

OS AA01

Statement of details of parent law and other  
information for an overseas company



Companies House

000038/80

✓ What this form is for  
You may use this form to  
accompany your accounts  
disclosed under parent law.

✗ What this form is NOT for  
You cannot use this form for  
an alteration of memorandum  
with accounting requirements.

FRIDAY



A04 21/07/2017 #90  
COMPANIES HOUSE

Part 1 Corporate company name

Corporate name of  
overseas company ①

OIG Giant I Pte Ltd

UK establishment  
number

B R 0 1 6 4 7 7

→ Filling in this form

Please complete in typescript or in  
bold black capitals.

All fields are mandatory unless  
specified or indicated by \*

① This is the name of the company in  
its home state.

Part 2 Statement of details of parent law and other  
information for an overseas company

A1 Legislation

Please give the legislation under which the accounts have been prepared and,  
if applicable, the legislation under which the accounts have been audited.

Legislation ②

Singapore

② This means the relevant rules or  
legislation which regulates the  
preparation and, if applicable, the  
audit of accounts.

A2 Accounting principles

Accounts

Have the accounts been prepared in accordance with a set of generally accepted  
accounting principles?

Please tick the appropriate box.

- ☐ No. Go to Section A3.  
☒ Yes. Please enter the name of the organisation or other  
body which issued those principles below, and then go to Section A3.

③ Please insert the name of the  
appropriate accounting organisation  
or body.

Name of organisation  
or body ③

Singapore Financial Reporting Standards

A3 Accounts

Accounts

Have the accounts been audited? Please tick the appropriate box.

- ☐ No. Go to Section A5.  
☒ Yes. Go to Section A4.

## OS AA01

### Statement of details of parent law and other information for an overseas company

**A4****Audited accounts**

Audited accounts

Have the accounts been audited in accordance with a set of generally accepted auditing standards?

Please tick the appropriate box.

- ☐ **No.** Go to **Part 3 'Signature'**.
- ☒ **Yes.** Please enter the name of the organisation or other body which issued those standards below, and then go to **Part 3 'Signature'**.

❶ Please insert the name of the appropriate accounting organisation or body.

Name of organisation or body ❶

Singapore Standards on Auditing

**A5****Unaudited accounts**

Unaudited accounts

Is the company required to have its accounts audited?

Please tick the appropriate box.

- ☐ **No.**
- ☒ **Yes.**

**Part 3****Signature**

I am signing this form on behalf of the overseas company.

Signature

Signature

X  X

This form may be signed by:  
Director, Secretary, Permanent representative.

**OS AA01**

Statement of details of parent law and other information for an overseas company

**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Martin Parker**Company name **Ceona Pte. Ltd.**Address **3rd Floor****3 Shortlands**Post town **London**

County/Region

Postcode **W 6 8 D A**Country **UK**

DX

Telephone **07770 573254****Checklist**

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☐ You have completed all sections of the form, if appropriate.
- ☐ You have signed the form.

**Important information**

**Please note that all this information will appear on the public record.**

**Where to send**

**You may return this form to any Companies House address:**

**England and Wales:**

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.

**Scotland:**

The Registrar of Companies, Companies House,  
Fourth floor, Edinburgh Quay 2,  
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.  
DX ED235 Edinburgh 1  
or LP - 4 Edinburgh 2 (Legal Post).

**Northern Ireland:**

The Registrar of Companies, Companies House,  
Second Floor, The Linenhall, 32-38 Linenhall Street,  
Belfast, Northern Ireland, BT2 8BG.  
DX 481 N.R. Belfast 1.

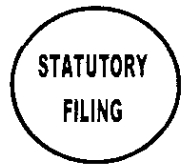
**Further information**

For further information, please see the guidance notes on the website at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

**This form is available in an alternative format. Please visit the forms page on the website at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)**

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OIG GIANT I PTE. LTD.



**OIG GIANT I PTE. LTD.**

(Incorporated in Singapore. Registration Number: 201111134W)

**ANNUAL REPORT**

For the financial year ended 31 December 2016



A04

21/07/2017  
COMPANIES HOUSE

113

OIG GIANT I PTE. LTD.

## COMPANY INFORMATION

<b>Registered address</b>	79 Anson Road #23-06 Singapore 079906
<b>Company number</b>	201111134W
<b>UK establishment number</b>	BR016477
<b>The Board of directors</b>	Mr. Stephen Fordham Mr. Johan Rasmussen
<b>Independent Auditors</b>	Moore Stephens LLP Singapore
<b>Parent company</b>	Ceona Pte. Limited.
<b>Parent company of Group</b>	Ceona Holding Ltd (in Administration) C/o Ernst & Young LLP Royal Chambers, St. Julian's Avenue, GY1 4AF, Guernsey
<b>Principal place of business</b>	3 Shortlands Hammersmith London W6 8DA
<b>Ultimate parent company</b>	Troll Coöperatieve U.A.

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## DIRECTORS' STATEMENT

### FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their statement to the member together with the audited financial statements of OIG GIANT I Pte.Ltd., called 'the Company', for the financial year ended 31 December 2016 and the balance sheet of the Company as at 31 December 2016.

In the opinion of the directors,

- (a) the balance sheet of the Company and the consolidated financial statements of the Company as set out on pages 8 to 34 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2016 and the financial performance, changes in equity and cash flows of the Company for the financial year covered by the consolidated financial statements; and
- (b) notwithstanding the negative equity position of the Company, it is not in administration as at the date of this statement. Under an agreement that was reached on 26 November 2015 with the Company's lenders, the Company will have access to sufficient funds to pay its third party debts as and when they fall due. Liabilities to the lenders themselves, and to other subsidiaries of Ceona Pte Ltd and Ceona Holding Ltd, will not be settled in full, and are under negotiation with the parties concerned.

#### Directors

The directors of the Company during the year and at the date of this statement are as follows:

Mr. Johan Rasmussen  
Mr. Stephen Fordham

#### Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

#### Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except for the following director who had an indirect interest in shares in Ceona Holding Ltd, via a limited liability partnership as at 1 January, 2016 as follows:

Name of Director	Class A Ordinary shares of US\$0.10 each	Class B Ordinary shares of US\$10.00 each	Class C shares of US\$0.01 each	Preference shares of US\$1.00 each
Mr Johan Rasmussen	15,000	-	220,000	47,800

This interest was sold on 27 July 2016.

## ***DIRECTORS' STATEMENT (CONTINUED)***

**FOR THE YEAR ENDED 31 DECEMBER 2016**

### **Share options**

No options were granted during the financial year to subscribe for unissued shares of the Company. No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company. There were no unissued shares of the Company under option at the end of the financial year.

### **Going concern**

Following the completion of a bareboat charter on 20 May 2016, the Blue Giant vessel was idle for the rest of the year. The directors are entertaining expressions of interest from potential acquirers of the Blue Giant.

The Company meets its funding requirements through term loans, which are repayable by 2021 and require compliance with certain financial covenants.

Following negotiations with its lenders, the Company reached an agreement on 26 November 2015 under which certain covenants are modified, such that repayment of loan principal is deferred. The lenders have provided conditional access to funds from the fixed charge bank accounts in the name of the Company.

This arrangement is subject to risks, and in particular to the continued availability of the funding provided by the Company's lenders. While the lenders have indicated their support for the continued trading of the Company to allow for the negotiation of appropriate sale terms for the Company's vessel or of the shares in the Company, there is no obligation on them to continue to provide funding if they elect to adopt a different strategy.

In addition, it should be noted that following any disposal of the Company's vessel, the Company will no longer own any material assets, and as such will be dependent on support from the lenders for a solvent liquidation process, including release of the Company from any outstanding obligations to the lenders. At this stage, it is envisaged that the lenders will either waive or first subordinate and thereafter waive that portion of the loans that cannot be settled by the Companies upon the sale of the vessel.

As of now, there is no commitment by the lenders to do so beyond what is set out in the aforesaid funding agreement. In this regard the agreement states that the lenders "agree to support the Giant Companies in pursuing those sale processes in relation to the Giant Companies and/or the vessels owned by the Giant Companies and, should these processes in relation to the vessels be successfully concluded, agree that they will use their reasonable endeavours to ensure that, as part of those processes (once agreed), a solvent winding-down of the Giant Companies will be achieved." (Clause 3.1d).

Based on the expectation that the vessel will be sold as aforesaid, and that the outstanding balance of the Company's term loans will be forgiven, the Company is expected to be placed into a solvent liquidation. As a result, no further significant revenue is expected to be generated by the Company, and these financial statements have been prepared on a realisation basis rather than on a going concern basis.

### **Independent auditors**

The independent auditors, Moore Stephens LLP, have expressed their willingness to accept re-appointment.

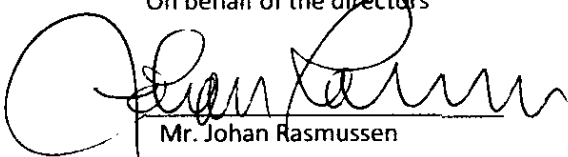


OIG GIANT I PTE. LTD.

*DIRECTORS' STATEMENT (CONTINUED)*

FOR THE YEAR ENDED 31 DECEMBER 2016

On behalf of the directors



Mr. Johan Rasmussen  
Director

03 JUL 2017



Mr. Stephen Fordham  
Director

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF OIG GIANT I PTE. LTD.**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of OIG Giant I Ltd. (the "Company"), as set out on pages 8 to 34, which comprise the balance sheet as at 31 December 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended 31 December 2016, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) to give a true and fair view of the financial position of the Company as at 31 December 2016 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of Matter**

In forming our opinion on the financial statements, we have considered the adequacy of the disclosure made in Note 2 to the financial statements concerning the basis of preparation. The directors expect that the entity will be liquidated. Accordingly, the going concern basis of preparation is inappropriate. These financial statements have therefore been prepared on a realisation basis of accounting. Our opinion is not modified in respect of this matter.

#### **Other Matter**

The financial statements of the Company for the year ended 31 December 2015, were audited by another auditor who expressed an unmodified opinion on those statements on 15 September 2016. Other information

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF OIG GIANT I PTE. LTD.**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

**(cont'd)**

### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the directors' statement as set out on pages 1 to 3. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Directors for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair *view* in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF OIG GIANT I PTE. LTD.**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

**(cont'd)**

### **Auditor's Responsibility for the Audit of the Financial Statements (cont'd)**

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the assessment to change.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF  
OIG GIANT I PTE. LTD.**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

(cont'd)

**Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.



**Moore Stephens LLP**  
Public Accountants and  
Chartered Accountants

Singapore  
3 July 2017

# STATEMENT OF COMPREHENSIVE INCOME

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Note	2016			2015		
		US \$'000	US \$'000	US \$'000	US \$'000	US \$'000	US \$'000
		Before exceptional items	Exceptional items (Note 7)	Total after exceptional items	Before exceptional items	Exceptional items (Note 7)	Total after exceptional items
Revenue	5	329		329	5,599		5,599
Cost of sales	6	(3,682)	(2,660)	(6,342)	(3,670)	(10,031)	(13,701)
<b>Gross (loss) / profit</b>		<b>(3,353)</b>	<b>(2,660)</b>	<b>(6,013)</b>	<b>1,929</b>	<b>(10,031)</b>	<b>(8,102)</b>
Administrative expenses	6	(1,461)	25	(1,436)	(1,219)	(1,556)	(2,775)
Other income		476	-	476	-	-	-
<b>Operating (loss) / profit</b>		<b>(4,338)</b>	<b>(2,635)</b>	<b>(6,973)</b>	<b>710</b>	<b>(11,587)</b>	<b>(10,877)</b>
Other gains / (losses)	8	924	-	924	2,590	-	2,590
Finance costs	9	(178)	-	(178)	(182)	-	(182)
<b>(Loss) / profit before income tax</b>		<b>(3,592)</b>	<b>(2,635)</b>	<b>(6,227)</b>	<b>3,118</b>	<b>(11,587)</b>	<b>(8,469)</b>
Income tax	10	1,955	-	1,955	(97)	-	(97)
<b>(Loss) / profit after tax and comprehensive (loss) / income</b>		<b>(1,637)</b>	<b>(2,635)</b>	<b>(4,272)</b>	<b>3,021</b>	<b>(11,587)</b>	<b>(8,566)</b>

The accompanying notes form an integral part of these financial statements.

**BALANCE SHEET**

AS AT 31 DECEMBER 2016

		2016	2015
	Note	US \$'000	US \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Assets held for sale	11	11,590	14,250
Inventories	12	125	-
Trade and other receivables	13	797	49,114
Current income tax receivable		23	-
Cash and cash equivalents		1,986	5,130
		<b>14,521</b>	<b>68,494</b>
<b>Total Assets</b>		<b>14,521</b>	<b>68,494</b>
<b>EQUITY</b>			
Share Capital	14	*	*
Redeemable Preference Shares	14	42,000	42,000
Accumulated loss		(53,495)	(49,223)
<b>Total Equity</b>		<b>(11,495)</b>	<b>(7,223)</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	15	747	21,352
Borrowings - Current	16	25,200	53,092
Current income tax liabilities		-	1,218
Accruals		69	55
		<b>26,016</b>	<b>75,717</b>
<b>Total Liabilities</b>		<b>26,016</b>	<b>75,717</b>
<b>Total equity and liabilities</b>		<b>14,521</b>	<b>68,494</b>

\*Represent US\$1

The accompanying notes form an integral part of these financial statements.

# STATEMENT OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Note	Share capital	Redeemable Preference Shares	Accumulated loss	Total equity
		US\$'000	US\$'000	US\$'000	US\$'000
<b>2016</b>					
Beginning of financial year		*	42,000	(49,223)	(7,223)
Loss after tax		-	-	(4,272)	(4,272)
End of financial year		*	42,000	(53,495)	(11,495)
<b>2015</b>					
Beginning of financial year		*	14,864	(40,657)	(25,793)
Issuance of redeemable preference shares	14	-	27,136	-	27,136
Loss after tax		-	-	(8,566)	(8,566)
End of financial year		*	42,000	(49,223)	(7,223)

\*Represents US\$1

The accompanying notes form an integral part of these financial statements.



**STATEMENT OF CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

		2016	2015
	Note	US\$'000	US\$'000
<b>Cash flows from operating activities</b>			
<b>Loss after tax</b>		<b>(4,272)</b>	<b>(8,566)</b>
<b>Adjusted for:</b>			
Depreciation		-	3,515
Charge for impairment of vessel held for sale	7	2,660	10,031
Reversal of impairment of intercompany receivables	7	-	(19,485)
Foreign exchange gains	8	(924)	(2,590)
Interest expense	9	178	182
Taxation	10	(1,955)	97
<b>Adjusted loss after tax</b>		<b>(4,313)</b>	<b>(16,816)</b>
<u>Changes in net working capital</u>			
- Trade and other receivables		48,317	(4,221)
- Current income tax payable/receivable		(1,241)	1,218
- Inventories		(125)	358
- Trade and other payables		(20,605)	(1,108)
- Provisions		-	-
- Accruals		14	(16)
Income tax paid		(13)	-
<b>Net cash generated from / (used in) operations</b>		<b>22,034</b>	<b>(20,585)</b>
 <b>Cash flow from financing activities</b>			
Repayment of borrowings		(25,000)	(5,765)
Interest paid		(178)	(183)
Issuance of redeemable preference shares		-	27,136
Release of restricted cash as security for borrowings		-	4,439
<b>Net cash (used in) / generated from financing activities</b>		<b>(25,178)</b>	<b>25,627</b>
 <b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(3,144)</b>	<b>5,042</b>
Cash and cash equivalents at beginning of year		5,130	88
<b>Cash and cash equivalents at end of year</b>		<b>1,986</b>	<b>5,130</b>

The accompanying notes form an integral part of these financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

#### **1. General information**

OIG Giant I Pte. Ltd. (the "Company") is a limited liability company incorporated in Singapore. Since 30 April 2013, the Company has operated entirely from its principal place of business in the United Kingdom. The address of the registered office is 79 Anson Road #23-06, Singapore 079906.

The principal activity of the Company is the owning and leasing of a light construction vessel, the Blue Giant, to provide offshore services to the oil and gas industry. Following the completion of a bareboat charter on 20 May 2016, the Blue Giant vessel was idle for the rest of the year. The vessel was held for sale at year-end.

#### **2. Basis of accounting**

##### **2.1. Going concern**

Following the completion of a bareboat charter on 20 May 2016, the Blue Giant vessel was idle for the rest of the year. The directors are entertaining expressions of interest from potential acquirers of the Blue Giant.

The Company meets its funding requirements through term loans, which are repayable by 2021 and require compliance with certain financial covenants.

Following negotiations with its lenders, the Company reached an agreement on 26 November 2015 under which certain covenants are modified, such that repayment of loan principal is deferred. The lenders have provided conditional access to funds from the fixed charge bank accounts in the name of the Company.

This arrangement is subject to risks, and in particular to the continued availability of the funding provided by the Company's lenders. While the lenders have indicated their support for the continued trading of the Company to allow for the negotiation of appropriate sale terms for the Company's vessel or of the shares in the Company, there is no obligation on them to continue to provide funding if they elect to adopt a different strategy.

In addition, it should be noted that following any disposal of the Company's vessel, the Company will no longer own any material assets, and as such will be dependent on support from the lenders for a solvent liquidation process, including release of the Company from any outstanding obligations to the lenders. At this stage, it is envisaged that the lenders will either waive or first subordinate and thereafter waive that portion of the loans that cannot be settled by the Companies upon the sale of the vessel.

As of now, there is no commitment by the lenders to do so beyond what is set out in the aforesaid funding agreement. In this regard the agreement states that the lenders "agree to support the Giant Companies in pursuing those sale processes in relation to the Giant Companies and/or the vessels owned by the Giant Companies and, should these processes in relation to the vessels be successfully concluded, agree that they will use their reasonable endeavours to ensure that, as part of those processes (once agreed), a solvent winding-down of the Giant Companies will be achieved." (Clause 3.1d).

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

#### **2. Basis of accounting (cont'd)**

##### **2.1. Going concern (cont'd)**

Based on the expectation that the vessel will be sold as aforesaid, and that the outstanding balance of the Company's term loans will be forgiven, the Company is expected to be placed into a solvent liquidation. As a result, no further significant revenue is expected to be generated by the Company, and these financial statements have been prepared on a realisation basis rather than on a going concern basis.

##### **2.2. Presentation of financial statements**

The financial statements are presented in United States Dollar ("USD", "\$", "US \$"), because that is the currency of the primary economic environment in which the Company operates.

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

These financial statements are prepared on a realisation basis. Management intends to liquidate the Company.

The preparation of financial statements in conformity with FRS requires Management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a high degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are disclosed in Note 3.

The principal accounting policies applied in the preparation of these financial statements are set out in Note 4. Unless otherwise stated, these policies have been consistently applied to all periods presented.

##### **2.3. Interpretations and amendments to published standards effective in 2016.**

On 1 January 2016, the Company adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions of the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Company and had no material effect on the amounts reported for the current or prior financial year.

Accounting standards, amendments and interpretations issued but not yet effective.

A number of new or amended FRS standards may be of significance to the Company but are not expected to be implemented, in view of the Company's expected liquidation.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

### 3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Impairment of vessel

The vessel is tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The Company performed an evaluation of vessel in December 2016, and recorded an impairment (see note 7).

#### Going concern

In reaching the conclusion that the Company's financial statements should be presented on a realisation basis rather than a going concern basis, Management has made an assumption that the vessel will be sold and that Company will be liquidated.

#### Impairment of receivables

In recording impairments of receivables from external customers and other Group companies, Management has made a conservative assessment of the customers' ability and willingness to pay.

### 4. Summary of principal accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 4.1. Revenue recognition

Revenue received for the provision of services under charter agreements is recognised in the accounting period in which such services are rendered. The revenue amount is measured by the fair value of the consideration received or to which there will be an entitlement. Revenue is recognised net of value added tax (if any) and reductions (if any) in earnings.

#### 4.2. Leases

Operating leases where the Company is the lessor.

Leases of the vessel where the Company retains substantially all risks and rewards incidental to ownership are classified as operating leases. Charter hire income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

### 4. Summary of principal accounting policies (cont'd)

#### 4.2. Leases (cont'd)

Initial direct costs incurred by the Company in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

#### 4.3. Employee compensation

The Company has no employees.

#### 4.4. Borrowing costs

Interest-bearing loans are recorded at the proceeds received, net of direct issue costs plus accrued interest less any repayments, and subsequently stated at amortised costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in net income or loss in the period in which they are incurred.

#### 4.5. Income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively Income taxes enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

#### **4. Summary of principal accounting policies (cont'd)**

##### **4.5. Income taxes (cont'd)**

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

##### **4.6. Inventories**

Inventories comprise mainly spare parts and other consumables. Inventories are carried at the lower of cost or net realisable value, using the average costing method. The cost of purchase of inventories comprises the purchase price, import duties and other taxes, transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services. Trade discounts, rebates and other similar items are deducted when determining the costs of the purchase. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

##### **4.7. Trade and other receivables**

Trade and other receivables are initially recognised at their fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

The Company assesses at each balance sheet date whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

These assets are presented as current assets except for those that are expected to be realised later than 12 months after the balance sheet date, which are presented as non-current assets.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

### 4. Summary of principal accounting policies (cont'd)

#### 4.8. Trade and other payables

Trade and other payables represent unpaid liabilities for goods and services provided to the Company prior to the end of the financial period. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). If not, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest rate method.

#### 4.9. Borrowings

Borrowings are initially recognised at their fair values (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit and loss over the period of the borrowings using the effective interest rate method.

Borrowings which are due to be settled within 12 months after the balance sheet date are presented as current liabilities even if the lender has agreed, after the balance sheet date, and before the authorisation of the financial statements for issue, to refinance, or to reschedule payments, on a long-term basis because at the balance sheet date, the Company does not have an unconditional right to defer settlement for at least 12 months after that date.

#### 4.10. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits with a maturity of three months or less. For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts.

#### 4.11. Currency translation

The financial statements are presented in United States Dollar ("USD"), which is the functional currency of the Company.

Transactions in a currency other than USD ("foreign currency") are translated into USD using the exchange rates at the dates of transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. Non-monetary items measured at fair values in foreign currency are translated using the exchange rates at the date when the fair values are determined. Currency translation differences on these items are included in the fair value reserve.

Foreign exchange gains and losses that relate to borrowings are presented within 'other losses'.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

#### 4. Summary of principal accounting policies (cont'd)

##### 4.12. Provisions

Provisions are recognised when:

- The Company has a present legal or constructive obligation as a result of past events;
- It is probable that an outflow of resources will be required to settle the obligation; and
- The amount has been reliably estimated.

Provisions are not recognised for future operating losses.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows. Where discounting is used, the increase in the provision due to passage of time is recognised as an interest expense.

##### 4.13. Vessel

The vessel is stated at cost, less depreciation and any recognised impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost or revalued amounts less their residual values over their estimated useful lives, as follows:

Vessel	25 years
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Included in the vessel are the following:

- (i) Dry-dock expenditure incurred to maintain a vessel's classification is capitalised as a distinct component of the asset and depreciated over the period until the next dry docking is scheduled for the vessel. All other repair and maintenance costs are recognised in the income statement as incurred; and
- (ii) Expenditure incurred to build additional (removable) crew accommodation on the vessel is capitalised as a distinct component of the asset and depreciated over its useful life.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other losses' in the income statement.



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

#### 4. Summary of principal accounting policies (cont'd)

##### 4.14. Impairment of non-financial assets

An asset is reviewed for impairment whenever there is any indication that this asset may be impaired.

If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of the impairment loss for an asset is recognised in the profit or loss in the period in which the reversal of impairment occurs.

##### 4.15. Assets held for sale

Assets are classified as held for sale when they meet the following criteria:

- Management is committed to a plan to sell;
- the asset is available for immediate sale;
- an active programme to locate a buyer is initiated;
- the sale is highly probably within 12 months;
- the asset is being actively marketed at a price that is reasonable in relation to its fair value;
- actions required to complete the plan indicate that it is unlikely that the plan will be significantly changed or withdrawn.

Assets held for sale are presented as a separate caption under current assets in the balance sheet. They are stated at the lower of net book value and fair value less costs to sell.

##### 4.16. Exceptional items

Items which are both material and not part of normal business operations as judged by Management, are presented as exceptional items within their relevant income statement lines. The separate reporting of exceptional items helps provide a better indication of underlying performance of the business.

Examples of items which may be recorded as exceptional items are:

- Profit / Loss on disposal of assets,
- Impairment charges relating to vessels and other non-current assets
- Impairment of receivables from group entities in administration
- Restructuring and liquidation costs.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

#### 4. Summary of principal accounting policies (cont'd)

##### 4.17. Share capital

Issued ordinary and preference shares are classified as equity. Redeemable preference shares which are classified as redeemable at the option of the Company and have discretionary dividends are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

##### 4.18. Related parties

A related party is defined as follows:

A related party is a person or entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the "reporting entity").

- a. A person or a close member of that person's family is related to a reporting entity if that person:
  - i. has control or joint control over the reporting entity;
  - ii. has significant influence over the reporting entity; or
  - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b. An entity is related to a reporting entity if any of the following conditions applies:
  - i. the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - ii. one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - iii. both entities are joint ventures of the same third party;
  - iv. one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - v. the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
  - vi. the entity is controlled or jointly controlled by a person identified in (a);
  - vii. a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
  - viii. the entity provides key management personnel services to the reporting entity.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

#### 5. Revenue

	2016 US\$'000	2015 US\$'000
Charter hire income- operating lease	329	5,599

The 2016 revenue resulted from a bareboat charter which was completed on 20 May 2016.

#### 6. Cost of sales and administrative expenses

	2016 US\$'000	2015 US\$'000
<b>Operating loss is stated after charging/(crediting):</b>		
<b><u>Cost of sales</u></b>		
Charge for impairment of assets held for sale (presented as an exceptional item)	2,660	10,031
<b>Subtotal of exceptional items in cost of sales</b>	<b>2,660</b>	<b>10,031</b>
Ship management services provided by Harren & Partners	117	-
Vessel operating expenses following termination of bareboat charter	3,565	155
Depreciation of Blue Giant vessel prior to being classified as held for sale	-	3,515
<b>Total cost of sales</b>	<b>6,342</b>	<b>13,701</b>
<b><u>Administrative expenses</u></b>		
(Reversal of)/impairment of receivable from parent company (Ceona Pte. Ltd.)	(25)	21,041
Reversal of impairment of receivable from related party (Ceona Investments Ltd)	-	(19,485)
<b>Subtotal of exceptional items in administrative expenses</b>	<b>(25)</b>	<b>1,556</b>
Impairment of third party receivables	74	950
Administrative expenses	188	128
Audit fee	10	17
Wages and salaries	-	37
Management charges from Ceona Services (UK) Ltd. (in administration) under Transitional Services Agreement	1,189	87
<b>Total administrative expenses</b>	<b>1,436</b>	<b>2,775</b>
<b>Total cost of sales and administrative expenses</b>	<b>7,778</b>	<b>16,476</b>

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

**7. Exceptional items**

	2016 US\$'000	2015 US\$'000
Charge for impairment of assets held for sale	2,660	10,031
(Reversal of) / charge for impairment of parent company receivables	(25)	21,041
Reversal of charge for impairment of intercompany receivables	-	(19,485)
	<b>2,635</b>	<b>11,587</b>

**Charge for impairment of assets held for sale**

Following the receipt of a cash offer to purchase the vessel and its spare parts inventory, the Company recorded an impairment for an amount of US\$ 2.660 million (2015 US\$ 10.031 million). The resulting carrying amount of the assets held for sale is US\$ 11.590 million (2015: 14.250 million). This valuation represents the value of the offshore light construction vessel and its spare parts in the prevailing market.

**Impairment of parent company receivable**

A partial reversal of US\$ 0.025 million was recorded in respect of a 2015 impairment charge of US\$ 21.041 million, which was recorded in respect of the net intercompany receivable balance due from the parent company, Ceona Pte Ltd, whose liabilities exceed its assets and which may therefore have insufficient resources to meet its obligations in full. The reversal reflects a small reduction in the receivable balance outstanding as a result of routine intercompany transactions.

**8. Other gains**

	2016 US\$'000	2015 US\$'000
Foreign exchange gain on borrowings	912	2,991
Other foreign exchange gains/(losses)	12	(401)
Total	<b>924</b>	<b>2,590</b>

**9. Finance costs**

	2016 US\$'000	2015 US\$'000
Interest on bank borrowings	178	170
Other financial costs	-	12
	<b>178</b>	<b>182</b>

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

#### 10. Income tax

	2016 US\$'000	2015 US\$'000
(Loss) before tax	(6,227)	(8,469)
Tax credit	1,955	(97)
<b>(Loss) after tax</b>	<b>(4,272)</b>	<b>(8,566)</b>
Current income tax charge:	-	97
Adjustments in respect of prior years	(1,955)	-
<b>Total current tax (credit) / charge</b>	<b>(1,955)</b>	<b>97</b>

#### Factors affecting the tax charge

The tax on the Company's profit differs from the theoretical amount that would arise using the Company's blended tax rate of 20.00% (2015: 20.25%) as follows:

	2016 US\$'000	2015 US\$'000
(Loss) before tax	(6,227)	(8,469)
Expected tax (credit) calculated at tax rate of 20.00% (2015: 20.25%)	(1,245)	(1,715)
Tax effects of:		
- Income not subject to tax	532	(3,946)
- Expenses not deductible for tax purposes	527	7,004
- Capital allowances utilised	(1,231)	(1,246)
- Losses not subject to tax	1,417	-
- Adjustments in respect of prior years	(1,955)	-
<b>Tax (credit) / charge</b>	<b>(1,955)</b>	<b>97</b>

The Company's tax credit is determined by applying the statutory rate to the net income earned in each of the jurisdictions in which it operates and has been reconciled to a tax rate for the fiscal year 2016 of 20.00% (2015: 20.25%).

The Company is resident in the United Kingdom ("UK") for tax purposes. The main rate of corporation tax reduced from 21% to 20% effective 1 April 2015.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

### 10. Income tax (cont'd)

The Company ceased to be a qualifying company for tonnage tax purposes on 4 March 2014, when the Blue Giant vessel commenced a bareboat charter, because the tonnage tax regime is not applicable to profits earned where the entity does not operate the vessel in question. The tonnage profits earned by the company up to 4 March 2014 were subject to UK corporation tax by reference to the net tonnage of the ships operated by the Company (the Blue Giant). The tonnage tax profit replaces both the tax-adjusted commercial profit/loss on the shipping trade and the chargeable gains/losses made on tonnage tax assets. Other profits earned by the Company are taxable in the normal way. All profits earned by the company after 4 March 2014 are taxable in the normal way.

The Company has an unrecognised deferred tax asset of US\$ 2.4 million (2015: US\$ 1.0 million) in relation to tax losses of US\$ 11.8 million carried forward as at 31 December 2016 (2015: US\$ 4.7 million). These have not been recognised as at 31 December 2016 as they arose in the Singapore tax jurisdiction and will not be utilised in the near future.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

### 11. Assets held for sale

	Vessels	Inventory of spare parts and lubricants	Cumulative impairment	Net book value
	US \$'003	US \$'002	US \$'001	US \$'000
<b>2016</b>				
<b>Beginning of financial year</b>	<b>23,923</b>	<b>358</b>	<b>(10,031)</b>	<b>14,250</b>
Impairment charge (Note 7)	-	-	(2,660)	(2,660)
<b>End of financial year</b>	<b>23,923</b>	<b>358</b>	<b>(12,691)</b>	<b>11,590</b>
<b>2015</b>				
<b>Beginning of financial year</b>	-	-	-	-
Additions and transfers	23,923	358	-	24,281
Impairment charge (Note 7)	-	-	(10,031)	(10,031)
<b>End of financial year</b>	<b>23,923</b>	<b>358</b>	<b>(10,031)</b>	<b>14,250</b>

The vessel and its inventory of spare parts and lubricants were presented as held for sale as at 31 December 2015 following the decision of the Company's Management and shareholders to sell the vessel. An option was signed on 13 December 2016 to sell the vessel to a third party acquirer. The Company performed an evaluation of the costs associated with the sale, and recorded an impairment of \$2,660 million.

In accordance with FRS 5, the assets and liabilities held for sale were written down to their fair value less costs to sell. This is a non-recurring fair value which has been measured using observable inputs, reflecting a cash offer received for the asset, and is therefore within level 2 of the fair value hierarchy.

The Blue Giant vessel and its inventory of spare parts are presented as assets held for sale following the approval of the group's management and shareholders in 2015 to sell the vessel.

In accordance with FRS 5, the assets and liabilities held for sale were written down to their fair value less costs to sell. This is a non-recurring fair value which has been measured using observable inputs, reflecting a cash offer received for the asset, and is therefore within level 2 of the fair value hierarchy.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

#### 12. Inventories

	2016 US\$'000	2015 US\$'000
Spare parts	-	358
Transfer to asset held for sale (Note 11)	-	(358)
Fuel	125	-
	<b>125</b>	<b>-</b>

The spare parts inventory on board the Blue Giant vessel was transferred to assets held for sale in 2015 (Note 11). The fuel on board the vessel at the time of the sale was also included in the sale.

#### 13. Trade and other receivables

	2016 US\$'000	2015 US\$'000
<b>Current</b>		
Loan to related group undertaking	-	25,000
Trade receivables		
- Immediate holding corporation	20,980	42,539
- Less: impairment of parent company receivable	(21,016)	(21,041)
	<b>(36)</b>	<b>21,498</b>
- Third parties	1,768	3,583
- Less: impairment of third party receivables	(1,038)	(968)
	<b>730</b>	<b>2,615</b>
Other receivables	103	1
<b>Total current</b>	<b>797</b>	<b>49,114</b>

The reduction in the loan to a related group undertaking reflects the settlement by offset of a \$25.0 million loan receivable from Ceona Investments Ltd. The effect on borrowings is presented in note 16.



**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

**14. Share capital**

	No. of shares		Amount	
	Ordinary shares issued	Issued redeemable preference shares	Ordinary shares issued	Issued redeemable preference shares
<b>2016</b>			US\$'000	US\$'000
Beginning of financial year	1	42,000	-	42,000
<b>End of financial year</b>	<b>1</b>	<b>42,000</b>	<b>-</b>	<b>42,000</b>
<b>2015</b>			US\$'000	US\$'000
Beginning of financial year	1	14,864	-	14,864
Shares issued	-	27,136	-	27,136
<b>End of financial year</b>	<b>1</b>	<b>42,000</b>	<b>-</b>	<b>42,000</b>

**15. Trade and other payables**

	2016 US\$'000	2015 US\$'000
<i>Current</i>		
Trade payables to:		
- Third party suppliers	(19)	129
- Parent company	-	19,517
- Group relief and other payables to related parties	58	998
- Group company - OIG Giant II Pte.Ltd.	819	708
	<b>858</b>	<b>21,352</b>

**16. Borrowings**

	2016 US\$'000	2015 US\$'000
<i>Unsecured</i>		
Loan from immediate holding corporation	-	1,980
Loan from related party	-	25,000
<i>Secured</i>		
Bank borrowings	25,200	26,112
<b>Total borrowings - all current</b>	<b>25,200</b>	<b>53,092</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

### 16. Borrowings (cont'd)

#### Loan from related party

A loan of \$25.0 million payable to Troll Management BV, was settled on 18 August 2016 when the Company assigned its receivable of US\$ 25.0 million from Ceona Investments Limited (in Administration) in full payment of the debt.

#### Bank borrowings

The bank borrowings are classified as current because of the covenant default.

#### Net debt

	2016 US\$'000	2015 US\$'000
Cash and cash equivalents	1,986	5,130
Borrowings	(25,200)	(53,092)
Trade and other payables (note 15)	(858)	(21,352)
Total net debt	(24,072)	(69,314)

### 17. Financial risk management

The Company's activities expose it to a variety of financial risks:

- Funding and liquidity risk
- Foreign exchange risk
- Cash flow and fair value interest risk
- Credit risk
- Covenant risk
- Capital risk

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company will from time to time consider using derivative financial instruments to hedge certain risk exposures.

Risk is managed on a Company basis, identifying, evaluating and hedging financial risks as deemed appropriate.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

### 17. Financial risk management (cont'd)

#### (a) Funding and liquidity risk

The Company meets its liquidity risk using the bank balances which were previously pledged to the lenders. At this stage it is envisaged that the lenders will either waive, or first subordinate and thereafter waive, that portion of the loans that cannot be settled by the Companies upon sale of the vessel.

The table below analyses the maturity profile of the Company's financial liabilities based on contractual undiscounted cash flows.

	2016 US\$'000	2015 US\$'000
Bank borrowings (see note 16)	25,200	28,092
Loan from related party	-	25,000
Trade and other payables	747	21,352
	<b>25,947</b>	<b>74,444</b>

Amounts falling due:

- Within one year or on demand	<b>25,947</b>	<b>74,444</b>
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#### (b) Foreign exchange risk

The Company transacts in a number of foreign currencies and as a result has foreign currency denominated revenue, expenses, assets and liabilities. The Company results are presented in USD. As a consequence, movements in exchange rates can affect profitability, the comparability of results between periods and the carrying value of assets and liabilities. Other than the USD, the major foreign currency expenditures of the Company are in British Pounds and Euros. The borrowings are also denominated in Euro. Management is not in a position to hedge the currency exposure on the Euro borrowings, as the Company no longer has access to foreign exchange derivative contracts.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

#### 17. Financial risk management (cont'd)

##### (b) Foreign exchange risk (cont'd)

The Company's currency exposure to the Euro is as follows:

	2016 US\$'000	2015 US\$'000
<b>Financial assets</b>		
Euro cash balances	1,476	3,982
<b>Financial liabilities</b>		
Borrowings	(25,200)	(28,092)
<b>Currency exposure- financial liability (net)</b>	<b>(23,724)</b>	<b>(24,110)</b>

At 31 December 2016, if the Euro currency weakened/strengthened by 10% (2015:10%) against the USD with all other variables held constant, the profit for the year before tax would have been US\$ 2.4 million higher/lower (2015: US\$2.4 million higher/lower).

##### (c) Cash flow and fair value interest rate risk

The Company's interest rate risk arises from long term borrowings. Borrowings issued mainly at variable rates expose the Company to cash flow risk. The Company's borrowings are denominated in Euro.

As of 31 December 2015, if interest rates on the borrowings had been 10% (2015: 10%) higher/lower with all other variables constant, the profit before tax for the year would have been US\$ 29,345 lower/higher (2014: US\$ 34,646 lower/higher), mainly as a result of higher/ lower interest expenses on floating rate borrowings.

##### (d) Credit risk

Credit risk arises from cash and bank equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a very strong credit rating are accepted. For client counterparties, if there is no independent rating, risk control assesses the credit quality of the client, taking into account its financial position, past experience and other factors. Individual risk limits are set based in internal or external ratings in accordance with limits set by the Board of Directors. Receivables from company companies are also assessed for collectability. The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented on the balance sheet. The Company's major classes of financial assets are bank deposits and trade and other receivables.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

#### 17. Financial risk management (cont'd)

##### (d) Credit risk (cont'd)

##### (i) Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks which have high credit-ratings as determined by international credit-rating agencies. Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Company.

##### (ii) Financial assets that are past due and/or impaired

Receivables of \$21.0 million owed by the Parent Company have been fully impaired (see Note 13).

##### (e) Covenant risk

The Company's credit facilities are subject to meeting certain financial covenants. The Company monitors covenants on an ongoing basis with formal testing of financial covenants in line with the Company's financing agreements. The Company is currently in default of those covenants, but the Company reached a new agreement with its lenders in November 2015 under which certain covenants were modified, such that repayment of loan principal is deferred, while quarterly interest continues to be paid on the outstanding principal.

The Company was in compliance with that agreement as at 31 December 2016 and at the date of approval of these financial statements.

In addition, the lenders have confirmed their support for the continued trading of the Company in the ordinary course of business, and have released the restricted funds from the Fixed Charge Accounts.

##### (f) Capital risk

The Company's objective when managing capital is to achieve a solvent liquidation. This outcome is dependent on several factors, principally the willingness of the lender to subordinate or waive that portion of the loans that cannot be settled by the Company out of the proceeds of the sale of the vessel

The Board of Directors monitors its capital based on net debt and total capital. Net debt is calculated as borrowings plus trade and other payables less cash and bank deposits. Total capital is calculated as equity plus debt.

	2016 US\$'000	2015 US\$'000
Net debt (note 16)	23,961	69,314
Total equity	(11,495)	(7,223)
<b>Total capital</b>	<b>12,466</b>	<b>62,091</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

### 17. Financial risk management (cont'd)

#### (g) Fair value measurements and financial instruments by category

Carrying values, fair values and the corresponding category of the financial assets and liabilities of the Company are stated below:

	Categories	Carrying amount		Fair value	
		2016 US \$'000	2015 US \$'000	2016 US \$'000	2015 US \$'000
<b>Assets</b>					
Trade and other receivables	LaR	797	49,114	797	49,114
Cash and cash equivalents including restricted cash	LaR	1,986	5,130	1,986	5,130
<b>Liabilities</b>					
Borrowings (non-current)	FLAC	-	-	-	-
Borrowings (current)	FLAC	25,200	53,092	25,200	53,092
Trade payables	FLAC	747	21,352	747	21,352
Provisions	FLAC	-	-	-	-
Accruals	FLAC	69	55	69	55
<b>Categories</b>					
Loans and receivables	LaR	2,783	54,244	2,783	54,244
Liabilities at amortised cost	FLAC	26,016	74,499	26,016	74,499

LaR: Loans and receivables

FLAC: Financial liabilities at amortised cost

The fair value of the Company's short term trade and other receivables, cash and cash equivalents, other financial assets, trade and other payables as well as short term borrowings equals their carrying amounts due to short term nature of the financial instruments. The fair value of the long term borrowing of the Company is determined using an effective interest rate method considering the market interest rate at year end.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

### 18. Related party transactions

Transactions between the Company and other subsidiaries of the Ceona Pte. Ltd. group have been eliminated on consolidation.

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Company and related corporations at terms agreed between the parties:

#### (a) Ship management - Harren and Partner Ship Management Pte. Ltd. ('H&P')

H&P is a subsidiary of a minority shareholder of Troll Management B.V. Revenues and Purchases of services involving H&P in 2016 are shown below:

	2016 US\$'000	2015 US\$'000
Revenue from related corporation	329	5,599
Ship management services from related corporation	117	-

Sales and purchases of goods and services are based on terms that would be available to third parties.

#### (b) Charges from subsidiaries of Ceona Holding Limited

Expenses charged in 2016 by subsidiaries outside the Group but under the common ownership of Ceona Holding Limited or associated with the Troll Management BV group are shown below:

	2016 US\$'000	2015 US\$'000
Management services from related corporation	(1,189)	(87)

Sales and purchases of goods and services are based on terms that would be available to third parties.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

#### 18. Related party transactions (cont'd)

##### (c) Key management personnel compensation

In 2016, key Management comprised two directors, one executive and one non-executive. The executive director has an employment contract with a related party, Ceona Services (UK) Limited (in Administration).

Up until 16 September 2015, the executive director's compensation for employee services was borne by other Company companies. After that date, the cost was included in the charge for management services from Ceona Services (UK) Ltd:

The non-executive director's services are borne by the immediate parent company.

The combined cost for both Directors was as follows:

	2016 US\$'000	2015 US\$'000
Director's fees	373	9

#### 19. Events after the balance sheet date

The vessel Blue Giant vessel commenced a three-month bareboat charter on 3 June 2017, having been idle for the first five months of 2017.

#### 20. Immediate and ultimate holding corporation

The Company's immediate holding corporation is Ceona Pte. Ltd., incorporated in Singapore. The ultimate holding corporation is Troll Coöperatieve U.A., incorporated in the Netherlands.

#### 21. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of OIG Giant I Pte. Ltd. on 3 July 2017.