



Fourth Quarter Financial Statement And Dividend Announcement For The Twelve Months Ended 31 December 2020

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

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

	Group (Fourth Quarter)			Group (Year-To-Date)		
	3 months ended		Incr/	12 months ended		Incr/
	31.12.2020	31.12.2019	(Decr)	31.12.2020	31.12.2019	(Decr)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	5,484	11,491	(52.3)	24,734	56,037	(55.9)
Cost of sales and servicing	(12,420)	(14,011)	(11.4)	(43,624)	(56,799)	(23.2)
Gross loss	(6,936)	(2,520)	N/M	(18,890)	(762)	N/M
Other income, net	1,771	55	N/M	1,674	2,434	(31.2)
Administrative expenses	(4,637)	(209)	N/M	(10,423)	(4,374)	N/M
Other operating expenses	(42,611)	(45,012)	(5.3)	(451,131)	(200,333)	N/M
Results from operating activities	(52,413)	(47,686)	9.9	(478,770)	(203,035)	N/M
Finance income	310	57	N/M	290	222	30.6
Finance costs	(1,980)	(30,550)	(93.5)	(11,808)	(47,296)	(75.0)
Change in fair value of financial instruments	-	(24,065)	N/M	-	(26,361)	N/M
Net finance costs	(1,670)	(54,558)	(96.9)	(11,518)	(73,435)	(84.3)
Share of results of associates and jointly controlled entities (net of tax)	1,389	(183)	N/M	2,292	1,050	118.3
Results before income tax	(52,694)	(102,427)	(48.6)	(487,996)	(275,420)	77.2
Income tax (credit)/expense	(82)	1,704	N/M	(424)	(5,591)	(92.4)
Results from continuing operations	(52,776)	(100,723)	(47.6)	(488,420)	(281,011)	73.8
Discontinued operations¹						
Results from discontinued operations (net of tax)	9,461	(66,402)	N/M	(17,512)	(333,925)	(94.8)
Results after income tax	(43,315)	(167,125)	(74.1)	(505,932)	(614,936)	(17.7)

Results from continuing operations is arrived at after crediting/(charging) the following items:-

	Group (Fourth Quarter)			Group (Year-To-Date)		
	3 months ended		Incr/	12 months ended		Incr/
	31.12.2020	31.12.2019	(Decr)	31.12.2020	31.12.2019	(Decr)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Other income ²	2,081	112	N/M	1,964	2,656	(26.1)
Interest on borrowings	(1,980)	(30,550)	(93.5)	(11,808)	(47,296)	(75.0)
Depreciation of plant and equipment and right-of-use asset	(4,506)	(11,477)	(60.7)	(25,526)	(26,617)	(4.1)
Foreign exchange loss, net	(11,254)	(1,700)	N/M	(4,436)	(2,058)	N/M
Gain/(Loss) on disposal of asset held for sale/plant and equipment/subsidiaries/JV, net	125	(890)	N/M	125	(890)	N/M
Loss on derecognition of an associate	-	(1,768)	N/M	-	(8,507)	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	-	(51,901)	N/M	-	(49,907)	N/M
Change in fair value of financial instruments (Impairment loss)/Reversal of impairment loss on plant and equipment, trade and other receivables, and investment in joint venture	(34,239)	24,481	N/M	(448,380)	(119,647)	274.8

¹ Discontinued operations consist of Jack up Rigs and Offshore Support Logistic Services segments

² Includes interest income

N/M - not meaningful

See note 8 for more explanation on the income statement review

1 (a)(i) Results from discontinued operations

	Group (Fourth Quarter)		Incr/ (Decr)	Group (Year-To-Date)		Incr/ (Decr)
	3 months ended			12 months ended		
	31.12.2020	31.12.2019		31.12.2020	31.12.2019	
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	130	1,703	(92.4)	5,010	34,290	(85.4)
Cost of sales and servicing	2,655	(5,539)	N/M	(8,023)	(35,476)	(77.4)
Gross profit/(loss)	2,785	(3,836)	N/M	(3,013)	(1,186)	N/M
Other income, net	6,931	2,424	N/M	17,422	2,424	N/M
Administrative expenses	1,485	2,527	(41.2)	(1,321)	(3,741)	(64.7)
Other operating expenses	(2,186)	(26,798)	(91.8)	(28,833)	(263,560)	(89.1)
Results from operating activities	9,015	(25,683)	N/M	(15,745)	(266,063)	(94.1)
Finance income	1,203	919	30.9	2,745	7,772	(64.7)
Finance costs	(757)	(41,663)	(98.2)	(4,512)	(64,502)	(93.0)
Net finance costs	446	(40,744)	N/M	(1,767)	(56,730)	(96.9)
Share of results of associates and jointly controlled entities (net of tax)	-	25	N/M	-	(11,132)	N/M
Results before income tax	9,461	(66,402)	N/M	(17,512)	(333,925)	(94.8)
Income tax expense	-	-	N/M	-	-	N/M
Results from discontinued operations	9,461	(66,402)	N/M	(17,512)	(333,925)	(94.8)

Results from discontinued operations 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		
	31.12.2020	31.12.2019		31.12.2020	31.12.2019	
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Other income ¹	8,134	3,343	N/M	20,167	10,196	97.8
Interest on borrowings	(757)	(41,663)	(98.2)	(4,512)	(64,502)	(93.0)
Depreciation of plant and equipment and right-of-use asset	(1,248)	(431)	N/M	(3,618)	(21,731)	(83.4)
Gain/(Loss) on disposal of asset held for sale/plant and equipment/subsidiaries, net	9,271	(3,750)	N/M	18,132	(9,532)	N/M
Loss on disposal of joint venture	-	(890)	N/M	-	(890)	N/M
Loss allowances for ECLs on financial guarantees to joint ventures	-	247	N/M	(2,803)	(22,073)	(87.3)
Reversal of impairment loss/(Impairment loss) on plant and equipment, trade and other receivables, and investment in joint venture	8,089	(51,306)	N/M	(16,429)	(254,084)	(93.5)

¹ Includes interest income

N/M - not meaningful

See note 8 for more explanation on the income statement review

As announced on 19 October 2020, the Group has resolved to undertake a restructuring plan to:

(a) refocus its business on the provision of vessel management services i.e. transition to a vessel management company. In this process, it will be taking steps to realise value by disposing of its vessels in an orderly manner over a period of time. This will allow the Company to better manage its cashflow constraints by reducing the holding costs of the vessels as well as the amount of liabilities;

(b) implement further cost-cutting measures in line with the business requirements; and

(c) continue the search for potential investors to recapitalise the Group and/or realise the value of the listed status of the Company, on the basis of a vessel management company.

As at 31 December 2020, aligned with the Group's Restructuring plans, all service rigs, tugs and barges are classified as either non-current assets held for sale or finances lease. As such, the Jack-up Rigs Segment and Offshore Support Logistic Services Segment are classified as discontinued operations.

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

	Group		Company	
	31.12.2020 US\$'000	31.12.2019 US\$'000	31.12.2020 US\$'000	31.12.2019 US\$'000
Non-current assets				
Plant and equipment	67,550	599,420	718	937
Subsidiaries	-	-	30,496	30,799
Loans to subsidiaries	-	-	188,420	285,647
Joint ventures	4,746	3,030	-	-
Loans to joint ventures	4,870	67,254	25	6,746
Right-of-use assets	801	1,307	801	1,307
Finance lease receivables	295	-	-	-
Other assets	21,857	26,879	21,857	26,879
	100,119	697,890	242,317	352,315
Current assets				
Trade receivables	13,646	63,601	14,866	14,904
Other current assets	25,698	62,277	58,067	56,275
Finance lease receivables	3,375	-	-	-
Assets held for sale	105,250	14,895	-	-
Cash and cash equivalents	57,604	43,201	28,942	9,297
	205,573	183,974	101,875	80,476
Total assets	305,692	881,864	344,192	432,791
Equity				
Share capital	958,497	934,656	958,497	934,656
Perpetual securities	14,748	14,938	14,748	14,938
Redeemable exchangeable preference shares	-	23,464	-	-
Reserves	(6,805)	806	(7,223)	(1,573)
Accumulated losses	(2,347,031)	(1,841,308)	(2,401,793)	(2,142,357)
Total equity	(1,380,591)	(867,444)	(1,435,771)	(1,194,336)
Non-current liabilities				
Lease liabilities	-	818	-	818
Other payables	8,655	23,655	-	-
	8,655	24,473	-	818
Current liabilities				
Trade payables	32,417	64,751	50	392
Other payables	80,248	64,524	410,967	427,764
Lease liabilities	873	519	873	519
Financial liabilities	1,372,228	1,403,892	1,187,111	1,020,006
Debt securities	180,962	177,628	180,962	177,628
Provision for taxation	10,900	13,521	-	-
	1,677,628	1,724,835	1,779,963	1,626,309
Total liabilities	1,686,283	1,749,308	1,779,963	1,627,127
Total equity and liabilities	305,692	881,864	344,192	432,791

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 31.12.2020		As at 31.12.2019	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
1,363,314	189,876	1,395,144	186,376

Amount repayable after one year

As at 31.12.2020		As at 31.12.2019	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
-	-	-	-

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 is an amount of US\$45,140,000 (31 December 2019: US\$27,028,000) 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 2020

	Group (Fourth Quarter)			Group (Year-To-Date)		Incr/ (Decr) %
	3 months ended		0 %	12 months ended		
	31.12.2020	31.12.2019			31.12.2020	31.12.2019
	US\$'000	US\$'000		US\$'000	US\$'000	
Results after income tax	(43,315)	(167,125)	(74.1)	(505,932)	(614,936)	(17.7)
Other comprehensive income						
<u>Items that will not be reclassified to profit or loss:</u>						
Net change in fair value of equity investments at FVOCI	(1,137)	5,056	N/M	(5,650)	(93)	N/M
<u>Items that may be reclassified subsequently to profit or loss:</u>						
Foreign currency translation differences						
- foreign operations	(4,053)	(3,340)	21.3	(3,979)	(2,196)	81.2
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	615	126	N/M	2,018	(2,410)	N/M
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	(713)	N/M
	(3,438)	(136)	N/M	(1,961)	(2,241)	(12.5)
Other comprehensive income for the period	(4,575)	4,920	N/M	(7,611)	(2,334)	N/M
Total comprehensive income for the period	(47,890)	(162,205)	(70.5)	(513,543)	(617,270)	(16.8)
Attributable to:						
Owners of the Company	(47,890)	(162,205)	(70.5)	(513,543)	(617,270)	(16.8)

Note :

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

N/M - not meaningful

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

	Group (Fourth Quarter)		Group (Year-To-Date)	
	3 months ended		12 months ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	US\$'000	US\$'000	US\$'000	US\$'000
Cash flows from operating activities				
Results after income tax	(43,315)	(167,125)	(505,932)	(614,936)
Adjustments for:				
Income tax expense/(credit)	82	(1,704)	424	5,591
Depreciation expense	5,754	11,908	29,144	48,348
Change in fair value of financial instruments	-	24,065	-	26,361
(Gain)/Loss on disposal of asset held for sale/plant and equipment/subsidiaries, net	(9,396)	4,640	(18,257)	10,422
Gain on disposal of an associate	-	(2,206)	-	(2,206)
Foreign exchange loss, net	11,254	1,700	4,436	2,058
Finance income	(1,513)	(976)	(3,035)	(7,994)
Finance costs	2,737	72,213	16,320	111,798
Impairment loss on plant and equipment, trade and other receivables, and investment in joint venture	26,150	26,825	464,809	373,731
Write-off of trade and other payables and other obligations	-	(22,511)	-	(22,511)
Loss on derecognition of an associate	-	1,768	-	8,507
Loss allowances for ECLs on financial guarantees to joint ventures	-	51,654	2,803	71,980
Equity-settled share-based payment transactions	55	108	209	431
Share of results of associates and jointly controlled entities	(1,389)	158	(2,292)	10,082
Operating cash flow before working capital changes	(9,581)	517	(11,371)	21,662
Changes in working capital:				
Trade receivables and other assets	6,639	8,110	20,072	16,682
Trade and other payables	(14,466)	2,419	(6,528)	(8,433)
Cash (used in)/generated from operating activities	(17,408)	11,046	2,173	29,911
Income tax paid	(1,030)	(901)	(2,739)	(2,247)
Net cash (used in)/generated from operating activities	(18,438)	10,145	(566)	27,664
Cash flows from investing activities				
Purchase of plant and equipment	(218)	(6,246)	(6,153)	(14,848)
Proceeds from disposal of asset held for sale/plant and equipment	51,629	888	66,604	6,729
Proceeds from disposal of an associate	-	2,206	-	2,206
Proceeds from disposal of joint venture	-	2,050	-	2,050
Advances to joint ventures	(784)	-	(1)	-
Investments in associate	-	-	-	(450)
Interest received	672	-	715	234
Net cash generated from/(used in) investing activities	51,299	(1,102)	61,165	(4,079)
Cash flows from financing activities				
Proceeds from borrowings	-	-	36,736	13,292
Repayment of borrowings	(35,519)	(4,917)	(77,075)	(16,852)
Net proceeds from issuance of ordinary shares	-	-	4	-
Repayment of lease liabilities	(136)	-	(515)	(203)
Interest paid	(517)	(3,877)	(3,290)	(24,254)
Net cash used in financing activities	(36,172)	(8,794)	(44,140)	(28,017)
Net (decrease)/increase in cash and cash equivalents	(3,311)	249	16,459	(4,432)
Cash and cash equivalents at beginning of the period	63,256	43,421	43,201	49,029
Effect of exchange rate fluctuations	(2,341)	(469)	(2,056)	(1,396)
Cash and cash equivalents at end of the period	57,604	43,201	57,604	43,201

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 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
Group									
At 1 January 2019	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)
Transactions with owners, recognised directly in equity									
Issue of shares	4,147	-	-	-	-	-	-	-	4,147
Share-based payment transactions	-	-	-	-	-	-	-	431	431
At 31 December 2019	934,656	14,938	23,464	(1,480)	2,379	-	(93)	(1,841,308)	(867,444)
At 1 January 2020	934,656	14,938	23,464	(1,480)	2,379	-	(93)	(1,841,308)	(867,444)
Total comprehensive income for the period	-	-	-	-	(1,961)	-	(5,650)	(505,932)	(513,543)
Transactions with owners, recognised directly in equity									
Issue of shares	23,841	(190)	(23,464)	-	-	-	-	-	187
Share-based payment transactions	-	-	-	-	-	-	-	209	209
At 31 December 2020	958,497	14,748	-	(1,480)	418	-	(5,743)	(2,347,031)	(1,380,591)
	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		
Company									
At 1 January 2019			930,509	14,938	(1,480)	713	-	(1,735,448)	(790,768)
Total comprehensive income for the period			-	-	-	(713)	(93)	(407,340)	(408,146)
Transactions with owners, recognised directly in equity									
Issue of shares			4,147	-	-	-	-	-	4,147
Share-based payment transactions			-	-	-	-	-	431	431
At 31 December 2019			934,656	14,938	(1,480)	-	(93)	(2,142,357)	(1,194,336)
At 1 January 2020			934,656	14,938	(1,480)	-	(93)	(2,142,357)	(1,194,336)
Total comprehensive income for the period			-	-	-	-	(5,650)	(259,645)	(265,295)
Transactions with owners, recognised directly in equity									
Issue of shares			23,841	(190)	-	-	-	-	23,651
Share-based payment transactions			-	-	-	-	-	209	209
At 31 December 2020			958,497	14,748	(1,480)	-	(5,743)	(2,401,793)	(1,435,771)

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 2020, the Company had issued 22,073,345 new shares pursuant to the terms of the redeemable exchangeable preference shares ("REPS") at the exchange price of S\$1.3591 per share to the REPS holders.

During the second quarter of 2020, the Company had issued 904,813 ordinary shares at an issue price of S\$0.2763 per share pursuant to the conversion of perpetual securities into ordinary shares of the Company.

The Company had also issued 12,039 ordinary shares at an issue price of S\$0.45 per share pursuant to the exercise of 12,039 warrants by warrant holders.

During the fourth quarter of 2020, the Company had issued 904,813 ordinary shares at an issue price of S\$0.2763 per share pursuant to the conversion of convertible bonds into ordinary shares of the Company.

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

As at 31 December 2020, the share capital less treasury shares of the Company was 3,751,097,087 ordinary shares (3,754,281,087 issued ordinary shares less 3,184,000 treasury 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 2020, the Company had S\$137.3 million of outstanding convertible bonds and perpetual securities available for conversion into 497,828,448 ordinary shares of the Company (the conversion price is reset every six months). 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, as at 31 December 2019, 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 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.

As at 31 December 2020, the issued and paid up share capital excluding treasury shares of the Company comprised 3,751,097,087 (31 December 2019: 3,727,202,077) ordinary shares.

As at 31 December 2020, no subsidiary of the Company has (31 December 2019: 300) redeemable exchangeable preference shares outstanding as it has been fully converted during the first quarter of 2020.

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 2020 = 3,184,000 shares

Purchase of treasury shares during the period = Nil

Transfer of treasury shares during the period = Nil

As at 31 December 2020 = 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 2020.

- 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 2019, except for the adoption of new/revised SFRS(I) applicable for the financial period beginning 1 January 2020 as follows:

Amendments to References to Conceptual Framework in SFRS(I) Standards

Definition of a Business (Amendments to SFRS(I) 3)

Definition of Material (Amendments to SFRS(I) 1-1 and SFRS(I) 1-8)

The above new SFRS(I)s, interpretations and amendments to SFRS(I)s did not have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

Discontinued operations

Prior periods comparative for the Group's income statement has been re-presented in accordance with SFRS (I) 5 *Non-current Assets Held for Sale and Discontinued Operations*, following the discontinuation of the Group's segments during the financial year ended 31 December 2020. The discontinued segments are Jack-up Rigs and Offshore Support Logistics Services.

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

	Group (Fourth Quarter) 3 months ended		Group (Fourth Quarter) 12 months ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
(in US\$ cents)				
Continuing operations				
(a) Based on weighted average number	-1.41 cts	-2.7 cts	-13.04 cts	-7.54 cts
(b) On a fully diluted basis	-1.41 cts	-2.7 cts	-13.04 cts	-7.54 cts
Discontinued operations				
(a) Based on weighted average number	0.25 cts	-1.78 cts	-0.47 cts	-8.96 cts
(b) On a fully diluted basis	0.25 cts	-1.78 cts	-0.47 cts	-8.96 cts

Note :

Weighted average ordinary shares

for calculation of:

- Basic earnings per share	3,751,097,087	3,727,202,077	3,745,847,073	3,725,673,620
- Diluted earnings per share*	3,751,097,087	3,727,202,077	3,745,847,073	3,725,673,620

* As the period ended 31 December 2020 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.

	Group		Company	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
(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				
	-36.8 cts	-23.27 cts	-38.28 cts	-32.04 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

4Q20 vs 4Q19

The Group's revenue for the three months ended 31 December 2020 ("4Q20") decreased by US\$6.0 million (52.3%) to US\$5.5 million as compared to the corresponding three months ended 31 December 2019 ("4Q19"). The decrease in revenue was mainly due to decrease in utilisation rates of liftboats as a result of:

- (a) COVID-19 pandemic has affected over 150 countries, resulting in partial or full lockdowns in many such affected countries. This has resulted in the disruption in various international and domestic supply chains and has created a significant strain on demand across various industries including the oil and gas industry. Demand for the Group's assets was severely impacted by this and this has contributed to the decrease in utilisation and charter rates across the Group's fleet;
- (b) unavailability of financing as the lenders remain adverse to lend to the oil and gas industry and that the Group is undergoing corporate restructuring; and
- (c) the refocus of the Group's business to vessel management with an asset-light structure by divesting its vessels and rigs in an orderly fashion, in consultations and discussions with the secured lenders leading up to the period.

The cost of sales and servicing for 4Q20 decreased by US\$1.6 million (11.4%) to US\$12.4 million as compared to 4Q19, mainly due to lower depreciation expense; and lower operating costs due to lower activities from the Group's liftboats.

As a result of the above, the Group recorded a gross loss of US\$6.9 million in 4Q20 compared with a gross loss of US\$2.5 million in 4Q19.

The increase in other income for 4Q20 was mainly due to the government grants and gain on disposal of plant and equipment during the quarter.

The increase in administrative expenses in 4Q20 as compared to 4Q19 was mainly due to the absence of one-off overprovision of staff costs that was made in 4Q19 and higher professional fees in 4Q20 in relation to assets disposal and corporate restructuring.

The COVID-19 pandemic and the plunge in oil prices have severely impacted the demand of the Group's liftboats, contributing to decrease in utilisation and charter rates of the Group's liftboats, which affect the contracts due for renewal post period-end. Furthermore, arising from the consultations and discussions that the Group has had with its secured lenders leading up to the period, the secured lenders have indicated their preference for the Group to refocus its business to vessel management with an asset-light structure by divesting its vessels in an orderly fashion. Consequently, the Group has updated its impairment assessment in 4Q20 and recognised net impairment loss of US\$33.8 million in 4Q20. The breakdown of the net impairment losses are as follows:

	US\$'000
Plant and equipment	18,752
Trade receivables	1,517
Other current assets	1,443
Loans to joint ventures	12,527
	<u>34,239</u>

Finance income has increased in 4Q20 mainly due to income from finance lease of offshore support vessels.

Finance costs have decreased in 4Q20 mainly due to absence of amortisation of the fair value recognised on the Debt Securities and term loans as the amortisation was fully accelerated in 4Q19.

The share of profits of associates and jointly controlled entities in 4Q20 was contributed by operating profit generated by the Group's joint venture, which operates in the windfarm industry in China.

The Group generated loss before income tax of US\$52.5 million in 4Q20 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\$82,000 relates to the corporate tax expense and withholding tax expense incurred by vessels operating in certain overseas waters.

Results from discontinued operations was a profit in 4Q20 mainly due to gain on disposal of discontinued assets during the quarter of US\$6.3 million and gross profit of US\$2.8 million.

FY20 vs FY19

The Group's revenue for the financial year ended 31 December 2020 ("FY20") decreased by US\$31.3 million (55.9%) to US\$24.7 million as compared to the corresponding financial year ended 31 December 2019 ("FY19"). The decrease in revenue was mainly due to decrease in utilisation rates of liftboats as a result of:

- (a) the COVID-19 pandemic that has affected over 150 countries, resulting in partial or full lockdowns in many such affected countries. This has resulted in the disruption in various international and domestic supply chains and has created a significant strain on demand across various industries including the oil and gas industry. Demand for the Group's assets was severely impacted by this and this has contributed to the decrease in utilisation and charter rates across the Group's fleet;
- (b) unavailability of financing as the lenders remain adverse to lend to the oil and gas industry and that the Group is undergoing corporate restructuring; and
- (c) the refocus of the Group's business to vessel management with an asset-light structure by divesting its vessels and rigs in an orderly fashion, in consultations and discussions with the secured lenders leading up to the financial year end.

The cost of sales and servicing for FY20 decreased by US\$13.2 million (23.2%) to US\$43.6 million as compared to FY19, mainly due to lower operating costs due to lower activities from the Group's fleet.

As a result of the above, the Group recorded a gross loss of US\$18.9 million in FY20 compared with gross loss of US\$0.8 million in FY19.

The decrease in other income for FY20 was mainly due to the absence of gain on disposal of associate of US\$2.2 million in FY19.

The increase in administrative expenses in FY20 as compared to FY19 was mainly due to the absence of one-off overprovision of staff costs that was made in 4Q19 and higher professional fees as a result of corporate restructuring and divestment of assets.

The COVID-19 pandemic and the plunge in oil prices have severely impacted the demand of the Group's vessels and rigs, contributing to decrease in utilisation and charter rates of the Group's liftboats, which affect the contracts due for renewal post period-end. Furthermore, arising from the consultations and discussions that the Group has had with its secured lenders leading up to the period, the secured lenders have indicated their preference for the Group to refocus its business to vessel management with an asset-light structure by divesting its vessels in an orderly fashion. Consequently, the Group has updated its impairment assessment and recognised net impairment losses of US\$448.0 million for FY20. The breakdown of the net impairment losses are as follows:

	US\$'000
Plant and equipment	333,487
Trade receivables	1,517
Other current assets	51,057
Loans to joint ventures	62,319
	<u>448,380</u>

Finance income has increased in FY20 mainly due to income from finance lease of offshore support vessels.

Finance costs have decreased in FY20 mainly due to absence of amortisation of the fair value recognised on the Debt Securities and term loans as the amortisation was fully accelerated in 4Q19.

The share of profits of associates and jointly controlled entities in FY20 was contributed by operating profit generated by the Group's joint venture, which operates in the windfarm industry in China.

The Group generated loss before income tax of US\$487.8 million in FY20 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\$0.4 million relates to the corporate tax expense and withholding tax expense incurred by vessels operating in certain overseas waters.

Results from discontinued operations was loss of US\$17.5 million in FY20 as compared to loss of US\$333.9 in FY19. This was mainly due to decrease in ECL loss for financial guarantees to joint ventures of US\$19.3 million; and the absence of impairment of discontinued assets of US\$263.6 million and loss on disposal of plant and equipment of US\$9.5 million that was recognised in FY19.

STATEMENT OF FINANCIAL POSITION REVIEW

Non-current Assets

The Group's Non-current Assets amounted to US\$100.1 million as at 31 December 2020. The decrease in Non-current Assets was mainly due to impairment losses made on loans to joint ventures and plant and equipment, disposal of plant and equipment; and reclassification of plant and equipment to assets held for sale during the year which amounted to US\$105.3 million.

Current Assets

The Group's Current Assets amounted to US\$205.6 million as at 31 December 2020. The increase was mainly due to increase in cash and cash equivalents of US\$14.4 million and the reclassification of plant and equipment to assets held for sale during the period which amounted to US\$105.3 million. This is offset by the increase in impairment of other current assets of US\$38.7 million during the year and the decrease in trade receivables of US\$50.0 million.

Total Liabilities

The Group's Total Liabilities amounted to US\$1,686.3 million as at 31 December 2020. The decrease in Total Liabilities was mainly due to repayment of bank loans and other payables; offset by upward revaluation of Singapore Dollar denominated bank loans and Debt Securities as the US Dollar has depreciated against the Singapore Dollar during this period; and the drawdown of loan of US\$36.7 million during the year.

Total Equity

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

Going concern

The ability of the Group to maintain as a going concern is highly dependent upon:

- (1) the successful restructuring of the Group's business and capital structure into one which is asset-light, with a focus on provision of vessel management and operating services; and
- (2) the continuing support of the Group's lenders, including its secured lenders, noteholders and perpetual securityholders, to support and vote for a potential restructuring plan which would include or involve a debt to equity conversion of the loans outstanding to the lenders after the orderly disposal of the Group's assets.

STATEMENT OF CASH FLOWS REVIEW

Cash Flow from Operating Activities

The Group's net cash used in operating activities was US\$566,000. This was mainly due to the net cash used in the operations of the Group.

Cash Flow from Investing Activities

The Group's net cash generated from investing activities was US\$61.2 million. This was mainly due to proceeds from sale of asset held for sale and plant and equipment; the recovery of loans from joint ventures; offset by deployment of funds towards the vessels and assets under construction.

Cash Flow from Financing Activities

The Group's net cash used in financing activities was US\$44.1 million. This was mainly due to the repayment of bank loans and payment of interest, offset by drawdown of loan of US\$36.7 million during the period.

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 3Q20.

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.

National lockdowns and international travel restrictions from the COVID 19 outbreak are expected to remain in the near future and will continue to cause difficulties to the operations of the Group.

In addition, the Oil & Gas industry is further impacted by the increasing focus of the world to move away from fossil fuel (fearing global warming) into renewable energy and the reluctance of banks to finance projects related to the fossil fuel.

The Company will continue its effort to divest its vessels and rigs and refocus its business on project and vessel management. It will concentrate on leveraging on its expertise and experience in offshore wind farm to focus on renewable businesses. The Company will also continue to work hard on securing a new strategic investor.

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.

During the current year, the Group has discontinued the Jack up Rigs and Offshore Support Logistic Services segments. The Group's remaining operating segment is the Liftboat segment.

The change in operating segments is in line with the requirements of the accounting standard *FRS 108 - Operating Segments*.

Business Segments

	Liftboats	Jack-up Rigs (Discontinued)	Offshore Support Logistic Services (Discontinued)	Others	Total operations
Year ended 31 December 2020	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Revenue	24,344	4,153	857	390	29,744
Reportable segment results from operating activities	(7,947)	(10,220)	(852)	(368)	(19,387)
Depreciation expense	(25,526)	(2,399)	(1,219)	-	(29,144)
Impairment loss on plant and equipment	(333,487)	(35,393)	3,363	-	(365,517)
Impairment loss on trade receivables, other assets, loans to joint ventures and loss allowances for financial guarantees to joint ventures (net)	(114,893)	17,042	(2,897)	(1,347)	(102,095)
Other income	1,674	10,680	6,742	-	19,096
Share of results of associates and joint ventures, net of tax	2,292	-	-	-	2,292
Finance income	290	-	2,745	-	3,035
Finance expense	(11,808)	(1,937)	(2,110)	(465)	(16,320)
Unallocated expenses					2,532
Profit before income tax					(505,508)
Income tax expense					(424)
Profit for the year					(505,932)
Reportable segment assets	212,363	5,367	35,741	-	253,471
Investment in associates and joint ventures	9,616	-	-	-	9,616
Unallocated assets					42,605
Total assets					305,692
Reportable segment liabilities	473,456	205,307	48,515	-	727,278
Unallocated liabilities					959,005
Total liabilities					1,686,283
Capital expenditure	4,663	1,490	-	-	6,153
Total capital expenditure					6,153

Business Segments (Cont'd)

	Liftboats	Jack-up Rigs (Discontinued)	Offshore Support Logistic Services (Discontinued)	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	18,330	6,314	6,601	(8,018)	23,227
Depreciation expense	(26,617)	(17,099)	(4,632)	-	(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)	(73,290)	-	(186,496)
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	222	4,972	2,800	-	7,994
Finance expense	(47,297)	(60,771)	(3,731)	-	(111,799)
Unallocated expenses					(29,484)
Loss before income tax					(609,345)
Income tax expense					(5,591)
Loss for the year					(614,936)
Reportable segment assets	635,033	55,869	78,353	-	769,255
Investment in associates and joint ventures	70,284	-	-	-	70,284
Unallocated assets					42,325
Total assets					881,864
Reportable segment liabilities	850,891	801,530	93,084	-	1,745,505
Unallocated liabilities					3,803
Total liabilities					1,749,308
Capital expenditure	10,665	6,042	-	-	16,707
Total capital expenditure					16,707

Geographical segments

Continuing operations	Revenue		Non-current assets ⁽¹⁾		Capital expenditure	
	2020	2019	2020	2019	2020	2019
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Singapore	390	500	62,405	469,311	4,663	10,665
China	6,740	6,620	-	-	-	-
Brunei	-	6,889	-	-	-	-
Malaysia	4,586	6,377	-	-	-	-
Mauritius	-	-	-	-	-	-
Middle East	10,166	21,798	-	-	-	-
Nigeria	-	6,467	-	-	-	-
Other countries	2,852	7,386	5,145	56,064	-	-
	24,734	56,037	67,550	525,375	4,663	10,665

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

Discontinued operations	Revenue		Non-current assets ⁽¹⁾		Capital expenditure	
	2020	2019	2020	2019	2020	2019
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Singapore	715	8,104	-	33,278	-	-
India	1,495	7,527	-	-	-	-
Thailand	2,658	18,434	-	-	-	-
Mauritius	-	-	-	26,129	1,490	6,042
Other countries	142	225	-	14,638	-	-
	5,010	34,290	-	74,045	1,490	6,042

(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		
	2020	2019	Increase/ (decrease)
	US\$'000	US\$'000	%
First Half			
(a) Revenue	18,934	52,406	(63.9)
(b) Loss after income tax	(238,144)	(376,766)	(36.8)
Second Half			
(c) Revenue	10,810	37,921	(71.5)
(d) Loss after income tax	(267,788)	(238,170)	12.4

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
30 April 2021