



Fourth Quarter Financial Statement And Dividend Announcement For The Twelve Months Ended 31 December 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 (Fourth Quarter) 3 months ended		Incr/ (Decr) %	Group (Year-To-Date) 12 months ended		Incr/ (Decr) %
	31.12.2018 US\$'000	31.12.2017 US\$'000 Restated*		31.12.2018 US\$'000	31.12.2017 US\$'000 Restated*	
Revenue	29,723	44,675	(33.5)	118,696	193,108	(38.5)
Cost of sales and servicing	(27,655)	(22,427)	23.3	(107,034)	(115,738)	(7.5)
Gross profit	2,068	22,248	(90.7)	11,662	77,370	(84.9)
Other income, net	4,787	146	N/M	16,211	10,575	53.3
Administrative expenses	(4,685)	(6,099)	(23.2)	(15,696)	(17,587)	(10.8)
Other operating expenses	(364,316)	(313,755)	16.1	(390,246)	(342,339)	14.0
Results from operating activities	(362,146)	(297,460)	21.7	(378,069)	(271,981)	39.0
Finance income	4,333	813	N/M	7,702	4,513	70.7
Finance costs	(21,261)	(10,633)	N/M	(44,985)	(36,546)	23.1
Fair value adjustments arising from refinancing exercise	20,778	-	N/M	112,371	-	N/M
Net finance gain/(loss) after fair value adjustments	3,850	(9,820)	N/M	75,088	(32,033)	N/M
Share of results of associates and jointly controlled entities (net of tax)	(32,272)	(22,978)	40.4	(38,866)	(16,187)	140.1
Results before income tax	(390,568)	(330,258)	18.3	(341,847)	(320,201)	6.8
Income tax expense	(263)	(868)	(69.7)	(2,492)	(2,892)	(13.8)
Results after income tax	(390,831)	(331,126)	18.0	(344,339)	(323,093)	6.6

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

	Group (Fourth Quarter) 3 months ended		Incr/ (Decr) %	Group (Year-To-Date) 12 months ended		Incr/ (Decr) %
	31.12.2018 US\$'000	31.12.2017 US\$'000 Restated		31.12.2018 US\$'000	31.12.2017 US\$'000 Restated	
Other income ¹	9,120	959	N/M	23,913	15,088	58.5
Interest on borrowings	(21,261)	(10,633)	N/M	(44,985)	(36,546)	23.1
Depreciation of plant and equipment	(12,072)	(13,777)	(12.4)	(50,874)	(66,485)	(23.5)
Foreign exchange (loss)/gain, net	(6,714)	(6,283)	6.9	2,986	(31,617)	N/M
Gain on disposal of subsidiaries and plant and equipment, net	60	86	(30.2)	1,123	9,640	(88.4)
Gain from derecognition of an associate	6,397	-	N/M	6,397	-	N/M
Fair value adjustments arising from refinancing exercise	20,778	-	N/M	112,371	-	N/M
Impairment loss on plant and equipment, trade and other receivables and loans to joint ventures	(362,706)	(277,955)	30.5	(362,543)	(277,955)	30.4

* Restated for comparison purpose only on adoption of Singapore Financial Reporting Standards (International), please see note 5 for more details

¹ Includes interest income, foreign exchange gain, gain on disposal of subsidiaries and disposal of plant and equipment, and gain from derecognition of an associate

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.

	Group		Company	
	31.12.2018 US\$'000	31.12.2017 US\$'000 Restated	31.12.2018 US\$'000	31.12.2017 US\$'000
Non-current assets				
Plant and equipment	919,069	984,336	173	179
Subsidiaries	-	-	612,468	1,041,595
Joint ventures	95,888	98,120	25,589	66,897
Associates	38,230	80,817	35,606	69,506
Other assets	30,385	75,517	4,266	3,847
	1,083,572	1,238,790	678,102	1,182,024
Current assets				
Trade receivables	69,883	81,524	4,909	9,383
Other current assets	137,455	154,113	37,933	97,014
Assets held for sale	2,162	9,350	-	-
Cash and cash equivalents	49,029	46,469	9,237	20,255
	258,529	291,456	52,079	126,652
Total assets	1,342,101	1,530,246	730,181	1,308,676
Equity				
Share capital	930,509	648,940	930,509	648,940
Perpetual securities	14,938	116,499	14,938	116,499
Redeemable exchangeable preference shares	23,464	23,464	-	-
Reserves	3,140	3,259	(767)	(529)
Accumulated losses	(1,226,803)	(892,850)	(1,594,334)	(455,058)
Total equity	(254,752)	(100,688)	(649,654)	309,852
Non-current liabilities				
Financial liabilities	1,276,064	13	822,735	13
Notes payable	118,701	361,501	118,701	361,501
Other payables	29,760	26,355	85,046	78,941
	1,424,525	387,869	1,026,482	440,455
Current liabilities				
Trade payables	72,333	89,057	69	102
Other payables	77,572	100,217	340,328	331,673
Financial liabilities	12,246	1,002,537	9,246	177,994
Notes payable	-	44,890	-	44,890
Provision for taxation	10,177	6,364	3,710	3,710
	172,328	1,243,065	353,353	558,369
Total liabilities	1,596,853	1,630,934	1,379,835	998,824
Total equity and liabilities	1,342,101	1,530,246	730,181	1,308,676

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 31.12.2018		As at 31.12.2017	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
3,611	8,635	944,596	102,831

Amount repayable after one year

As at 31.12.2018		As at 31.12.2017	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
1,276,064	118,701	-	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\$37,626,000 (31 December 2017: 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 December 2018

	Group (Fourth Quarter)			Group (Year-To-Date)		
	3 months ended	Incr/	12 months ended	Incr/		
	31.12.2018	(Decr)	31.12.2018	31.12.2017	(Decr)	
	US\$'000	%	US\$'000	US\$'000	%	
			Restated	Restated		
Results after income tax	(390,831)		(331,126)	(344,339)	6.6	
Other comprehensive income						
<u>Items that may be reclassified subsequently to profit or loss:</u>						
Translation differences relating to financial statements of foreign operations	(1,475)	N/M	(677)	(335)	(51.0)	(684)
Share of foreign currency translation differences of joint venture and associates	(1)	N/M	-	788	N/M	-
Exchange differences on monetary items forming part of net investment in foreign operations	(334)	N/M	441	(334)	N/M	4,478
Effective portion of changes in fair value of cash flow hedges	(244)	N/M	951	(238)	N/M	1,006
Other comprehensive (loss)/income for the period/year	(2,054)	N/M	715	(119)	N/M	4,800
Total comprehensive loss for the period/year	(392,885)	18.9	(330,411)	(344,458)	8.2	(318,293)
Attributable to:						
Owners of the Company	(392,885)	18.9	(330,411)	(344,458)	8.2	(318,293)

Note :

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

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	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	US\$'000	US\$'000	US\$'000	US\$'000
		Restated		Restated
Cash flows from operating activities				
Results after income tax	(390,831)	(331,126)	(344,339)	(323,093)
Adjustments for:				
Income tax expense	263	868	2,492	2,892
Depreciation expense	12,072	13,777	50,874	66,485
Fair value adjustments arising from refinancing exercise	(20,778)	-	(112,371)	-
Gain on disposal of subsidiaries and plant and equipment	(60)	(86)	(1,123)	(9,640)
Gain on derecognition of an associate	(6,397)	-	(6,397)	-
Foreign exchange loss/(gain), net	6,714	6,283	(2,986)	31,617
Finance income	(4,333)	(813)	(7,702)	(4,513)
Finance costs	21,261	10,633	44,985	36,546
Financial guarantee income provided to joint ventures	-	-	-	(36)
Impairment loss on plant and equipment, trade and other receivables, and loans to joint ventures	362,706	277,955	362,543	277,955
Equity-settled share-based payment transactions	353	347	791	1,325
Share of results of associates and jointly controlled entities	32,272	22,978	38,866	16,187
Operating cash flow before working capital changes	13,242	816	25,633	95,725
Changes in working capital:				
Trade receivables and other assets	(8,259)	15,404	6,085	(1,460)
Trade and other payables	(15,531)	5,455	(3,487)	(28,836)
Cash generated from operating activities	(10,548)	21,675	28,231	65,429
Income tax paid	(263)	(897)	(2,504)	(2,811)
Net cash (used in)/generated from operating activities	(10,811)	20,778	25,727	62,618
Cash flows from investing activities				
Purchase of plant and equipment	(54,279)	(5,684)	(68,411)	(35,875)
Proceeds from disposal of plant and equipment	-	603	-	603
Proceeds from disposal of assets held for sale	-	-	8,378	-
Advance payments for purchase of plant and equipment	-	(815)	-	(19,124)
Investments in joint ventures	-	36	(125,050)	(4,440)
Investments in associate	-	-	-	(14,653)
Interest received	1,643	616	3,782	2,915
Net cash used in investing activities	(52,636)	(5,244)	(181,301)	(70,574)
Cash flows from financing activities				
Proceeds from borrowings	71,418	2,076	303,531	39,862
Repayment of borrowings	(1,084)	(9,391)	(132,501)	(156,067)
Net proceeds from issuance of ordinary shares	-	-	15,255	-
Interest paid	(12,525)	(9,059)	(26,743)	(36,858)
Net cash from/(used) in financing activities	57,809	(16,374)	159,542	(153,063)
Net (decrease)/increase in cash and cash equivalents	(5,638)	(840)	3,968	(161,019)
Cash and cash equivalents at beginning of the period/year	57,689	47,217	46,469	204,953
Effect of exchange rate fluctuations	(3,022)	92	(1,408)	2,535
Cash and cash equivalents at end of the period/year	49,029	46,469	49,029	46,469

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 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 2017	648,940	116,499	23,464	(1,480)	(30,008)	(55)	(6)	558,030	1,315,384
Adoption of new/revised SFRS(I)*	-	-	-	-	30,008	-	-	(1,129,693)	(1,099,685)
Restated 1 January 2017	648,940	116,499	23,464	(1,480)	-	(55)	(6)	(571,663)	215,699
Total comprehensive loss for the period	-	-	-	-	3,788	1,006	6	(323,093)	(318,293)
Transactions with owners, recognised directly in equity									
Accrued perpetual securities distributions	-	-	-	-	-	-	-	(7,634)	(7,634)
Share-based payment transactions	-	-	-	-	-	-	-	1,325	1,325
Share of associate's other reserve	-	-	-	-	-	-	-	8,215	8,215
At 31 December 2017	648,940	116,499	23,464	(1,480)	3,788	951	-	(892,850)	(100,688)
At 1 January 2018	648,940	116,499	23,464	(1,480)	3,788	951	-	(892,850)	(100,688)
Adoption of new/revised SFRS(I)*	-	-	-	-	-	-	-	(2,306)	(2,306)
Restated 1 January 2018	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)
Transactions with owners, recognised directly in equity									
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
At 31 December 2018	930,509	14,938	23,464	(1,480)	3,907	713	-	(1,226,803)	(254,752)
	Share capital	Perpetual securities	Treasury shares	Hedging reserve	Statutory reserve	Accumulated losses	Total equity		
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000		
Company									
At 1 January 2017		648,940	116,499	(1,480)	(55)	(6)	798	764,696	
Total comprehensive loss for the period		-	-	-	1,006	6	(449,547)	(448,535)	
Transactions with owners, recognised directly in equity									
Accrued perpetual securities distributions		-	-	-	-	-	(7,634)	(7,634)	
Share-based payment transactions		-	-	-	-	-	1,325	1,325	
At 31 December 2017		648,940	116,499	(1,480)	951	-	(455,058)	309,852	
At 1 January 2018		648,940	116,499	(1,480)	951	-	(455,058)	309,852	
Adoption of new/revised SFRS(I)		-	-	-	-	-	-	-	
Total comprehensive income for the period		-	-	-	(238)	-	(1,151,968)	(1,152,206)	
Transactions with owners, recognised directly in equity									
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	
At 31 December 2018		930,509	14,938	(1,480)	713	-	(1,594,334)	(649,654)	

* Please see note 5 for impact of adoption of Singapore Financial Reporting Standards (International)

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.

During the second quarter of 2018, pursuant to the implementation of the refinancing exercise and the subscription agreement dated 5 April 2018, the Company had issued 1,259,791,449 ordinary shares and 222,031,794 ordinary shares at an issue price of S\$0.2487 per share and S\$0.2763 per share respectively. Considerations from these new shares amounting to approximately US\$284.2 million were used for settlement of outstanding notes payable and other liabilities of the Company incurred during and prior to the refinancing exercise.

The Company had also issued 96,153,000 new shares at an issue price of S\$0.208 per share. The proceeds from the placement of the shares, which amounted to approximately US\$15.3 million are to be used for business expansion, repayment of certain secured borrowings and general working capital purposes.

During the third quarter of 2018, pursuant to the implementation of the refinancing exercise and the subscription agreement dated 5 April 2018, the Company had issued 55,058,329 ordinary shares at an issue price of S\$0.2763 per share. Considerations from these new shares amounting to approximately US\$11.4 million were used for settlement of outstanding notes payable and other liabilities of the Company incurred during and prior to the refinancing exercise.

During the fourth quarter of 2018, pursuant to the implementation of the refinancing exercise and the subscription agreement dated 5 April 2018, the Company had issued 904,813 ordinary shares at an issue price of S\$0.2763 per share. Considerations from these new shares amounting to approximately US\$183,000 were used for settlement of outstanding notes payable of the Company prior to the refinancing exercise.

All the above newly issued shares rank pari passu in all respects with the previously issued 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 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 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. As at 31 December 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 December 2018 and 31 December 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 December 2018, the issued and paid up share capital excluding treasury shares of the Company comprised 3,707,782,790 (31 December 2017: 2,073,843,405) ordinary shares.

As at 31 December 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

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 December 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

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**

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 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.**

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) (SFRS(I)). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The Group's financial statements for the financial year ended 31 December 2018 are prepared in accordance with SFRS(I) issued by the ASC, and IFRS issued by the IASB.

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

SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*
SFRS(I) 9 *Financial Instruments*

SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International)

SFRS(I) requires that the Group applies SFRS(I) on a retrospective basis and restatement of comparatives may be required because SFRS(I) 1 requires both the opening balance sheet and comparative information to be prepared using the most current accounting policies. SFRS(I) 1 provides mandatory exceptions and optional exemptions from retrospective application, but these are often different from those specific transition provisions in individual FRSs applied to FRS financial statements. Except as described below, the application of the mandatory exceptions and optional exemptions in SFRS(I) 1 did not have any significant impact on the financial statements.

Foreign currency translation reserve (FCTR)

The Group elected the optional exemption in SFRS(I) 1 to reset its cumulative FCTR for all foreign operations to nil at the date of transition, and reclassified the cumulative FCTR of US\$30.0 million as at 1 January 2017 determined in accordance with FRS to retained earnings. After the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before the date of transition. By electing this optional exemption, the cumulative FCTR increased by US\$30.0 million and retained earnings decreased by the same amount as at 31 December 2017.

Fair value as deemed cost for vessels and service rigs

The Group elected the optional exemption in SFRS(I) 1 to measure the vessels and service rigs held by the Company at the date of transition to SFRS(I) at fair value and used that fair value as its deemed cost in its SFRS(I) financial statements.

The fair values of the vessels and service rigs were determined by an external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the category of vessels and service rigs being valued. The carrying amount of plant and equipment and retained earnings of the Group decreased by US\$1.1 billion and US\$405.5 million as at 1 January 2017 and 31 December 2017 respectively. The consolidated income statement for the year ended 31 December 2017 has been restated for the consequential impact from the deemed cost election.

SFRS(I) 9 Financial Instruments

SFRS(I) 9 requires the Group to record expected credit losses on all of its loans and trade receivables, either on a 12-month or lifetime basis. The Group adopts the simplified approach and records lifetime expected losses on all trade receivables. The carrying amount of trade receivables and retained earnings of the Group decreased by US\$2.3 million as at 31 December 2017 as a result of applying the expected credit loss model.

Reconciliation of the Group's consolidated statement of financial position

Group	31 December	SFRS(I) 1	31 December
	2017		2017
	US\$'000	US\$'000	Restated US\$'000
Non-current assets			
Plant and equipment	1,389,850	(405,514)	984,336
Joint ventures	98,120		98,120
Associates	80,817		80,817
Other assets	75,517		75,517
	<u>1,644,304</u>		<u>1,238,790</u>
Current assets			
Trade receivables	81,524		81,524
Other current assets	154,113		154,113
Assets held for sale	9,350		9,350
Cash and cash equivalents	46,469		46,469
	<u>291,456</u>		<u>291,456</u>
Total assets	<u>1,935,760</u>		<u>1,530,246</u>

Reconciliation of the Group's consolidated statement of financial position (cont'd)

Group	31 December	SFRS(I) 1 US\$'000	31 December
	2017 US\$'000		2017 Restated US\$'000
Equity			
Share capital	648,940		648,940
Perpetual securities	116,499		116,499
Redeemable exchangeable preference shares	23,464		23,464
Treasury shares	-		-
Reserves	(26,411)	29,670	3,259
Accumulated losses	(457,666)	(435,184)	(892,850)
Total equity	304,826		(100,688)
Non-current liabilities			
Financial liabilities	13		13
Notes payable	361,501		361,501
Other payables	26,355		26,355
	387,869		387,869
Current liabilities			
Trade payables	89,057		89,057
Other payables	100,217		100,217
Financial liabilities	1,002,537		1,002,537
Notes payable	44,890		44,890
Provision for taxation	6,364		6,364
	1,243,065		1,243,065
Total liabilities	1,630,934		1,630,934
Total equity and liabilities	1,935,760		1,530,246

Reconciliation of the Group's consolidated income statement

	31 December	SFRS(I) 1 US\$'000	31 December
	2017 US\$'000		2017 Restated US\$'000
Revenue	193,108		193,108
Cost of sales and servicing	(191,304)	75,566	(115,738)
Gross profit	1,804		77,370
Other income, net	10,575		10,575
Administrative expenses	(17,587)		(17,587)
Other operating expenses	(961,282)	618,943	(342,339)
Results from operating activities	(966,490)		(271,981)
Finance income	4,513		4,513
Finance costs	(36,546)		(36,546)
Net finance loss	(32,033)		(32,033)
Share of results of associates and jointly controlled entities (net of tax)	(22,978)		(22,978)
Results before income tax	(1,021,501)		(326,992)
Income tax expense	(868)		(868)
Results after income tax	(1,022,369)		(327,860)

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:-**

	Group (Fourth Quarter) 12 months ended		Group (Year-To-Date) 12 months ended	
	31.12.2018	31.12.2017 Restated	31.12.2018	31.12.2017 Restated
(in US\$ cents)				
(a) Based on weighted average number	-10.54 cts	-16.06 cts	-10.91 cts	-15.95 cts
(b) On a fully diluted basis	-10.54 cts	-16.06 cts	-10.91 cts	-15.95 cts

Note :

Weighted average ordinary shares
for calculation of:

- Basic earnings per share	3,707,703,246	2,073,843,405	3,149,357,417	2,073,843,405
- Diluted earnings per share*	3,707,703,246	2,073,843,405	3,149,357,417	2,073,843,405

* As the year ended 31 December 2018 is in a loss position before fair value adjustments arising from refinancing exercise (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 asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**

(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	31.12.2018	31.12.2017 Restated	31.12.2018	31.12.2017
(in US\$ cents)				
Net asset value per ordinary share based on existing issued share capital excluding treasury shares as at the end of the year reported on	-6.87 cts	-4.86 cts	-17.52 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

4Q18 vs 4Q17

The Group's revenue for the three months ended 31 December 2018 ("4Q18") decreased by US\$15.0 million (33.5%) to US\$29.7 million as compared to the corresponding three months ended 31 December 2017 ("3Q17"). The decrease in revenue was mainly due to:

- (i) drop in utilisation rates of liftboats and jack-up rigs as a result of continued delays in re-deployment of the Group's assets due to working capital constraints pending finalisation of the additional revolving credit facilities;
- (ii) 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 has severely affected the Group's ability to operate, maintain and deploy its vessels; and
- (iii) overall reduction in charter rates across the Group's fleet of vessels.

The cost of sales and servicing for 4Q18 increased by US\$5.2 million (23.3%) to US\$27.7 million as compared to 4Q17, largely due to higher maintenance costs for vessels that were delayed in re-deployment.

As a result of the above, the Group recorded a gross profit of US\$2.1 million in 4Q18 compared with US\$22.2 million in 4Q17.

Other income in 4Q18 was mainly due to gain on derecognition of an associate as Ausgroup Limited is no longer deemed an associated company of the Group as the Group has ceased to be a controlling shareholder of Ausgroup Limited.

Other operating expenses in 4Q18 mainly comprise impairment losses on loans to joint ventures, plant and equipment, trade receivables and other receivables of US\$362.7 million, and foreign exchange losses of US\$6.7 million. The Group carried out an impairment assessment on its loans to joint ventures, and trade and other receivables by taking into account the oversupply of offshore logistics vessels and jack-up rigs in the industry, and the Group has assessed that the balances are not recoverable based on the market situation.

As compared to 4Q17, other operating expenses mainly comprise impairment losses on plant and equipment, trade receivables and other receivables of US\$278.0 million and foreign exchange losses of US\$6.3 million.

Finance income has increased in 4Q18 mainly due to increase in interest income from loans to joint ventures.

The Group has remeasured the fair value of financial liabilities that were subject to refinancing and has made the necessary adjustments in 4Q18. The remeasurement has resulted in a higher fair value gain.

Finance costs have increased in 4Q18 mainly due to amortisation of the fair value recognised on the Notes payable and term loans during the year.

The share of associates and jointly controlled entities' losses in 4Q18 has increased as compared to 4Q17, mainly due to increase in operating losses from the Group's joint ventures and associates.

The Group generated loss before income tax of US\$390.6 million in 4Q18 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\$0.3 million relates to the corporate tax expense and withholding tax expense incurred by vessels operating in certain overseas waters.

FY2018 vs FY2017

The Group's revenue for the year ended 31 December 2018 ("FY18") decreased by US\$74.4 million (38.5%) to US\$118.7 million as compared to the corresponding year ended 31 December 2017 ("FY17"). The decrease in revenue was mainly due to:

- (i) drop in utilisation rates of liftboats and jack-up rigs as a result of continued delays in re-deployment of the Group's assets due to working capital constraints pending finalisation of the additional revolving credit facilities;
- (ii) 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 has severely affected the Group's ability to operate, maintain and deploy its vessels; and
- (iii) overall reduction in charter rates across the Group's fleet of vessels.

The cost of sales and servicing for FY18 decreased by US\$8.7 million (7.5%) to US\$107.0 million as compared to FY17, mainly due to lower depreciation expenses on vessels, offset by higher maintenance costs for vessels that were delayed in re-deployment.

As a result of the above, the Group recorded a gross profit of US\$11.7 million in FY18 compared with US\$77.4 million in FY17.

Other income in FY18 was mainly due to gain on derecognition of an associate as Ausgroup Limited is no longer deemed an associated company of the Group as the Group has ceased to be a controlling shareholder of Ausgroup Limited. Other income in FY17 was mainly due to the gain on disposal of subsidiaries recognised by the Group.

The decrease in administrative expenses in FY18 as compared to FY17 was mainly due to continuing cost cutting measures undertaken by the Group.

Other operating expenses in FY18 mainly comprise impairment losses on loans to joint ventures, plant and equipment, trade receivables and other receivables of US\$362.5 million, and costs incurred on the refinancing exercise. As compared to FY2017, other operating expense mainly comprise impairment losses on plant and equipment, trade receivables and other receivables of US\$278.0 million and foreign exchange losses of US\$31.6 million.

Finance income has increased in FY18 mainly due to increase in interest income from loans to joint ventures.

The Group has measured the fair value of financial liabilities that were subject to refinancing and has recognised fair value gain of US\$112.4 million in FY18.

Finance costs has increased in FY18 mainly due to amortisation of the fair value recognised on the Notes payable and term loans during the year.

The share of losses in FY18 from associates and jointly controlled entities has increased mainly due to increase in operating losses from the Group's joint ventures and associates.

The Group generated loss before income tax of US\$341.8 million in FY18 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\$2.5 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\$1,083.6 million as at 31 December 2018. The decrease in Non-current Assets was mainly due to impairment losses made on loan to joint ventures, plant and equipment and other assets. The decrease in investment in Associates mainly due to the derecognition of an associate as Ausgroup Limited is no longer deemed to be an associated company of the Group as the Group has ceased to have significant influence over Ausgroup Limited.

Current Assets

The Group's Current Assets amounted to US\$258.5 million as at 31 December 2018. The decrease as compared to the Group's Current Assets as at 31 December 2017 was mainly due to impairment of trade receivables and other current assets, and collections of charter hire receipts, partially offset by increase in cash and cash equivalents.

Total Liabilities

The Group's Total Liabilities amounted to US\$1,596.9 million as at 31 December 2018. The decrease in Total Liabilities was mainly due to the conversion of Notes Payable and accrued liabilities into share capital of the Company, pursuant to the Group's refinancing exercise. In addition, the Group has measured the financial liabilities that were subject to refinancing at fair value and this has resulted in lower carrying amount for these financial liabilities. This is offset by drawdown of additional borrowings for modification and capital expenditure on the Group's Liftboats, Jack up rigs and offshore logistic vessels and repayment of certain joint venture bank loans pursuant to the Group's refinancing exercise, amounting to US\$64.1 million and US\$124.2 million respectively.

The financial liabilities of the Group has been reclassified to non-current as the Group has deemed the loan restructuring completed as at 31 December 2018.

Total Equity

The decrease in Total Equity was attributable mainly due to the loss generated for the year, offset by conversion of Notes Payable to share capital.

Going concern

Group

The Group has net liabilities of US\$254.8 million as at 31 December 2018 . This was mainly due to the losses incurred by the Group during the year as described above. The Group will endeavour to engage closely with the secured lenders to complete the required documentation in order to expedite the drawdown of the additional revolving credit facilities from the secured lenders to deploy the Group's vessels back to work

As previously announced in our 3Q18 results on 8 November 2018, the Group was in preliminary discussions with potential strategic investors, and continues to work with these investors and partners to grow its market share in the Liftboat business as well as strengthen the Group's financial position. Subsequent to these positive discussions, certain due diligence on the Group was commenced by one of these potential strategic investor groups.

These discussions have since reached an advanced stage.

Notwithstanding the net liability position of the Group, the Board believes that the Group's going concern assumption is appropriate for the following reasons:

- (1) the Group is still currently generating positive operating cash flows, and barring any unforeseen circumstances, the Group is expected to continue to generate positive cash flows for the foreseeable future;
- (2) the Group is in a net current asset position as of 31 December 2018, and is able to meet its short term obligations as and when they fall due; and
- (3) the Refinancing Exercise of the Group was completed in 2018, with the earliest bullet repayment on the Group's borrowings due only in November 2023. This has provided the Group with a runway to reduce its debt to a sustainable level and achieve a sustainable capital structure.

Company

The Company has net liabilities and net current liabilities of US\$649.7 million and US\$301.3 million respectively as at 31 December 2018. The Company's net liabilities position was mainly due to the impairment losses made on investments in subsidiaries as a result of the losses incurred by the subsidiaries during the year. The Company's net current liabilities position was mainly due to amount due to subsidiaries of US\$323.2 million as at 31 December 2018. If the amount due to subsidiaries of US\$323.2 million were excluded from the net current liabilities position of the Company, it would result in a net current asset position of US\$21.9 million.

The Board believes that the Company's going concern assumption is appropriate based on the reasons described above for the Group as the Company is dependant on the performance of the subsidiaries to recover its investments.

STATEMENT OF CASH FLOWS REVIEW

Cash Flow from Operating Activities

The Group's net cash inflow from operating activities was US\$25.7 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\$181.3 million. This was mainly due to increase in shareholder loans to joint ventures, and deployment of funds towards the vessels and assets under construction, partially offsetted by the proceeds from sale of plant and equipment.

Cash Flow from Financing Activities

The Group's net cash from financing activities was US\$159.5 million. This was mainly due to drawdown of additional borrowings for modification and capital expenditure on the Group's Liftboats, Jack up rigs and offshore logistic vessels and repayment of certain joint venture bank loans pursuant to the Group's refinancing exercise, amounting to US\$64.1 million and US\$124.2 million respectively, offset by repayment of 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 profit guidance announcement released on SGX-ST on 4 February 2019.

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 overall market conditions remains challenging for the Group due to the uncertainty in the oil prices that has affected the Group's clients as well as the persistent oversupply of certain marine assets like tugs, barges, workboats and jack ups. The availability of funds from the lenders will also be crucial to the Group's ability to put its mainly production related asset into deployment to meet the requirement from its clients. The management will continue to work intensely with the secured lenders on the drawdown of the required funds. In addition, the Group will continue to engage with potential strategic investors and partners.

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).

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

During the current year, management has rationalised and made changes to its operating segments by focusing on the various segment of the fleet (i) Liftboats, (ii) Jack up Rigs and (iii) Offshore Support Logistic Services.

Business Segments

	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	21,139	16,435	(1,057)	548	37,065
Depreciation expense	(27,600)	(16,947)	(6,327)	-	(50,874)
Impairment loss on plant and equipment	-	(64,252)	(15,921)	-	(80,173)
Writeoff/Impairment loss on trade receivables and loans to joint venture	(34,266)	(223,707)	(24,397)	-	(282,370)
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)	(18,324)	(38,866)
Finance income	64	3,964	3,674	-	7,702
Finance expense	(17,075)	(17,787)	(10,123)	-	(44,985)
Unallocated expenses					94,443
Profit before income tax					(341,847)
Income tax expense					(2,492)
Profit for the year					(344,339)
Reportable segment assets	764,115	242,668	93,327	-	1,100,110
Investment in associates and joint ventures	70,281	-	31,896	31,941	134,118
Unallocated assets					107,873
Total assets					1,342,101
Reportable segment liabilities	636,212	833,109	90,935	-	1,560,256
Unallocated liabilities					36,597
Total liabilities					1,596,853
Capital expenditure	62,570	9,698	2,078	-	74,346
Unallocated capital expenditure					22
Total capital expenditure					74,368

Business Segments (Cont'd)

	Liftboats	Jack-up Rigs	Offshore Support Logistic Services	Others	Total operations
Year ended 31 December 2017 (Restated)	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Revenue	95,969	76,238	20,359	542	193,108
Reportable segment results from operating activities	67,566	59,917	15,830	542	143,855
Depreciation expense	(27,582)	(29,684)	(9,219)	-	(66,485)
Impairment loss on plant and equipment	-	(64,816)	(13,563)	-	(78,379)
Impairment loss on trade receivables and receivables from joint venture	(49,210)	(138,605)	(11,761)	-	(199,576)
Other income	10,575	-	-	-	10,575
Share of results of associates and joint ventures, net of tax	5	(1,198)	6,906	(21,900)	(16,187)
Finance income	1,425	1,924	1,164	-	4,513
Finance expense	(16,172)	(15,269)	(5,105)	-	(36,546)
Unallocated expenses					(81,971)
Loss before income tax					(320,201)
Income tax expense					(2,892)
Loss for the year					(323,093)
Reportable segment assets	698,979	298,053	284,280	-	1,281,312
Investment in associates and joint ventures	21,592	37,943	38,585	80,817	178,937
Unallocated assets					69,997
Total assets					1,530,246
Reportable segment liabilities	570,588	589,585	417,531	-	1,577,704
Unallocated liabilities					53,230
Total liabilities					1,630,934
Capital expenditure	10,472	26,442	481	-	37,395
Unallocated capital expenditure					45
Total capital expenditure					37,440

Geographical segments

	Revenue		Non-current assets ⁽¹⁾		Capital expenditure	
	2018 US\$'000	2017 US\$'000	2018 US\$'000	2017 US\$'000 Restated	2018 US\$'000	2017 US\$'000
Singapore	9,497	11,472	658,671	670,709	59,155	30,690
India	6,324	26,684	-	-	-	-
Middle East	18,557	63,243	-	-	-	-
Rest of Asia	64,019	73,699	252,878	303,726	14,989	6,512
Europe	2,237	13,633	5,104	7,783	-	-
Africa	18,062	-	-	-	-	-
Other countries	-	4,377	2,416	2,118	224	238
	118,696	193,108	919,069	984,336	74,368	37,440

(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 Refer to note 8.

17. A breakdown of sales as follow:-

	Group		
	2018 US\$'000	2017 US\$'000 Restated	Increase/ (decrease) %
First Half			
(a) Revenue	60,880	100,983	(39.7)
(b) Profit/(Loss) after income tax	58,472	8,120	N/M
Second Half			
(c) Revenue	57,816	92,125	(37.2)
(d) Loss after income tax	(402,811)	(331,213)	21.6

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 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
1 March 2019