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OS AA01

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



Companies House

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

☐ **What this form is for**
You cannot use this form to
accompany an alteration
with accounts.

FRIDAY



A08 *A7D05VNC*
24/08/2018 #224
COMPANIES HOUSE

For more information, please
visit the Companies House
website at
www.gov.uk

Part 1 Corporate company name

Corporate name of
overseas company ① Ceona Pte Ltd

UK establishment
number B R 0 1 6 4 7 6

→ **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.

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

Legislation ② Singapore

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'**.

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

Name of organisation or body ●

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

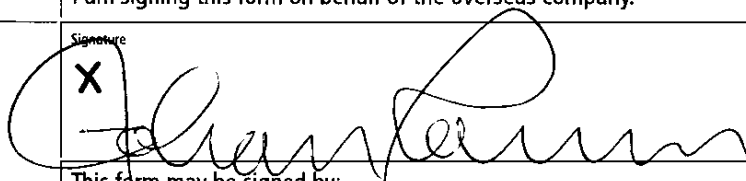
Signature

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 **Vine House**

Chester Avenue

Post town **Richmond**

County/Region

Postcode **T W 1 0 6 N P**

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 or email 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

CEONA



CEONA PTE. LTD. AND SUBSIDIARIES

(Incorporated in Singapore. Registration Number: 201108567D)

ANNUAL REPORT

For the financial year ended 31 December 2017

CEONA PTE. LTD. AND SUBSIDIARIES

COMPANY INFORMATION

CEONA

Registered address in Singapore	79 Anson Road #23-06 Singapore 079906
Company number	201108567D
UK establishment number	BR016476
The Board of directors	Mr. Stephen Fordham Mr. Johan Rasmussen
Independent Auditors	Moore Stephens LLP Singapore
Immediate holding company	Ceona Investments Limited (in Administration)
Parent company of Group	Ceona Holding Ltd (in Administration) C/o Ernst & Young LLP Royal Chambers, St. Julian's Avenue, GY1 4AF, Guernsey
Registered address in the United Kingdom	3 Shortlands Hammersmith London W6 8DA United Kingdom
Ultimate parent company	Troll Coöperatieve U.A.

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DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

The directors present their statement to the shareholder together with the audited consolidated financial statements of Ceona Pte. Ltd. and its subsidiary companies, called 'the Group', for the financial year ended 31 December 2017 and the statement of financial position of the Company as at 31 December 2017.

In the opinion of the directors,

- (a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 8 to 45 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2017 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (b) notwithstanding the negative equity position of the Group, neither Ceona Pte. Ltd. nor any of its subsidiaries is in administration as at the date of this statement. Under an agreement that was reached on 26 November 2015 with the Group's lenders, the Company and its subsidiaries will have access to sufficient funds to pay its third-party debts as and when they fall due.

Directors

The directors of the Company during the year and up to 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, required to be kept under Section 164 of the Singapore Companies Act, Chapter 50, 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.

DIRECTORS' STATEMENT (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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

The Group of companies consisting of Ceona Pte Ltd, OIG Giant I Pte Ltd and OIG Giant II Pte Ltd ("the Group") owns a single vessel, the Blue Giant, which was idle for approximately seven months of the year. The directors have for several years entertained expressions of interest from potential acquirers, which led to a sale being agreed with completion expected to happen on 20 June 2018.

The immediate holding company, Ceona Investments Ltd, entered administration on 16 September 2015, together with a number of other subsidiaries of Ceona Holding Ltd ("CHL"). All intercompany receivables from entities in administration have been fully impaired in these financial statements.

The Group 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 Group 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's subsidiaries, OIG Giant I Pte. Ltd. and OIG Giant II Pte. Ltd., and has waived a covenant restriction on the Company's bank account.

In an agreement dated 21 March 2018 (the "Waiver Agreement"), the Group's lenders have agreed to waive any outstanding debt which is still unsettled following the sale of the Blue Giant vessel, subject to the sale of the Blue Giant taking place before 30 June 2018.

This deadline has been set by reference to an agreement between the Group's lenders and the Administrators of CHL in relation to CHL's guarantee of the financing of the Group's ship. The said deadline may be extended by agreement between the Group's lenders and the Administrators of Ceona Holding Ltd. That agreement, during any agreed extension, may be terminated by the Administrators of Ceona Holding Ltd when the Administrators are in a position to make a final distribution to the creditors of Ceona Holding Ltd. Unless the Blue Giant is sold within the aforesaid deadline, there is no debt waiver.

During the term of the Waiver Agreement, the Group's lenders have agreed to fund the ongoing costs of the Group with the objective of securing a solvent liquidation of the Group based on a budget for the cost of a solvent liquidation of the Group and certain assumptions, which may or may not materialise.

DIRECTORS' STATEMENT (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Going concern (cont'd)

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

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

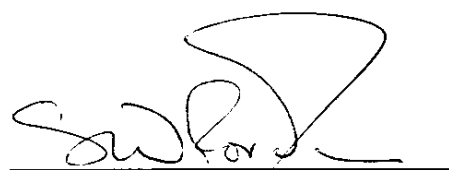
Independent Auditors

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



Mr. Johan Rasmussen
Director

15 June 2018



Mr. Stephen Fordham
Director

CEONA PTE. LTD. AND SUBSIDIARIES

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF CEONA PTE. LTD.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Ceona Pte. Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2017, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company 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") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2017 and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group 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 Group 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.

CEONA PTE. LTD. AND SUBSIDIARIES

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF CEONA PTE. LTD.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

(cont'd)

Other Information

Management is responsible for the other information. The other information comprises the information included in the Company Information and 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 unauthorised use or disposition; and transactions are properly authorised 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

CEONA PTE. LTD. AND SUBSIDIARIES

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF CEONA PTE. LTD.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

(cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole 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 on the basis of these financial statements.

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 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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.

CEONA PTE. LTD. AND SUBSIDIARIES

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF CEONA PTE. LTD.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

(cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion of the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

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 and by the subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.



Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
15 June 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Note	2017			2016		
		Before exceptional items	Exceptional items (note 7)	Total	Before exceptional items	Exceptional items (note 7)	Total
		US \$'000	US \$'000	US \$'000	US \$'000	US \$'000	US \$'000
Revenue	5	234	-	234	560	-	560
Cost of sales	6	(1,833)	(5,790)	(7,623)	(8,347)	(2,660)	(11,007)
Gross loss		(1,599)	(5,790)	(7,389)	(7,787)	(2,660)	(10,447)
Administrative expenses	6	(1,113)	-	(1,113)	(5,008)	-	(5,008)
Other income		146	-	146	863	-	863
Operating loss		(2,566)	(5,790)	(8,356)	(11,932)	(2,660)	(14,592)
Other (losses) / gains	8	(7,214)	-	(7,214)	2,263	(5,842)	(3,579)
Finance income	9	1	-	1	6	-	6
Finance costs	10	(369)	-	(369)	(606)	-	(606)
Loss before income tax		(10,148)	(5,790)	(15,938)	(10,269)	(8,502)	(18,771)
Taxation	11	(37)	-	(37)	2,003	-	2,003
Loss for the year		(10,185)	(5,790)	(15,975)	(8,266)	(8,502)	(16,768)
Loss attributable to owners of the parent				(15,975)			(16,768)
Other comprehensive income / (loss)							
Currency translation differences				16			129
Other comprehensive income / (loss), net of tax				16			129
Total comprehensive loss attributable to the owners of the parent company				(15,959)			(16,639)

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

		2017	2016
	Note	US \$'000	US \$'000
ASSETS			
Current assets			
Assets held for sale	12	5,800	11,590
Inventories	14	108	125
Trade and other receivables	15	101	1,379
Current income tax receivable		1	33
Cash and cash equivalents		1,546	3,186
		7,556	16,313
Total Assets		7,556	16,313
EQUITY			
Equity attributable to owners of the parent			
Share capital	16	*	*
Redeemable preference shares	16	332,899	332,899
Currency translation reserve		-	(16)
Accumulated losses		(387,862)	(371,887)
Total Equity		(54,963)	(39,004)
LIABILITIES			
Current liabilities			
Trade and other payables	17	2,157	2,177
Borrowings	19	60,080	52,783
Accrued expenses		282	357
		62,519	55,317
Total Liabilities		62,519	55,317
Total Equity and Liabilities		7,556	16,313

*Represents US\$1

STATEMENT OF FINANCIAL POSITION - COMPANY

AS AT 31 DECEMBER 2017

		2017	2016
	Note	US \$'000	US \$'000
ASSETS			
Current assets			
Investment in subsidiaries	13	-	3
Trade and other receivables	15	62	35
Current income tax receivable		1	10
Cash and cash equivalents		218	877
		<u>281</u>	<u>925</u>
Total Assets		<u>281</u>	<u>925</u>
EQUITY			
Share capital	16	*	*
Redeemable preference shares	16	332,899	332,899
Accumulated losses		(408,615)	(393,205)
Total Equity		<u>(75,716)</u>	<u>(60,306)</u>
LIABILITIES			
Current liabilities			
Trade and other payables	17	21,083	21,548
Provision for liabilities	18	54,727	39,488
Accrued expenses		187	195
		<u>75,997</u>	<u>61,231</u>
Total liabilities		<u>75,997</u>	<u>61,231</u>
Total equity and liabilities		<u>281</u>	<u>925</u>

*Represents US\$1

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Share capital	Redeemable preference shares	Currency translation reserve	Accum- ulated losses	Total equity
	US \$'000	US \$'000	US \$'000	US \$'000	US \$'000
2017					
Beginning of financial year	*	332,899	(16)	(371,887)	(39,004)
Total comprehensive income/(loss)	-	-	16	(15,975)	(15,959)
End of financial year	*	332,899	-	(387,862)	(54,963)
2016					
Beginning of financial year	*	332,899	(145)	(355,119)	(22,365)
Total comprehensive income/(loss)	-	-	129	(16,768)	(16,639)
End of financial year	*	332,899	(16)	(371,887)	(39,004)

*Represents \$1

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

<u>Group</u>	2017 US \$'000	2016 US \$'000
Cash flows from operating activities		
Net cash used in operations (Note 24)	(1,734)	(13,590)
Interest income	(1)	(6)
Interest expense	369	606
Net cash used in operating activities	(1,366)	(12,990)
Cash flows from investing activities		
Interest received	1	6
Proceeds from disposal of Giant II vessel	-	15,475
Net cash generated from investing activities	1	15,481
Cash flow from financing activities		
Interest paid	(369)	(606)
Repayment of borrowings	-	(15,475)
Net cash used in financing activities	(369)	(16,081)
Decrease in cash and cash equivalents	(1,734)	(13,590)
Cash and cash equivalents at beginning of year	3,186	15,932
Effect of exchange rates on cash and cash equivalents	94	844
Cash and cash equivalents at end of year	1,546	3,186

CEONA PTE. LTD. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

1. General Information

Ceona Pte.Ltd. ('the Company') is, for statutory accounting purposes, the parent company of the Ceona Pte.Ltd. Group ('the Group'). Ceona Pte.Ltd. is a limited liability company incorporated in Singapore. Since 30 June 2013, the Group has operated entirely from its registered office in the United Kingdom.

The address of the registered offices in Singapore and the United Kingdom are given in the Company Information page.

The Group owns a light construction offshore support vessel, the Blue Giant, which was held for sale at year-end.

The immediate parent company of Ceona Pte. Ltd. is Ceona Investments Limited (in administration), a private limited liability company established in England and Wales, which is a 100% owned subsidiary of Ceona Holding Ltd (in administration). Both these entities entered administration on 16 September 2015, together with a number of other subsidiaries of Ceona Holding Ltd.

2. Basis of accounting

2.1 Going concern

The Group of companies consisting of Ceona Pte Ltd, OIG Giant I Pte Ltd and OIG Giant II Pte Ltd ("the Group") owns a single vessel, the Blue Giant, which was idle for approximately seven months of the year. The directors have for several years entertained expressions of interest from potential acquirers, which led to a sale being agreed with completion expected to happen on 20 June 2018.

The immediate holding company, Ceona Investments Ltd, entered administration on 16 September 2015, together with a number of other subsidiaries of Ceona Holding Ltd ("CHL"). All intercompany receivables from entities in administration have been fully impaired in these financial statements.

The Group 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 Group 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's subsidiaries, OIG Giant I Pte. Ltd. and OIG Giant II Pte. Ltd., and has waived a covenant restriction on the Company's bank account.

In an agreement dated 21 March 2018 (the "Waiver Agreement"), the Group's lenders have agreed to waive any outstanding debt which is still unsettled following the sale of the Blue Giant vessel, subject to the sale of the Blue Giant taking place before 30 June 2018.

CEONA PTE. LTD. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. Basis of accounting (cont'd)

2.1 Going concern (cont'd)

This deadline has been set by reference to an agreement between the Group's lenders and the Administrators of CHL in relation to CHL's guarantee of the financing of the Group's ship. The said deadline may be extended by agreement between the Group's lenders and the Administrators of Ceona Holding Ltd. That agreement, during any agreed extension, may be terminated by the Administrators of Ceona Holding Ltd when the Administrators are in a position to make a final distribution to the creditors of Ceona Holding Ltd. Unless the Blue Giant is sold within the aforesaid deadline, there is no debt waiver.

During the term of the Waiver Agreement, the Group's lenders have agreed to fund the ongoing costs of the Group with the objective of securing a solvent liquidation of the Group based on a budget for the cost of a solvent liquidation of the Group and certain assumptions, which may or may not materialise.

This arrangement is subject to risks, and in particular to the continued availability of the funding provided by the Group's lenders. While the lenders have indicated their support for the continued trading of the Group to allow for the negotiation of appropriate sale terms for the Group's remaining vessel, there is no obligation on them to continue to provide funding if they elect to adopt a different strategy, should the above mentioned sale not happen within the applicable deadline.

Based on the expectation that the Group's remaining vessel will be sold as aforesaid, and that the outstanding balance of the Group's term loans will be waived, Ceona Pte Ltd, OIG Giant I Pte Ltd and OIG Giant II Pte Ltd are expected to be placed into a solvent liquidation. As a result, no further significant revenue is expected to be generated by the Group, and these financial statements have been prepared on a realisation basis rather than on a going concern basis.

CEONA PTE. LTD. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. Basis of accounting (cont'd)

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 Group.

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 Application of New/Revised Financial Reporting Standards ("FRSs") Issued

(a) FRSs effective for annual period beginning on or after 1 January 2017

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2017. The adoption of these standards did not have any effect on the financial performance or position of the Company.

CEONA PTE. LTD. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. Basis of accounting (cont'd)

2.3 Application of New/Revised Financial Reporting Standards ("FRSs") Issued (cont'd)

(a) FRSs effective for annual period beginning on or after 1 January 2017 (cont'd)

Amendments to FRS 7 Disclosure Initiative

The amendments require new disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities in respect of:

- (a) Changes from financing cash flows;
- (b) Changes arising from obtaining or losing control of subsidiaries or other businesses;
- (c) The effect of changes in foreign exchange rates;
- (d) Changes in fair values; and
- (e) Other changes.

The above disclosure also applies to changes in financial assets if cash flows from those financial assets are included in cash flows from financing activities. Comparatives are not required in the first year of adoption. As this is a disclosure standard, it will not have any impact on the financial performance or financial position of the Company which implemented.

The reconciliation of movements of liabilities to cash flow arising from financing activities during the current financial year is as follows:

	<u>Group</u> Borrowings US\$'000
Balance at beginning of the year	52,783
Interest paid on borrowings	(369)
<u>Non-cash changes:</u>	
Foreign exchange movement (Note 8)	7,297
Interest charged on borrowings (Note 9)	369
Balance at ending of the year	<u>60,080</u>

(b) FRSs issued but not yet effective

There are no new or amended FRS that are of significance to the Group, in view of the Group's expected liquidation.

CEONA PTE. LTD. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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 the asset may be impaired. The Group performed an evaluation of the asset in December 2017, and recorded an impairment (see note 7).

Going concern

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

Impairment of receivables

In recording impairments of receivables from external customers, related parties 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. Group Accounting

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

CEONA PTE. LTD. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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

4.1. Group Accounting (cont'd)

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual agreements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with FRS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

4. Summary of principal accounting policies (cont'd)**4.1. Group Accounting (cont'd)**

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

4.2. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for rendering of transport and accommodation support services, stated net of discounts, returns and value added taxes.

The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Revenue recognition on service revenues

Revenue received for the provision of a bareboat or time charter, day rate contracts and other service contracts are recognised over the contract period as and when the services are rendered.

(b) Reimbursable revenue

Revenue received as reimbursement of costs incurred at the request of a client in accordance with a contract, e.g. revenues received for the purchase of supplies, personnel services and other services are recorded as revenue. The related costs are recorded as expenses in the same period.

4.3. Leases

Rentals payable under operating leases are charged to income on a straight line basis over the term of the relevant lease. Vessel and equipment rentals are accounted for on a straight line basis to each rent review, unless there are pre-agreed minimum increases contained in the lease and subject to lease incentives detailed below.

Where the Group has agreed minimum increases within a lease; the annual rental charge is measured as the average of the minimum rental level taken over the life of the lease.

CEONA PTE. LTD. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

4. Summary of principal accounting policies (cont'd)**4.3. Leases (cont'd)**

Lease incentives, rent free periods and capital contributions are amortised to the income statement over the life of the lease on a straight line basis.

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 Group operates and generates 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 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 2017****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. Vessels and other property, plant and equipment

Vessels and property, plant and equipment are stated at historical cost less depreciation and any recognised impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Property, plant and equipment under construction are stated at cost, less any recognised impairment loss. Historical cost includes expenditure that is directly attributable to the construction of the items. Depreciation commences when the assets are ready for their intended use.

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

Vessels	25 years
Specialised Equipment	10-20 years
Office Equipment	3-10 years

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/gains' in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017****4. Summary of principal accounting policies (cont'd)****4.7. Impairment of non-financial assets**

Assets are subject to impairment reviews whenever changes in events or circumstances indicate that an impairment may have occurred. Assets are written down to the higher of fair value less costs to sell and value in use. Value in use is calculated by discounting the expected cash flows at an appropriate rate for the risks associated with that asset. This includes estimates of both the expected cash flows and an appropriate discount rate which uses assumptions and estimates of the future performance of the asset. Differences between expectations and the actual cash flows may result in differences in impairment levels.

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.

4.8. 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 probable 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.

CEONA PTE. LTD. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

4. Summary of principal accounting policies (cont'd)**4.9. Inventories**

Inventories comprise fuel oil on board the vessel, which is valued at the lower of cost or net realisable value.

Cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated selling expenses.

4.10. 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 Group 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.

4.11. Trade and other payables

Trade and other payables represent unpaid liabilities for goods and services provided to the Group 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.

NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017****4. Summary of principal accounting policies (cont'd)****4.12. 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.

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 of sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

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.

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.

4.13. 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.

NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017****4. Summary of principal accounting policies (cont'd)****4.14. Currency translation**

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

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 gains and losses" in the statement of comprehensive income.

4.15. Provisions

Provisions are recognised when:

- (a) The Group has a present legal or constructive obligation as a result of past events;
- (b) It is probable that an outflow of resources will be required to settle the obligation; and
- (c) 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.

4.16. 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.

CEONA PTE. LTD. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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

4.16. Exceptional items (cont'd)

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.

4.17. Share capital

Ordinary and preference shares are classified as equity. Redeemable preference shares which are classified as redeemable at the option of the Group 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.

CEONA PTE. LTD. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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

4.18. Related parties (cont'd)

(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.

5. Revenue

	<u>Group</u>	
	2017	2016
	US \$'000	US \$'000
Vessel charters	234	560

The 2017 revenue resulted from a 156-day bareboat charter of the Blue Giant from 3 June to 6 November 2017.

The 2016 revenue resulted from a bareboat charter of the Blue Giant which was completed on 20 May 2016 and a 38-day time-charter of the vessel OIG Giant II.

CEONA PTE. LTD. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

6. Cost of sales and administrative expenses

Note	Group	
	2017 US \$'000	2016 US \$'000
<u>Cost of sales</u>		
Vessel operating expenses	1,733	7,775
Vessel management charges	100	572
Impairment of vessels	5,790	2,660
	7,623	11,007
<u>Administrative expenses</u>		
Provision for impairment of receivables	326	118
Professional services	135	1,328
Company secretarial services from related party	8	-
Admin services from a related party in administration	364	2,338
Bank charges	3	22
Other administrative expenses	277	1,202
	1,113	5,008
Total costs of sales and administrative expenses	8,736	16,015

CEONA PTE. LTD. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

7. Exceptional items

Net exceptional charges totalling US\$ 5.790 million were recorded by the Group in 2017 (2016: US\$ 8.502 million). The items are discussed below.

	<u>Group</u>	
	2017	2016
	US \$'000	US \$'000
Impairment of vessels and equipment	5,790	2,660
Loss on disposal of vessel	-	5,842
	5,790	8,502

Exceptional items are classified in the income statement as follows:

	<u>Group</u>	
	2017	2016
	US \$'000	US \$'000
Cost of sales	5,790	2,660
Other gains and losses	-	5,842
Exceptional loss for the year for continuing operations	5,790	8,502

Impairment of vessel

In December 2017, the Group recorded an impairment charge of US\$5.790 million (2016: US\$2.660 million). The resulting carrying amount of the Blue Giant together with its inventory is US\$5.800 million (2016: US\$11.590 million). This represents Management's estimate of the value of the vessel in the prevailing market.

8. Other (losses)/gains

	<u>Group</u>	
	2017	2016
	US \$'000	US \$'000
Foreign exchange (loss) / gain		
- Borrowings	(7,297)	2,263
- Others	83	(101)
	(7,214)	2,162
Loss on disposal of OIG Giant II	-	(5,842)
Fair value gain on derivative financial instruments	-	101
	(7,214)	(3,579)

CEONA PTE. LTD. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

9. Finance income

	<u>Group</u>	
	2017	2016
	US \$'000	US \$'000
Interest income	1	6
	1	6

10. Finance costs

	<u>Group</u>	
	2017	2016
	US \$'000	US \$'000
Interest expense - term loans	(369)	(561)
Interest paid on swap	-	(45)
	(369)	(606)

11. Taxation

	<u>Group</u>	
	2017	2016
	US \$'000	US \$'000
Loss before tax	(15,938)	(18,771)
Tax (charge)/credit	(37)	2,003
Loss after tax	(15,975)	(16,768)

	<u>Group</u>	
	2017	2016
	US \$'000	US \$'000
Current income tax charge/(credit)	-	(2)
Adjustments in respect of prior years	37	(2,001)
Total current tax charge/(credit)	37	(2,003)

CEONA PTE. LTD. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

11. Taxation (cont'd)

Factors affecting the tax charge

The tax assessed for the year differs from the theoretical amount that would arise using the blended rate of income tax of 19.25% (2016: 20.00%). The differences are explained below:

	<u>Group</u>	
	2017	2016
	US \$'000	US \$'000
Loss before tax	(15,938)	(18,771)
Expected tax credit calculated at tax rate of 19.25% (2016: 20.00%):	(3,068)	(3,754)
Tax effects of:		
- Income not subject to tax	-	532
- Losses not subject to tax/deferred tax assets not recognised	1,955	2,693
- Expenses not deductible for tax purposes	1,113	527
- Adjustments in respect of prior years	37	(2,001)
Tax charge/(credit)	37	(2,003)

The Group's 2017 tax charge (2016: 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 blended tax rate for the fiscal year 2017 of 19.25% (2016: 20.00%).

The Group is resident in the United Kingdom ("UK") for tax purposes. The main rate of corporation tax reduced from 20% to 19% effective 1 April 2017.

The Group has an unrecognised deferred tax assets of US\$ 2.25 million (2016: US\$ 1.09 million) in relation to tax losses of US\$ 11.69 million carried forward as at 31 December 2017 (2016: US\$ 5.64 million). These have not been recognised as at 31 December 2017 as they arose in the UK tax jurisdiction and will not be utilised in the near future.

The Group has an unrecognised gross deferred tax asset in relation to the capital allowances pool at 31 December 2017 of US\$ 13.63 million (2016: US\$13.63 million).

CEONA PTE. LTD. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

12. Assets held for sale

<u>Group</u>	Vessels	Inventory of spare parts and lubricants	Cumulative impairment	Net book value
	US \$'000	US \$'000	US \$'000	US \$'000
2017				
Beginning of financial year	23,923	358	(12,691)	11,590
Impairment charge (Note 7)	-	-	(5,790)	(5,790)
End of financial year	23,923	358	(18,481)	5,800
2016				
Beginning of financial year	67,008	1,111	(32,619)	35,500
Impairment charge (Note 7)	-	-	(2,660)	(2,660)
Disposal of OIG Giant II	(43,085)	(753)	22,588	(21,250)
End of financial year	23,923	358	(12,691)	11,590

The Blue Giant vessel, and its inventory of spare parts and lubricants, are presented as held for sale as at 31 December 2017 following the decision of the group's Management and shareholders to sell the vessel.

A Memorandum of Agreement was signed on 22 May 2018 to sell the Blue Giant to a third party acquirer. The Group performed an evaluation of the costs associated with the sale, and recorded an impairment of US\$5.790 million (see note 7).

In accordance with FRS 105, 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 valuation inputs, reflecting an indicative cash offer received for the asset, and is therefore within level 3 of the fair value hierarchy.

CEONA PTE. LTD. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

13. Investments in subsidiaries

	<u>Company</u>	US\$'000
<i>Cost</i>		
At 1 January 2017		180,777
Redemption of shares		(93,724)
Return of capital upon liquidation		(3)
At 31 December 2017		<u>87,050</u>
<i>Accumulated impairment</i>		
At 1 January 2017		180,774
Liquidation of subsidiaries		(93,724)
At 31 December 2017		<u>87,050</u>
<i>Net book value</i>		
At 31 December 2017		<u>-</u>
<i>Cost</i>		
At 1 January 2016		224,684
Redemption of shares		(43,907)
At 31 December 2016		<u>180,777</u>
<i>Accumulated impairment</i>		
At 1 January 2016		179,485
Impairment charge		1,289
At 31 December 2016		<u>180,774</u>
<i>Net book value</i>		
At 31 December 2016		<u>3</u>

During the current financial year, the Company redeemed 93.724 million preference shares in its dormant subsidiaries, Dockship II ApS, Dockship IV ApS, and OIG Giant III Pte. Ltd, in preparation for the striking off of these entities upon liquidation.

During the previous financial year, the Company redeemed 43.907 million preference shares in its dormant subsidiary, OIG Giant III Pte. Ltd, in preparation for the striking off of that entity upon liquidation.

CEONA PTE. LTD. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

13. Investments in subsidiaries (cont'd)

During the previous financial year, an impairment was recorded in respect of the Company's investments in subsidiaries of US\$ 1.289 million. The 2016 adjustment reflects the losses incurred upon the liquidation of Dockship IV ApS.

Details of the Company's subsidiaries as at 31 December 2017 and 2016 are as follows:

Name	Country of Incorporation	Nature of business	Equity holding	
			2017	2016
			%	%
Dockship II ApS	Denmark	Liquidated in 2017	Nil	100
Dockship IV ApS	Denmark	Liquidated in 2017	Nil	100
OIG Giant I Pte. Ltd.	Singapore	Vessel owning company	100	100
OIG Giant II Pte. Ltd.	Singapore	Former vessel owning company	100	100
OIG Giant III Pte. Ltd.	Singapore	Liquidated in 2017	Nil	100

14. Inventories

	Group	
	2017	2016
	US \$'000	US \$'000
Fuel	108	125

The vessel's on-board inventory of spare parts, oil and grease is included in assets held for sale.

CEONA PTE. LTD. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

15. Trade and other receivables

	<u>Group</u>		<u>Company</u>	
	2017	2016	2017	2016
	US \$'000	US \$'000	US \$'000	US \$'000
Current:				
Trade receivables - subsidiaries	-	-	9,152	9,061
Less: provision for impairment	-	-	(9,151)	(9,061)
Trade receivables - related parties	40	34	39	-
Trade receivables - non-related parties	12,524	13,321	10,324	10,324
Less: provision for impairment	(12,524)	(12,204)	(10,324)	(10,324)
Current trade receivables - net	40	1,151	40	-
Value added tax receivables	23	30	22	30
Prepaid vessel costs	38	193	-	-
Security Deposits	-	5	-	5
	101	1,379	62	35

All receivables are unsecured, non-interest bearing and repayable on demand.

The trade receivables from non-related parties include invoices which are more than one year overdue. The customers dispute certain invoices, which have been submitted for arbitration. Consequently, the balance has been fully provided for.

The value added tax receivables are claimed as part of the UK Group VAT claim submitted by a related party, Ceona Services (UK) Ltd (in administration), which continued to recover input tax on the Group's behalf throughout 2017.

CEONA PTE. LTD. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

16. Share capital

Group & Company

	No. of shares		Amount	
	Ordinary shares issued	Issued redeemable preference shares	Ordinary shares issued	Issued redeemable preference shares
2017			US \$'000	US \$'000
Beginning and end of financial year	1	343,120	*	332,899
2016				
Beginning and end of financial year	1	343,120	*	332,899

Each ordinary share represents US\$1 before deduction of the costs of issuance.

Redeemable preference shares ("RPS") in the Company may be issued by the directors at an issue price of US\$1.00 per RPS. All RPS in the Company shall have an entitlement to dividends, carry a right to vote at general meetings of the Company and have an entitlement to a return of capital (and all dividends declared but unpaid) in the event of the winding up of the Company, which are in all respects identical to the rights incidental to ordinary shares in the capital of the Company. The redemption of any RPS shall be determined solely by the Company. If the directors pass a resolution to approve the redemption of any RPS, the Company shall pay to the relevant holders of the RPS an amount equivalent to the aggregate issue price of the relevant RPS.

17. Trade and other payables

	<u>Group</u>		<u>Company</u>	
	2017	2016	2017	2016
<i>Current</i>	US \$'000	US \$'000	US \$'000	US \$'000
Amount due to subsidiaries	-	-	20,753	21,295
Amount due to related corporations	1,859	1,693	121	(92)
Amount due to third parties – trade	298	484	209	345
	2,157	2,177	21,083	21,548

Balances due to and from wholly-owned subsidiaries of the Company are fully eliminated in the Group financial statements. In the Company financial statements, only the net balance payable to subsidiaries is disclosed.

CEONA PTE. LTD. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

18. Provision for liabilities

Company

Provision for losses under guarantees provided to subsidiaries	US \$'000
2017	
Beginning of financial year	39,488
Increase in provision for liabilities of subsidiaries	15,239
End of financial year	54,727
2016	
Beginning of financial year	34,116
Increase in provision for liabilities of subsidiaries	5,372
End of financial year	39,488

A provision is recorded by Ceona Pte Ltd (the "Company") for losses under parent company guarantees it has provided to subsidiaries, whereby its liability is not limited to its equity investment. The provision is eliminated on consolidation, and does not appear in the Group's results.

19. Borrowings

	<u>Group</u>	
	2017	2016
	US \$'000	US \$'000
Current		
Secured bank borrowings	60,080	52,783

Secured bank borrowings

The Group credit facility includes term loans which according to the original loan agreements are to be repaid in full by 2021. Interest rates are based on EURIBOR and LIBOR and the term loans are denominated in Euro. The maturity dates were revised under a standstill agreement dated 26 November 2015, whereby the lenders have agreed to suspend for the time being the repayment of outstanding principal. Interest continues to be paid on a monthly or quarterly basis. The proceeds from the disposal of the OIG Giant II were paid directly to the lenders as part repayment of the outstanding term loans.

CEONA PTE. LTD. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

19. Borrowings (cont'd)

Net Debt

	<u>Group</u>		<u>Company</u>	
	2017	2016	2017	2016
	US \$'000	US \$'000	US \$'000	US \$'000
Cash at bank	1,546	3,186	218	877
Borrowings:- current	60,080	52,783	-	-
Trade and other payables	2,157	2,177	21,083	21,548
Total	62,237	54,960	21,083	21,548
Net debt	60,691	51,774	20,865	20,671

20. Contingent liabilities and capital commitments

The Group has contingent liabilities in respect of claims arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities including tax incentives enjoyed under the AIS scheme.

21. Financial risk management

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

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

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Funding and liquidity risk

The Group 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 waive that portion of the loans that cannot be settled by the Companies upon sale of the remaining vessel.

CEONA PTE. LTD. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

21. Financial risk management (cont'd)

Foreign exchange risk

The Group transacts in a number of foreign currencies and as a result has foreign currency denominated revenue, expenses, assets and liabilities. The Group 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 Group 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.

Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, and credit exposures to outstanding receivables. For banks and financial institutions, only independently rated parties with a very strong credit rating are accepted. For client counterparties, Management assesses the credit quality of the client, taking into account its financial position, past experience and other factors.

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 Group's major classes of financial assets are bank deposits and trade and other receivables.

(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 predominantly with creditworthy debtors with good payment records with the Group.

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

A 100% provision for impairment has been recorded in respect of net balances receivable from subsidiaries of Ceona Holding Ltd which have entered administration.

Full provision has also been made for overdue or disputed third party receivables totalling US\$ 12.524 million (2016: US\$ 12.204 million).

Cash flow and interest rate risk

Interest on the Group's borrowings is based on the floating interest rate linked to EURIBOR.

CEONA PTE. LTD. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

21. Financial risk management (cont'd)

Covenant risk

The Group's credit facilities are subject to meeting certain financial covenants. The Group monitors covenants on an ongoing basis with formal testing of financial covenants in line with the Company's financing agreements. The Group is currently in default of those covenants, but the Group 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 Group was in compliance with that agreement as at 31 December 2017 and at the date of approval of these financial statements.

In addition, the lenders have confirmed their support for the continued trading of OIG Giant I Pte.Ltd. and OIG Giant II Pte. Ltd. in the ordinary course of business, and have released restricted funds from the Fixed Charge Accounts.

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 lenders to waive that portion of the loans that cannot be settled by the Companies out of the proceeds of the sale of the vessels.

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.

	<u>Group</u>		<u>Company</u>	
	2017	2016	2017	2016
	US\$'000	US\$'000	US\$'000	US\$'000
Net debt	60,691	51,774	20,865	20,671
Total equity	(54,963)	(39,004)	(75,716)	(60,306)
Total capital	5,728	12,770	(54,851)	(39,635)

CEONA PTE. LTD. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

21. Financial risk management (cont'd)

Fair value measurements and financial instruments by category

Carrying values, fair values and the corresponding category of the Group are stated below:

<u>Group</u>		<u>Carrying amount</u>		<u>Fair value</u>	
		<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
		<u>US \$'000</u>	<u>US \$'000</u>	<u>US \$'000</u>	<u>US \$'000</u>
Assets					
Trade and other receivables	LaR	101	1,379	101	1,379
Cash and cash equivalents	LaR	1,546	3,186	1,546	3,186
Liabilities					
Borrowings (current)	FLAC	60,080	52,783	60,080	52,783
Trade and other payables	FLAC	2,157	2,177	2,157	2,177
Accrued expenses	FLAC	282	357	282	357
<u>Categories</u>					
Loans and receivables	LaR	1,647	4,565	1,647	4,565
Liabilities at amortised cost	FLAC	62,519	55,317	62,519	55,317

The fair value of the Group's short-term trade and other receivables, cash and cash equivalents, trade and other payables, accrued expenses, and borrowings approximates their carrying amounts due to short term nature of the financial instruments.

CEONA PTE. LTD. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

21. Financial risk management (cont'd)

Fair value measurements and financial instruments by category (cont'd)

<u>Company</u>		Carrying amount		Fair value	
		2017	2016	2017	2016
		US \$'000	US \$'000	US \$'000	US \$'000
Assets					
Trade and other receivables	LaR	62	35	62	35
Cash and cash equivalents	LaR	218	877	218	877
Liabilities					
Trade and other payables	FLAC	21,083	21,548	21,083	21,548
Accrued expenses	FLAC	187	195	187	195
Categories					
Loans and receivables	LaR	280	912	280	912
Liabilities at amortised cost	FLAC	21,270	21,743	21,270	21,743

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, trade and other payables, and accrued expenses approximates their carrying amounts due to short-term nature of the financial instruments.

CEONA PTE. LTD. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

22. Related party transactions

The principal subsidiary undertakings at 31 December 2017 are shown in note 13. Transactions between the Company and its subsidiaries have been eliminated on consolidation. In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Ship management – related party

Harren & Partner Ship Management Pte. Ltd. ("H&P") is a subsidiary of a former minority shareholder of Troll Management B.V. which ceased to be a related party as of 31 December 2016. Revenues and purchases of services involving H&P and its subsidiaries in 2016 are shown below:

	2017 US \$'000	2016 US \$'000
Ship management services from related corporation	-	117
Revenue from related corporation	-	329
	-	446

(b) Charges from subsidiaries of Ceona Holding Ltd

Expenses charged in 2017 by subsidiaries outside the Group but under the common ownership of Ceona Holding Ltd are shown below:

	2017 US \$'000	2016 US \$'000
Management services from related corporation	364	2,338

(c) Charges from a related party owned by a Director

	2017 US \$'000	2016 US \$'000
Company secretarial services from related corporation	8	-

(d) Key management personnel compensation

In 2017, key management comprised two directors, one executive and one non-executive. The executive director's services are included in the monthly charge for management services from a related party, Ceona Services (UK) Limited (in Administration), with which the executive director has an employment contract. The non-executive director's services are invoiced to Ceona Pte Ltd by a service company under his control.

CEONA PTE. LTD. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

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22. Related Party Transactions (cont'd)

(d) Key management personnel compensation (cont'd)

The total of the directors' fees and employment costs were as follows:

<u>Group</u>	2017 US \$'000	2016 US \$'000
Directors' fees	214	980

23. Cash generated from operations

<u>Group</u>	2017 US \$'000	2016 US \$'000
Loss for the year	(15,975)	(16,768)
<u>Adjustments for:</u>		
Impairment of vessels and equipment	5,790	2,660
Loss on disposal of Giant II vessel	-	5,842
Fair value gain on derivatives	-	(101)
Foreign exchange loss/(gain)	7,214	(2,162)
Taxation	37	(2,003)
<u>Changes in working capital</u>		
Assets held for sale	-	(67)
Inventories	17	(113)
Trade and other receivables	1,278	2,028
Trade and other payables	(20)	(2,522)
Accrued expenses	(75)	(384)
Net cash used in operations	(1,734)	(13,590)

24. Events occurring after the balance sheet date

In an agreement dated 21 March 2018 (the "Waiver Agreement"), the Group's lenders have agreed to waive any outstanding debt which is still unsettled following the sale of the Blue Giant vessel, subject to the sale of the Blue Giant taking place before 30 June 2018.

A Memorandum of Agreement was signed on 22 May 2018 to sell the Blue Giant to a third party acquirer.

25. Immediate and ultimate holding corporation

The Company's immediate holding corporation is Ceona Investment Limited (in Administration), incorporated in the United Kingdom. The ultimate holding corporation is Troll Coöperatieve U.A., incorporated in the Netherlands.

CEONA PTE. LTD. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

26. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Ceona Pte.Ltd. on 15 June 2018.