



# Ezion Holdings Limited

(Company No.: 199904364E)

## First Quarter Financial Statement And Dividend Announcement For The Three Months Ended 31 March 2018

### 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 (First Quarter) 3 months ended		Incr/ (Decr) %
	31.03.2018 US\$'000	31.03.2017 US\$'000	
Revenue	37,752	68,592	(45.0)
Cost of sales and servicing	(37,570)	(59,845)	(37.2)
<b>Gross profit</b>	<b>182</b>	<b>8,747</b>	(97.9)
Other income, net	36	215	(83.3)
Administrative expenses	(3,820)	(4,075)	(6.3)
Other operating expenses	(31,548)	(13,754)	N/M
<b>Results from operating activities</b>	<b>(35,150)</b>	<b>(8,867)</b>	N/M
Finance income	794	1,444	(45.0)
Finance costs	(7,963)	(7,979)	(0.2)
<b>Net finance costs</b>	<b>(7,169)</b>	<b>(6,535)</b>	9.7
Share of results of associates and jointly controlled entities (net of tax)	(3,289)	3,631	N/M
<b>Loss before income tax</b>	<b>(45,608)</b>	<b>(11,771)</b>	N/M
Income tax expense	(806)	(964)	(16.4)
<b>Loss after income tax</b>	<b>(46,414)</b>	<b>(12,735)</b>	N/M

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

	Group (First Quarter) 3 months ended		Incr/ (Decr) %
	31.03.2018 US\$'000	31.03.2017 US\$'000	
Other income <sup>1</sup>	830	1,659	(50.0)
Interest on borrowings	(7,963)	(7,979)	(0.2)
Depreciation of plant and equipment	(19,596)	(36,043)	(45.6)
Foreign exchange loss, net	(9,825)	(13,251)	(25.9)
Loss on disposal of plant and equipment, net	(135)	-	N/M
Reversal of impairment loss on trade and other receivables	413	-	N/M

<sup>1</sup> Includes interest income and gain on disposal of plant and equipment

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>31.03.2018</b>	<b>31.12.2017</b>	<b>31.03.2018</b>	<b>31.12.2017</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	1,370,089	1,389,850	182	179
Subsidiaries	-	-	1,069,641	1,041,595
Joint ventures	96,371	98,120	63,212	66,897
Associates	79,502	80,817	68,801	69,506
Other assets	72,356	75,517	4,063	3,847
	<b>1,618,318</b>	<b>1,644,304</b>	<b>1,205,899</b>	<b>1,182,024</b>
<b>Current assets</b>				
Trade receivables	69,478	81,524	256	9,383
Other current assets	159,110	154,113	97,259	97,014
Assets held for sale	-	9,350	-	-
Cash and cash equivalents	42,675	46,469	16,841	20,255
	<b>271,263</b>	<b>291,456</b>	<b>114,356</b>	<b>126,652</b>
<b>Total assets</b>	<b>1,889,581</b>	<b>1,935,760</b>	<b>1,320,255</b>	<b>1,308,676</b>
<b>Equity</b>				
Share capital	648,940	648,940	648,940	648,940
Perpetual securities	116,499	116,499	116,499	116,499
Redeemable exchangeable preference shares	23,464	23,464	-	-
Reserves	2,035	(26,411)	(274)	(529)
Retained earnings	(540,169)	(457,666)	(488,150)	(455,058)
<b>Total equity</b>	<b>250,769</b>	<b>304,826</b>	<b>277,015</b>	<b>309,852</b>
<b>Non-current liabilities</b>				
Financial liabilities	8	13	8	13
Notes payable	239,722	361,501	239,722	361,501
Other payables	23,655	26,355	78,941	78,941
	<b>263,385</b>	<b>387,869</b>	<b>318,671</b>	<b>440,455</b>
<b>Current liabilities</b>				
Trade payables	87,186	89,057	270	102
Other payables	118,361	100,217	364,706	331,673
Financial liabilities	1,079,802	1,002,537	272,023	177,994
Notes payable	83,860	44,890	83,860	44,890
Provision for taxation	6,218	6,364	3,710	3,710
	<b>1,375,427</b>	<b>1,243,065</b>	<b>724,569</b>	<b>558,369</b>
<b>Total liabilities</b>	<b>1,638,812</b>	<b>1,630,934</b>	<b>1,043,240</b>	<b>998,824</b>
<b>Total equity and liabilities</b>	<b>1,889,581</b>	<b>1,935,760</b>	<b>1,320,255</b>	<b>1,308,676</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 31.03.2018		As at 31.12.2017	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
1,064,675	98,987	944,596	102,831

**Amount repayable after one year**

As at 31.03.2018		As at 31.12.2017	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
-	239,730	-	361,514

**Details of any collateral**

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

Included in cash and cash equivalents an amount of US\$35,661,000 (31.12.17: US\$42,182,000) being restricted or earmarked by the banks for various facilities granted.

**1(b)(iii) Statement of comprehensive income for three months ended 31 March 2018**

	Group (First Quarter)		Incr/ (Decr)
	3 months ended	3 months ended	
	31.03.2018	31.03.2017	
	US\$'000	US\$'000	%
Loss after tax	(46,414)	(12,735)	N/M
<b>Other comprehensive income</b>			
<b><u>Items that may be reclassified subsequently to profit or loss:</u></b>			
Translation differences relating to financial statements of foreign operations	2,309	4,460	(48.2)
Share of foreign currency translation differences of associates	-	(3,559)	N/M
Effective portion of changes in fair value of cash flow hedges	255	522	(51.1)
<b>Other comprehensive income for the period</b>	<b>2,564</b>	<b>1,423</b>	<b>80.2</b>
<b>Total comprehensive income for the period</b>	<b><u>(43,850)</u></b>	<b><u>(11,312)</u></b>	<b>N/M</b>
<b>Attributable to:</b>			
Owners of the Company	<b><u>(43,850)</u></b>	<b><u>(11,312)</u></b>	<b>N/M</b>

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.**

	<b>Group (First Quarter)</b>	
	<b>3 months ended</b>	
	<b>31.03.2018</b>	<b>31.03.2017</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Cash flows from operating activities</b>		
Loss after tax	(46,414)	(12,735)
Adjustments for:		
Income tax expense	1,010	964
Depreciation expense	19,596	36,043
Loss on disposal of plant and equipment	135	-
Foreign exchange loss, net	9,825	13,251
Finance income	(794)	(1,444)
Finance costs	7,963	7,979
Financial guarantee income provided to joint ventures	-	(36)
Reversal of Impairment loss trade and other receivables	(413)	-
Equity-settled share-based payment transactions	152	317
Share of results of associates and jointly controlled entities	3,289	(3,631)
Operating cash flow before working capital changes	(5,651)	40,708
Changes in working capital:		
Trade receivables and other assets	9,684	(8,998)
Trade and other payables	10,241	(4,890)
Cash generated from operating activities	14,274	26,820
Income tax paid	(1,156)	(810)
<b>Net cash from operating activities</b>	13,118	26,010
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(2,594)	(10,635)
Proceeds from disposal of plant and equipment	2,245	-
Advance payments for purchase of plant and equipment	-	(150)
Investments in joint ventures	(882)	(738)
Investments in associate	-	(3,206)
Interest received	553	663
<b>Net cash used in investing activities</b>	(678)	(14,066)
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	93,360	21,452
Repayment of borrowings	(108,183)	(43,155)
Interest paid	(3,601)	(9,519)
<b>Net cash used in financing activities</b>	(18,424)	(31,222)
<b>Net decrease in cash and cash equivalents</b>	(5,984)	(19,278)
Cash and cash equivalents at beginning of the period	46,469	204,953
Effect of exchange rate fluctuations	2,190	1,297
<b>Cash and cash equivalents at end of the period</b>	42,675	186,972

*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	Statutory reserves	Retained earnings / (Accumulated losses)	Total
	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 2017</b>	648,940	116,499	23,464	(1,480)	(30,008)	(55)	(6)	558,030	1,315,384
Total comprehensive income for the period	-	-	-	-	901	522	-	(12,735)	(11,312)
<b>Translations with owners, recognised directly in equity</b>									
Accrued perpetual securities distributions	-	-	-	-	-	-	-	(1,840)	(1,840)
Share-based payment transactions	-	-	-	-	-	-	-	317	317
<b>At 31 March 2017</b>	<b>648,940</b>	<b>116,499</b>	<b>23,464</b>	<b>(1,480)</b>	<b>(29,107)</b>	<b>467</b>	<b>(6)</b>	<b>543,772</b>	<b>1,302,549</b>
<b>At 1 January 2018</b>	648,940	116,499	23,464	(1,480)	(25,882)	951	-	(457,666)	304,826
Adoption of new/revised SFRS(I)	-	-	-	-	25,882	-	-	(37,043)	(11,161)
Total comprehensive income for the period	-	-	-	-	2,309	255	-	(46,414)	(43,850)
<b>Translations with owners, recognised directly in equity</b>									
Accrued perpetual securities distributions	-	-	-	-	-	-	-	799	799
Share-based payment transactions	-	-	-	-	-	-	-	155	155
<b>At 31 March 2018</b>	<b>648,940</b>	<b>116,499</b>	<b>23,464</b>	<b>(1,480)</b>	<b>2,309</b>	<b>1,206</b>	<b>-</b>	<b>(540,169)</b>	<b>250,769</b>

	Share capital	Perpetual securities	Treasury shares	Hedging reserve	Statutory reserves	Retained earnings / (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 2017</b>		648,940	116,499	(1,480)	(55)	(6)	798	764,696
Total comprehensive income for the period		-	-	-	522	-	(28,277)	(27,755)
<b>Translations with owners, recognised directly in equity</b>								
Issue of shares		-	-	-	-	-	(1,840)	(1,840)
Share-based payment transactions		-	-	-	-	-	317	317
<b>At 31 March 2017</b>		<b>648,940</b>	<b>116,499</b>	<b>(1,480)</b>	<b>467</b>	<b>(6)</b>	<b>(29,002)</b>	<b>735,418</b>
<b>At 1 January 2018</b>		648,940	116,499	(1,480)	951	-	(455,058)	309,852
Total comprehensive income for the period		-	-	-	255	-	(33,359)	(33,104)
Adoption of new/revised SFRS(I)		-	-	-	-	-	(687)	(687)
<b>Translations with owners, recognised directly in equity</b>								
Adjustment to accrued perpetual securities distributions		-	-	-	-	-	799	799
Share-based payment transactions		-	-	-	-	-	155	155
<b>At 31 March 2018</b>		<b>648,940</b>	<b>116,499</b>	<b>(1,480)</b>	<b>1,206</b>	<b>-</b>	<b>(488,150)</b>	<b>277,015</b>

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares and subsidiary holdings, if any, against the percentage of aggregate number of treasury shares and subsidiary holdings against the total number of issued 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.**

As at 31 March 2018, the share capital less treasury shares of the Company was 2,073,843,405 ordinary shares (2,077,027,405 issued ordinary shares less 3,184,000 treasury shares). As at 31 December 2017, the share capital less treasury shares of the Company was 2,073,843,405 ordinary shares (2,077,027,405 issued ordinary shares less 3,184,000 treasury shares).

As at 31 March 2018 and 31 March 2017, 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 March 2018 and 31 March 2017.

- 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 March 2018, the issued and paid up share capital excluding treasury shares of the Company comprised 2,073,843,405 (31 December 2017: 2,073,843,405) ordinary shares.

As at 31 March 2018, subsidiary of the Company has 300 (31 December 2017: 300) redeemable exchangeable preference shares outstanding.

- 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 2018 = 3,184,000 shares  
Purchase of treasury shares during the period = Nil  
Transfer of treasury shares during the period = Nil  
As at 31 March 2018 = 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 qualifications or emphasis of a matter).**

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed under item 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 2017.

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.**

Other than the adoption of SFRS(I) 1 and 9 which are effective for its financial year beginning 1 January 2018, the Group expects that the adoption of the new financial reporting framework will have no material impact to the Group's and the Company's financial statements in the year of initial application. The impact of adopting the following SFRS(I) which are effective for financial year beginning 1 January 2018, are detailed as follows:

**SFRS(I) 1 – First-time adoption of Singapore Financial Reporting Standards (International)**

On transition to SFRS(I), the Group restated comparative periods financial statements to retrospectively apply SFRS(I) where applicable, except where SFRS(I) 1 specifically prohibited such retrospective applications and where optional exemptions from retrospective applications were elected. The Group has elected the optional exemption in SFRS(I)1 to reset its cumulative foreign currency translation reserves for all foreign operations to nil at the date of transition, and reclassify the cumulative foreign currency translation translation reserve of US\$25,882,000 as at 1 January 2018 determined in accordance with FRS at that date to retained earnings. After the date of transition, any gain or loss on disposal of any foreign operations excludes translation differences that arose before the date of transition.

**SFRS(I) 9 – Financial Instruments**

The Group and Company adopted SFRS(I) 9 and elected to apply the standard prospectively from effective date and recognized the difference between the previous carrying amount and the carrying amount at the beginning of the year in the opening accumulated losses. Arising from the adoption of SFRS (I) 9, additional impairment had been recognised on trade and other receivables.

	1 January 2018	SFRS(I) 1	SFRS(I) 9	1 January 2018 (restated)
<b>Group (US\$'000)</b>				
<b>Current Assets</b>				
- Trade and other receivables	235,637	-	(7,988)	227,649
<b>Non Current Assets</b>				
- Other assets	75,517	-	(3,173)	72,344
<b>Equity</b>				
- Accumulated losses	(457,666)	(25,882)	(11,161)	(494,709)
- Foreign currency translation reserve	(25,882)	25,882	-	-
<b>Company (US\$'000)</b>	1 January 2018	SFRS(I) 1	SFRS(I) 9	1 January 2018 (restated)
<b>Current Assets</b>				
Other receivables	97,014	-	(687)	96,327
<b>Equity</b>				
- Accumulated losses	(455,058)	-	(687)	(455,745)

The assessment made by the Group is preliminary as not all transition work requirements have been finalised and therefore may be subject to adjustments.

**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 (First Quarter)</b>	
	<b>3 months ended</b>	
	<b>31.03.2018</b>	<b>31.03.2017</b>
(in US\$ cents)		
(a) Based on weighted average number of ordinary shares in issue	-2.2 cts	-0.7 cts
(b) On a fully diluted basis	-2.2 cts	-0.7 cts

Note :

Weighted average ordinary shares for calculation of:

- Basic earnings per share	2,073,843,405	2,073,843,405
- Diluted earnings per share*	2,073,843,405	2,073,843,405

\* As the three months ended 31 March 2018 is in a loss position, 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 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.**

	<b>Group</b>		<b>Company</b>	
	<b>31.03.2018</b>	<b>31.12.2017</b>	<b>31.03.2018</b>	<b>31.12.2017</b>
Net asset value per ordinary share based on existing issued share capital excluding treasury shares as at the end of the period reported on				
(in US\$ cents)	12.09 cts	14.7 cts	13.36 cts	14.94 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**

#### **1Q18 vs 1Q17**

The Group's revenue for the three months ended 31 March 2018 ("1Q18") decreased by US\$30.8 million (45.0%) to US\$37.8 million as compared to the corresponding three months ended 31 March 2017 ("1Q17"). The decrease in revenue was mainly due to:

- (i) continued delays in re-deployment of the Group's liftboats due to working capital constraints pending finalisation of the refinancing exercise on bank borrowings;
- (ii) drop in utilisation rate of jack-up rigs and not recognising revenue when the Group has assessed the customers who are not able to meet existing charter obligations;
- (iii) lower utilisation rates of the Group's tugs and barges; and
- (iv) overall reduction in charter rates across the Group's fleet of vessels.

The cost of sales and servicing for 1Q18 decreased by US\$22.3 million (37.2%) to US\$37.6 million as compared to 1Q17. The decrease was substantially due to lower depreciation expenses.

As a result of the above, the Group's gross profit for 1Q18 had decreased by US\$8.6 million (97.9%) to US\$0.2 million as compared to 1Q17.

The Group's other income decreased in 1Q18 as compared to 1Q17 due to cessation of corporate guarantee fees income from joint ventures.

Higher other operating expenses in 1Q18 as compared to 1Q17 was largely due to additional accrued costs on the finance restructuring project.

The Group's finance costs maintained at US\$8.0 million in 1Q18 as compared to 1Q17, as lower interest expenses on the Notes payable was offsetted by higher interest expenses on the bank borrowings.

The lower share of associates and jointly controlled entities' results in 1Q18 as compared to 1Q17 was mainly due to lower contributions from the Group's joint ventures and associates.

The Group incurred a loss before income tax of US\$46.4 million 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\$0.8 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\$1,618.3 million as at 31 March 2018. The decrease in Non-current Assets was mainly due to depreciation charges on Plant and Equipment during the period and share of losses of joint ventures and associates in 1Q18.

#### **Current Assets**

The Group's Current Assets amounted to US\$271.3 million as at 31 March 2018. The decrease was mainly due to the collection of trade receivables and disposal of assets held for sale in the financial quarter.

#### **Total Liabilities**

The Group's Total Liabilities amounted to US\$1,638.8 million as at 31 March 2018. The increase in Total Liabilities was mainly due to the increase in the Group's Notes Payable arising from the strengthening of the Singapore Dollar against the United States Dollar as at 31 March 2018 and higher accrued operating expenses relating to the refinancing exercise, partially offsetted by repayment of loans.

#### **Total Equity**

The decrease in Total Equity was attributable mainly due to the losses derived in the period.

## **STATEMENT OF CASH FLOWS REVIEW**

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

The Group's net cash inflow from operating activities was US\$13.1 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\$0.7 million. This was mainly due to the deployment of funds towards the assets under construction and an additional investment in a joint venture, partially offsetted by proceeds from sale of plant and equipment.

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

The Group's net cash used in financing activities was US\$18.4 million. This was mainly due to repayment of bank borrowings 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 4Q17 and with the profit guidance announced on 8 May 2018.

## **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 Group will continue to focus on its Liftboat business and will dispose assets which are facing low utilization in view of overcapacity in the market. Jack up rigs, tugs and barges had been identified within the Group's assets to be disposed as the charter rates of these assets are very depressed despite high capital expenditure required to deploy them.

The Liftboat division of the Group continues to receive enquiries in recent months in line with the stabilization of fossil fuel prices. The Group expects its current fleet of 12 Liftboats to be fully deployed by end of of this financial year, as long as there is no major deterioration of the macro economic environment. Even though the utilization rate of Liftboats will improve and the Group does not expect charter rates to decline in view of the stabilisation of fossil fuel prices, the Group expects to enjoy material improvements in both topline and bottomline towards the end of current financial year. This is because some of the charters are already contracted earlier at lower charter rates and not all the Liftboats will have full year contributions in the same period.

The Group believes the financial fundamentals will be strengthened upon the completion of re-financing exercise and will continue to focus and enhance its liftboats' capability and capacity. In addition, the Group plans to work with strategic investors and partners to grow market share in this business segment in which the Group has strong competitive advantage. The Group will also explore further growth opportunities in the windfarm business in the Asia Pacific region to maximise shareholders' values.

### **Updates on Refinancing Exercise**

As at 9 May 2018, the Company has issued additional 1,131,212,445 ordinary shares pursuant to the implementation of the refinancing exercise and the subscription agreement dated 5 April 2018. The Group had also issued new bonds under the Refinancing Exercise to the noteholders in April 2018. Further, the Group is in the process of completing the Refinancing Exercise on secured borrowings. For illustrative purposes, the proforma effects of the debt refinancing exercise and the share placement, assuming they were completed on 31 March 2018 on the relevant accounts in the balance sheet as at 31 March 2018 are as follows:

	Unaudited financial statements as at 31 March 2018	Adjustment from refinancing exercise	Proforma
Number of ordinary shares	2,073,843,405	1,131,212,445	3,205,055,850
(US\$'000)			
Total equity	250,769	138,432	389,201
Borrowings	1,403,392	(78,749)	1,324,643
Cash and cash equivalents	42,675	15,267	57,942
Current assets	271,263	15,267	286,530
Current liabilities	1,375,427	(1,156,062)	219,365
Non-current liabilities	263,385	1,032,897	1,296,282

**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. (continued)**

	Unaudited financial statements as at 31 March 2018	Proforma
(a) Net asset value per ordinary share (US\$ cents)	12.09 cts	12.14 cts
(b) Net gearing (times)	5.43	3.25
(c) Current ratio (times)	0.20	1.31

The net asset value per ordinary share, net gearing and current ratio of the Company will improve progressively as and when note holders elect to convert the notes into shares of the Company.

In addition, with the impending completion on the finance restructuring on the bank borrowings, the net finance costs of the Group is expected to decrease in the subsequent financial quarters.

**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/recommendeded, a statement to that effect**

Not applicable

**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).

**BY ORDER OF THE BOARD**

**Lee Tiong Hock**  
**Company Secretary**

**11 May 2018**

**Confirmation by the Board  
Pursuant to SGX Listing Rule 705(5)**

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the three months ended 31 March 2018 to be false or misleading in any material aspects.

**On behalf of the Board of Directors**

**Dr Wang Kai Yuen  
Chairman & Non-executive Director**

**Chew Thiam Keng  
Executive Director & CEO**

**11 May 2018**