

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 NOT for**
You cannot use this form to
an alteration of manner of
with accounting requireme

TUESDAY



A04 *A87V90A1* #14
18/06/2019
COMPANIES HOUSE

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.

Legislation ②

Singapore Companies Act, Chapter 50

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

Financial Reporting Standards in Singapore ("FRSs")

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 (SSA's)

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 **3 rd Floor, 3 Shortlands**

Post town **London**

County/Region **London**

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 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

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CEONA



CEONA PTE. LTD. AND SUBSIDIARIES

(Incorporated in Singapore. Registration Number: 201108567D)

ANNUAL REPORT

For the financial year ended 31 December 2018

COMPANY INFORMATION



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 compulsory liquidation) 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 2018

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 2018 and the statement of financial position of the Company as at 31 December 2018.

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 7 to 43 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 2018 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) following a debt waiver concluded with the Group's lenders on 26 June 2018, the Group does not have negative equity - although each entity of the Group has negative equity due to impairments of intercompany receivables.

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 2018

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") owned a single vessel, the Blue Giant, which was sold 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 outstanding as at 16 September 2015 were settled during the financial year. CHL was put into compulsory liquidation during the year.

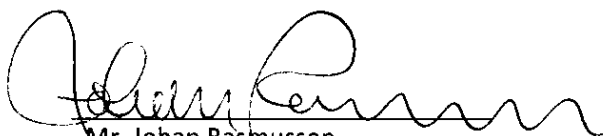
In agreements dated 21 March and 26 June 2018 (the "Waiver Agreements") (the latter agreement following the sale of the Blue Giant on 20 June 2018), the Group's lenders waived all outstanding debt, and agreed to fund the ongoing costs of the Group with the objective of securing a solvent liquidation of the Group based on a budget for the cost of such liquidation 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.

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.


In the event that there is excess bank balance after the solvent liquidation, the bank balance will be returned to the lenders (Note 8).

Independent Auditors

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



Mr. Johan Rasmussen
Director



Mr. Stephen Fordham
Director

01 APR 2019

CEONA PTE. LTD. AND SUBSIDIARIES

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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 2018, 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 2018 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 2018

(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 2.

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 2018

(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 2018

(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 on 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
7 June 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Note	2018			2017		
		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
Cost of sales	6	(812)	-	(812)	(1,833)	(5,790)	(7,623)
Gross loss		(812)	-	(812)	(1,599)	(5,790)	(7,389)
Administrative expenses	6	(568)	-	(568)	(1,113)	-	(1,113)
Other income		-	-	-	146	-	146
Operating loss		(1,380)	-	(1,380)	(2,566)	(5,790)	(8,356)
Other gains / (losses)	8	565	55,969	56,534	(7,214)	-	(7,214)
Finance income	9	1	-	1	1	-	1
Finance costs	10	(192)	-	(192)	(369)	-	(369)
Profit/(Loss) before income tax		(1,006)	55,969	54,963	(10,148)	(5,790)	(15,938)
Taxation	11	#	-	#	(37)	-	(37)
Profit/(Loss) for the year		(1,006)	55,969	54,963	(10,185)	(5,790)	(15,975)
Profit / (loss) attributable to owners of the parent				54,963			(15,975)
Other comprehensive income / (loss)							
Currency translation differences				-			16
Other comprehensive income / (loss), net of tax				-			16
Total comprehensive income / (loss) attributable to the owners of the parent company				54,963			(15,959)

Denotes a figure less than US\$1,000

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

		2018	2017
	Note	US \$'000	US \$'000
ASSETS			
Current assets			
Assets held for sale	12	-	5,800
Inventories	14	-	108
Trade and other receivables	15	35	101
Current income tax receivable		-	1
Cash and cash equivalents		1,463	1,546
Total Assets		1,498	7,556
EQUITY			
Equity attributable to owners of the parent			
Ordinary share capital	16	*	*
Redeemable preference shares	16	332,899	332,899
Accumulated losses		(332,899)	(387,862)
Total Equity		-	(54,963)
LIABILITIES			
Current liabilities			
Trade and other payables	17	48	2,157
Borrowings	19	-	60,080
Accrued expenses		1,450	282
Total Liabilities		1,498	62,519
Total Equity and Liabilities		1,498	7,556

*Represents US\$1

STATEMENT OF FINANCIAL POSITION - COMPANY

AS AT 31 DECEMBER 2018

		2018	2017
	Note	US \$'000	US \$'000
ASSETS			
Current assets			
Investment in subsidiaries	13	-	-
Trade and other receivables	15	12	62
Current income tax receivable		-	1
Cash and cash equivalents		106	218
Total Assets		118	281
EQUITY			
Share capital	16	*	*
Redeemable preference shares	16	332,899	332,899
Accumulated losses		(353,400)	(408,615)
Total Equity		(20,501)	(75,716)
LIABILITIES			
Current liabilities			
Trade and other payables	17	20,543	21,083
Provision for liabilities	18	-	54,727
Accrued expenses		76	187
Total liabilities		20,619	75,997
Total equity and liabilities		118	281

*Represents US\$1

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Share capital	Redeemabl e preference shares	Currency translatio n reserve	Accum- ulated losses	Total equity
	US \$'000	US \$'000	US \$'000	US \$'000	US \$'000
2018					
Beginning of financial year	*	332,899	-	(387,862)	(54,963)
Total comprehensive income/(loss)	-	-	-	54,963	54,963
End of financial year	*	332,899	-	(332,899)	-
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)

*Represents \$1

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

<u>Group</u>	2018 US \$'000	2017 US \$'000
Cash flows from operating activities		
Net cash used in operations (Note 23)	(1,947)	(1,734)
Interest income	-	(1)
Interest expense	192	369
Net cash used in operating activities	(1,755)	(1,366)
Cash flows from investing activities		
Interest received	-	1
Proceeds from disposal of Blue Giant vessel	5,800	-
Net cash generated from investing activities	5,800	1
Cash flow from financing activities		
Interest paid	(192)	(369)
Funding from lenders to ensure solvent liquidation	1,863	-
Repayment of borrowings	(5,800)	-
Net cash used in financing activities	(4,129)	(369)
Decrease in cash and cash equivalents	(84)	(1,734)
Cash and cash equivalents at beginning of year	1,546	3,186
Effect of exchange rates on cash and cash equivalents	1	94
Cash and cash equivalents at end of year	1,463	1,546

CEONA PTE. LTD. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

1. General Information

Ceona Pte.Ltd. ('the Company') is, for statutory accounting purposes, the parent company of 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 the United Kingdom.

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

The Group formerly owned a light construction offshore support vessel, the Blue Giant, which was sold on 20 June 2018.

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) ("CHL"). Both these entities entered administration on 16 September 2015, together with a number of other subsidiaries of Ceona Holding Ltd ("CHL"). CHL was put into compulsory liquidation during the year.

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") owned a single vessel, the Blue Giant, which was sold 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 outstanding as at 16 September 2015 were settled during the financial year. CHL was put into compulsory liquidation during the year.

In agreements dated 21 March and 26 June 2018 (the "Waiver Agreements") (the latter agreement following the sale of the Blue Giant on 20 June 2018), the Group's lenders waived all outstanding debt, and 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 such liquidation 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.

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.

In the event that there is excess bank balance after the solvent liquidation, the bank balance will be returned to the lenders.

CEONA PTE. LTD. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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 1 January 2018

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 1 January 2018. The adoption of these standards did not have any significant effect on the financial performance or position of the Company.

The Company has elected not to restate comparatives on adoption of FRS109 Financial Instruments.

(a) 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 2018

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.

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 Group 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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 2018

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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 2018

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. 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 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 profit or loss 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 profit or loss 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/gains" in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018****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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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 receivablesAccounting policy applied from 1 January 2018**i. Classification and measurement**

The Group classifies its financial assets in the following measurement categories:

- (i) Amortised cost;
- (ii) Fair value through other comprehensive income (FVOCI); and
- (iii) Fair value through profit or loss (FVPL).

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

ii. At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

4. Summary of principal accounting policies (cont'd)**4.10 Trade and other receivables (cont'd)**Accounting policy applied from 1 January 2018 (cont'd)

iii. At subsequent measurement

Debt instruments

Debt instruments mainly comprise trade and other receivables and cash and cash equivalents.

Debt instruments are subsequently carried at amortised cost. Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

iv. Impairment

The Group assesses, on a forward looking basis, the expected credit losses ("ECLs") associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Simplified approach - Trade receivables

The Group applies the simplified approach to provide ECLs for all trade receivables as permitted by FRS 109. The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

General approach - Other receivables

The Group applies the general approach to provide for ECLs on all other financial instruments, which requires the loss allowance to be measured at an amount equal to 12-month ECLs at initial recognition.

NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018****4. Summary of principal accounting policies (cont'd)****4.10 Trade and other receivables (cont'd)**Accounting policy applied from 1 January 2018 (cont'd)General approach - Other receivables (cont'd)

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs. In assessing whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information that is reasonable and supportable, including the Group's historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

Accounting policy applied until 31 December 2017

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

4. Summary of principal accounting policies (cont'd)**4.10 Trade and other receivables (cont'd)**Accounting policy applied until 31 December 2017 (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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

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.

NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018****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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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>	
	2018	2017
	US \$'000	US \$'000
Vessel charters	-	234

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

6. Cost of sales and administrative expenses

	Note	Group	
		2018	2017
		US \$'000	US \$'000
<u>Cost of sales</u>			
Vessel operating expenses		754	1,733
Vessel management charges		58	100
Impairment of vessels	12	-	5,790
		812	7,623
<u>Administrative expenses</u>			
(Release of) / increase in provision for impairment of receivables		-	326
Professional services		157	135
Company secretarial services from related party	22	9	8
Admin services from a related party in administration	22	132	364
Bank charges		4	3
Other administrative expenses ^(a)		266	277
		568	1,113
Total cost of sales and administrative expenses		1,380	8,736

^(a) Other administrative expenses mainly comprised Directors' fees (Note 22(c)).

7. Exceptional items

Net exceptional gains totalling US\$ 55.969 million were recorded by the Group in 2018 (2017: charges of US\$ 5.790 million). The items are discussed below.

	Group	
	2018	2017
	US \$'000	US \$'000
Impairment of vessels and equipment	-	(5,790)
Gain on Related Party settlement	1,347	-
Gain on waiver of borrowings	54,622	-
	55,969	(5,790)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

7. Exceptional items (cont'd)

Exceptional items are classified in the income statement as follows:

	<u>Group</u>	
	2018	2017
	US \$'000	US \$'000
Cost of sales	-	(5,790)
Other gains and losses	55,969	-
Exceptional gain / (loss) for the year for continuing operations	55,969	(5,790)

Impairment of vessel

In the December 2017 accounts the Group recorded an impairment charge of US\$5.790 million. The resulting carrying amount of the Blue Giant together with its inventory was then US\$5.800 million. This was the amount of the proceeds from the sale of the vessel in June 2018.

Gain on Related Party settlement

Under the terms of a certain Deed of Set-off and Settlement dated 21 March 2018, the receivables and payable balances due from and to other subsidiaries of Ceona Holding Ltd in Administration were settled for negotiated amounts. This settlement became effective on 29 June 2018.

Gain on waiver of borrowings

Under the terms of the Waiver Agreements signed on 21 March and 26 June 2018, following the sale of the Blue Giant in June 2018, repayment of the remaining borrowings of the Group were waived by the Group's lenders in order to enable a solvent liquidation of the Group.

CEONA PTE. LTD. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

8. Other gains /(losses)

	<u>Group</u>	
	2018	2017
	US \$'000	US \$'000
Foreign exchange gain / (loss)		
- Borrowings (Note 19)	1,521	(7,297)
- Others	(53)	83
	1,468	(7,214)
Impairment of receivables	(29)	-
Write off of third party payables	409	-
Gain on Related Party settlement (Note 7)	1,347	-
Gain on waiver of borrowings (Note 7)	54,622	-
Provision for refund of the net assets upon liquidation *	(1,289)	-
Others	6	-
	56,534	(7,214)

* This represents the estimated surplus of funds which will be reserved and returned to lenders upon liquidation.

9. Finance income

	<u>Group</u>	
	2018	2017
	US \$'000	US \$'000
Interest income	1	1
	1	1

10. Finance costs

	<u>Group</u>	
	2018	2017
	US \$'000	US \$'000
Interest expense - term loans	(192)	(369)

CEONA PTE. LTD. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

11. Taxation

	<u>Group</u>	
	2018	2017
	US \$'000	US \$'000
Profit / (loss) before tax	54,963	(15,938)
Tax charge	-	(37)
Profit / (loss) after tax	54,963	(15,975)

	<u>Group</u>	
	2018	2017
	US \$'000	US \$'000
Current income tax charge	-	-
Adjustments in respect of prior years	#	37
Total current tax charge	#	37

Denotes a figure less than US\$1,000.

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 19.00% (2017: 19.25%) The differences are explained below:

	<u>Group</u>	
	2018	2017
	US \$'000	US \$'000
Profit/(Loss) before tax	54,963	(15,938)
Expected tax credit calculated at tax rate of 19.00% (2017: 19.25%):	10,443	(3,068)
Tax effects of:		
- Income not subject to tax	(10,634)	-
- Losses not subject to tax/deferred tax assets not recognised	(191)	1,955
- Expenses not deductible for tax purposes	-	1,113
- Adjustments in respect of prior years	#	37
Tax charge	#	37

Denotes a figure less than US\$1,000.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

11. Taxation (cont'd)

The Group's 2018 tax charge is US\$ Nil. (2017: US\$ 37,000). The amount of charge is determined by applying the statutory rate to the net income earned in each of the jurisdictions in which the Group operates and has been reconciled to a blended tax rate for the fiscal year 2018 of 19.00% (2017: 19.25%).

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 asset of US\$ 3.3 million (2017: US\$ 3.0 million) in relation to tax losses of US\$ 17.2 million carried forward as at 31 December 2018 (2017: US\$ 15.8 million). The Group has an unrecognised gross deferred tax asset in relation to the capital allowances pool at 31 December 2018 of US\$ 13.5 million (2017: US\$ 13.5 million). These have not been recognised as at 31 December 2018 as they arose in the UK tax jurisdiction and will not be utilised in the near future.

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
2018				
Beginning of financial year	23,923	358	(18,481)	5,800
Disposal of Blue Giant	(23,923)	(358)	18,481	(5,800)
End of financial year	-	-	-	-
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

The Blue Giant vessel, together with its inventory of spare parts and lubricants, was presented as held for sale as at 31 December 2017.

The vessel was sold for its carrying value on 20 June 2018, and the proceeds were paid directly to the lenders.

CEONA PTE. LTD. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

13. Investments in subsidiaries

	<u>Company</u> US\$'000
<i>Cost</i>	
At 1 January 2018 and 31 December 2018	<u>87,050</u>
<i>Accumulated impairment</i>	
At 1 January 2018 and 31 December 2018	<u>87,050</u>
<i>Net book value</i>	
At 31 December 2018	<u>-</u>
<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>

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

13. Investments in subsidiaries (cont'd)

Details of the Company's subsidiaries as at 31 December 2018 and 2017 are as follows:

Name	Country of Incorporation	Nature of business	Equity holding	
			2018	2017
			8	7
			%	%
OIG Giant I Pte. Ltd.	Singapore	Former vessel owning company	100	100
OIG Giant II Pte. Ltd.	Singapore	Former vessel owning company	100	100

14. Inventories

	Group	
	2018	2017
	US \$'000	US \$'000
Fuel	-	108

The fuel remaining on board the Blue Giant vessel was sold to the new owner at cost during the current financial year.

15. Trade and other receivables

	Group		Company	
	2018	2017	2018	2017
	US \$'000	US \$'000	US \$'000	US \$'000
Current:				
Trade receivables - subsidiaries	-	-	8,037	9,152
Less: provision for impairment	-	-	(8,037)	(9,151)
Trade receivables - related parties	29	40	29	39
Less: provision for impairment	(29)	-	(29)	-
Trade receivables - non-related parties	12,428	12,524	10,324	10,324
Less: provision for impairment	(12,405)	(12,524)	(10,324)	(10,324)
Current trade receivables - net	23	40	-	40
Value added tax receivables	8	23	8	22
Prepaid vessel costs	4	38	4	-
	35	101	12	62

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

15. Trade and other receivables (cont'd)

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

The Company's trade receivables from non-related parties include invoices to two charter customers, totalling \$10.324 million which are more than one year overdue. US\$ 6.4 million of the invoices are disputed and have been submitted for arbitration, an arbitration which is currently suspended. As a consequence of the dispute, together with the deteriorating financial condition of the customers, 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 2018 and 2017.

Movements in the provision for doubtful debts for receivables during the year are as follows:

	<u>Group</u>		<u>Company</u>	
	2018	2017	2018	2017
	US \$'000	US \$'000	US \$'000	US \$'000
<u>Trade receivables – related parties</u>				
At 1 January	-	-	-	-
Impairment in current year	29	-	29	-
At 31 December	29	-	29	-

	<u>Group</u>		<u>Company</u>	
	2018	2017	2018	2017
	US \$'000	US \$'000	US \$'000	US \$'000
<u>Trade receivables – non-related parties</u>				
At 1 January	12,524	12,204	10,324	10,324
Impairment in current year	23	326	-	-
Written off during the year	(142)	(6)	-	-
At 31 December	12,405	12,524	10,324	10,324

	<u>Company</u>	
	2018	2017
	US\$'000	US\$'000
<u>Trade receivables – subsidiaries</u>		
At 1 January	9,151	9,061
Impairment in current year	-	90
Reversal of impairment	(1,114)	-
At 31 December	8,037	9,151

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

16. Share capital

Group & Company

	No. of shares		Amount	
	Ordinary shares issued	Issued redeemable preference shares	Ordinary shares issued	Issued redeemable preference shares
2018			US \$'000	US \$'000
Beginning and end of financial year	1	343,120	*	332,899
2017				
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>	
	2018	2017	2018	2017
<i>Current</i>	<i>US \$'000</i>	<i>US \$'000</i>	<i>US \$'000</i>	<i>US \$'000</i>
Amount due to subsidiaries	-	-	20,518	20,753
Amount due to related corporations	7	1,859	7	121
Amount due to third parties – trade	41	298	18	209
	48	2,157	20,543	21,083

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 2018

17. Trade and other payables (cont'd)

Amounts due to subsidiaries and related corporations are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

18. Provision for liabilities

Company

Provision for losses under guarantees provided to subsidiaries	US \$'000
2018	
Beginning of financial year	54,727
Reduction in provision for liabilities of subsidiaries	(54,727)
End of financial year	-
2017	
Beginning of financial year	39,488
Increase in provision for liabilities of subsidiaries	15,239
End of financial year	54,727

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 for the previous financial year. This liability was de-recognised following the waiver of bank borrowings in June 2018.

19. Borrowings

	<u>Group</u>	
	2018	2017
	US \$'000	US \$'000
Current		
Secured bank borrowings	-	60,080

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

19. Borrowings (cont'd)

Secured bank borrowings

The proceeds from the disposal of the Blue Giant were paid directly to the lenders as part repayment of the outstanding term loans, and the remainder was waived by the lenders in June 2018.

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

	<u>Group</u>	
	2018	2017
	US\$'000	US\$'000
Balance at beginning of the year	60,080	52,783
Support payments from lenders to ensure solvency	1,863	-
Repayment of borrowings	(5,800)	-
Interest paid on borrowings	(192)	(369)
<u>Non-cash changes:</u>		
Waiver of borrowings (Note 7)	(54,622)	-
Foreign exchange movement (Note 8)	(1,521)	7,297
Interest charged on borrowings (Note 10)	192	369
Balance at end of the year	-	60,080

Net Debt

	<u>Group</u>		<u>Company</u>	
	2018	2017	2018	2017
	US \$'000	US \$'000	US \$'000	US \$'000
Cash at bank	1,463	1,546	106	218
Borrowings - current	-	60,080	-	-
Trade and other payables	48	2,157	20,543	21,083
Accrued expenses	1,450	282	76	187
Total	1,498	62,519	20,619	21,270
Net (cash) / debt	35	60,973	20,513	21,052

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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
- 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. It is envisaged that the lenders will continue to provide additional funding required to endure the solvent liquidation of the Company and its subsidiaries pursuant to the Debt Waiver Agreements.

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, Singapore Dollars and Euros.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

21. Financial risk management (cont'd)

Credit risk (cont'd)

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

Bank deposits that are neither past due nor credit-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 credit-impaired

Full provision has been made for overdue or disputed third party receivables totalling US\$ 12.405 million (2017: US\$ 12.524 million).

Cash flow and interest rate risk

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

Capital risk

The Company's objective when managing capital is to achieve a solvent liquidation based on the terms of the waiver agreements.

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>	
	2018	2017	2018	2017
	US\$'000	US\$'000	US\$'000	US\$'000
Net (cash) / debt	35	60,973	20,513	21,052
Total equity	-	(54,963)	(20,501)	(75,716)
Total capital	35	6,010	12	(54,644)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
		<u>US \$'000</u>	<u>US \$'000</u>	<u>US \$'000</u>	<u>US \$'000</u>
Assets					
Trade and other receivables	FAAC/LaR	35	101	35	101
Cash and cash equivalents	FAAC/LaR	1,463	1,546	1,463	1,546
Liabilities					
Borrowings (current)	FLAC	-	60,080	-	60,080
Trade and other payables	FLAC	48	2,157	48	2,157
Accrued expenses	FLAC	1,450	282	1,450	282
<u>Categories</u>					
Financial assets at amortised cost/ Loans and receivables	FAAC/LaR	1,498	1,647	1,498	1,647
Liabilities at amortised cost	FLAC	1,498	62,519	1,498	62,519

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.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

21. Financial risk management (cont'd)

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

<u>Company</u>		<u>Carrying amount</u>		<u>Fair value</u>	
		2018	2017	2018	2017
		US \$'000	US \$'000	US \$'000	US \$'000
Assets					
Trade and other receivables	FAAC/LaR	12	62	12	62
Cash and cash equivalents	FAAC/LaR	106	218	106	218
Liabilities					
Trade and other payables	FLAC	20,543	21,083	20,543	21,083
Accrued expenses	FLAC	76	187	76	187
<u>Categories</u>					
Financial assets at amortised cost/ Loans and receivables	FAAC/LaR	118	280	118	280
Liabilities at amortised cost	FLAC	20,619	21,270	20,619	21,270

FAAC: Financial assets at amortised cost

LaR: Loans and receivables

FLAC: Financial liabilities at amortised cost

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018
22. Related party transactions

The principal subsidiary undertakings at 31 December 2018 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) Charges from subsidiaries of Ceona Holding Ltd ("CHL")

Expenses charged in 2018 by subsidiaries outside the Group but under the common ownership of CHL are shown below:

	2018 US \$'000	2017 US \$'000
Management services provided by Ceona Services (UK) Ltd (in administration)	132	364

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

	2018 US \$'000	2017 US \$'000
Company secretarial services from related corporation	9	8

(c) Key management personnel compensation

In 2018, key management comprised two directors, one executive and one non-executive. The executive director's services are included in the 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.

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

<u>Group</u>	2018 US \$'000	2017 US \$'000
Directors' fees	192	214

CEONA PTE. LTD. AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

23. Cash generated from operations

<u>Group</u>	2018 US \$'000	2017 US \$'000
Profit / (loss) for the year	54,963	(15,975)
<u>Adjustments for:</u>		
Impairment of vessels and equipment	-	5,790
Gain on Related Party settlement	(1,347)	-
Gain on waiver of borrowings	(54,622)	-
Foreign exchange (gain) / loss	(1,521)	7,214
Provision for refund of the net assets upon liquidation	1,289	-
Taxation	-	37
<u>Changes in working capital</u>		
Inventories	108	17
Trade and other receivables	66	1,278
Trade and other payables	(762)	(20)
Accrued expenses	(121)	(75)
Net cash used in operations	(1,947)	(1,734)

24. 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.

25. 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 7 June 2019.