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In accordance with Regulation 32 of the Overseas Companies Regulations 2009.

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 NO**
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A03 22/09/2020 #42
COMPANIES HOUSE

Part 1 Corporate company name

Corporate name of overseas company ❶	OIG Giant II Pte Ltd
UK establishment number	B R 0 1 6 4 7 8

→ **Filling in this form**
Please complete in typescript or in bold black capitals.

All fields are mandatory unless specified or indicated by *

❶ 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 ❷	Singapore Companies Act, Chapter 50

❷ 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.**

Name of organisation or body ❸	Financial Reporting Standards in Singapore ("FRSs")

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

A3 Accounts

Accounts

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

☐ **No.** Go to **Section A5.**

☑ **Yes.** Go to **Section A4.**

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 [signature] 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 O/G GIANT II Plc Ltd

Address
MARTIN PARKER
CHARTERED ACCOUNTANT
VINE HOUSE
CHESTER AVE

Post town RICHMOND TW10 6NP

County/Region

Postcode

Country

DX

Telephone

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

OIG GIANT II PTE. LTD.

(Incorporated in Singapore. Registration Number: 201111140G)

ANNUAL REPORT

For the financial year ended 31 December 2019

OIG GIANT II PTE. LTD.

COMPANY INFORMATION

Registered address in Singapore	137 Telok Ayer Street #08-01 Singapore 068602
Company number	201111140G
UK establishment number	BR016478
The Board of directors	Mr. Stephen Fordham Mr. Johan Rasmussen
Independent Auditors	Moore Stephens LLP Singapore
Parent company	Ceona Pte. Ltd.
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.

OIG GIANT II PTE. LTD.

CONTENTS

OIG GIANT II PTE. LTD.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

The directors present their statement to the member together with the audited financial statements of OIG Giant II Pte. Ltd., called 'the Company', for the financial year ended 31 December 2019.

In the opinion of the directors,

(a) the financial statements of the Company as set out on pages 7 to 27 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2019 and the financial performance, changes in equity and cash flows of the Company for the financial year then ended; and

(b) notwithstanding the negative equity position of the Company, it is not in administration as at the date of this statement.

Directors

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

Mr. Johan Rasmussen
Mr. Stephen Fordham

Arrangements to enable directors to acquire shares and debentures

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

Directors' interests in shares or debentures

According to the register of directors' shareholdings, 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.

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.

DIRECTORS' STATEMENT (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

Going concern

The Company meets its funding requirements from its bank balances and funding from its parent Ceona Pte Ltd and or its sister company OIG Giant I Pte Ltd.

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 Company's lenders waived all outstanding debt, and agreed to fund the ongoing costs of the Company with the objective of securing a solvent liquidation of the Company 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 Company's lenders.

The Company is expected to be placed into a solvent liquidation. As a result, no further revenue is expected to be generated by the Company, and these financial statements have been prepared on a realisation basis rather than on a going concern basis.

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

Independent auditors

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

Mr. Johan Rasmussen	Mr. Stephen Fordham
Director	Director

27 JUL 2020

MOORE

MOORE STEPHENS LLP
CHARTERED ACCOUNTANTS OF SINGAPORE

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of OIG Giant II Pte. Ltd. (the "Company"), which comprise the statement of financial position as at 31 December 2019, and the statement of comprehensive income, statement of changes in equity and 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 financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) to give a true and fair view of the financial position of the Company as at 31 December 2019 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

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

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

(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 authorized and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

Auditor's 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.

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

(cont'd)

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain and understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the assessment to change.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

(cont'd)

Report on Other Legal and Regulatory Requirements

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

Moore Stephens LLP

Moore Stephens LLP

Public Accountants and
Chartered Accountants

Singapore
27 July 2020

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	2019	2018		
		US$'000	US$'000	US$'000	US$'000
		Total	Before exceptional items	Exceptional items (Note 5)	Total
Continuing operations					
Revenue		-	-	-	-
Cost of sales		-	(3)	-	(3)
Gross loss		**-**	**(3)**	**-**	**(3)**
Administrative expenses		(10)	(27)	-	(27)
Operating loss		**(10)**	**(30)**	**-**	**(30)**
Other (losses) / gains	6	(22)	830	33,798	34,628
Finance costs	7	-	(135)	-	(135)
(Loss) / Profit before income tax		**(32)**	**665**	**33,798**	**34,463**
Income tax	8	-	-	-	-
(Loss) / profit after tax and total comprehensive (loss) /income		**(32)**	**665**	**33,798**	**34,463**

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

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Note	2019 US $'000	2018 US $'000
ASSETS			
Current assets			
Trade and other receivables	9	-	47
Cash and cash equivalents		411	1,328
Total Assets		411	1,375
EQUITY			
Share capital	10	50	50
Redeemable preference shares	10	45,000	45,000
Accumulated losses		(51,774)	(51,742)
Total Equity		(6,724)	(6,692)
LIABILITIES			
Current liabilities			
Trade and other payables	11	7,122	8,060
Accruals		13	7
Total Liabilities		7,135	8,067
Total equity and liabilities		411	1,375

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

OIG GIANT II PTE. LTD.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Share Capital	Redeemable preference shares	Accumulated losses	Total equity
	US$'000	US$'000	US$'000	US$'000
Balance as at 1 January 2019	50	45,000	(51,742)	(6,692)
Loss after tax	-	-	(32)	(32)
Balance as at 31 December 2019	50	45,000	(51,774)	(6,724)
Balance as at 1 January 2018	50	45,000	(86,205)	(41,155)
Profit after tax	-	-	34,463	34,463
Balance as at 31 December 2018	50	45,000	(51,742)	(6,692)

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

		2019	2018
Cash flows from operating activities	**Note**	**US$'000**	**US$'000**
(Loss) / Profit after tax		**(32)**	**34,463**
Adjusted for:			
Gain on waiver of borrowings	5	-	(32,476)
Gain on related party settlement	5	-	(1,322)
Foreign exchange gains on borrowings	6	-	(783)
Interest expense	7	-	135
Cash (used in) / from operations		(32)	17
Changes in net working capital			
Trade and other receivables		47	596
Trade and other payables		(938)	(1,584)
Accruals		6	(19)
Net cash used in operations		**(917)**	**(990)**
Cash flow from financing activities			
Support payments from lenders	12	-	1,863
Interest paid		-	(135)
Net cash generated from financing activities		**-**	**1,728**
Net (decrease) / increase in cash and cash equivalents		**(917)**	**738**
Cash and cash equivalents at beginning of year		1,328	590
Cash and cash equivalents at end of year		**411**	**1,328**

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

1. General information

OIG Giant II Pte. Ltd. is a limited liability company incorporated in Singapore. Since 30 April 2013, the Company 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 Company previously owned a light construction offshore support vessel, the OIG Giant II, which was sold on 13 December 2016.

2. Basis of accounting

2.1. Going concern

The Company meets its funding requirements from its bank balances and funding from its parent Ceona Pte Ltd and or its sister company OIG Giant I Pte Ltd.

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 Company's lenders waived all outstanding debt, and agreed to fund the ongoing costs of the Company with the objective of securing a solvent liquidation of the Company 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 Company's lenders.

The Company is expected to be placed into a solvent liquidation. As a result, no further revenue is expected to be generated by the Company, and these financial statements have been prepared on a realisation basis rather than on a going concern basis.

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

2.2. Presentation of financial statements

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

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

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

2. Basis of accounting (cont'd)

2.2 Presentation of financial statements (cont'd)

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 2019

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 2019. The adoption of these standards did not have any effect on the financial performance or position of the Company.

(b) FRSs issued but not yet effective

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

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgments 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 Company's financial statements should be presented on a realisation basis rather than a going concern basis, Management has made an assumption that the Company will be liquidated.

3. Critical accounting estimates, assumptions and judgements (cont'd)

Impairment of receivables

In recording impairments of receivables from external customers and other Group companies, Management has made a conservative assessment of the customers' ability to pay and of the likely obstacles to legal action in support of collection.

4. Summary of principal accounting policies

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

4.1. Revenue

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

4.2. 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 of 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.

4.3. Income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit or loss, 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.

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

4.3. Income taxes (cont'd)

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. The Company 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.

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.

4.4. Trade and other receivables

i. Classification and measurement

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

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

4.4. Trade and other receivables (cont'd)

ii. At initial recognition

At initial recognition, the Company 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.

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 Company 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 Company 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 Company'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 Company 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.

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

4.4. Trade and other receivables (cont'd)

iv. Impairment (cont'd)

General approach - Other receivables (cont'd)

At each reporting date, the Company 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 Company 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 Company'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 Company'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 Company'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.

4.5. Trade and other payables

Trade and other payables represent unpaid liabilities for goods and services provided to the Company prior to the end of 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.

4.6. 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.

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

4.6. Borrowings (cont'd)

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 post the balance sheet date and before the authorisation of the financial statements for issue, to refinance, or to reschedule payments, on a long-term basis because at the balance sheet date, the Company does not have an unconditional right to defer settlement for at least 12 months after that date.

4.7. 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.

4.8. Currency translation

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

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

Foreign exchange gains and losses that relate to borrowings are presented within "other losses/gains" in the statement of comprehensive income.

4.9. Provisions

Provisions are recognised when:

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

Provisions are not recognised for future operating losses.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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

4.10. Exceptional items

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

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

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

4.11. Share capital

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

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

4.12. 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 2019

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

4.12. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

5. Exceptional item

	2019 US$'000	2018 US$'000
Gain on Related Party settlement	-	1,322
Gain on waiver of borrowings	-	32,476
	-	33,798

Gain on waiver of borrowings

Following the waiver of the Company's borrowings on 21 March 2018, the Company recorded a gain of US$32.476 million.

6. Other (losses)/gains

	2019 US$'000	2018 US$'000
Gain on waiver of borrowings	-	32,476
Gain on Related Party settlement	-	1,322
Foreign exchange gain on borrowings	-	783
Other foreign exchange losses - net	(21)	(36)
Others	(1)	83
	(22)	34,628

7. Finance costs

	2019 US$'000	2018 US$'000
Interest on bank borrowings	-	135

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

8. Income tax

	2019 US$'000	2018 US$'000
(Loss) / profit before tax	(32)	34,463

Factors affecting the tax charge

The tax on the Company's (loss)/profit differs from the theoretical amount that would arise using tax rate of 19.00% (2018: 19.00%) as follows:

	2019 US$'000	2018 US$'000
(Loss)/profit before tax	(32)	34,463
Expected tax credit calculated at tax rate of 19.00% (2018: 19.00%) as follows:	(6)	6,548
- Income not subject to tax	-	(6,578)
- Losses not subject to tax	6	30
Tax charge	-	-

The Company's tax credit is determined by applying the statutory rate to the net income earned in each of the jurisdictions in which it operates and has been reconciled to a tax rate for the fiscal year 2019 of 19.00% (2018: 19.00%).

9. Trade and other receivables

	2019 US$'000	2018 US$'000
Other group companies	-	47
Third parties	706	706
Provision for impairment of third party receivables	(706)	(706)
	-	47

Other receivables are unsecured, non-interest bearing and repayable on demand. The Company has determined that a full provision is required against overdue amounts receivable from three external customers.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

9. Trade and other receivables (cont'd)

For the purpose of impairment assessment, the other receivables with group companies are considered to have low credit risk as they are not due for payment at the end of the financial year and there has been no significant increase in the risk of default on the receivables since initial recognition.

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

	2019 US$'000	2018 US$'000
At 1 January	706	842
Written-off during the year	-	(136)
At 31 December	706	706

10. Share capital

	No. of shares		Amount	
	Ordinary shares issued	Issued redeemable preference shares	Ordinary shares issued	Issued redeemable preference shares
2019			US$'000	US$'000
Beginning and end of financial year	50,000	45,000,000	50	45,000
2018			US$'000	US$'000
Beginning and end of financial year	50,000	45,000,000	50	45,000

11. Trade and other payables

	2019 US$'000	2018 US$'000
Trade payables:		
- Due to immediate holding corporation	7,099	8,037
- Due to third parties	23	23
	7,122	8,060

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

12. Borrowings

(a) Net debt

	2019 US$'000	2018 US$'000
Cash and cash equivalents	411	1,328
Trade and other payables	(7,122)	(8,060)
Accruals	(13)	(7)
Net debt	(6,724)	(6,739)

During the year ended 31 December 2018, support payments totalling US$ 1.863 million were received from the lenders. These payments were made in accordance with the waiver agreement dated 21 March 2018 in order to ensure a solvent liquidation, and are included in the gain on waiver of borrowings.

(b) Reconciliation to cash flow

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

	Borrowings 2019 US$'000	Borrowings 2018 US$'000
Balance at beginning of the year	-	31,396
Interest paid on borrowings	-	(135)
Support payments received (note 12(a))	-	1,863
Non-cash changes	-	
Debt waived (Note 6)	-	(32,476)
Foreign exchange gain on borrowings (Note 6)	-	(783)
Interest charged on borrowings (Note 7)	-	135
Balance at end of the year	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

13. Financial risk management

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

- Funding and liquidity risk
- Foreign exchange risk
- Credit risk
- Capital risk

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

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

Funding and liquidity risk

The Company meets its liquidity risk using the bank balances and funding from its parent Ceona Pte Ltd and or its sister company OIG Giant I Pte Ltd. It is envisaged that the lenders will continue to provide additional funds to ensure the solvent liquidation of the Company pursuant to the debt waiver agreement.

Foreign exchange risk

The Company transacts in a number of foreign currencies and as a result has foreign currency denominated revenue, expenses, assets and liabilities. The Company results are presented in USD. As a consequence, movements in exchange rates can affect profitability, the comparability of results between periods and the carrying value of assets and liabilities. Other than the USD, the major foreign currency expenditures of the Company are in British Pounds and Euros.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

13. Financial risk management (cont'd)

Credit risk (cont'd)

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 creditworthy debtors with good payment records with the Company.

Financial assets that are past due and/or credit-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/disputed third party receivables (Note 9).

Capital risk

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

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.

	2019	2018
	US$'000	US$'000
Net debt	6,724	6,739
Total equity	(6,724)	(6,692)
Total capital	-	47

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

13. Financial risk management (cont'd)

Fair value measurement and financial instruments by category

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

	Categories	Carrying amount	Carrying amount	Fair value	Fair value
		2019 US$'000	2018 US$'000	2019 US$'000	2018 US$'000
Assets					
Trade and other receivables	FAAC	-	47	-	47
Cash and cash equivalents	FAAC	411	1,328	411	1,328
Liabilities					
Trade and other payables	FLAC	7,122	8,060	7,122	8,060
Accruals	FLAC	13	7	13	7
Categories					
Assets at amortised cost	FAAC	411	1,375	411	1,375
Liabilities at amortised cost	FLAC	7,135	8,067	7,135	8,067

FAAC: Financial assets at amortised cost
FLAC: Financial liabilities at amortised cost

The fair value of the Company's short term trade and other receivables, cash and cash equivalents, borrowings (current), trade and other payables and accruals equals their carrying amounts due to short term nature of the financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

14. Related party transactions

Key management personnel compensation

In 2019, 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. With effect from 1 December 2019, his employment contract was transferred to Ceona Pte Ltd, the immediate parent company, and a share of the cost is charged to the Company. 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:

	2019 US$'000	2018 US$'000
Directors' cost	6	3

15. Immediate and ultimate holding corporation

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

16. Contingent liabilities and capital commitments

The Company 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.

17. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 27 July 2020.