabilities</b>	<b>1,749,308</b>	<b>1,596,853</b>	<b>1,626,057</b>	<b>1,379,835</b>
<b>Total equity and liabilities</b>	<b>881,864</b>	<b>1,342,101</b>	<b>496,864</b>	<b>589,067</b>

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 31.12.2019		As at 31.12.2018	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
1,395,144	186,376	3,611	8,635

**Amount repayable after one year**

As at 31.12.2019		As at 31.12.2018	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
-	-	1,276,064	118,701

**Details of any collateral**

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

Included in cash and cash equivalents an amount of US\$27,028,000 (31 December 2018: US\$32,171,000) being restricted or earmarked by the banks as collaterals for various facilities granted.

**1(b)(iii) Statement of comprehensive income for three months ended 31 December 2019**

	Group (Fourth Quarter)			Group (Year-To-Date)		
	3 months ended 31.12.2019 US\$'000	3 months ended 31.12.2018 US\$'000	Incr/ (Decr) %	12 months ended 31.12.2019 US\$'000	12 months ended 31.12.2018 US\$'000	Incr/ (Decr) %
<b>Results after income tax</b>	(167,125)	(390,831)	(57.2)	(614,936)	(344,339)	78.6
<b>Other comprehensive income</b>						
<b><u>Items that will not be reclassified to profit or loss:</u></b>						
Net change in fair value of equity investments at FVOCI	5,056	-	N/M	(93)	-	N/M
<b><u>Items that may be reclassified subsequently to profit or loss:</u></b>						
Foreign currency translation differences						
- foreign operations	(3,340)	(1,476)	126.3	(2,196)	453	N/M
Foreign currency translation differences on loss of significant influence reclassified to profit or loss	3,078	-	N/M	3,078	-	N/M
Exchange differences on monetary items forming part of net investment in foreign operations	126	(334)	N/M	(2,410)	(334)	N/M
Effective portion of changes in fair value of cash flow hedges	-	(244)	N/M	(713)	(238)	N/M
Exchange differences on disposal of subsidiaries to profit and loss	-	-	N/M	-	-	N/M
	(136)	(2,054)	(93.4)	(2,241)	(119)	N/M
<b>Other comprehensive income for the period</b>	4,920	(2,054)	N/M	(2,334)	(119)	N/M
<b>Total comprehensive income for the period</b>	<b>(162,205)</b>	<b>(392,885)</b>	(58.7)	<b>(617,270)</b>	<b>(344,458)</b>	79.2
<b>Attributable to:</b>						
Owners of the Company	(162,205)	(392,885)	(58.7)	(617,270)	(344,458)	79.2

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) 3 months ended		Group (Year-To-Date) 12 months ended	
	31.12.2019 US\$'000	31.12.2018 US\$'000	31.12.2019 US\$'000	31.12.2018 US\$'000
<b>Cash flows from operating activities</b>				
Results after income tax	(167,125)	(390,831)	(614,936)	(344,339)
Adjustments for:				
Income tax expense	(1,704)	263	5,591	2,492
Depreciation expense	11,908	12,072	48,348	50,874
Change in fair value of financial instruments	24,065	(20,778)	26,361	(112,371)
Loss/(Gain) on disposal of asset held for sale/plant and equipment	4,640	(60)	5,148	(960)
Loss/(Gain) on derecognition of an associate	1,768	(6,397)	8,507	(6,397)
Gain on disposal of an associate	(2,206)	-	(2,206)	-
Reversal of trade and other payables	(11,773)	-	(11,773)	-
Overprovision of administrative expenses	(6,356)	-	(6,356)	-
Foreign exchange loss/(gain), net	1,700	6,714	2,058	(2,987)
Finance income	(976)	(4,333)	(7,994)	(7,702)
Finance costs	72,213	21,261	111,798	44,985
Impairment loss on plant and equipment, trade and other receivables, investment in associates and investment in joint ventures	22,443	290,773	375,225	284,977
Loss allowances for ECLs on financial guarantees to joint ventures	51,654	63,852	71,974	63,852
Reversal of financial guarantees to joint ventures	-	8,081	-	8,081
Equity-settled share-based payment transactions	108	353	431	791
Share of results of associates and jointly controlled entities	158	32,272	10,082	40,520
Operating cash flow before working capital changes	517	13,242	22,258	21,816
Changes in working capital:				
Trade receivables and other assets	8,110	(8,259)	3,270	695
Trade and other payables	2,869	(15,531)	6,101	(10,193)
Cash generated from operating activities	11,496	(10,548)	31,629	12,318
Income tax paid	(901)	(263)	(2,247)	(2,504)
<b>Net cash generated from/(used in) operating activities</b>	<b>10,595</b>	<b>(10,811)</b>	<b>29,382</b>	<b>9,814</b>
<b>Cash flows from investing activities</b>				
Purchase of plant and equipment	(6,246)	(54,279)	(16,707)	(65,347)
Proceeds from disposal of asset held for sale/plant and equipment	888	-	6,755	18,044
Proceeds from disposal of an associate	2,205	-	2,205	-
Repayment of loans from joint ventures/ (Investments in joint ventures)	1,601	-	1,601	(124,617)
Interest received	-	1,643	155	3,782
<b>Net cash used in investing activities</b>	<b>(1,552)</b>	<b>(52,636)</b>	<b>(5,991)</b>	<b>(168,138)</b>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	-	71,418	13,292	305,699
Repayment of borrowings	(4,917)	(1,084)	(16,852)	(136,080)
Net proceeds from issuance of ordinary shares	-	-	-	15,254
Interest paid	(3,877)	(12,525)	(24,236)	(22,196)
<b>Net cash (used in)/generated from financing activities</b>	<b>(8,794)</b>	<b>57,809</b>	<b>(27,796)</b>	<b>162,677</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>249</b>	<b>(5,638)</b>	<b>(4,405)</b>	<b>4,353</b>
Cash and cash equivalents at beginning of the period	43,421	57,689	49,029	46,469
Effect of exchange rate fluctuations	(469)	(3,022)	(1,423)	(1,793)
<b>Cash and cash equivalents at end of the period</b>	<b>43,201</b>	<b>49,029</b>	<b>43,201</b>	<b>49,029</b>

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	Fair value reserve	Accumulated losses	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Group</b>									
<b>At 1 January 2018</b>	648,940	116,499	23,464	(1,480)	3,788	951	-	(895,156)	(102,994)
Total comprehensive income for the period	-	-	-	-	119	(238)	-	(344,339)	(344,458)
<b>Transactions with owners, recognised directly in equity</b>									
Issue of shares	206,716	-	-	-	-	-	-	-	206,716
Redemption of perpetual securities	-	(26,708)	-	-	-	-	-	11,041	(15,667)
Issue of shares from conversion of perpetual securities	74,853	(74,853)	-	-	-	-	-	-	-
Accrued perpetual securities distributions	-	-	-	-	-	-	-	860	860
Share-based payment transactions	-	-	-	-	-	-	-	791	791
<b>At 31 December 2018</b>	<b>930,509</b>	<b>14,938</b>	<b>23,464</b>	<b>(1,480)</b>	<b>3,907</b>	<b>713</b>	<b>-</b>	<b>(1,226,803)</b>	<b>(254,752)</b>
<b>At 1 January 2019</b>	930,509	14,938	23,464	(1,480)	3,907	713	-	(1,226,803)	(254,752)
Total comprehensive income for the period	-	-	-	-	(1,528)	(713)	(93)	(614,936)	(617,270)
<b>Transactions with owners, recognised directly in equity</b>									
Issue of shares	4,147	-	-	-	-	-	-	-	4,147
Share-based payment transactions	-	-	-	-	-	-	-	431	431
<b>At 31 December 2019</b>	<b>934,656</b>	<b>14,938</b>	<b>23,464</b>	<b>(1,480)</b>	<b>2,379</b>	<b>-</b>	<b>(93)</b>	<b>(1,841,308)</b>	<b>(867,444)</b>

  

	Share capital	Perpetual securities	Treasury shares	Hedging reserve	Fair value reserve	Accumulated losses	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Company</b>							
<b>At 1 January 2018</b>		648,940	116,499	(1,480)	951	-	309,852
Total comprehensive income for the period		-	-	-	(238)	-	(1,293,320)
<b>Transactions with owners, recognised directly in equity</b>							
Issue of shares		206,716	-	-	-	-	206,716
Issue of perpetual securities		-	(26,708)	-	-	11,041	(15,667)
Issue of shares from conversion of perpetual securities		74,853	(74,853)	-	-	-	-
Accrued perpetual securities distributions		-	-	-	-	860	860
Share-based payment transactions		-	-	-	-	791	791
<b>At 31 December 2018</b>		<b>930,509</b>	<b>14,938</b>	<b>(1,480)</b>	<b>713</b>	<b>-</b>	<b>(790,768)</b>
<b>At 1 January 2019</b>		930,509	14,938	(1,480)	713	-	(790,768)
Total comprehensive income for the period		-	-	-	(713)	(93)	(343,003)
<b>Transactions with owners, recognised directly in equity</b>							
Issue of shares		4,147	-	-	-	-	4,147
Share-based payment transactions		-	-	-	-	431	431
<b>At 31 December 2019</b>		<b>934,656</b>	<b>14,938</b>	<b>(1,480)</b>	<b>-</b>	<b>(93)</b>	<b>(1,129,193)</b>

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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.**

During the first quarter of 2019, the Company had issued 20,223,469 new shares pursuant to the exercise of a call option at the issue price of S\$0.2763 per share by a private subscriber. Considerations from these new shares amounting to approximately US\$4.1 million were used for settlement of outstanding amounts due from the Company to the private subscriber.

During the second quarter of 2019, 804,182 ordinary shares of the Company that were previously issued pursuant to implementation of the refinancing exercise were cancelled due to the rectification of a bond conversion.

The above newly issued shares rank pari passu in all respects with the previously issued shares.

As at 31 December 2019, the share capital less treasury shares of the Company was 3,727,202,077 ordinary shares (3,730,386,077 issued ordinary shares less 3,184,000 treasury shares). As at 31 December 2018, the share capital less treasury shares of the Company was 3,707,782,790 ordinary shares (3,710,966,790 issued ordinary shares less 3,184,000 treasury shares).

As at 31 December 2019, the Company had S\$138.1 million of outstanding convertible bonds and perpetual securities available for conversion into 499,638,075 ordinary shares of the Company (the conversion price is reset every six months). In addition, there were 300 redeemable exchangeable preference shares in a subsidiary available for exchange into 19,787,830 ordinary shares of the Company. As at 31 December 2018, the Company had S\$138.1 million of outstanding convertible bonds and perpetual securities available for conversion into 499,638,075 ordinary shares of the Company (the conversion price is reset every six months). In addition, there were 300 redeemable exchangeable preference shares in a subsidiary available for exchange to 19,787,830 ordinary shares of the Company.

There were no subsidiary holdings as at 31 December 2019 and 31 December 2018.

**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 2019, the issued and paid up share capital excluding treasury shares of the Company comprised 3,727,202,077 (31 December 2018: 3,707,782,790) ordinary shares.

As at 31 December 2019, a subsidiary of the Company has 300 (31 December 2018: 300) redeemable exchangeable preference shares outstanding.

**1(d)(iv) A statement showing all sales, transfers, 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 2019 = 3,184,000 shares

Purchase of treasury shares during the period = Nil

Transfer of treasury shares during the period = Nil

As at 31 December 2019 = 3,184,000 shares

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

Not applicable.

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 modifications 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 note 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 2018.

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.**

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 2018, except for the adoption of new/revised SFRS(I) applicable for the financial period beginning 1 January 2019 as follows:

*SFRS(I) 16 Leases*

*SFRS(I) INT 23 Uncertainty over Income Tax Treatments*

*Long-term Interests in Associates and Joint Ventures (Amendments to SFRS(I) 1-28)*

*Prepayment Features with Negative Compensation (Amendments to SFRS(I) 9)*

*Previously Held Interest in a Joint Operation (Amendments to SFRS(I) 3 and 11)*

*Income Tax Consequences of Payments on Financial Instruments Classified as Equity (Amendments to SFRS(I)*

*Borrowing Costs Eligible for Capitalisation (Amendments to SFRS(I) 1-23)*

*Plan Amendment, Curtailment or Settlement (Amendments to SFRS(I) 1-19)*

#### **SFRS(I) 16 Leases**

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. SFRS(I) 16 replaces existing lease accounting guidance, including SFRS(I) 1-17 Leases, SFRS(I) INT 4 Determining whether an Arrangement contains a Lease, SFRS(I) INT 1-15 Operating Leases – Incentives and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted.

The Group and the Company has applied SFRS(I) 16 initially on 1 January 2019, using the modified retrospective approach. The cumulative effect of adopting SFRS(I) 16 will be recognised as an adjustment to the opening balance of accumulated profits at 1 January 2019, with no restatement of comparative information. There was no material impact to the Group and the Company's accumulated profits at 1 January 2019 upon application of SFRS (I) 16 as the Group applied the short term lease exemption for leases with lease term of 12 months or less under SFRS(I) 16.

**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>Group (Fourth Quarter)</b>		<b>Group (Year-To-Date)</b>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2019</b>	<b>31.12.2018</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
(in US\$ cents)				
(a) Based on weighted average	-4.48 cts	-10.54 cts	-16.51 cts	-10.91 cts
(b) On a fully diluted basis	-4.48 cts	-10.54 cts	-16.51 cts	-10.91 cts

Note :

Weighted average ordinary shares  
for calculation of:

- Basic earnings per share	3,727,202,077	3,707,703,246	3,725,673,620	3,149,357,417
- Diluted earnings per share*	3,727,202,077	3,707,703,246	3,725,673,620	3,149,357,417

\* As the period ended 31 December 2019 is in a loss position before fair value adjustments (non-operating item), share options and warrants were not included in the computation of the diluted earnings per share because these potential ordinary shares were anti-dilutive.

**7. Net liabilities 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.**

	<b>Group</b>		<b>Company</b>	
	<b>31.12.2019</b>	<b>31.12.2018</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
(in US\$ cents)				
Net liabilities value per ordinary share based on existing issued share capital excluding treasury shares as at the end of the year reported on	-23.27 cts	-6.87 cts	-30.3 cts	-21.22 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**

##### **4Q19 vs 4Q18**

The Group's revenue for the three months ended 31 December 2019 ("4Q19") decreased by US\$16.5 million (55.6%) to US\$13.2 million as compared to the corresponding three months ended 31 December 2018 ("4Q18"). The decrease in revenue was mainly due to:

- (i) decrease in utilisation and charter rates for the Group's jack-up rigs;
- (ii) a decrease in utilisation rates of liftboats resulting from continued delays in re-deployment of the Group's assets. The delays were in turn caused by working capital constraints arising mainly from limited available financing options since lenders remain adverse to lending to our sector; and
- (iii) the systemic problem such as credit crunch faced by shipyards, equipment suppliers and service providers used by the Group. The tighter credit terms imposed by these vendors coupled with the inability of the Group to drawdown the required funds from its secured lenders in a timely manner has severely affected the Group's ability to operate, maintain and deploy its assets.

The cost of sales and servicing for 4Q19 decreased by US\$8.1 million (29.3%) to US\$19.6 million as compared to 4Q18, mainly due to lower operating costs due to lower activities from the Group's jack-up rigs.

As a result of the above, the Group recorded a gross loss of US\$6.4 million in 4Q19 compared with a gross profit of US\$2.1 million in 4Q18.

The decrease in other income for 4Q19 was mainly due to the absence of gain on derecognition of an associate that was recognised in 4Q18.

The decrease in administrative expenses in 4Q19 was mainly due to overprovision of staff costs.

Following the Group's 2Q19 and 3Q19 results announcement on the Group's impairment assessment, the Group updated its impairment assessment in 4Q19 and recognised additional impairment losses of US\$22.4 million on plant and equipment and trade and other receivables. In addition, the Group has recognised additional loss allowances for expected credit losses (ECL) on financial guarantees to joint ventures of US\$51.7 million in 4Q19.

Finance income has decreased in 4Q19 mainly due to decrease in interest income from loans to joint ventures.

Finance costs have increased in 4Q19 mainly due to the acceleration of the amortisation of the fair value recognised on the Debt Securities and term loans during the period, which amounted to approximately US\$64.9 million (4Q18:US\$9.4 million).

The Group has remeasured the fair value of financial liabilities that was designated as fair value through profit or loss and has recognised a fair value loss of US\$24.1 million in 4Q19 as compared to a fair value gain of US\$20.8 million in 4Q18.

The share of losses of associates and jointly controlled entities in 4Q19 was due to lower operating losses from the Group's joint ventures and associates.

The Group generated loss before income tax of US\$168.8 million in 4Q19 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 of US\$1.7 million relates to overprovision of tax expenses in previous quarters.

##### **FY19 vs FY18**

The Group's revenue for the financial year ended 31 December 2019 ("FY19") decreased by US\$28.4 million (23.9%) to US\$90.3 million as compared to the corresponding financial year ended 31 December 2018 ("FY18"). The decrease in revenue was mainly due to:

- (i) decrease in utilisation and charter rates for the Group's jack-up rigs;

- (ii) a decrease in utilisation rates of liftboats resulting from continued delays in re-deployment of the Group's assets. The delays were in turn caused by working capital constraints arising mainly from limited available financing options since lenders remain adverse to lending to our sector; and
- (iii) the systemic problem such as credit crunch faced by shipyards, equipment suppliers and service providers used by the Group. The tighter credit terms imposed by these vendors coupled with the inability of the Group to drawdown the required funds from its secured lenders in a timely manner has severely affected the Group's ability to operate, maintain and deploy its assets.

The cost of sales and servicing for FY19 decreased by US\$14.8 million (13.8%) to US\$92.3 million as compared to FY18, mainly due to lower depreciation expenses on plant and equipment and lower operating costs due to lower activities from the Group's jack-up rigs.

As a result of the above, the Group recorded a gross loss of US\$1.9 million in FY19 compared with gross profit of US\$11.7 million in FY18.

The decrease in other income for FY19 was mainly due to the absence of foreign exchange gain and gain on derecognition of an associate that was recognised in FY18.

The decrease in administrative expenses in FY19 as compared to FY18 was mainly due to decrease in staff costs.

Other operating expenses in FY19 mainly comprise impairment losses on loans to associates, loans to joint ventures, plant and equipment, and trade and other receivables of US\$375.2 million, loss on derecognition of an associate of US\$8.5 million and loss allowances for ECL on financial guarantees to joint ventures of US\$72.0 million.

Finance costs have increased in FY19 mainly due to acceleration of the amortisation of the fair value recognised on the Debt Securities and term loans during the period, which amounted to approximately US\$75.0 million (FY18: US\$9.4 million) and increase in effective interest rates on bank loans.

The Group has remeasured the fair value of financial liabilities that was designated as fair value through profit or loss and has recognised a fair value loss of US\$26.4 million in FY19 as compared to a fair value gain of US\$112.3 million in FY18.

The share of losses in FY19 from associates and jointly controlled entities has decreased mainly due to lower operating losses from the Group's joint ventures and associates.

The Group generated loss before income tax of US\$609.3 million in FY19 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 expense of US\$5.6 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\$697.9 million as at 31 December 2019. The decrease in Non-current Assets was mainly due to impairment losses made on loans to associates, loans to joint ventures, and plant and equipment and reclassification of the Group's service rigs and offshore vessels to Asset held for sale. The decrease in investment in Associates was mainly due to the derecognition of an associate as Alpha Energy Holdings Limited is no longer deemed as associated company of the Group as the Group has ceased to have significant influence over Alpha Energy Holdings Limited, and disposal of another associate during the year.

### **Current Assets**

The Group's Current Assets amounted to US\$184.0 million as at 31 December 2019. The decrease as compared to the Group's Current Assets as at 31 December 2018 was mainly due to the impairment of other current assets during the period, offset by the reclassification of the Group's service rigs and offshore vessels from Non-Current Assets to Assets held for sale.

### **Total Liabilities**

The Group's Total Liabilities amounted to US\$1,749.3 million as at 31 December 2019. The increase in Total Liabilities was mainly due to amortisation of the fair value recognised on the debt securities and loss allowances for ECL on financial guarantees to joint ventures. This decrease is offset by the repayment of bank loans and settlement of an outstanding amount due to a private subscriber by way of issuance of new ordinary shares in the Company following the exercise of a call option by the private subscriber.

### **Total Equity**

The decrease in Total Equity was attributable mainly due to the loss generated for the period, offset by issuance of new ordinary shares.

### **Going concern**

The Group and the Company have net liabilities of US\$867.4 million and US\$1,129.2 million respectively as at 31 December 2019. This was mainly due to the losses incurred by the Group. In addition, the Group and the Company have net current liabilities of US\$1,538.9 million and US\$1,587.8 million respectively as at 31 December 2019. This is a result of reclassification of the Group's non-current portion of bank borrowings and debt securities to current liabilities following the proposal for the Scheme of Arrangement (please see below for more details).

As announced by the Company on 28 February 2020, Yinson Eden Pte. Ltd., an indirect wholly-owned subsidiary of Yinson Holdings Berhad (the "Subscriber"), has informed the Company that the Subscriber has on 28 February 2020 entered into separate debt assignment agreements (the "Debt Assignment Agreements") with each of the major secured lenders ("Major Secured Lenders") of the Group, pursuant to which the Subscriber shall acquire the benefits and rights of such Major Secured Lenders in respect of up to US\$482.3 million of the existing loans extended to the Group under the relevant facility and/or credit agreements with such Major Secured Lenders (the "Relevant Debt"). The Relevant Debt, subject to the terms and conditions of the Debt Assignment Agreements and any adjustments resulting from any changes in the terms and conditions of the compromise or an arrangement between the Company and class(es) of its creditors, proposed in accordance with Section 210 of the Companies Act (Chapter 50 of Singapore) (the "Companies Act") or the Insolvency, Restructuring and Dissolution Act 2018 (No. 40 of 2018) or under any applicable law(s) of Singapore, which should compromise at least US\$740 million of the Company's debt (the "Scheme of Arrangement"), shall be assigned to the Subscriber and shall be owed by the relevant Group Companies directly to the Subscriber upon the completion of such Debt Assignment Agreements (the "Debt Assignment"), and is inter-conditional upon the completion of the Conditional Subscription Agreement (as defined below), the Conditional Options and Convertible Notes Subscription Agreement (as defined below) and the proposed Scheme of Arrangement.

In addition, the Company has on 28 February 2020 entered into the following Transaction Agreements:

- (a) a conditional subscription agreement with the Subscriber (the "Conditional Subscription Agreement") for the proposed allotment and issue of up to 23,042,817,426 new ordinary shares in the capital of the Company (the "Shares") (the "Subscription Shares") to the Subscriber and/or to such other entities as the Subscriber may direct at an issue price of S\$0.0317 (subject to adjustment) (the "Issue Price") per Subscription Share for the Singapore Dollar equivalent of the Relevant Debt and the Cash Consideration (defined below) (based on the exchange rate of US\$1.00 : S\$1.38 (the "Exchange Rate"), in consideration of the following:
  - (i) a capitalisation of all of the Relevant Debt acquired by the Subscriber pursuant to the Debt Assignment Agreements, following which the relevant Group Companies shall be deemed to have repaid all of the Relevant Debt to the Subscriber and the Subscriber shall fully release and discharge the relevant Group Companies from their payment obligations of such Relevant Debt; and
  - (ii) a cash consideration of approximately US\$47.0 million, being the sum equivalent of US\$150.0 million less the aggregate cash consideration payable and/or paid by the Subscriber to the Major Secured Lenders under the Debt Assignment Agreements (the "Cash Consideration"),  
(collectively, the "Proposed Subscription"); and
- (b) a conditional options and convertible notes subscription agreement with the Subscriber (the "Conditional Options and Convertible Notes Subscription Agreement") for the:
  - (i) proposed grant by the Company of US\$150.0 million worth of unlisted and transferable share options (the "Options"), with each Option carrying the right to subscribe for one (1) new Share (the "Option Shares") at the Option Exercise Price (as defined below), on the terms and conditions of the Conditional Options and Convertible Notes Subscription Agreement (the "Proposed Grant of Options"); and
  - (ii) proposed subscription by the Subscriber to US\$20.0 million in principal amount of 8.1% convertible notes issued by the Company (the "Convertible Notes") on the terms and conditions of the Conditional Options and Convertible Notes Subscription Agreement (the "Proposed Convertible Notes Subscription", together with the Proposed Subscription and the Proposed Grant of Options, the "Proposed Transactions").

The Company will be filing the proposed Scheme of Arrangement (which is a compromise or an arrangement between the Company and class(es) of its creditors, proposed in accordance with Section 210 of the Companies Act or the Insolvency, Restructuring and Dissolution Act 2018 (No. 40 of 2018) or under any applicable law(s) of Singapore), which would compromise at least US\$740 million of the Company's debt. The Group is in cross default of its borrowings in relation to the above transactions.

The completion of the Proposed Transactions and the proposed Scheme of Arrangement are inter-conditional and shall take place simultaneously. Accordingly, if completion of any one of the Proposed Transactions and/or the proposed Scheme of Arrangement does not proceed in accordance with the Transaction Agreements, none of the Proposed Transactions will proceed.

Notwithstanding the net liabilities and net current liabilities of the Group and the Company, the Board believes that the Group's going concern assumption is appropriate for the following reasons:

- (1) the continuing support of the Group's lenders;
- (2) the Group is still currently generating positive operating cash flows and has generated US\$29.4 million from operating activities during FY19, and barring any unforeseen circumstances, the Group is expected to continue to generate positive operating cash flows for the foreseeable future; and
- (3) the completion of the Proposed Transactions and Scheme of Arrangement will allow the Group to reduce its borrowings, debt-to-equity ratio and debt service obligations, and to allow the Group to have access to additional funds in the event the Subscriber exercises its Options.

The Group will continue to engage the relevant stakeholders to complete the Proposed Transactions and Scheme of Arrangement and will make further announcements upon finalisation of the terms of the Scheme of Arrangement.

#### **STATEMENT OF CASH FLOWS REVIEW**

##### **Cash Flow from Operating Activities**

The Group's net cash inflow from operating activities was US\$29.4 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\$6.0 million. This was mainly due to deployment of funds towards the vessels and assets under construction, partially offset by the proceeds from sale of asset held for sale, plant and equipment and an associate.

##### **Cash Flow from Financing Activities**

The Group's net cash used in financing activities was US\$27.8 million. This was mainly due to repayment of bank loans and payment of interest, offset by drawdown of additional bank loans.

#### **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 3Q2019 and the update announcement on the Yinson Subscription released on SGX-ST on 28 February 2020.

#### **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.**

Following the announcement made by the Company on 28 February 2020, the Group will continue to engage the relevant stakeholders to complete the Proposed Transactions and Scheme of Arrangement and will make further announcements upon finalisation of the terms of the Scheme of Arrangement.

#### **11. Dividend**

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

Any dividend declared for the current financial period reported on?

None

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

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

**(c) Date payable**

Not applicable

**(d) Books closure date**

Not applicable

**12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

No dividend has been declared/recommendeded for the current financial reporting period due to the net liabilities position of the Group and the Company.

**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. The Company has not obtained a general mandate from shareholders for interested person transaction.

**14. Confirmation of undertakings from Directors and Executive Officers**

The Company has procured undertakings from all its directors and executive officers in compliance with Listing Rule 720(1).

**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**

	Liftboats	Jack-up Rigs	Offshore Support Logistic Services	Others	Total operations
Year ended 31 December 2019	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Revenue	55,537	25,961	8,329	500	90,327
Reportable segment results from operating activities	17,131	5,007	6,262	(8,048)	20,352
Depreciation expense	(26,959)	(16,928)	(4,461)	-	(48,348)
Impairment loss on plant and equipment	(90,281)	(138,634)	(30,300)	-	(259,215)
Impairment loss on trade receivables, other assets, loans to joint ventures and loss allowances for financial guarantees to joint ventures (net)	(79,273)	(33,933)	(74,778)	-	(187,984)
Other income	2,434	-	2,424	-	4,858
Share of results of associates and joint ventures, net of tax	1,050	-	(10,291)	(841)	(10,082)
Finance income	342	4,972	2,680	-	7,994
Finance expense	(47,296)	(60,771)	(3,731)	-	(111,798)
Unallocated expenses					(25,122)
Profit before income tax					(609,345)
Income tax expense					(5,591)
Profit for the year					(614,936)
Reportable segment assets	631,962	104,147	65,775	-	801,884
Investment in associates and joint ventures	70,284	-	-	-	70,284
Unallocated assets					9,696
Total assets					881,864
Reportable segment liabilities	852,131	800,814	91,785	-	1,744,730
Unallocated liabilities					4,578
Total liabilities					1,749,308
Capital expenditure	10,665	6,042	-	-	16,707
Unallocated capital expenditure					-
Total capital expenditure					16,707

**Business Segments (Cont'd)**

	Liftboats	Jack-up Rigs	Offshore Support Logistic Services	Others	Total operations
Year ended 31 December 2018	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Revenue	68,737	40,463	8,948	548	118,696
Reportable segment results from operating activities	14,410	16,626	(1,212)	548	30,372
Depreciation expense	(27,600)	(16,947)	(6,327)	-	(50,874)
Impairment loss on plant and equipment	-	(64,252)	(15,921)	-	(80,173)
Impairment loss on trade receivables, other assets, loans to joint ventures and loss allowances for financial guarantees to joint ventures (net)	(34,266)	(223,707)	(18,764)	-	(276,737)
Other income	3,722	5,174	918	6,397	16,211
Share of results of associates and joint ventures, net of tax	1,402	(15,677)	(6,267)	(19,978)	(40,520)
Finance income	64	3,964	3,674	-	7,702
Finance expense	(16,335)	(16,471)	(12,179)	-	(44,985)
Unallocated expenses					97,157
Loss before income tax					(341,847)
Income tax expense					(2,492)
Loss for the year					(344,339)
Reportable segment assets	754,209	245,053	92,544	-	1,091,806
Investment in associates and joint ventures	70,281	-	31,896	31,941	134,118
Unallocated assets					116,177
Total assets					1,342,101
Reportable segment liabilities	602,810	860,328	87,682	-	1,550,820
Unallocated liabilities					46,033
Total liabilities					1,596,853
Capital expenditure	68,533	9,698	2,078	-	80,309
Unallocated capital expenditure					27
Total capital expenditure					80,336

## Geographical segments

	Revenue		Non-current assets <sup>(1)</sup>		Capital expenditure	
	2019 US\$'000	2018 US\$'000	2019 US\$'000	2018 US\$'000	2019 US\$'000	2018 US\$'000
Singapore	8,604	9,496	502,589	656,787	10,665	65,123
India	7,527	6,324	-	-	-	-
Brunei	6,889	14,038	-	-	-	-
Thailand	18,434	31,901	-	-	-	-
Malaysia	6,377	-	-	-	-	-
Mauritius	-	-	26,129	127,931	6,042	14,989
Middle East	21,798	18,770	-	-	-	-
Nigeria	6,467	18,062	-	-	-	-
Other countries	14,231	20,105	70,702	134,351	-	224
	<b>90,327</b>	<b>118,696</b>	<b>599,420</b>	<b>919,069</b>	<b>16,707</b>	<b>80,336</b>

(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 note 8.

**17. A breakdown of sales as follow:-**

	Group		
	2019 US\$'000	2018 US\$'000	Increase/ (decrease) %
<b>First Half</b>			
(a) Revenue	52,406	60,880	(13.9)
(b) (Loss)/Profit after income tax	(376,766)	58,472	N/M
<b>Second Half</b>			
(c) Revenue	37,921	57,816	(34.4)
(d) Loss after income tax	(238,170)	(402,811)	(40.9)

**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	-	-
Preference	-	-
Total:	-	-

**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**

**Tan Wee Sin**  
**Company Secretary**  
**29 February 2020**