



**ASL MARINE HOLDINGS LTD.**  
(Incorporated in the Republic of Singapore)  
Co. Reg. No. 200008542N

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**UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR  
THE THIRD QUARTER ENDED 31 MARCH 2022**

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**QUARTERLY FINANCIAL STATEMENTS**

Pursuant to Rule 705(2C) of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual, the Company is required by SGX-ST to continue to announce its quarterly financial statements.

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## A. Statements of Financial Position

	Note	Group		Company	
		31-Mar-22	30-Jun-21	31-Mar-22	30-Jun-21
		\$'000	\$'000	\$'000	\$'000
<b>Non-current assets</b>					
Property, plant and equipment	3	376,744	395,623	-	-
Right-of-use assets		9,392	10,780	-	-
Investment in subsidiaries		-	-	39,532	39,532
Investment in joint ventures and associates		2,884	2,083	-	-
Intangible assets	4	1,660	1,991	-	-
Other receivables	7	-	-	5,167	4,650
Finance lease receivables		4,506	6,441	-	-
		<b>395,186</b>	<b>416,918</b>	<b>44,699</b>	<b>44,182</b>
<b>Current assets</b>					
Inventories	5	88,968	82,668	-	-
Contract assets	6	19,753	20,636	-	-
Trade and other receivables	7	53,168	55,744	229,075	237,168
Prepayments		4,344	3,779	293	185
Finance lease receivables		2,282	2,201	-	-
Cash and bank balances		29,216	26,533	4,788	4,407
		<b>197,731</b>	<b>191,561</b>	<b>234,156</b>	<b>241,760</b>
<b>Current liabilities</b>					
Trade and other payables	8	144,155	124,338	83,953	82,044
Contract liabilities	6	23,234	15,701	-	-
Trust receipts	9	7,660	5,991	-	-
Interest-bearing loans and borrowings	9	37,507	37,620	10,508	10,436
Lease liabilities		1,775	2,069	-	-
Income tax payables		7,518	6,451	14	14
		<b>221,849</b>	<b>192,170</b>	<b>94,475</b>	<b>92,494</b>
<b>Net current (liabilities)/ assets</b>		<b>(24,118)</b>	<b>(609)</b>	<b>139,681</b>	<b>149,266</b>
<b>Non-current liabilities</b>					
Other payables	8	1,455	1,280	-	-
Other liabilities		3,208	3,381	-	-
Contract liabilities	6	9,725	15,246	-	-
Interest-bearing loans and borrowings	9	268,618	285,014	159,186	160,621
Lease liabilities		3,986	5,387	-	-
Deferred tax liabilities		8,286	8,630	-	-
		<b>295,278</b>	<b>318,938</b>	<b>159,186</b>	<b>160,621</b>
<b>Net assets</b>		<b>75,790</b>	<b>97,371</b>	<b>25,194</b>	<b>32,827</b>
<b>Equity attributable to owners of the Company</b>					
Share capital	10	108,140	108,133	108,140	108,133
Treasury shares		(923)	(923)	(923)	(923)
Reserves		(30,589)	(9,042)	(82,023)	(74,383)
		<b>76,628</b>	<b>98,168</b>	<b>25,194</b>	<b>32,827</b>
<b>Non-controlling interests</b>		<b>(838)</b>	<b>(797)</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>75,790</b>	<b>97,371</b>	<b>25,194</b>	<b>32,827</b>

## B. Consolidated Income Statement

		Group					
		3 months ended 31 March			9 months ended 31 March		
Note		3Q FY2022 \$'000	3Q FY2021 \$'000	Inc/ (Dec) %	9M FY2022 \$'000	9M FY2021 \$'000	Inc/ (Dec) %
	<b>Revenue</b>	71,853	64,497	11.4	175,707	146,066	20.3
	Cost of sales	(69,868)	(61,249)	14.1	(170,750)	(147,161)	16.0
	<b>Gross profit/ (loss)</b>	<b>1,985</b>	<b>3,248</b>	(38.9)	<b>4,957</b>	<b>(1,095)</b>	<b>Nm</b>
	Other operating income	3,334	4,954	(32.7)	5,841	8,238	(29.1)
	Administrative expenses	(4,095)	(4,865)	(15.8)	(11,861)	(12,672)	(6.4)
	Other operating expenses	(1,114)	(1)	Nm	(2,276)	(2,553)	(10.8)
	Finance costs	(5,807)	(7,211)	(19.5)	(17,695)	(18,469)	(4.2)
	Reversal of /(impairment losses) on financial assets	313	(1,334)	(123.5)	(1,195)	(2,721)	(56.1)
	Share of results of joint ventures and associates	(889)	(171)	419.9	938	(1,210)	Nm
	<b>Loss before tax</b>	<b>(6,273)</b>	<b>(5,380)</b>	16.6	<b>(21,291)</b>	<b>(30,482)</b>	(30.2)
	Income tax (expenses)/ credit	(783)	735	(206.5)	(1,550)	206	(852.4)
	<b>Loss for the period</b>	<b>(7,056)</b>	<b>(4,645)</b>	<b>51.9</b>	<b>(22,841)</b>	<b>(30,276)</b>	<b>(24.6)</b>
	<b>Attributable to:</b>						
	Owners of the Company	(6,716)	(4,419)	52.0	(22,826)	(28,600)	(20.2)
	Non-controlling interests	(340)	(226)	50.4	(15)	(1,676)	(99.1)
		<b>(7,056)</b>	<b>(4,645)</b>	<b>51.9</b>	<b>(22,841)</b>	<b>(30,276)</b>	<b>(24.6)</b>
	<b>Loss per share</b>						
	(cents per share)						
	Basic	(1.06)	(0.70)	51.4	(3.62)	(4.54)	(20.3)
	Diluted	(1.06)	(0.70)	51.4	(3.62)	(4.54)	(20.3)
	<b>Adjusted EBITDA* for the period</b>	<b>12,952</b>	<b>18,477</b>	<b>(29.9)</b>	<b>32,507</b>	<b>36,111</b>	<b>(10.0)</b>

### Notes:

\* Adjusted EBITDA is computed based on earnings of the Company and its subsidiaries before interest, tax, depreciation, amortisation, and after adjusting for impairment and write-off of financial and non-financial assets and any other non-cash flow items.

Nm: Not meaningful

## C. Consolidated Statement of Comprehensive Income

	Group			
	3 months ended 31 March		9 months ended 31 March	
	3Q FY2022	3Q FY2021	9M FY2022	9M FY2021
	\$'000	\$'000	\$'000	\$'000
<b>Loss for the period</b>	<b>(7,056)</b>	<b>(4,645)</b>	<b>(22,841)</b>	<b>(30,276)</b>
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Translation differences relating to financial statements of foreign subsidiaries, net of tax*	704	64	1,630	1,221
Share of other comprehensive income of joint ventures and associates	(6)	67	24	(196)
Realisation of foreign currency translation reserves on dissolution of subsidiaries	-	-	(401)	-
<b>Other comprehensive income for the period, net of tax</b>	<b>698</b>	<b>131</b>	<b>1,253</b>	<b>1,025</b>
<b>Total comprehensive income for the period</b>	<b>(6,358)</b>	<b>(4,514)</b>	<b>(21,588)</b>	<b>(29,251)</b>
<b>Attributable to:</b>				
Owners of the Company	<b>(6,027)</b>	<b>(4,341)</b>	<b>(21,547)</b>	<b>(27,712)</b>
Non-controlling interests	<b>(331)</b>	<b>(173)</b>	<b>(41)</b>	<b>(1,539)</b>
	<b>(6,358)</b>	<b>(4,514)</b>	<b>(21,588)</b>	<b>(29,251)</b>

**Note:**

\* The movement in foreign currency translation reserves arose from the consolidation of subsidiaries whose functional currencies are United States Dollar ("USD"), Euro ("EUR") and Indonesian Rupiah ("IDR").

## D. Statements of Changes in Equity

For the period ended 31-Mar-22									
<u>Group</u>	Attributable to owners of the Company					Total reserves \$'000	Equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total Equity \$'000
	Share capital \$'000	Treasury shares \$'000	Foreign currency translation reserve \$'000	Warrant reserve \$'000	Accumulated losses \$'000				
<b>9M FY2022</b>									
<b>At 1-Jul-21</b>	<b>108,133</b>	<b>(923)</b>	<b>411</b>	<b>897</b>	<b>(10,350)</b>	<b>(9,042)</b>	<b>98,168</b>	<b>(797)</b>	<b>97,371</b>
<b>Loss for the period</b>	-	-	-	-	(22,826)	(22,826)	(22,826)	(15)	(22,841)
<u>Other comprehensive income</u>									
Translation differences relating to financial statements of foreign subsidiaries, net of tax	-	-	1,659	-	-	1,659	1,659	(29)	1,630
Share of other comprehensive income of joint ventures and associates	-	-	21	-	-	21	21	3	24
Realisation of foreign currency translation reserves upon dissolution of subsidiaries	-	-	(401)	-	-	(401)	(401)	-	(401)
	-	-	1,279	-	-	1,279	1,279	(26)	1,253
<b>Total comprehensive income for the period</b>	-	-	1,279	-	(22,826)	(21,547)	(21,547)	(41)	(21,588)
<u>Contributions by owners</u>									
Conversion of warrants	7	-	-	-	-	-	7	-	7
<b>At 31-Mar-22</b>	<b>108,140</b>	<b>(923)</b>	<b>1,690</b>	<b>897</b>	<b>(33,176)</b>	<b>(30,589)</b>	<b>76,628</b>	<b>(838)</b>	<b>75,790</b>

D. Statements of Changes in Equity (Cont'd)

For the period ended 31-Mar-21									
Group	Attributable to owners of the Company								
	Share capital \$'000	Treasury shares \$'000	Foreign currency translation reserve \$'000	Warrant reserve \$'000	Accumulated profits/(losses) \$'000	Total reserves \$'000	Equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total Equity \$'000
<b>9M FY2021</b>									
At 1-Jul-20	108,056	(923)	(143)	899	24,538	25,294	132,427	952	133,379
Loss for the period	-	-	-	-	(28,600)	(28,600)	(28,600)	(1,676)	(30,276)
<u>Other comprehensive income</u>									
Translation differences relating to financial statements of foreign subsidiaries, net of tax	-	-	1,060	-	-	1,060	1,060	161	1,221
Share of other comprehensive income of joint ventures and associates	-	-	(172)	-	-	(172)	(172)	(24)	(196)
<b>Other comprehensive income for the period, net of tax</b>	-	-	888	-	-	888	888	137	1,025
<b>Total comprehensive income for the period</b>	-	-	888	-	(28,600)	(27,712)	(27,712)	(1,539)	(29,251)
<b>At 31-Mar-21</b>	<b>108,056</b>	<b>(923)</b>	<b>745</b>	<b>899</b>	<b>(4,062)</b>	<b>(2,418)</b>	<b>104,715</b>	<b>(587)</b>	<b>104,128</b>

**D. Statements of Changes in Equity (Cont'd)**

For the periods ended 31-Mar-22 and 31-Mar-21						
<u>COMPANY</u>	Share capital \$'000	Treasury shares \$'000	Warrant reserve \$'000	Accumulated losses \$'000	Total reserves \$'000	Total equity \$'000
<b><u>9M FY2022</u></b>						
At 1-Jul-21	108,133	(923)	897	(75,280)	(74,383)	32,827
Loss for the period, representing total comprehensive income for the period	-	-	-	(7,640)	(7,640)	(7,640)
<b><u>Contributions by owners</u></b>						
Conversion of warrants	7	-	-	-	-	7
At 31-Mar-22	108,140	(923)	897	(82,920)	(82,023)	25,194
<b><u>9M FY2021</u></b>						
At 1-Jul-20	108,056	(923)	899	(58,951)	(58,052)	49,081
Loss for the period, representing total comprehensive income for the period	-	-	-	(10,878)	(10,878)	(10,878)
At 31-Mar-21	108,056	(923)	899	(69,829)	(68,930)	38,203

## E. Consolidated Statement of Cash Flows

	<b>Group</b>	
	<b>9 months ended 31 March</b>	
	<b>9M</b>	<b>9M</b>
	<b>FY2022</b>	<b>FY2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>		
Loss before tax	(21,291)	(30,482)
<b>Adjustments for:</b>		
Amortisation of intangible assets	225	230
Depreciation of property, plant and equipment	33,731	41,849
Depreciation of right-of-use assets	1,872	2,533
Gain on disposal of assets classified as held for sale	-	(744)
Gain on disposal of property, plant and equipment	(1,436)	(3,999)
Gain on dissolution of subsidiaries	(401)	-
Loss/(gain) on remeasurement of lease liabilities	60	(10)
Inventories written off	-	13
(Reversal of)/ impairment losses on financial assets (net):		
-amount due from joint ventures and associates	(700)	(1,235)
-contract assets	(33)	12
-other receivables	(178)	184
-trade receivables (third parties)	2,106	3,760
Interest income	(510)	(434)
Interest expense	17,695	18,469
Property, plant and equipment written off	528	2
Reversal of provision for warranty (net)	(7)	(11)
Provision/(reversal of provision) for pension liabilities	24	(26)
Share of results of joint venture and associates	(938)	1,210
<b>Operating cash flows before changes in working capital</b>	<b>30,747</b>	<b>31,321</b>
<b>Changes in working capital:</b>		
Inventories	(3,440)	(1,705)
Contract assets and liabilities	3,592	20,110
Trade and other receivables	(1,722)	(4,552)
Prepayments	(565)	(903)
Trade and other payables	21,490	(14,997)
Finance lease receivables	1,347	548
Other liabilities	(76)	(74)
Balances with related parties (trade)	(117)	2,675
<b>Cash flows generated from operations</b>	<b>51,256</b>	<b>32,423</b>
Interest received from finance lease receivables	233	311
Income tax paid	(727)	168
<b>Net cash flows generated from operating activities</b>	<b>50,762</b>	<b>32,902</b>
<b>Cash flows from investing activities</b>		
Interest received	18	34
Purchase of property, plant and equipment	(14,933)	(15,613)
Proceeds from disposal of property, plant and equipment	2,681	7,253
Proceeds from disposal of assets classified as held for sale	-	4,799
Movement in balances with related parties (non-trade)	166	(44)
<b>Net cash flows used in investing activities</b>	<b>(12,068)</b>	<b>(3,571)</b>



## E. Consolidated Statement of Cash Flows (Cont'd)

	<b>Group</b>	
	<b>9 months ended 31 March</b>	
	<b>9M</b>	<b>9M</b>
	<b>FY2022</b>	<b>FY2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from financing activities</b>		
Interest paid	(8,287)	(9,289)
Repayment of interest-bearing loans and borrowings	(27,338)	(18,593)
Principal repayment of lease liabilities	(2,150)	(1,004)
Repayment of trust receipts	(17,859)	(23,378)
Proceeds from trust receipts	19,558	11,733
Proceeds from issuance of ordinary shares upon conversion of warrants	7	-
Cash and bank balances (restricted use)	(4,228)	8,018
<b>Net cash flows used in financing activities</b>	<b>(40,297)</b>	<b>(32,513)</b>
Net decrease in cash and cash equivalents	(1,603)	(3,182)
Cash and cash equivalents at beginning of period	14,125	17,650
Effects of exchange rate changes on cash and cash equivalents	58	(99)
<b>Cash and cash equivalents at end of period (Note 1)</b>	<b>12,580</b>	<b>14,369</b>
 <b>Note 1:</b>		
Cash and cash equivalents comprise the followings:		
Bank balances and cash	29,216	23,866
Less: Restricted cash		
- Cash at banks	(16,636)	(9,497)
<b>Cash and cash equivalents at end of period</b>	<b>12,580</b>	<b>14,369</b>

The Group's restricted cash has been set aside for specific use with respect to certain shipbuilding financing and banking facilities granted to the Group.

## **F. Selected Notes to the Condensed Consolidated Interim Financial Statements**

### **1. Corporate information**

ASL Marine Holdings Ltd. (the “**Company**”), incorporated in the Republic of Singapore on 4 October 2000, is a public limited company listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

These condensed consolidated interim financial statements as at and for the nine months ended 31 March 2022 comprise the Company and its subsidiaries (collectively, the “**Group**”).

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are those relating to shipbuilding, shiprepair and conversion, shipchartering, dredge engineering and other marine related services.

The condensed consolidated interim financial statements have not been audited nor reviewed by the Company’s auditors.

### **2. Basis of preparation**

#### **2.1 Statement of compliance**

The condensed consolidated interim financial statements for the nine months ended 31 March 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore, and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 30 June 2021. The condensed consolidated interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 30 June 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.5.

#### **2.2 Basis of measurement**

The condensed consolidated interim financial statements have been prepared on the historical cost basis except as otherwise disclosed.

The condensed consolidated interim financial statements are presented in Singapore dollars (“SGD” or “\$”), which is the Company’s functional currency, and all values in the tables are rounded to the nearest thousand (\$’000) except when otherwise indicated.

#### **2.3 Going concern basis of preparation of financial statements**

The Group incurred loss after tax of \$22,841,000 (9M FY2021: \$30,276,000) for the financial period ended 31 March 2022 (“**9M FY2022**”) and as at 31 March 2022, the Group’s current liabilities exceeded its current assets by \$24,118,000 (30 June 2021: \$609,000). As at 31 March 2022, the Group’s and Company’s total borrowings amounted to \$313,785,000 and \$169,694,000 (30 June 2021: \$328,625,000 and \$171,057,000) of which \$45,167,000 and \$10,508,000 (30 June 2021: \$43,611,000 and \$10,436,000) were classified as current liabilities respectively.

## 2.3 Going concern basis of preparation of financial statements (Cont'd)

The Group's businesses are capital intensive. As at 31 March 2022, the aggregate value of property, plant and equipment and right-of-use assets amounted to \$386,136,000, which represented 65% of its total assets. The majority of these assets were financed through bank loans, bonds and lease liabilities of \$311,886,000, which represented 60% of its total liabilities as of 31 March 2022. The Group has been generating positive operating cash flows in fulfilling its debt repayment obligations, with majority of its debts maturing in 2025 and beyond.

The management and directors of the Company, having assessed the available sources of liquidity and funding, believe that the Group and the Company can continue as a going concern for the foreseeable future. In analysing the validity of the going concern basis applied in the preparation of the condensed consolidated interim financial statements of the Group and the Company, the following factors were considered:

- (i) The Group is able to generate sufficient operating cash flows from operations to meet its working capital needs. This is supported by positive Earnings before Interest, Tax, Depreciation, Amortisation and after adjusting for impairments and any other non-cash flow items of \$32,507,000 for 9M FY2022 (FY2021: \$48,173,000). The consolidated net cash flows generated from operating activities have been consistently positive, and the Group has been meeting all its short-term obligations. The availability of the working capital banking facilities secured since August 2019 from its principal lenders provide the Group with short term trade financing when needed;
- (ii) Management has provided consistent and conscientious efforts in cost controls and cash flow enhancement measures, which include:
  - Planning and keeping track of project budget and setting performance parameters;
  - Regular operations review and close monitoring of project progress, schedule, cost and profitability;
  - Review by the management on all purchases and capital expenditures;
  - Increase suppliers' base;
  - Cutting overheads and administrative expenses which include measures such as redesigning of job scope for employees and controlling of headcount to reduce expenses of recurring nature;
  - Close collaboration with contractors and vendors to improve cashflow management, such as on credit terms, payment plans and debt settlements;
  - Strict management of credit terms offered to customers and timely billing of services;
  - Strengthening of coordination among marketing, operations and finance departments in the collection of debts; and
  - Disposal of vessels held as inventories to pare down borrowings and increase the availability of working capital.
- (iii) Continuing support from principal lenders including trade line and project financing which provides a strong base in sustaining the businesses of the Group. The principal lenders had also granted the Group waivers from complying with certain financial covenant, a further request for the waiver may be sought, as appropriate;

## 2.3 Going concern basis of preparation of financial statements (Cont'd)

- (iv) Management has also considered the various COVID-19 support measures aided by the Singapore government, which included (a) the Jobs Support Scheme, (b) Foreign Worker Levy Rebates, and (c) enhanced financing support under the Enterprise Financing Scheme as announced in the Singapore Budgets 2021; and
- (v) The controlling shareholders of the Company remain supportive to the Company and the Group with their injection of funds during the Company's last two fund raising exercises in December 2016 and July 2019. The controlling shareholders remain committed to funding the Group, amongst others, provided an unsecured and interest-free loan of \$6,620,000 in October 2017 which remained unpaid as at reporting date.

## 2.4 Uses of estimates and judgements

The preparation of the condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities. These are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The critical judgement and key sources of estimation uncertainty made by the management remains unchanged from audited consolidated financial statements for the financial year ended 30 June 2021, except as disclosed below:

### Estimated residual value of vessels

The property, plant and equipment of the Group are initially recorded at cost, subsequent to recognition, they are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation of an asset begins when it is available for use and is computed on a straight-line basis over the estimated useful lives of the assets. With effect from 1 July 2021, depreciation of the Group's vessels is based on the cost of an asset less its residual value.

During the current financial period, the Group conducted an operational review and assessment of the residual value of its vessels. In determining the residual values of vessels, management considers factors such as market prices of scrap metal and type of vessels. Accordingly, the Group estimated the residual value of vessels.

The revision in estimate has been applied on a prospective basis from 1 July 2021. Changes in above-mentioned factors could potentially impact the residual value of these assets, and thereby resulting in changes in future depreciation charges. Such changes are accounted for prospectively.

## 2.4 Uses of estimates and judgements (Cont'd)

The effect of the above revision on depreciation charge, included in “cost of sales”, in current and future financial years are as follows:

	FY2022	FY2023	FY2024	FY2025	FY2026
<b>Group</b>	<b>\$'m</b>	<b>\$'m</b>	<b>\$'m</b>	<b>\$'m</b>	<b>\$'m</b>
Decrease in depreciation charge	7	6	4	3	2

## 2.5 New and amended standards

During the current financial period, the Group and the Company have adopted new or amended Singapore Financial Reporting Standards (International) (“SFRS(I)”) which took effective for annual periods beginning on or after 1 July 2021.

The adoption of the new accounting standards does not have any significant impact on the financial statements of the Group and of the Company for the period ended 31 March 2022. Accordingly, it has no material impact on the loss per share of the Group and the Company.

## 3. Property, plant and equipment

	<b>Group</b>	
	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Balance as at 1 July</b>	395,623	443,928
Additions	16,068	17,829
Disposals/ Write-off	(1,779)	(4,598)
Depreciation charge	(34,301)	(41,149)
Translation differences	1,133	(4,461)
<b>Balance as at 31 March</b>	<b>376,744</b>	<b>411,549</b>

The depreciation charge for the year as shown in profit or loss is arrived at as follows:

	<b>Group</b>			
	<b>3 months ended 31 March</b>		<b>9 months ended 31 March</b>	
	<b>3Q FY2022</b>	<b>3Q FY2021</b>	<b>9M FY2022</b>	<b>9M FY2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Depreciation charge for the period	11,755	13,471	34,301	41,149
Depreciation included in construction work-in-progress carried forward	84	820	(3,786)	(3,756)
Depreciation capitalised in prior year construction work-in-progress now charged to consolidated income statement	-	1	3,216	4,456
Depreciation charge as disclosed in Note 15	11,839	14,292	33,731	41,849

## 4. Intangible assets

Intangible assets comprise customer relationships, brand, goodwill, patented technology and order backlog which were acquired in a business combination. Except for patented technology, the remaining intangible assets were fully amortised and impaired in the previous financial years.

## 5. Inventories

	<b>Group</b>	
	<b>As at 31-Mar-22 \$'000</b>	<b>As at 30-Jun-21 \$'000</b>
Raw materials and consumables (at cost or net realisable value)	15,571	13,993
Finished goods (at cost or net realisable value)	73,397	68,675
<b>Total inventories</b>	<b>88,968</b>	<b>82,668</b>

## 6. Contracts assets and contract liabilities

Information about contract assets and contract liabilities from contracts with customers is disclosed as follows:

	<b>Group</b>	
	<b>As at 31-Mar-22 \$'000</b>	<b>As at 30-Jun-21 \$'000</b>
<b>Contract assets</b>		
<i>Current</i>		
Accrued revenue	10,186	10,008
Construction work-in-progress	9,567	10,628
<b>Total contract assets</b>	<b>19,753</b>	<b>20,636</b>
<b>Contract liabilities</b>		
<i>Current</i>		
Deferred income and deposits received from customers	(12,996)	(8,051)
Progress billings in excess of construction work-in-progress	(10,238)	(7,650)
	(23,234)	(15,701)
<i>Non-current</i>		
Deferred income	(9,725)	(15,246)
<b>Total contract liabilities</b>	<b>(32,959)</b>	<b>(30,947)</b>

### Construction work-in-progress/Progress billings in excess of construction work-in-progress

	<b>Group</b>	
	<b>As at 31-Mar-22 \$'000</b>	<b>As at 30-Jun-21 \$'000</b>
Construction work-in-progress and attributable profits (less recognised losses) to date	27,989	20,672
Less: Progress billings	(28,660)	(17,694)
	(671)	2,978
<b>Presented as:</b>		
Construction work-in-progress	9,567	10,628
Progress billings in excess of construction work-in-progress	(10,238)	(7,650)
	(671)	2,978

## 7. Trade and other receivables

	Group		Company	
	As at 31-Mar-22 \$'000	As at 30-Jun-21 \$'000	As at 31-Mar-22 \$'000	As at 30-Jun-21 \$'000
<b>Non-current</b>				
Other receivables:				
Amount due from a subsidiary	-	-	5,167	4,650
<b>Current</b>				
Trade receivables	55,855	69,970	-	-
Less: Allowance for impairment	(19,848)	(28,647)	-	-
	36,007	41,323	-	-
Other receivables and deposits	11,266	9,944	20	20
Amounts due from subsidiaries	-	-	316,985	325,488
Amounts due from joint ventures and associates	63,620	62,855	2,613	2,596
Amounts due from related parties	434	433	-	-
	75,320	73,232	319,618	328,104
Less: Allowance for impairment				
Other receivables	(937)	(1,111)	-	-
Amounts due from subsidiaries	-	-	(87,930)	(88,340)
Amounts due from joint ventures and associates	(57,178)	(57,656)	(2,613)	(2,596)
Amounts due from related parties	(44)	(44)	-	-
	(58,159)	(58,811)	(90,543)	(90,936)
	17,161	14,421	229,075	237,168
<b>Total trade and other receivables (current)</b>	53,168	55,744	229,075	237,168
<b>Total trade and other receivables (current and non-current)</b>	53,168	55,744	234,242	241,818

## 8. Trade and other payables

	Group		Company	
	As at 31-Mar-22 \$'000	As at 30-Jun-21 \$'000	As at 31-Mar-22 \$'000	As at 30-Jun-21 \$'000
<b>Non-current</b>				
Amounts due to an associate	1,455	1,280	-	-
<b>Current</b>				
Trade payables and accruals	122,265	104,051	2,297	3,900
Payables for property, plant and equipment	2,106	1,187	-	-
Other payables	1,834	2,437	-	-
Other liabilities				
- Deferred income	793	1,332	-	-
- Deposits received from customers	5,152	3,966	-	-
Amounts due to subsidiaries	-	-	81,656	78,144
Amounts due to joint ventures and associates	989	263	-	-
Amounts due to related parties	4,186	4,270	-	-
Amounts due to non-controlling interests of subsidiaries	207	206	-	-
Amounts due to a shareholder	6,620	6,620	-	-
Provision for warranty	3	6	-	-
	144,155	124,338	83,953	82,044
<b>Total trade and other payables (current and non-current)</b>	145,610	125,618	83,953	82,044

## 8. Trade and other payables (Cont'd)

The balances with joint ventures and associates and related parties and non-controlling interests of subsidiaries are unsecured, interest-free and repayable on demand.

Related parties are Koon Holdings Limited and its subsidiaries ("**Koon Group**") and Sintech Metal Industries Pte Ltd ("**Sintech**"). Two of the directors and Mr. Ang Sin Liu have a deemed equity interest of 53.76% (9M FY2021: 53.76%) in Koon Group. One of the directors of the Company is also a director of Koon Holdings Limited. Mr. Ang Sin Liu is the father of Ang Kok Tian, Ang Ah Nui and Ang Kok Leong, all of whom are Directors and substantial shareholders of the Company. Mr. Ang Sin Liu wholly owns Sintech, which is an exempt private company limited by share.

## 9. Loans and Borrowings

	Group		Company	
	As at 31-Mar-22 \$'000	As at 30-Jun-21 \$'000	As at 31-Mar-22 \$'000	As at 30-Jun-21 \$'000
<b>Current</b>				
Trust receipts	7,660	5,991	-	-
Interest-bearing loans and borrowings				
- Finance lease liabilities -secured	282	362	-	-
- Floating rate - secured	33,168	33,080	10,508	10,436
- Fixed rate -secured	1,310	1,238	-	-
- Fixed rate -unsecured	2,747	2,940	-	-
	37,507	37,620	10,508	10,436
	45,167	43,611	10,508	10,436
<b>Non-current</b>				
Interest-bearing loans and borrowings				
- Finance lease liabilities -secured	245	457	-	-
- Floating rate - secured	264,059	277,224	159,186	160,621
- Fixed rate -secured	263	1,294	-	-
- Fixed rate -unsecured	4,051	6,039	-	-
	268,618	285,014	159,186	160,621
Total loans and borrowings	313,785	328,625	169,694	171,057

Loans and borrowings of the Group and the Company are secured by certain assets of the Group as follows:

- Legal mortgages of certain leasehold properties of subsidiaries;
- Legal mortgages over certain vessels, plant and equipment of subsidiaries;
- Assignment of charter income and insurance of certain vessels of subsidiaries;
- Certain vessels under construction;
- Assignment and subordination of intercompany loans; and
- Corporate guarantees from the Company and certain subsidiaries.

The Group's and the Company's secured borrowings included the Series 006 and Series 007 notes issued pursuant to the S\$500,000,000 Multicurrency Debt Issuance Programme established by the Company (the "**Notes**"). The Series 006 and Series 007 notes with carrying value of \$71,631,000 (30 June 2021: \$66,653,000) and \$31,614,000 (30 June 2021: \$30,581,000) will mature on 28 March 2025 and 1 October 2026 respectively. The Notes are secured by second priority mortgages of vessels pledged as securities for the \$99,900,000 5-year club term loan facility ("**CTL Facility**").



## 10. Share capital and treasury shares

	Group and Company			
	Number of shares		Amount	
	Issued share capital	Treasury shares	Issued share capital \$'000	Treasury shares \$'000
<b>Fully paid ordinary shares, with no par value</b>				
<u>9M FY2022</u>				
Balance at 1 July	630,506,941	2,511,600	108,133	(923)
Conversion of warrants	120,000	-	7	-
Balance at 31 March	<u>630,626,941</u>	<u>2,511,600</u>	<u>108,140</u>	<u>(923)</u>
<u>FY2021</u>				
Balance at 1 July	629,266,941	2,511,600	108,056	(923)
Conversion of warrants	1,240,000	-	77	-
Balance at 30 June	<u>630,506,941</u>	<u>2,511,600</u>	<u>108,133</u>	<u>(923)</u>

<b>As at</b>	<b>31-Mar-22</b>	<b>30-Jun-21</b>	<b>31-Mar-21</b>
Total number of issued shares	633,138,541	633,018,541	631,778,541
Total number of treasury shares	(2,511,600)	(2,511,600)	(2,511,600)
Total number of issued shares (excluding treasury shares)	<u>630,626,941</u>	<u>630,506,941</u>	<u>629,266,941</u>

The holders of ordinary shares (except for treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares (except for treasury shares) carry one vote per share without restriction.

### Treasury shares

Treasury shares relate to ordinary shares of the Company that are held by the Company, the Company's subsidiaries did not hold any treasury shares. During the financial periods ended 31 March 2022 and 31 March 2021, the Company did not buy back any shares and there were no sales, transfers, disposal, cancellation and/or use of treasury shares.

### Warrants

	Number of Warrants	
	As at 31-Mar-22	As at 31-Mar-21
Balance as at 1 July	565,890,713	567,130,713
Warrants exercised	(120,000)	-
Balance to date	<u>565,770,713</u>	<u>567,130,713</u>

## 10. Share capital and treasury shares (Cont'd)

### Other information

The percentage of the aggregate number of treasury shares held against the total number of shares outstanding that is listed as at 31 March 2022 and 31 March 2021 is 0.40% respectively.

Except for the warrants, there were no convertible securities as at 31 March 2022 and 31 March 2021. As at 31 March 2022, 1,360,000 warrants were exercised since the date of issuance of warrants on 25 July 2019 and the number of shares that may be issued on exercise of warrants were 565,770,713 (31 March 2021: 567,130,713).

There were no outstanding share options granted under the ASL Employee Share Option Scheme 2012 as at 31 March 2022 and 31 March 2021.

The Company has no subsidiary holdings as at 31 March 2022 and 31 March 2021.

## 11 Segment and revenue information

### 11.1 (i) Business segments

The Group's operating segments are its strategic business units that offer different products and serves different markets. Management monitors the operating results of its business segments separately for purpose of making decisions about resource allocation and performance assessment. The Group has the following four main business segments:

Shipbuilding	: Construction of vessels
Shiprepair, conversion and engineering services	: Provision of shiprepair, dredging engineering products and related services
Shipchartering	: Provision for chartering of vessels and transportation services
Investment holding	: Provision of corporate and treasury services to the Group

## 11.1 (i) Business segments (Cont'd)

	3 months ended 31 March					
	Shipbuilding \$'000	Shiprepair, conversion and engineering services \$'000	Shipchartering \$'000	Investment holding \$'000	Eliminations \$'000	Consolidated \$'000
<b>Revenue and expenses</b>						
<b><u>From 1 January 2022 to 31 March 2022</u></b>						
Revenue from external customers	13,283	32,212	26,358	-	-	71,853
Inter-segment revenue	3,562	13,310	6,436	-	(23,308)	-
Total revenue	16,845	45,522	32,794	-	(23,308)	71,853
Segment results	(990)	3,697	(2,254)	(202)	-	251
Interest income from finance lease receivables			172			172
Finance costs						(5,807)
Share of results of joint ventures and associates						(889)
Income tax expenses						(783)
Loss for the period						(7,056)
<b><u>From 1 January 2021 to 31 March 2021</u></b>						
Revenue from external customers	16,119	23,366	25,012	-	-	64,497
Inter-segment revenue	4,571	10,349	6,105	-	(21,025)	-
Total revenue	20,690	33,715	31,117	-	(21,025)	64,497
Segment results	(1,091)	1,560	1,448	(43)	-	1,874
Interest income from finance lease receivables			128			128
Finance costs						(7,211)
Share of results of joint ventures and associates						(171)
Income tax credit						735
Loss for the period						(4,645)

### 11.1 (i) Business segments (Cont'd)

	<b>9 months ended 31 March</b>					
	<b>Shipbuilding</b>	<b>Shiprepair, conversion and engineering services</b>	<b>Shipchartering</b>	<b>Investment holding</b>	<b>Eliminations</b>	<b>Consolidated</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b><u>From 1 July 2021 to 31 March 2022</u></b>						
Revenue from external customers	20,252	80,122	75,333	-	-	175,707
Inter-segment revenue	4,013	31,398	19,654	-	(55,065)	-
Total revenue	<u>24,265</u>	<u>111,520</u>	<u>94,987</u>	<u>-</u>	<u>(55,065)</u>	<u>175,707</u>
Segment results	<u>(3,651)</u>	<u>5,621</u>	<u>(6,482)</u>	<u>(514)</u>	<u>-</u>	<u>(5,026)</u>
Interest income from finance lease receivables	-	-	492	-	-	492
Finance costs						(17,695)
Share of results of joint ventures and associates						938
Income tax expenses						(1,550)
Loss for the period						<u>(22,841)</u>
<b><u>From 1 July 2020 to 31 March 2021</u></b>						
Revenue from external customers	23,093	61,733	61,240	-	-	146,066
Inter-segment revenue	6,176	33,165	17,896	-	(57,237)	-
Total revenue	<u>29,269</u>	<u>94,898</u>	<u>79,136</u>	<u>-</u>	<u>(57,237)</u>	<u>146,066</u>
Segment results	<u>(1,746)</u>	<u>2,134</u>	<u>(10,883)</u>	<u>(708)</u>	<u>-</u>	<u>(11,203)</u>
Interest income from finance lease receivables	-	-	400	-	-	400
Finance costs						(18,469)
Share of results of joint ventures and associates						(1,210)
Income tax credit						206
Loss for the period						<u>(30,276)</u>

## 11.1 (i) Business segments (Cont'd)

	Shipbuilding \$'000	Shiprepair, conversion and engineering services \$'000	Shipchartering \$'000	Investment holding \$'000	Eliminations \$'000	Consolidated \$'000
<b>Assets and liabilities</b>						
<b>As at 31 March 2022</b>						
Segment assets	80,618	171,905	332,239	5,271	-	590,033
Unallocated assets						2,884
Total assets						592,917
Segment liabilities	27,521	88,799	68,902	2,316	-	187,538
Unallocated liabilities						329,589
Total liabilities						517,127
<b>As at 31 March 2021</b>						
Segment assets	97,219	168,029	346,245	5,872	-	617,365
Unallocated assets						2,720
Total assets						620,085
Segment liabilities	25,886	76,884	55,997	3,097	-	161,864
Unallocated liabilities						354,093
Total liabilities						515,957

### Other segmental information

	3 months ended 31 March				
	Shipbuilding \$'000	Shiprepair, conversion and engineering services \$'000	Shipchartering \$'000	Investment holding \$'000	Consolidated \$'000
<b>From 1 January 2022 to 31 March 2022</b>					
Capital expenditure	91	(35)	5,035	-	5,091
Depreciation and amortisation	1,153	2,785	8,525	-	12,463
Other non-cash expenses	-	6	528	-	534
Impairment losses/ (reversal of impairment losses) on financial assets	-	112	(425)	-	(313)
Finance cost	925	1,280	1,178	2,424	5,807
Interest income	-	(3)	(145)	(1)	(149)
<b>From 1 January 2021 to 31 March 2021</b>					
Capital expenditure	143	(82)	11,831	-	11,892
Depreciation and amortisation	1,864	2,979	10,430	-	15,273
Other non-cash income	-	(6)	-	-	(6)
Impairment losses/ (reversal of impairment losses) on financial assets	-	1,388	(54)	-	1,334
Finance cost	587	437	2,589	3,598	7,211
Interest income	(2)	(1)	(130)	-	(133)
<b>9 months ended 31 March</b>					
<b>From 1 July 2021 to 31 March 2022</b>					
Capital expenditure	221	748	15,099	-	16,068
Depreciation and amortisation	2,985	8,089	24,754	-	35,828
Other non-cash expenses	-	17	528	-	545
Impairment loss on financial assets, net	-	368	827	-	1,195
Finance cost	1,639	5,161	3,766	7,129	17,695
Interest income	(1)	(10)	(498)	(1)	(510)
<b>From 1 July 2020 to 31 March 2021</b>					
Capital expenditure	319	936	16,575	-	17,830
Depreciation and amortisation	3,899	8,975	31,738	-	44,612
Other non-cash income	-	(22)	-	-	(22)
Impairment loss on financial assets, net	196	2,441	84	-	2,721
Finance cost	1,070	2,685	4,535	10,179	18,469
Interest income	(3)	(21)	(410)	-	(434)

## 11.1 (ii) Geographical segments

The Group operates in Singapore, Indonesia, Rest of Asia, Europe, Australia and other countries. In presenting information on the basis of geographical segments, segment revenue is based on the countries in which customers are invoiced.

Non-current assets relate to property, plant and equipment, right-of-use assets, investment in joint ventures and associates, intangible assets and finance lease receivables.

Non-current assets are based on the geographical location of the respective entities within the Group.

	3 months ended 31 March						
	Singapore \$'000	Indonesia \$'000	Rest of Asia \$'000	Europe \$'000	Australia \$'000	Other Countries \$'000	Consolidated \$'000
<b>From 1 January 2022 to 31 March 2022</b>							
Revenue from external customers	28,141	9,987	15,069	4,600	3,825	10,231	71,853
Non-current assets	219,135	130,047	42,856	3,148	-	-	395,186
<b>From 1 January 2021 to 31 March 2021</b>							
Revenue from external customers	28,491	12,455	19,139	1,451	1,859	1,102	64,497
Non-current assets	238,453	144,123	43,953	4,040	-	-	430,569
	9 months ended 31 March						
	Singapore \$'000	Indonesia \$'000	Rest of Asia \$'000	Europe \$'000	Australia \$'000	Other Countries \$'000	Consolidated \$'000
<b>From 1 July 2021 to 31 March 2022</b>							
Revenue from external customers	68,600	26,073	34,663	13,607	9,028	23,736	175,707
Non-current assets	219,135	130,047	42,856	3,148	-	-	395,186
<b>From 1 July 2020 to 31 March 2021</b>							
Revenue from external customers	70,406	26,670	31,000	4,440	11,243	2,307	146,066
Non-current assets	238,453	144,123	43,953	4,040	-	-	430,569

Management believes it would not be meaningful to analyse the segment assets by geographical segment because certain vessels cannot be practically allocated to the different geographical areas. For charter services, charterers of the Group's vessels have the discretion to operate within a wide area and are not constrained by a specific sea route.

## 11.2 Disaggregation of revenue

Group	3 months ended 31 March						9 months ended 31 March					
	3Q FY2022			3Q FY2021			9M FY2022			9M FY2021		
	At a point in time \$'000	Over time \$'000	Total \$'000	At a point in time \$'000	Over time \$'000	Total \$'000	At a point in time \$'000	Over time \$'000	Total \$'000	At a point in time \$'000	Over time \$'000	Total \$'000
<i>Shipbuilding segment</i>												
- Construction of tugs	-	652	652	9,318	618	9,936	-	652	652	9,318	7,123	16,441
- Construction of barges and others	6,940	5,691	12,631	6,105	78	6,183	7,221	12,379	19,600	6,574	78	6,652
	6,940	6,343	13,283	15,423	696	16,119	7,221	13,031	20,252	15,892	7,201	23,093
<i>Shiprepair, conversion and engineering services segment</i>												
- Provision of shiprepair and related services	-	31,014	31,014	-	21,392	21,392	-	76,161	76,161	-	56,090	56,090
- Provision of engineering service and sales of components	896	302	1,198	1,175	799	1,974	1,334	2,627	3,961	3,360	2,283	5,643
	896	31,316	32,212	1,175	22,191	23,366	1,334	78,788	80,122	3,360	58,373	61,733
<i>Shipchartering segment</i>												
- Leasing income	-	10,094	10,094	-	5,031	5,031	-	28,637	28,637	-	20,356	20,356
- Mobilisation and demobilisation income	-	246	246	-	2,483	2,483	-	666	666	-	2,493	2,493
- Freight income	-	5,098	5,098	-	2,289	2,289	-	15,853	15,853	-	7,245	7,245
- Other charter ancillary and marine related service income	642	9,966	10,608	2,996	11,351	14,347	4,218	25,119	29,337	8,418	21,174	29,592
- Ship management income	-	172	172	-	151	151	-	485	485	-	450	450
- Trade sales	105	35	140	584	127	711	238	117	355	977	127	1,104
	747	25,611	26,358	3,580	21,432	25,012	4,456	70,877	75,333	9,395	51,845	61,240
	8,583	63,270	71,853	20,178	44,319	64,497	13,011	162,696	175,707	28,647	117,419	146,066

## 11.2 Disaggregation of revenue (Cont'd)

The following table set out the Group's revenue disaggregated by primary geographical markets and main business segments:

3 months ended 31 March								
Group	Shipbuilding		Shiprepair, conversion and engineering services		Shipchartering and rental		Total	
	3Q FY2022	3Q FY2021	3Q FY2022	3Q FY2021	3Q FY2022	3Q FY2021	3Q FY2022	3Q FY2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Singapore	6,800	78	13,329	14,769	8,012	13,644	28,141	28,491
Indonesia	140	6,106	7,584	3,651	2,263	2,698	9,987	12,455
Rest of Asia	652	9,318	2,704	1,798	11,713	8,023	15,069	19,139
Europe	-	-	4,339	1,452	261	-	4,600	1,452
Australia	-	617	2,136	705	1,689	537	3,825	1,859
Other Countries	5,691	-	2,120	991	2,420	110	10,231	1,101
	<u>13,283</u>	<u>16,119</u>	<u>32,212</u>	<u>23,366</u>	<u>26,358</u>	<u>25,012</u>	<u>71,853</u>	<u>64,497</u>

9 months ended 31 March								
Group	Shipbuilding		Shiprepair, conversion and engineering services		Shipchartering and rental		Total	
	9M FY2022	9M FY2021	9M FY2022	9M FY2021	9M FY2022	9M FY2021	9M FY2022	9M FY2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Singapore	7,537	78	33,140	37,218	27,923	33,110	68,600	70,406
Indonesia	421	6,575	16,177	8,473	9,475	11,622	26,073	26,670
Rest of Asia	652	9,318	6,165	8,047	27,846	13,635	34,663	31,000
Europe	-	-	12,077	4,378	1,530	63	13,607	4,441
Australia	-	7,122	4,854	2,155	4,174	1,966	9,028	11,243
Other Countries	11,642	-	7,709	1,462	4,385	844	23,736	2,306
	<u>20,252</u>	<u>23,093</u>	<u>80,122</u>	<u>61,733</u>	<u>75,333</u>	<u>61,240</u>	<u>175,707</u>	<u>146,066</u>

## 11.3 Seasonality of operations

The Group's shipyard and shipchartering businesses are not affected significantly by seasonable factors quarter-to-quarter in a financial year.



## 12. Other operating income

	<b>Group</b>			
	<b>3 months ended 31 March</b>		<b>9 months ended 31 March</b>	
	<b>3Q FY2022</b>	<b>3Q FY2021</b>	<b>9M FY2022</b>	<b>9M FY2021</b>
	\$'000	\$'000	\$'000	\$'000
Gain on disposal of assets classified as held for sale	-	666	-	744
Gain on disposal of property, plant and equipment	1,303	1,816	1,436	3,999
Gain on dissolution of subsidiaries	-	-	401	-
Gain on foreign exchange (net)	-	1,643	-	-
Gain on remeasurement of lease liabilities	-	-	-	10
Government grants	284	463	1,257	2,180
Insurance claims	1,224	1	1,257	64
Interest income from debt instruments at amortised costs				
- deposits and bank balances	(23)	5	18	34
- finance lease receivables	172	128	492	400
Miscellaneous income	233	105	608	424
Rental income	141	127	372	383
	<b>3,334</b>	<b>4,954</b>	<b>5,841</b>	<b>8,238</b>

## 13. Other operating expenses

	<b>Group</b>			
	<b>3 months ended 31 March</b>		<b>9 months ended 31 March</b>	
	<b>3Q FY2022</b>	<b>3Q FY2021</b>	<b>9M FY2022</b>	<b>9M FY2021</b>
	\$'000	\$'000	\$'000	\$'000
Inventories written off	-	1	-	13
Loss on foreign exchange (net)	586	-	1,688	2,538
Loss on remeasurement of lease liabilities	-	-	60	-
Property, plant and equipment written off	528	-	528	2
	<b>1,114</b>	<b>1</b>	<b>2,276</b>	<b>2,553</b>

## 14. Finance costs

	<b>Group</b>			
	<b>3 months ended 31 March</b>		<b>9 months ended 31 March</b>	
	<b>3Q FY2022</b>	<b>3Q FY2021</b>	<b>9M FY2022</b>	<b>9M FY2021</b>
	\$'000	\$'000	\$'000	\$'000
Interest expense on:				
- bank loans and notes	5,655	7,030	17,185	17,822
- finance lease	7	13	23	106
- lease liabilities	145	168	487	541
- trust receipts	44	63	120	383
	<b>5,851</b>	<b>7,274</b>	<b>17,815</b>	<b>18,852</b>
Less:				
Interest expense capitalised in contract assets				
- trust receipts	10	103	(4)	(6)
Interest expense charged to cost of sales				
- trust receipts	(54)	(166)	(116)	(377)
	<b>5,807</b>	<b>7,211</b>	<b>17,695</b>	<b>18,469</b>

## 15. Loss before tax

	<b>Group</b>			
	<b>3 months ended 31 March</b>		<b>9 months ended 31 March</b>	
	<b>3Q FY2022</b>	<b>3Q FY2021</b>	<b>9M FY2022</b>	<b>9M FY2021</b>
	\$'000	\$'000	\$'000	\$'000
<b>Loss before tax is stated after charging/(crediting):</b>				
Amortisation of intangible assets	72	79	225	230
Audit fees paid/payable				
- auditor of the Company	76	76	229	229
- overseas affiliates of the auditors of the Company	21	21	63	63
- other auditors	5	5	14	14
Non-audit fees paid/payable to auditor of the Company	1	1	3	3
Depreciation of property, plant and equipment	11,839	14,292	33,731	41,849
Depreciation of right-of-use assets	552	902	1,872	2,533
Employee benefits expense	10,207	9,230	27,810	26,031
(Reversal of)/ impairment losses on financial assets (net):				
- amount due from joint ventures and associates	(700)	(253)	(700)	(1,235)
- contract assets	18	50	(33)	12
- other receivables	3	(11)	(178)	184
- trade receivables (third parties)	366	1,548	2,106	3,760

## 16. Income tax (expenses)/ credit

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax (expense)/credit are:

	<b>Group</b>			
	<b>3 months ended 31 March</b>		<b>9 months ended 31 March</b>	
	<b>3Q FY2022</b>	<b>3Q FY2021</b>	<b>9M FY2022</b>	<b>9M FY2021</b>
	\$'000	\$'000	\$'000	\$'000
<b>Current income tax:</b>				
Current income tax	(868)	-	(1,950)	-
(Under)/over provision in respect of prior years	(605)	268	(1,143)	(441)
	(1,473)	268	(3,093)	(441)
<b>Deferred tax:</b>				
Movements in temporary differences	18	20	726	57
Over provision in respect of prior years	672	447	817	590
	690	467	1,543	647
Total income tax (expenses)/ credit	(783)	735	(1,550)	206

## 17. Loss per share

Basic earnings per share are calculated by dividing loss, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period.

## 17. Loss per share (Cont'd)

Diluted earnings per share are calculated by dividing loss, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. The following table reflects the loss and share data used in the computation of basic and diluted earnings per share during the financial periods reported on:

	Group			
	3 months ended 31 March		9 months ended 31 March	
Earnings per ordinary share:	3Q FY2022	3Q FY2021	9M FY2022	9M FY2021
(i) On weighted average no. of ordinary shares in issue	(1.06) cents	(0.70) cents	(3.62) cents	(4.54) cents
(ii) On a fully diluted basis	(1.06) cents	(0.70) cents	(3.62) cents	(4.54) cents
<b>Net loss attributable to shareholders:</b>	(\$6,716,000)	(\$4,419,000)	(\$22,826,000)	(\$28,600,000)
<b>Number of shares in issue:</b>				
(i) Weighted average no. of shares in issue	630,626,941	629,266,941	630,616,430	629,266,941
(ii) On a fully diluted basis	630,626,941	629,266,941	630,616,430	629,266,941

Treasury shares have not been included in the calculation of both basic and diluted earnings per share because the holders of these treasury shares are not entitled to dividend of the Company.

## 18. Net asset value per share

	Group		Company	
	31-Mar-22	30-Jun-21	31-Mar-22	30-Jun-21
Net Asset Value (NAV) per ordinary share	12.15 cents	15.57 cents	4.00 cents	5.21 cents
NAV computed based on no. of ordinary shares issued	630,626,941	630,506,941	630,626,941	630,506,941

The calculation of net asset value per share as at 31 March 2022 and 30 June 2021 was computed based on the number of shares as at the end of the reporting periods.

## 19. Related party transactions

In addition to the related party information disclosed elsewhere in the condensed consolidated interim financial statements, the following significant transactions were entered by the Group and its related parties on terms agreed between the parties during the financial periods:

### (i) Sale and purchase of goods and services

	<b>Group</b>			
	<b>3 months ended 31 March</b>		<b>9 months ended 31 March</b>	
	<b>3Q FY2022</b>	<b>3Q FY2021</b>	<b>9M FY2022</b>	<b>9M FY2021</b>
	\$'000	\$'000	\$'000	\$'000
<b>Joint ventures and associates</b>				
Charter and trade expenses	(544)	(463)	(1,624)	(1,247)
Shipcharter income	-	-	-	(15)
Shiprepair income	321	22	321	64
Trade sales income	-	-	-	-
<b>Related parties</b>				
Charter and trade expenses	-	13	(10)	11
Miscellaneous income	-	14	-	39
Purchase of materials	-	-	-	(226)
Purchase of plant and machinery	-	-	(810)	-
Shipcharter income	-	-	676	-
<b>Company</b>				
<b>3 months ended 31 March</b>		<b>9 months ended 31 March</b>		
<b>3Q FY2022</b>	<b>3Q FY2021</b>	<b>9M FY2022</b>	<b>9M FY2021</b>	
\$'000	\$'000	\$'000	\$'000	
<b>Subsidiaries</b>				
Interest income	1,328	-	4,040	539

### (ii) Settlement of liabilities on behalf by/(for) the Group

	<b>Group</b>			
	<b>3 months ended 31 March</b>		<b>9 months ended 31 March</b>	
	<b>3Q FY2022</b>	<b>3Q FY2021</b>	<b>9M FY2022</b>	<b>9M FY2021</b>
	\$'000	\$'000	\$'000	\$'000
Joint ventures and associates	363	381	1,168	635
Joint ventures and associates	-	(932)	-	(944)
Related parties	-	(11)	-	-

## 20. Fair value measurement

### (i) Financial assets and financial liabilities

The following table shows carrying amounts of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

	Group		Company	
	As at 31-Mar-22 \$'000	As at 30-Jun-21 \$'000	As at 31-Mar-22 \$'000	As at 30-Jun-21 \$'000
<b><u>Financial assets not measured at fair value</u></b>				
Trade and other receivables	53,168	55,744	234,242	241,818
Accrued revenue	10,186	10,008	-	-
Finance lease receivables	6,788	8,642	-	-
Cash and bank balances	29,216	26,533	4,788	4,407
<b>At amortised cost</b>	<b>99,358</b>	<b>100,927</b>	<b>239,030</b>	<b>246,225</b>
<b><u>Financial liabilities not measured at fair value</u></b>				
Trade and other payables*	139,662	120,314	83,953	82,044
Trust receipts	7,660	5,991	-	-
Interest bearing loans and borrowings	306,125	322,634	169,694	171,057
Lease liabilities	5,761	7,456	-	-
<b>At amortised cost</b>	<b>459,208</b>	<b>456,395</b>	<b>253,647</b>	<b>253,101</b>

\* Excludes deferred income, deposits received from customers and provision for warranty

### (ii) Measurement of fair values

#### (a) Fair value hierarchy

The Group and the Company classify fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1: Quoted prices (unadjusted) in active markets of identical assets or liabilities that the Group can access at the measurement date,
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3: Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

There have been no transfers between Level 1 and Level 2 and no transfers into or out of Level 3 during financial periods 31 March 2022 and 30 June 2021.

## 20. Fair value measurement (Cont'd)

### (b) Assets and liabilities measured at fair value

#### Level 3 fair value measurements

##### Property, plant and equipment

The recoverable amounts of certain plant and equipment were based on fair value less cost of disposal which was determined by an independent valuer. These considered replacement costs of similar plant and equipment currently owned by the Group adjusted for age, condition and technological obsolescence. In addition, the valuers also considered sales of similar plant and equipment that have been transacted in the open market.

##### Inventories

The recoverable amounts of certain inventories were based on fair value less cost of disposal which was determined by an independent valuer. The valuers considered sales of similar vessels that have been transacted in the open market.

### (c) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value

The Group's financial assets and liabilities include cash and bank balances, trade and other receivables, contract assets, trade and other payables, contract liabilities, trust receipts, floating rate loans and current portion of fixed rate loans.

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, because these are short-term in nature or that they are floating rate instruments that are repriced to market interest rates on or near to the end of the reporting period.

### (d) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not a reasonable approximation of fair value

The fair value of financial liabilities by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value are as follows:

	Group			
	Carrying amount		Fair value	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	\$'000	\$'000	\$'000	\$'000
<b>Financial liabilities</b>				
Finance lease liabilities (Non-current) (Note 9)	245	457	230	434
Fixed rate loans (Non-current) (Note 9)	4,314	7,333	3,875	6,638
	4,314	7,333	3,875	6,638

These financial liabilities are categorised within Level 3 of the fair value hierarchy.

##### Determination of fair value

The fair values of finance lease liabilities, interest-bearing loans and borrowings and lease liabilities with fixed interest rates are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the end of the reporting period.

## (II) Other Information Required under Appendix 7.2 of the Listing Manual of SGX-ST

### A. Review of Group Performance

#### Consolidated Income Statement

##### Revenue by business segments

Group revenue of \$71.9 million for the 3 months ended 31 March 2022 ("3Q FY2022") was \$7.4 million (11.4%) higher compared to the corresponding quarter in FY2021 ("3Q FY2021"). For the 9 months ended 31 March 2022 ("9M FY2022"), the Group revenue was \$29.6 million (20.3%) higher compared to the corresponding period ended 31 March 2021 ("9M FY2021").

Details for revenue generated from each segment are as follows:

	Group					
	3Q		Increase/ (Decrease) %	9M		Increase/ (Decrease) %
	FY2022	FY2021		FY2022	FY2021	
	\$'000	\$'000		\$'000	\$'000	
Shipbuilding	13,283	16,119	(17.6)	20,252	23,093	(12.3)
Shiprepair, conversion and engineering services	32,212	23,366	37.9	80,122	61,733	29.8
Shipchartering	26,358	25,012	5.4	75,333	61,240	23.0
	<b>71,853</b>	<b>64,497</b>	<b>11.4</b>	<b>175,707</b>	<b>146,066</b>	<b>20.3</b>

#### Shipbuilding

Revenue and related costs of shipbuilding contracts with non-enforceability of right to payment for performance completed to-date are recognised only when the constructed vessels are delivered to customers ("**Completion method**"), instead of using the percentage of completion method ("**POC method**") in accordance with SFRS(I) 15 *Revenue from Contracts with Customers*. As a result, shipbuilding revenue and results can fluctuate depending on whether the revenue from shipbuilding contracts is recognised on Completion or POC methods.

The breakdown of shipbuilding revenue generated and the number of units recognised are as follows:

	Group									
	3Q		3Q		Increase/ (Decrease) %	9M		9M		Increase/ (Decrease) %
	FY2022	FY2021	FY2022	FY2021		FY2022	FY2021	FY2022	FY2021	
	Units	\$'000	Units	\$'000		Units	\$'000	Units	\$'000	
Tugs	1	652	2	9,936	(93.4)	1	652	4	16,441	(96.0)
Barges and others	4	12,631	11	6,183	104.3	5	19,600	11	6,652	194.6
	<b>5</b>	<b>13,283</b>	<b>13</b>	<b>16,119</b>	<b>(17.6)</b>	<b>6</b>	<b>20,252</b>	<b>15</b>	<b>23,093</b>	<b>(12.3)</b>

Shipbuilding revenue was lower by \$2.8 million (17.6%) at \$13.3 million in 3Q FY2022 as compared to last corresponding period. The revenue in 3Q FY2022 comprised progressive recognition of 1 tanker at its initial stage of construction and 4 barges, which included 2 units of Eco-Ark ® Floating Fish Farms recognised based on Completion method.

## Shiprepair, conversion and engineering services

Shiprepair and conversion services are generally performed based on the customer's specifications and control is transferred progressively when the services are rendered. Recognition of shiprepair and conversion revenue is calculated based on project value multiplied by percentage of completion.

Shiprepair, conversion and engineering services revenue increased by \$8.8 million (37.9%) to \$32.2 million in 3Q FY2022 and \$18.4 million (29.8%) to \$80.1 million in 9M FY2022. The higher revenue was mainly due to more high value shiprepair jobs undertaken during the periods. The lower revenue in last corresponding periods was affected by COVID-19 pandemic.

## Shipchartering

The breakdown of revenue generated from the shipchartering segment are as follows:

	Group					
	3Q	3Q	Increase/	9M	9M	Increase/
	FY2022	FY2021	(Decrease)	FY2022	FY2021	(Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Offshore Support Vessels ("OSV")	8,751	4,918	77.9	17,508	10,470	67.2
Landing crafts	137	263	(47.9)	186	500	(62.8)
Tug Boats	8,532	8,190	4.2	24,573	19,275	27.5
Barges	5,849	5,853	(0.1)	21,150	15,881	33.2
<b>Total charter</b>	<b>23,269</b>	<b>19,224</b>	<b>21.0</b>	<b>63,417</b>	<b>46,126</b>	<b>37.5</b>
Trade sales and other services	3,089	5,788	(46.6)	11,916	15,114	(21.2)
	<b>26,358</b>	<b>25,012</b>	<b>5.4</b>	<b>75,333</b>	<b>61,240</b>	<b>23.0</b>

The overall utilisation rate of chartering fleet increased from 42% in 3Q FY2021 to 53% in 3Q FY2022 and from 36% in 9M FY2021 to 54% in 9M FY2022.

Charter revenue increased by \$4.0 million (21.0%) to \$23.3 million in 3Q FY2022 mainly due to deployment of certain OSVs in overseas projects in Asian Pacific region and Middle East.

Charter revenue increased by \$17.3 million (37.5%) to \$63.4 million in 9M FY2022 mainly due to:

- (i) Higher utilisation rate of OSV (3Q FY2022: 74%; 3Q FY2021: 53%; 9M FY2022: 60%; 9M FY2021: 54%) due to deployment in Asian Pacific region;
- (ii) Contribution from new charter for rock shipment to Bangladesh; and
- (iii) Resumption of activities in major local infrastructure projects which were being affected by COVID-19 pandemic in Singapore in last corresponding period.

Trade sales and other services comprised bunker sales, agency and management fees and ad-hoc marine-related services. The decrease in trade sales and other services in 3Q FY2022 was mainly due to lower agency and port clearance income.



## Gross profit/(loss) and gross margin

The breakdown of gross profit/ (loss) and gross margin for each respective segment are as follows:

	Group							
	3Q FY2022		3Q FY2021		9M FY2022		9M FY2021	
	\$'000	GPM	\$'000	GPM	\$'000	GPM	\$'000	GPM
Shipbuilding	636	4.8%	466	2.9%	898	4.4%	765	3.3%
Shiprepair, conversion and engineering services	5,284	16.4%	5,255	22.5%	11,030	13.8%	9,737	15.8%
Shipchartering	(3,935)	(14.9%)	(2,473)	(9.9%)	(6,971)	(9.3%)	(11,597)	(18.9%)
	<b>1,985</b>	<b>2.8%</b>	<b>3,248</b>	<b>5.0%</b>	<b>4,957</b>	<b>2.8%</b>	<b>(1,095)</b>	<b>(0.7%)</b>

### Shipbuilding

The higher gross profit and gross margin in 3Q FY2022 and 9M FY2022 as compared to corresponding periods was due to absence of costs overrun for tugs incurred in 3Q FY2021, partially offset by lower margin from the higher value barges recognised in current financial periods.

### Shiprepair, conversion and engineering services

Despite increase in revenue, gross profit increased marginally in current financial periods, mainly due to high margin derived from closure of prior years' projects from certain customers in last corresponding periods.

### Shipchartering

The breakdown of gross loss and gross margin from shipchartering segment are as follows:

	Group							
	3Q FY2022		3Q FY2021		9M FY2022		9M FY2021	
	\$'000	GPM	\$'000	GPM	\$'000	GPM	\$'000	GPM
OSV	(689)	(7.9%)	(2,836)	(57.7%)	(2,558)	(14.6%)	(3,842)	(36.7%)
Landing crafts	91	66.4%	32	12.2%	(276)	(148.4%)	(434)	(86.8%)
Tug boats and Barges	(4,002)	(27.8%)	(2,049)	(14.6%)	(6,874)	(15.0%)	(12,976)	(36.9%)
<b>Total charter</b>	<b>(4,600)</b>	<b>(19.8%)</b>	<b>(4,853)</b>	<b>(25.2%)</b>	<b>(9,708)</b>	<b>(15.3%)</b>	<b>(17,252)</b>	<b>(37.4%)</b>
Trade sales and other services	665	21.5%	2,380	41.1%	2,737	23.0%	5,655	37.4%
	<b>(3,935)</b>	<b>(14.9%)</b>	<b>(2,473)</b>	<b>(9.9%)</b>	<b>(6,971)</b>	<b>(9.3%)</b>	<b>(11,597)</b>	<b>(18.9%)</b>

In line with the increase in revenue, the Group recorded lower gross loss from its OSV operation. The Group however, in 3Q FY2022 incurred higher operating costs upon completion, on tugboats and barges deployed for dredging works performed in Indonesia under contract of affreightment arrangement, where revenue is derived based on tonnage carried. The Group experienced continuous pricing pressure under the current economic environment.

The Group recorded a lower depreciation charge on its vessel fleet of \$8.5 million in 3Q FY2022 as compared to \$11.3 million 3Q FY2021. As highlighted in Section (1) F, Note 2.4 of this report, during the current financial period, the Group conducted an operational review and assessment of the residual value of its vessels. With effect from 1 July 2021, the depreciation of vessels owned by the Group has been adjusted to take into account the residual value of its vessels. An increase in revenue contribution would aid to cover for fixed operating costs of the chartering fleet which included depreciation charge of \$8.5 million and \$24.7 million in 3Q FY2022 and 9M FY2022 respectively.

Gross margin of trade sales and other services in 3Q FY2022 were lower mainly due to lower agency income and ad hoc services rendered.

### Other operating income

Refer to breakdown of other operating income in section (I) F, Note 12 of this report. The decrease by \$1.6 million to \$3.3 million in 3Q FY2022 was mainly due to lower gain on disposal of assets and absence of net foreign exchange gain, partially offset by insurance claim receivable from total loss of a barge, which was written off (recorded in other operating expense) during the current quarter under review. There were 4 vessels disposed in the current quarter (3Q FY2021: 6 vessels and an accommodation rig).

The government grants mainly pertained to COVID-19 relief measures provided by the Singapore Government for wages paid to local employees under the Jobs Support Scheme (“**JSS grant**”) and rebates for foreign workers levy.

### Other operating expenses

Refer to breakdown of other operating expenses in section (I) F, Note 13 of this report. Other operating expenses in 3Q FY2022 comprised of a barge written off due to total loss and net foreign exchange loss due to depreciation of USD against SGD on SGD denominated liabilities for certain subsidiaries whose accounts are maintained in USD.

Whereas, the net foreign exchange gain recorded under other operating income in 3Q FY2021 was mainly attributed to appreciation of USD against SGD on SGD denominated liabilities for certain subsidiaries whose accounts are maintained in USD.

	31 Mar 2022	31 Dec 2021	30 Jun 2021	31 Mar 2021	31 Dec 2020	30 Jun 2020
USD against SGD	1.3530	1.3546	1.3445	1.3470	1.3251	1.3932
IDR against SGD	10,605	10,534	10,781	10,818	10,644	10,265

### Finance costs

	Group			
	3Q FY2022 \$'000	3Q FY2021 \$'000	9M FY2022 \$'000	9M FY2021 \$'000
	Interest expense on:			
Bank loans and bonds	2,369	2,748	7,663	8,642
Lease liabilities	152	180	510	647
Amortisation of bank loans and bonds	3,286	4,283	9,522	9,180
	5,807	7,211	17,695	18,469

There were higher amortisation of bank loans and bonds, partially offset by lower interest expense incurred on floating rate bank loans. The amortisation of bank loans and bond pertained to amortisation of fair value adjustments resulting from re-measurement of long term bank loans and bonds in prior years.

## Impairment losses on financial assets

	Group			
	3Q	3Q	9M	9M
	FY2022	FY2021	FY2022	FY2021
(Reversal of)/ impairment losses on financial assets, net	\$'000	\$'000	\$'000	\$'000
- amount due from joint ventures and associates	(700)	(253)	(700)	(1,235)
- contract assets	18	50	(33)	12
- other receivables	3	(11)	(178)	184
- trade receivables (third parties)	366	1,548	2,106	3,760
	<b>(313)</b>	<b>1,334</b>	<b>1,195</b>	<b>2,721</b>

The impairment losses made were based on expected credit loss model and specific impairment on certain debts where recovery is uncertain.

Nonetheless, the Group will continue to tighten its effort to recover these amounts, especially with respect to those receivables which the Group has possession of the repaired vessels in hand.

## Share of results of joint ventures and associates

The Group's share of results of joint ventures and associates comprised:

	Group's effective interest	Group			
		3Q	3Q	9M	9M
		FY2022	FY2021	FY2022	FY2021
		\$'000	\$'000	\$'000	\$'000
<u>Joint ventures</u>					
Sindo-Econ group	50%	-	-	-	-
<u>Associates</u>					
PT. Hafar Capitol Nusantara ("PT Hafar")	36.75%	(939)	(226)	782	(1,376)
PT Capitol Nusantara Indonesia ("PT CNI")	27%	50	55	156	166
		<b>(889)</b>	<b>(171)</b>	<b>938</b>	<b>(1,210)</b>

The Group has restricted its share of losses from Sindo-Econ group to its cost of investment since 1Q FY2018. Sindo-Econ Pte Ltd commenced creditors' voluntary winding up on 21 July 2020 as disclosed in the Company's announcement dated 24 July 2020.

The share of loss from PT Hafar of \$0.9 million in 3Q FY2022 was mainly due to lower charter income in 3Q FY2022, accrual of shipmanagement fee and trade discounts given for charter recognized in 2Q FY2022.

The share of profit from PT CNI relates to progressive recognition of the Group's proportionate interest of unrealised profits previously eliminated on sale of vessels to PT CNI. The Group has restricted its share of losses to its cost of investment since 4Q FY2017.

## Loss before tax

The Group recorded a higher loss before tax of 6.3 million in 3Q FY2022 (3Q FY2021: \$5.4 million) mainly due to lower gross profit and other operating income in the current quarter under review.

The Group recorded a lower loss before tax of \$21.3 million in 9M FY2022 (9M FY2021: \$30.5 million) attributable to higher gross profit and share of results of associates.

### **Non-controlling interests**

Non-controlling interests' share of profit mainly pertains to the portion of results of its non-wholly owned subsidiaries in Indonesia.

### **Consolidated Statement of Cash Flows**

The Group recorded a higher net cash inflow from operating activities of \$50.8 million in 9M FY2022 (9M FY2021: \$32.9 million) mainly due to higher net working capital inflow.

The higher cash outflow from investing activities of \$12.1 million in 9M FY2022 (9M FY2021: \$3.6 million) was mainly due to lower proceeds from disposal of assets.

The higher net cash outflow from financing activities of \$40.3 million in 9M FY2022 (9M FY2021: \$32.5 million) was mainly due to higher cash balances being restricted for project usage and repayment of interest-bearing loans and borrowings, partially offset by higher net proceeds from trust receipts. There were 6 months deferral of principal repayment for the period July 2020 to December 2020 in 9M FY2021 granted by major lenders of the Group.

### **Consolidated Statement of Financial Position**

#### **Non-current assets**

##### Property, plant and equipment

Refer movement in property, plant and equipment during the period in section I (F), Note 3 of this report. Property, plant and equipment decreased by \$18.9 million (4.8%) from \$395.6 million as at 30 June 2021 to \$376.7 million as at 31 March 2022 mainly due to depreciation charge, partially offset by additions during the period.

The additions made during the period comprised:

	<b>31-Mar-22</b>
	<b>\$'000</b>
- vessels and modification works	6,526
- plant and equipment, office equipment and motor vehicles	1,583
- assets under construction	1,609
- drydocking expenditure on vessels capitalised	6,350
	<u><u><b>16,068</b></u></u>

The addition of vessels and modification works were incurred to support long-term charter contracts.

##### Right-of-use assets ("ROU assets")

The ROU assets pertained to leases of plant and equipment, leasehold properties and buildings as well as land use rights over plots of land in Indonesia and Singapore where the shipyards of the Group operate. ROU assets decreased by \$1.4 million (12.9%) to \$9.4 million as at 31 March 2022 mainly due to depreciation charge of \$1.9 million, partially offset by addition of \$0.5 million which pertained to renewal of one of the plots of land in Indonesia.

## Current assets

Current assets increased by \$6.2 million (3.2%) to \$197.7 million as at 31 March 2022 mainly due to higher inventories, cash and bank balances, partially offset by lower trade and other receivables.

### Inventories

Refer to breakdown of inventories in section (I) F, Note 5 of this report. Majority of the raw materials are inventories meant for ongoing shipbuilding and shiprepair projects. Finished goods consist of vessels for sale (including three Platform Support Vessels) and dredge component parts. The increase in inventories was mainly due to vessels acquired which resulted from settlement of debts owing to the Group in-kind and increase in fuel on board the vessels.

### Trade and other receivables

	Group			
	31-Mar-22	30-Jun-21	Increase/ (Decrease)	
	\$'000	\$'000	\$'000	%
Trade receivables	36,007	41,323	(5,316)	(12.9)
Other receivables and deposits	10,329	8,833	1,496	16.9
Amount due from:				
- joint ventures and associates	6,442	5,199	1,243	23.9
- related parties	390	389	1	0.3
	<b>53,168</b>	<b>55,744</b>	<b>(2,576)</b>	<b>(4.6)</b>

The trade receivables decreased by \$5.3 million (12.9%) to \$36.0 million as at 31 March 2022 mainly due to more receipts from shiprepair customers. Trade receivables of \$10.8 million have been received subsequent to the end of financial period under review.

Other receivables and deposits comprised mainly receivables from sale of vessels, advances to suppliers and subcontractors and recoverable from customers. Increase in other receivables and deposits were mainly due to insurance claimable during the period under review.

## Current liabilities

Current liabilities increased by \$29.7 million (15.4%) to \$221.8 million as at 31 March 2022 mainly due to higher trade and other payables as well as contract liabilities.

### Trade and other payables

Refer to breakdown of trade and other payables in section (I) F, Note 8 of this report. The increase in trade and other payables was mainly due to higher payables owing to suppliers and subcontractors with the pick-up of shipchartering and shiprepair activities during the period under review.

### Contracts assets and liabilities

Refer to breakdown of contracts assets and liabilities in section (I) F, Note 6 of this report. Accrued revenue of \$10.2 million primarily relates to the shiprepair and shipchartering services completed but not yet billed at the end of reporting period, of which \$4.7 million have been billed subsequent to the end of financial period under review.

The Group recorded a net progress billings in excess of construction work-in-progress of \$0.7 million as at 31 March 2022 as compared to net construction work-in-progress of \$3.0 million as at 30 June 2021 mainly attributed to milestone billings for a new shipbuilding project secured.

Deferred income and deposits received from customers primarily relate to advance payments received from customers for which charter services have not been rendered and/or obligation to transfer goods. The deferred income and deposits will be recognised as income when the services are performed.

### Total borrowings

The breakdown of the Group's total borrowings are as follows:

	Group (Carrying Value)				Group (Face Value)			
	31-Mar-22 \$'000	30-Jun-21 \$'000	Increase/ (Decrease) \$'000	%	31-Mar-22 \$'000	30-Jun-21 \$'000	Increase/ (Decrease) \$'000	%
<b>Current</b>								
<b>Bonds</b>	1,500	1,500	-	-	1,500	1,500	-	-
<b>Trust receipts</b>								
- general	7,660	5,991	1,669	27.9	7,660	5,991	1,669	27.9
<b>Term loans</b>								
- vessels loan	9,268	9,152	116	1.3	11,602	11,585	17	0.1
- assets financing	8,105	7,924	181	2.3	9,106	9,054	52	0.6
- working capital	18,352	18,682	(330)	(1.8)	18,800	19,244	(444)	(2.3)
	35,725	35,758	(33)	(0.1)	39,508	39,883	(375)	(0.9)
<b>Finance lease liabilities</b>	282	362	(80)	(22.1)	282	362	(80)	(22.1)
	<b>45,167</b>	<b>43,611</b>	<b>1,556</b>	<b>3.6</b>	<b>48,950</b>	<b>47,736</b>	<b>1,214</b>	<b>2.5</b>
<b>Non-current</b>								
<b>Bonds</b>	101,745	95,734	6,011	6.3	132,250	133,500	(1,250)	(0.9)
<b>Term loans</b>								
- vessels loan	53,444	59,412	(5,968)	(10.0)	59,556	67,227	(7,671)	(11.4)
- assets financing	51,429	57,164	(5,735)	(10.0)	54,028	60,506	(6,478)	(10.7)
- working capital	61,755	72,247	(10,492)	(14.5)	62,239	72,943	(10,704)	(14.7)
	166,628	188,823	(22,195)	(11.8)	175,823	200,676	(24,853)	(12.4)
<b>Finance lease liabilities</b>	245	457	(212)	(46.4)	245	457	(212)	(46.4)
	<b>268,618</b>	<b>285,014</b>	<b>(16,396)</b>	<b>(5.8)</b>	<b>308,318</b>	<b>334,633</b>	<b>(26,315)</b>	<b>(7.9)</b>
<b>Total borrowings</b>	<b>313,785</b>	<b>328,625</b>	<b>(14,840)</b>	<b>(4.5)</b>	<b>357,268</b>	<b>382,369</b>	<b>(25,101)</b>	<b>(6.6)</b>
<b>Total shareholders' funds</b>	<b>76,628</b>	<b>98,168</b>						
<b>Gearing ratio (times)</b>	<b>4.09</b>	<b>3.35</b>						
<b>Net gearing ratio (times)</b>	<b>3.71</b>	<b>3.08</b>						

The increase in current portion of total borrowings (carrying value) by \$1.6 million (3.6%) to \$45.2 million as at 31 March 2022 was mainly due to higher trust receipts.

The Group's total borrowings (carrying value) decreased by \$14.8 million (4.5%) to \$313.8 million as at 31 March 2022 mainly due to net repayment of interest-bearing loans and borrowings, partially offset by the accretion of interests on bank loans and bonds measured at fair value.

The Group re-measured its bonds and long term loans arising from the debts refinancing exercise at fair value (carrying value) pursuant to the adoption of SFRS(I)9. The face value (nominal value) of the bonds and long term loans, has been separately disclosed for information.

## **Non-current liabilities**

Non-current liabilities decreased by \$23.7 million (7.4%) to \$295.3 million as at 31 March 2022 mainly due to decrease in the non-current portion of the Group's total borrowings and contract liabilities. The lower deferred income was mainly due to transfer of current portion to current liabilities where income is recognised over the period when the services were performed.

## **B. Variance from Prospect Statement**

Not applicable as no forecast or prospect statement has been made.

## **C. Outlook and Prospect**

**A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

### **1. Market and industry outlook**

Our businesses are primarily driven by the market conditions in the infrastructure, shipbuilding and shiprepair, shipping, and offshore & marine services industries. The main macroeconomic variables affecting our performance include but are not limited to the global logistics trade, oil & gas prices and infrastructure expenditure in Asia.

Our business performance is affected by and still subjected to the limitations of the global COVID-19 pandemic. The overall global economy has since shown signs of recovery but its macro trends remain mixed and uncertain:

- a. Organization for Economic Co-operation and Development ("OECD") has estimated an average 5% global growth per year in CY2021 and CY2022. The growth may be hindered by persistent economic inflation and increasing resources and raw material prices<sup>1</sup>.
- b. Global logistics trade has improved and the re-opening of international borders through the government vaccination programs would further enhance and stabilize the recovery. The potential mutation of the COVID-19 virus, the different vaccine efficacy rates and the speed of roll-out in vaccine programs by different government healthcare bodies can setback global trade recovery.
- c. Policymakers are increasingly implementing fiscal policies that support growth in infrastructure, green energy, decarbonization, and sustainable resources projects. Though the wider economy can benefit from the stronger and higher spending in the long run, the projects are of long term commitments with higher financial risks and burden, and it does not guarantee short to mid-term realization.

While it can be impractical to forecast when normality can return, the management, with the support of various stakeholders, will continue to navigate and manage foreseeable risks and long-run disruptions that the current political, social, and economic environment presents.

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<sup>1</sup> OECD press release, "Global economic recovery continues but remains uneven" (21 September 2021)

The management remains cautiously optimistic towards market demands on our core business, optimizing our current business processes and strengthen our foothold in supporting the marine infrastructure work in Singapore and abroad. Furthermore, we had embarked on leveraging our integrated marine engineering capabilities to explore and expand to new growth areas anchored in environmental sustainability.

## **2. Business segments**

### **Shipbuilding, Shiprepair, Conversion and Engineering Services**

For shipbuilding segment, we continue to focus on securing orders for standardized vessels like tugs, barges, tankers and dredgers with shorter delivery cycles and lesser capital intensive. We will also continue to exercise caution with our selection of customers based on their creditworthiness.

For shiprepair segment, the Group expanded its dry-docking capacity in Singapore yard with a floating dock to capture the local shiprepair market for bunkering vessels and cargo ships. The Group is actively expanding its marketing network and engaging international customers. Seaborne transport is essential for international trade and upswing of shipping activities which will spur the demand for maintenance and shiprepairs.

Our engineering segment (VOSTA LMG) engages primarily in the land reclamation, dredging and marine infrastructure industry. The demand is supported by a) the fundamental demand from land reclamation and coastal protection projects; and b) port expansion projects.

The Group will continue to improve its operational efficiency and tighten cost control to enhance its competitiveness.

### **Shipchartering**

The diversified vessel types in our fleet are expected to lend support to our chartering business. We expect continued inflow of business from customers in the marine infrastructure industry (such as land reclamation and dredging, port and bridge construction) and cargo transportation sectors (such as carriage of aggregates and nickel) in South Asia and South East Asia.

### **Order Book**

As at 31 March 2022, the Group had an outstanding shipbuilding order book from external customers of approximately \$38 million for 3 vessels with progressive deliveries up to 2H FY2024.

The Group's shipchartering revenue consists of mainly short-term and ad-hoc contracts. Approximately 26% of shipchartering revenue in 9M FY2022 was attributed to long-term chartering contracts (meaning contracts with a duration of more than one year). As at 31 March 2022, the Group had an outstanding ship chartering order book of approximately \$43 million with respect to long-term contracts.

## **Update on the Group's Operations in relation to the COVID-19 Pandemic**

The Board wishes to update as follows:

- a. Our shipbuilding operations in Singapore will be progressively delivering its existing order books of tugs and barges within expected deliveries.



- b. As Singapore pivots to treating COVID-19 as endemic, we see a lifting of most SMM (Safe Management Measures) as well as cessation of COVID-19 testing and screening rules for the vaccinated since end of April 2022. For Indonesia and specifically Batam, we also see easing of COVID-19 precautionary measures, although not to the extent of Singapore. Some rules such as pre-departure testing are still in place although quarantine periods have ceased for the vaccinated. Barring any unforeseen circumstances such as a new virulent strain, we expect the regulatory environment to continue to loosen in Indonesia. We expect the shiprepair segment to face positive upside from the decreased cost and administrative burden of no longer needing in complying with COVID-19 measures. The lack of restrictions will also be an attractive consideration for yard's clientele.
- c. The Group expects continued pressure on charter rates due to market competition and COVID-19 pandemic situation. The management will continue to aggressively pursue market opportunities with a view to improving fleet utilisation, widening geographical coverage and raising operational efficiency.

The Company will continue to monitor the COVID-19 situation and will announce any material developments regarding its business in compliance with Rule 703 of the Listing Manual.

#### D. Dividend

No dividend has been declared for the nine months ended 31 March 2022 and the previous corresponding period after taking into consideration the operating requirement, cash flow position of the Group and the current market weakness, and to conserve cash for working capital usage.

#### E. Interested Person Transactions

**If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not obtained a general mandate from shareholders for interested person transactions. During 9M FY2022, the following interested person transactions were entered into by the Group:

Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual (excluding transactions less than \$100,000)
	\$'000	\$'000
<u>Sale of goods and services</u> Sintech Metal Industries Pte Ltd	Wholly owned by Mr. Ang Sin Liu 676	-
<u>Purchase of goods and services</u> Sintech Metal Industries Pte Ltd	Wholly owned by Mr. Ang Sin Liu 820	-
	1,496	-

**Notes:**

Mr. Ang Sin Liu is the father of Ang Kok Tian, Ang Ah Nui and Ang Kok Leong, all of whom are Directors and substantial shareholders of the Company. He is also the father of Ang Kok Eng and Ang Swee Kuan, both of whom are also the substantial shareholders of the Company. Each of them is deemed to have an interest in the shares held by the other.

**F. Negative confirmation pursuant to Rule 705(5).**

We, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial statements of the Group and the Company for the third quarter ended 31 March 2022 to be false or misleading in any material aspect.

**G. Confirmation pursuant to Rule 720(1).**

The Company confirms that it has procured the undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 under Rule 720(1) of the SGX-ST Listing manual.

**H. Use of Proceeds**

Refer to breakdown of convertible securities in section (I) F, Note 10 of this report. As of to-date, the Group has not utilised proceeds of \$81,600 received from the warrant holders on their conversion of 1,360,000 warrants into shares.

**BY ORDER OF THE BOARD**

Ang Kok Tian  
Chairman, Managing Director and CEO  
13 May 2022