



OFFSHORE

ENERGY. COMMITTED.

ANNUAL REPORT 2020

ultimate liability to have a material effect on its consolidated statement of financial position or results of operations, although it could have a significant adverse effect on its consolidated cash flows.

Each year management completes a detailed review of uncertain tax positions across the Company and makes provisions based on the probability of the liability arising. The principal risks that arise for the Company are in respect of permanent establishment, transfer pricing and other similar international tax issues. In common with other international groups, the difference in alignment between the Company's global operating model and the jurisdictional approach of tax authorities often leads to uncertainty on tax positions.

As a result of the above, in the period, the Company recorded a net tax increase of US\$14 million in respect of ongoing tax audits and in respect of the Company's review of its uncertain tax positions. This amount is primarily in relation to uncertain tax positions concerning various taxes other than corporate income tax. However, it is possible that the ultimate resolution of the tax exposures could result in tax charges that are materially higher or lower than the amount provided.

The Company conducts operations through its various subsidiaries in a number of countries throughout the world. Each country has its own tax regimes with varying nominal rates, deductions and tax attributes. From time to time, the Company may identify changes to previously evaluated tax positions that could result in adjustments to its recorded assets and liabilities. Although the Company is unable to predict the outcome of these changes, it does not expect the effect, if any, resulting from these adjustments to have a material effect on its consolidated statement of financial position, results of operations or cash flows.

4.3.11 EARNINGS/(LOSS) PER SHARE

The basic earnings per share for the year amounted to US\$1.00 (2019: US\$1.84); the fully diluted earnings per share amounted to US\$1.00 (2019: US\$1.84).

Basic earnings/(loss) per share amounts are calculated by dividing net profit/(loss) for the year attributable to shareholders of the Company by the weighted average number of shares outstanding during the year.

Diluted earnings/(loss) per share amounts are calculated by dividing the net profit/loss attributable to shareholders of the Company by the weighted average number of shares outstanding during the year plus the weighted average number of shares that would be issued on the conversion of all the potential dilutive shares into ordinary shares.

The following reflects the share data used in the basic and diluted earnings per share computations:

Earnings per share

	2020	2019
Earnings attributable to shareholders (in thousands of US\$)	190,641	365,896
Number of shares outstanding at January 1 (excluding treasury shares)	196,227,113	204,725,425
Average number of treasury shares transferred to employee share programs	914,487	1,421,227
Average number of shares repurchased / cancelled	(7,331,229)	(7,576,677)
Weighted average number of shares outstanding	189,810,371	198,569,975
Impact shares to be issued	-	5,000
Weighted average number of shares (for calculations basic earnings per share)	189,810,371	198,574,975
Potential dilutive shares from stock option scheme and other share-based payments	1,651,613	5,333
Weighted average number of shares (diluted)	191,461,984	198,580,308
Basic earnings per share in US\$	1.00	1.84
Fully diluted earnings per share in US\$	1.00	1.84

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements, except for issuing of Value Creation Stake shares for the Management Board, Matching Shares and Ownership Shares for the Company's senior management (see note 4.3.6 Employee Benefit Expenses).