



ASL MARINE HOLDINGS LTD.

(Incorporated in the Republic of Singapore)

Co. Reg. No. 200008542N

**UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR
THE FIRST QUARTER ENDED 30 SEPTEMBER 2023**

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.

TABLE OF CONTENTS

	Page
(I) UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS	
A Statements of Financial Position	2
B Consolidated Income Statement	3
C Consolidated Statement of Comprehensive Income	4
D Statements of Changes in Equity	5
E Consolidated Statement of Cash Flows	8
F Selected Notes to the Condensed Consolidated Interim Financial Statements	10
(II) OTHER INFORMATION REQUIRED UNDER APPENDIX 7.2 OF THE LISTING MANUAL OF SGX-ST	
A Review of Group Performance	28
B Variance from Prospect Statement	35
C Outlook and Prospect	35
D Dividend	37
E Interested Person Transactions	37
F Negative confirmation pursuant to Rule 705(5)	37
G Confirmation pursuant to Rule 720(1)	37
H Use of Proceeds	37

A. Statements of Financial Position

	Note	Group		Company	
		30-Sep-23 \$'000	30-Jun-23 \$'000	30-Sep-23 \$'000	30-Jun-23 \$'000
Non-current assets					
Property, plant and equipment	3	390,680	394,252	-	-
Right-of-use assets		14,543	14,733	-	-
Investment in subsidiaries		-	-	32,986	32,986
Investment in joint ventures and associates		5,175	4,286	-	-
Intangible assets	4	-	-	-	-
Other receivables	7	-	-	5,167	5,167
Finance lease receivables		-	-	-	-
		410,398	413,271	38,153	38,153
Current assets					
Inventories	5	29,799	29,150	-	-
Contract assets	6	33,003	29,343	-	-
Trade and other receivables	7	74,372	59,603	220,862	231,506
Prepayments		5,608	3,130	133	190
Finance lease receivables		349	554	-	-
Restricted cash		9,226	11,837	-	-
Cash and cash equivalents		8,854	12,893	3,641	5,110
		161,211	146,510	224,636	236,806
Current liabilities					
Trade and other payables	8	178,612	167,291	67,535	76,565
Contract liabilities	6	23,637	23,669	-	-
Trust receipts	9	12,855	12,399	-	-
Interest-bearing loans and borrowings	9	31,629	31,563	10,651	10,631
Lease liabilities		356	382	-	-
Income tax payables		11,538	10,922	14	14
		258,627	246,226	78,200	87,210
Net current (liabilities)/ assets		(97,416)	(99,716)	146,436	149,596
Non-current liabilities					
Other payables	8	1,473	1,453	-	-
Other liabilities		2,305	2,447	-	-
Contract liabilities	6	1,438	2,345	-	-
Interest-bearing loans and borrowings	9	213,638	217,048	155,053	155,062
Lease liabilities		11,149	11,155	-	-
Deferred tax liabilities		6,245	6,233	-	-
		236,248	240,681	155,053	155,062
Net assets		76,734	72,874	29,536	32,687
Equity attributable to owners of the Company					
Share capital	10	109,606	109,606	109,606	109,606
Treasury shares		(923)	(923)	(923)	(923)
Reserves		(31,408)	(35,138)	(79,147)	(75,996)
		77,275	73,545	29,536	32,687
Non-controlling interests		(541)	(671)	-	-
Total equity		76,734	72,874	29,536	32,687

B. Consolidated Income Statement

	Note	Group		
		3 months ended 30 September		Increase/
		1Q FY2024	1Q FY2023	(Decrease)
		\$'000	\$'000	%
Revenue	11	88,094	67,259	31.0
Cost of sales		(75,309)	(68,867)	9.4
Gross profit/ (loss)		12,785	(1,608)	Nm
Other operating income	12	1,938	6,825	(71.6)
Selling and distribution expenses		(169)	(81)	108.6
Administrative expenses		(3,763)	(3,769)	(0.2)
Other operating expenses	13	-	(1,812)	(100.0)
Finance costs	14	(6,835)	(6,709)	1.9
Impairment loss on financial assets, net		(83)	(1,047)	(92.1)
Share of results of joint ventures and associates		842	231	264.5
Profit/ (Loss) before tax	15	4,715	(7,970)	Nm
Income tax (expense)/ credit	16	(1,406)	113	Nm
Profit/ (Loss) for the period		3,309	(7,857)	Nm
Attributable to:				
Owners of the Company		3,245	(7,980)	Nm
Non-controlling interests		64	123	(48.0)
		3,309	(7,857)	Nm
Earnings per share (cents per share)				
Basic	17	0.50	(1.27)	Nm
Diluted		0.50	(1.27)	Nm
Adjusted EBITDA* for the period		25,759	13,738	87.5

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 30 September	
	1Q FY2024	1Q FY2023
	\$'000	\$'000
Profit/ (Loss) for the period	3,309	(7,857)
Items that may be reclassified subsequently to profit or loss:		
Translation differences relating to financial statements of foreign subsidiaries, net of tax	(i) 491	283
Share of other comprehensive income of joint ventures and associates	60	159
Net fair value changes to cash flow hedges	(ii) -	1
Other comprehensive income for the period, net of tax	551	443
Total comprehensive income for the period	3,860	(7,414)
Attributable to:		
Owners of the Company	3,730	(7,528)
Non-controlling interests	130	114
	3,860	(7,414)

Note:

- (i) 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").
- (ii) The fair value gain on cash flow hedges was primarily due to fair value adjustments on foreign currency forward contracts entered for shipbuilding contracts.

D. Statements of Changes in Equity

For the period ended 30-Sep-23										
Group	Attributable to owners of the Company									
	Share capital \$'000	Treasury shares \$'000	Foreign currency translation reserve \$'000	Hedging reserve \$'000	Warrant reserve \$'000	Accumulated losses \$'000	Total reserves \$'000	Equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total Equity \$'000
1Q FY2024										
At 1-Jul-23	109,606	(923)	2,333	-	859	(38,330)	(35,138)	73,545	(671)	72,874
Profit for the period	-	-	-	-	-	3,245	3,245	3,245	64	3,309
Other comprehensive income										
Translation differences relating to financial statements of foreign subsidiaries	-	-	433	-	-	-	433	433	58	491
Share of other comprehensive income of joint ventures and associates	-	-	52	-	-	-	52	52	8	60
Net fair value changes to cash flow hedges	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period, net of tax	-	-	485	-	-	-	485	485	66	551
Total comprehensive income for the period	-	-	485	-	-	3,245	3,730	3,730	130	3,860
At 30-Sep-23	109,606	(923)	2,818	-	859	(35,085)	(31,408)	77,275	(541)	76,734

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

For the period ended 30-Sep-22										
Group	Attributable to owners of the Company									
	Share capital \$'000	Treasury shares \$'000	Foreign currency translation reserve \$'000	Hedging reserve \$'000	Warrant reserve \$'000	Accumulated losses \$'000	Total reserves \$'000	Equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total Equity \$'000
1Q FY2023										
At 1-Jul-22	108,140	(923)	2,381	(1)	897	(41,911)	(38,634)	68,583	(828)	67,755
Loss for the period	-	-	-	-	-	(7,980)	(7,980)	(7,980)	123	(7,857)
<u>Other comprehensive income</u>										
Translation differences relating to financial statements of foreign subsidiaries	-	-	311	-	-	-	311	311	(28)	283
Share of other comprehensive income of joint ventures and associates	-	-	140	-	-	-	140	140	19	159
Net fair value changes to cash flow hedges	-	-	-	1	-	-	1	1	-	1
Other comprehensive income for the period, net of tax	-	-	451	1	-	-	452	452	(9)	443
Total comprehensive income for the period	-	-	451	1	-	(7,980)	(7,528)	(7,528)	114	(7,414)
At 30-Sep-22	108,140	(923)	2,832	-	897	(49,891)	(46,162)	61,055	(714)	60,341

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

For the periods ended 30-Sep-23 and 30-Sep-22						
<u>COMPANY</u>	Share capital \$'000	Treasury shares \$'000	Warrant reserve \$'000	Accumulated losses \$'000	Total reserves \$'000	Total equity \$'000
<u>1Q FY2024</u>						
At 1-Jul-23	109,606	(923)	859	(76,855)	(75,996)	32,687
Loss for the period, representing total comprehensive income for the period	-	-	-	(3,151)	(3,151)	(3,151)
At 30-Sep-23	109,606	(923)	859	(80,006)	(79,147)	29,536
<u>1Q FY2023</u>						
At 1-Jul-22	108,140	(923)	897	(75,029)	(74,132)	33,085
Loss for the period, representing total comprehensive income for the period	-	-	-	(2,805)	(2,805)	(2,805)
At 30-Sep-22	108,140	(923)	897	(77,834)	(76,937)	30,280

E. Consolidated Statement of Cash Flows

	Group	
	3 months ended 30 September	
	1Q FY2024	1Q FY2023
	\$'000	\$'000
Cash flows from operating activities		
Profit/ (Loss) before tax	4,715	(7,970)
Adjustments for:		
Depreciation of property, plant and equipment	14,665	12,179
Depreciation of right-of-use assets	323	485
(Gain)/ Loss on disposal of property, plant and equipment	(274)	55
Loss on ineffective portion of cash flow hedges on forward currency contracts	-	52
Impairment loss/ (Reversal of impairment loss) on financial assets, net:		
Contract assets	11	(158)
Trade receivables (third parties)	72	1,205
Interest income	(20)	(238)
Interest expense	6,835	6,709
Property, plant and equipment written off	-	1,757
Provision for warranty	2	-
Provision for pension liabilities	7	9
Share of results of joint venture and associates	(842)	(231)
Operating cash flows before changes in working capital	25,494	13,854
Changes in working capital:		
Inventories	(649)	(1,998)
Contract assets and liabilities	(7,019)	4,936
Trade and other receivables	(14,732)	(7,682)
Prepayments	(2,478)	(1,989)
Trade and other payables	8,995	8,078
Finance lease receivables	205	453
Other liabilities	(22)	1
Balances with related parties (trade)	1,061	(301)
Cash flows generated from operations	10,855	15,352
Interest received from finance lease receivables	7	36
Income tax paid	(602)	(1)
Net cash flows generated from operating activities	10,260	15,387

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

	3 months ended 30 September	
	1Q FY2024	1Q FY2023
	\$'000	\$'000
Cash flows from investing activities		
Interest received	13	7
Purchase of property, plant and equipment	(5,291)	(2,658)
Proceeds from disposal of property, plant and equipment	274	516
Movement in balances with related parties (non-trade)	(131)	99
Net cash flows used in investing activities	(5,135)	(2,036)
Cash flows from financing activities		
Interest paid	(3,334)	(3,450)
Repayment of interest-bearing loans and borrowings	(8,306)	(9,413)
Principal repayment of lease liabilities	(571)	(460)
Repayment of trust receipts	(12,070)	(8,198)
Proceeds from trust receipts	12,506	7,673
Cash and bank balances (restricted use)*	2,611	3,612
Net cash flows used in financing activities	(9,164)	(10,236)
Net (decrease)/ increase in cash and cash equivalents	(4,039)	3,115
Cash and cash equivalents at beginning of period	12,893	7,438
Effects of exchange rate changes on cash and cash equivalents	-	222
Cash and cash equivalents at end of period (Note 1)	8,854	10,775
Note 1:		
Cash and cash equivalents comprised of:		
Bank balances and cash	18,080	21,797
Less: Restricted cash *		
Cash at banks	(9,226)	(11,022)
Cash and cash equivalents at end of the period	8,854	10,775

* 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 three months ended 30 September 2023 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 three months ended 30 September 2023 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 2023. 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 2023.

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 achieved a profit after tax of \$3,309,000 (1Q FY2023: loss after tax of \$7,857,000) for the financial period ended 30 September 2023 (“**1Q FY2024**”) and as at 30 September 2022, the Group’s current liabilities exceeded its current assets by \$97,416,000 (30 June 2023: \$99,716,000). As at 30 September 2023, the Group’s and Company’s total borrowings amounted to \$258,122,000 and \$165,704,000 (30 June 2023: \$261,010,000 and \$165,693,000) of which \$44,484,000 and \$10,651,000 (30 June 2023: \$43,962,000 and \$10,631,000) 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 30 September 2023, the aggregate value of property, plant and equipment and right-of-use assets amounted to \$405,223,000 (30 June 2023: \$408,985,000), which represented 71% (30 June 2023: 73%) of its total assets. The majority of these assets were financed through bank loans, bonds and lease liabilities of \$256,772,000 (30 June 2023: \$260,148,000), which represented 52% (30 June 2023: 53%) of its total liabilities as of 30 September 2023. 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 \$ 25,759,000 for 1Q FY2024 (1Q FY2023: \$13,738,000). 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;
 - Diversify supply sources for competitive procurement;
 - Cutting overheads and administrative expenses which include measures such as redesigning of job scope for employees and controlling of headcount to reduce recurring expenses;
 - Close collaboration with contractors and suppliers to improve working capital management, such as improving credit terms and payment plans;
 - Stricter customer credit control;
 - Strengthening of coordination among marketing, operations and finance departments for better credit control;
 - Regular review of vessel fleet to meet business demands; and
 - Disposal of vessels to reduce debt and interest expenses and improve cash flow position.
- (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 covenants, a further request for the waiver may be sought, as appropriate; and
- (iv) 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 2023.

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 2023.

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 30 September 2023. Accordingly, it has no material impact on the loss per share of the Group and the Company.

3. Property, plant and equipment

	Group	
	30-Sep-23 \$'000	30-Sep-22 \$'000
Balance as at 1 July	394,252	375,228
Additions	6,761	3,078
Disposals/ Write-off	-	(2,393)
Depreciation charge	(12,041)	(11,815)
Translation differences	1,708	6,810
Balance as at 30 September	390,680	370,908

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

	Group	
	3 months ended 30 September 1Q FY2024 \$'000	1Q FY2023 \$'000
Depreciation charge for the period	12,041	11,815
Depreciation included in construction work-in-progress carried forward	(1,311)	(3,888)
Depreciation capitalised in prior year construction work-in-progress now charged to consolidated income statement	3,935	4,252
Depreciation charge as disclosed in Note 15	14,665	12,179

4. Intangible assets

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

5. Inventories

	Group	
	30-Sep-23	30-Jun-23
	\$'000	\$'000
At cost or net realisable value:		
Raw materials and consumables	16,480	15,963
Finished goods	13,319	13,187
	29,799	29,150

6. Contracts assets and contract liabilities

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

	Group	
	30-Sep-23	30-Jun-23
	\$'000	\$'000
Contract assets		
Current		
Accrued revenue	10,615	7,333
Construction work-in-progress	22,388	22,010
	33,003	29,343
Contract liabilities		
Current		
Deferred income and deposits received from customers	(19,377)	(18,729)
Progress billings in excess of construction work-in-progress	(4,260)	(4,940)
	(23,637)	(23,669)
Non-current		
Deferred income	(1,438)	(2,345)
	(25,075)	(26,014)

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

	Group	
	30-Sep-23	30-Jun-23
	\$'000	\$'000
At gross:		
Construction work-in-progress and attributable profits (less recognised losses) to date	71,077	90,127
Less: Progress billings	(52,949)	(73,057)
	18,128	17,070
Presented on a contract basis, net:		
Construction work-in-progress	22,388	22,010
Progress billings in excess of construction work-in-progress	(4,260)	(4,940)
	18,128	17,070

7. Trade and other receivables

	Group		Company	
	30-Sep-23	30-Jun-23	30-Sep-23	30-Jun-23
	\$'000	\$'000	\$'000	\$'000
Non-current				
Other receivables:				
Amount due from a subsidiary	-	-	5,167	5,167
Current				
Trade receivables	70,280	57,658	-	-
Less: Allowance for impairment	(18,730)	(18,629)	-	-
	51,550	39,029	-	-
Other receivables and deposits	14,737	12,599	20	20
Amounts due from subsidiaries	-	-	288,535	299,284
Amounts due from joint ventures and associates	61,178	62,086	2,645	2,614
Amounts due from related parties	435	434	-	-
	76,350	75,119	291,200	301,918
Less: Allowance for impairment				
Other receivables	(1,431)	(1,437)	-	-
Amounts due from subsidiaries	-	-	(68,820)	(68,926)
Amounts due from joint ventures and associates	(52,052)	(53,064)	(1,518)	(1,486)
Amounts due from related parties	(45)	(44)	-	-
	(53,528)	(54,545)	(70,338)	(70,412)
	22,822	20,574	220,862	231,506
Total trade and other receivables (current)	74,372	59,603	220,862	231,506
Total trade and other receivables (current and non-current)	74,372	59,603	226,029	236,673

8. Trade and other payables

	Group		Company	
	30-Sep-23	30-Jun-23	30-Sep-23	30-Jun-23
	\$'000	\$'000	\$'000	\$'000
Non-current				
Other payables:				
Amounts due to an associate	1,473	1,453	-	-
Current				
Trade payables and accruals	156,640	146,156	2,585	3,858
Payables for property, plant and equipment	3,606	4,348	-	-
Other payables	2,306	2,626	-	-
Other liabilities:				
Deferred income	814	845	-	-
Deposits received from customers	3,944	2,019	-	-
Amounts due to subsidiaries	-	-	64,950	72,707
Amounts due to joint ventures and associates	274	277	-	-
Amounts due to related parties	4,194	4,186	-	-
Amounts due to non-controlling interests of subsidiaries	205	207	-	-
Amounts due to a shareholder	6,620	6,620	-	-
Provision for warranty	9	7	-	-
	178,612	167,291	67,535	76,565
Total trade and other payables (current and non-current)	180,085	168,744	67,535	76,565

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 (“**KHL**”) and its subsidiaries (collectively known as “**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% (FY2023: 53.76%) in Koon Group. One of the directors of the Company is also a director of KHL. Mr. Ang Sin Liu wholly owns Sintech, which is an exempt private company limited by share.

KHL was delisted from the Australian Stock Exchange on 6 September 2021 and the SGX-ST on 22 September 2021. KHL was placed under Creditors’ Voluntary Liquidation on 12 May 2022.

Mr. Ang Sin Liu is the father of Mr. Ang Kok Tian, Mr. Ang Ah Nui and Mr. Ang Kok Leong, all of whom are Directors and substantial shareholders of the Company.

9. Loans and Borrowings

	Group		Company	
	30-Sep-23	30-Jun-23	30-Sep-23	30-Jun-23
	\$'000	\$'000	\$'000	\$'000
Current				
Trust receipts	12,855	12,399	-	-
Interest-bearing loans and borrowings:				
Finance lease liabilities (secured)	992	1,012	-	-
Floating rate (secured)	28,844	28,773	10,651	10,631
Fixed rate (secured)	-	-	-	-
Fixed rate (unsecured)	1,793	1,778	-	-
	31,629	31,563	10,651	10,631
	44,484	43,962	10,651	10,631
Non-current				
Interest-bearing loans and borrowings:				
Finance lease liabilities (secured)	1,375	1,270	-	-
Floating rate (secured)	210,878	213,939	155,053	155,062
Fixed rate (unsecured)	1,385	1,839	-	-
	213,638	217,048	155,053	155,062
	258,122	261,010	165,704	165,693

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.

9. Loans and Borrowings

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 \$80,406,000 (30 June 2023: \$77,298,000) and \$35,109,000 (30 June 2023: \$35,109,000) 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").

The total carrying value of the collateralized assets as of 30 September 2023 was \$371,044,000 (30 June 2023: \$378,149,000).

10. Share capital and treasury shares

	Group and Company					
	Number of shares			Amount		
	Total issued share capital	Treasury shares	Total issued share capital (Excluding treasury shares)	Issued share capital \$'000	Treasury shares \$'000	Total \$'000
Fully paid ordinary shares, with no par value						
1Q FY2024						
Balance as at 1 July and 30 September	656,942,041	(2,511,600)	654,430,441	109,606	(923)	108,683
FY2023						
Balance as at 1 July	633,138,541	(2,511,600)	630,626,941	108,140	(923)	107,217
Conversion of warrants	23,803,500	-	23,803,500	1,466	-	1,466
Balance as at 30 June 2023	656,942,041	(2,511,600)	654,430,441	109,606	(923)	108,683

	As at 30-Sep-23	As at 30-Jun-23	As at 30-Sep-22
Total number of issued shares	656,942,041	656,942,041	633,138,541
Total number of treasury shares	(2,511,600)	(2,511,600)	(2,511,600)
Total number of issued shares (excluding treasury shares)	654,430,441	654,430,441	630,626,941

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 30 September 2022 and 30 September 2021, the Company did not buy back any shares and there were no sales, transfers, disposal, cancellation and/or use of treasury shares.

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

Warrants

	Number of Warrants	
	30-Sep-23	30-Sep-22
Balance as at 1 July	541,967,213	565,770,713
Warrants exercised	-	-
Balance as at 30 June	541,967,213	565,770,713

Other information

The percentage of the aggregate number of treasury shares held against the total number of shares outstanding that is listed as at 30 September 2023 and 30 September 2022 was 0.38% and 0.40% respectively.

Except for the warrants, there were no convertible securities as at 30 September 2023 and 30 September 2022. As at 30 September 2023, 25,163,500 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 541,967,213 (30 September 2022: 565,770,713).

There were no outstanding share options granted under the ASL Employee Share Option Scheme 2012 (“**ESOS**”) as at 30 September 2023 and 30 September 2021. The ESOS had expired on 25 October 2022.

The Company has no subsidiary holdings as at 30 September 2023 and 30 September 2022.

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)

	Group					
	3 months ended 30 September					
	Shipbuilding \$'000	Shiprepair, conversion and engineering services \$'000	Shipchartering \$'000	Investment holding \$'000	Eliminations \$'000	Consolidated \$'000
Revenue and expenses						
From 1 July 2023 to 30 September 2023						
Revenue from external customers	17,535	43,717	26,842	-	-	88,094
Inter-segment revenue	3,345	11,834	3,897	-	(19,076)	-
Total revenue	20,880	55,551	30,739	-	(19,076)	88,094
Segment results	1,065	9,591	341	(296)	-	10,701
Interest income from finance lease receivables	-	-	7	-	-	7
Finance costs						(6,835)
Share of results of joint ventures and associates						842
Income tax expense						(1,406)
Profit for the period						3,309
From 1 July 2022 to 30 September 2022						
Revenue from external customers	6,148	36,263	24,848	-	-	67,259
Inter-segment revenue	116	16,094	3,432	-	(19,642)	-
Total revenue	6,264	52,357	28,280	-	(19,642)	67,259
Segment results	(1,078)	2,346	(2,734)	(257)	-	(1,723)
Interest income from finance lease receivables	-	-	231	-	-	231
Finance costs						(6,709)
Share of results of joint ventures and associates						231
Income tax expense						113
Loss for the period						(7,857)

	Group					
	3 months ended 30 September					
	Shipbuilding \$'000	Shiprepair, conversion and engineering services \$'000	Shipchartering \$'000	Investment holding \$'000	Eliminations \$'000	Consolidated \$'000
Assets and liabilities						
As at 30 September 2023						
Segment assets	47,744	155,680	357,921	5,089	-	566,434
Unallocated assets						5,175
Total assets						571,609
Segment liabilities	42,041	106,493	68,096	2,339	-	218,969
Unallocated liabilities						275,906
Total liabilities						494,875
As at 30 September 2022						
Segment assets	23,169	222,361	334,784	4,274	-	584,588
Unallocated assets						2,485
Total assets						587,073
Segment liabilities	24,096	111,654	67,867	2,610	-	206,227
Unallocated liabilities						320,505
Total liabilities						526,732

11.1 (i) Business segments (Cont'd)

	Group				
	3 months ended 30 September				
	Shipbuilding \$'000	Shiprepair, conversion and engineering services \$'000	Shipchartering \$'000	Investment holding \$'000	Consolidated \$'000
Other segmental information					
From 1 July 2023 to 30 September 2023					
Capital expenditure	1,020	3,853	1,888	-	6,761
Depreciation and amortisation	1,357	4,651	8,980	-	14,988
Other non-cash (income)/ expense	-	9	-	-	9
(Reversal of)/ Impairment loss on financial assets, net	-	(605)	688	-	83
Finance cost	872	1,856	1,249	2,858	6,835
Interest income	(1)	(8)	(10)	(1)	(20)
From 1 July 2022 to 30 September 2022					
Capital expenditure	45	690	2,343	-	3,078
Depreciation and amortisation	1,145	3,000	8,519	-	12,664
Other non-cash (income)/ expense	-	9	1,757	-	1,766
Impairment loss on financial assets, net	-	297	750	-	1,047
Finance cost	355	2,324	1,481	2,549	6,709
Interest income	-	(6)	(232)	-	(238)

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.

	Group						
	3 months ended 30 September						
	Singapore \$'000	Indonesia \$'000	Rest of Asia \$'000	Europe \$'000	Australia \$'000	Other Countries \$'000	Consolidated \$'000
From 1 July 2023 to 30 September 2023							
Revenue from external customers	41,354	10,252	14,817	1,567	12,521	7,583	88,094
Non-current assets	243,686	123,470	41,304	1,038	-	-	409,498
From 1 July 2022 to 30 September 2022							
Revenue from external customers	24,441	5,878	17,860	8,383	2,719	7,978	67,259
Non-current assets	213,296	126,734	44,411	1,178	-	-	385,619

Management believes it would not be meaningful to analyse the segment assets by geographical segment because

- For charter services, certain vessels cannot be practically allocated to the different geographical areas. Charterers of the Group's vessels have the discretion to operate within a wide area and are not constrained by a specific sea route; and
- For shipyard operations, majority of the large scale repair works are performed in the Group's Batam shipyard, and where geographical location of customers is outside Indonesia, the segment revenue is presented based on the geographical location of customers.

11.2 Disaggregation of revenue

Group	3 months ended 30 September					
	1Q FY2024			1Q FY2023		
	At a point in time \$'000	Over time \$'000	Total \$'000	At a point in time \$'000	Over time \$'000	Total \$'000
Shipbuilding segment						
Construction of tugs	-	5,504	5,504	-	526	526
Construction of barges and others	6,862	5,169	12,031	140	5,482	5,622
	6,862	10,673	17,535	140	6,008	6,148
Shiprepair, conversion and engineering services segment						
Provision of shiprepair and related services	-	38,828	38,828	-	33,867	33,867
Provision of engineering service and sales of components	1,490	3,399	4,889	1,622	774	2,396
	1,490	42,227	43,717	1,622	34,641	36,263
Shipchartering segment						
Leasing income	-	13,714	13,714	-	7,607	7,607
Mobilisation and demobilisation income	-	755	755	-	980	980
Freight income	-	4,759	4,759	-	6,802	6,802
Other charter ancillary and marine related service income	1,553	5,917	7,470	1,630	7,617	9,247
Ship management income	-	12	12	-	123	123
Trade sales	132	-	132	44	45	89
	1,685	25,157	26,842	1,674	23,174	24,848
	10,037	78,057	88,094	3,436	63,823	67,259

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:

Group								
3 months ended 30 September								
	Shipbuilding		Shiprepair, conversion and engineering services		Shipchartering and rental		Total	
	1Q FY2024	1Q FY2023	1Q FY2024	1Q FY2023	1Q FY2024	1Q FY2023	1Q FY2024	1Q FY2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Singapore	10,145	-	17,589	15,099	13,620	9,342	41,354	24,441
Indonesia	-	505	7,221	2,672	3,031	2,701	10,252	5,878
Rest of Asia	5,978	526	4,462	9,307	4,377	8,027	14,817	17,860
Europe	-	-	1,499	7,774	68	609	1,567	8,383
Australia	1,412	-	8,809	121	2,300	2,598	12,521	2,719
Other Countries	-	5,117	4,136	1,290	3,447	1,571	7,583	7,978
	17,535	6,148	43,716	36,263	26,843	24,848	88,094	67,259

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

	Group	
	3 months ended 30 September	
	1Q FY2024	1Q FY2023
	\$'000	\$'000
Gain on disposal of property, plant and equipment	274	-
Gain on foreign exchange, net	1,632	3,110
Interest income from debt instruments at amortised costs:		
Deposits and bank balances	13	7
Finance lease receivables	7	231
Insurance claims/ (in excess)	(196)	3,146
Rental income	69	134
Miscellaneous income	139	197
	1,938	6,825

13. Other operating expenses

	Group	
	3 months ended 30 September	
	1Q FY2024	1Q FY2023
	\$'000	\$'000
Loss on disposal of property, plant and equipment	-	55
Property, plant and equipment written off	-	1,757
	-	1,812

14. Finance costs

	Group	
	3 months ended 30 September	
	1Q FY2024	1Q FY2023
	\$'000	\$'000
Interest expense on:		
Bank loans and bonds	3,139	3,261
Finance lease	64	5
Lease liabilities	322	126
Trust receipts	232	86
Amortisation of bank loans and bonds	3,310	3,317
	7,067	6,795
Less:		
Interest expense capitalised in contract assets:		
Trust receipts	(49)	(6)
Interest expense charged to cost of sales:		
Trust receipts	(183)	(80)
	6,835	6,709

15. Profit/ (Loss) before tax

	Group	
	3 months ended 30 September	
	1Q FY2024	1Q FY2023
	\$'000	\$'000
Profit/ (Loss) before tax is stated after charging/ (crediting):		
Audit fees paid/ payable:		
Auditor of the Company	107	88
Overseas affiliates of the auditors of the Company	91	21
Other auditors	-	14
Non-audit fees paid/ payable to auditor of the Company	-	4
Depreciation of property, plant and equipment	14,665	12,179
Depreciation of right-of-use assets	323	485
Employee benefits expense	10,836	9,316
Loss on ineffective portion of cash flow hedges on forward currency contracts	-	52
Impairment loss/ (Reversal of impairment loss) on financial assets, net:		
Contract assets	11	(158)
Amount due from trade receivables (third parties)	72	1,205

16. Income tax (expense)/ 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:

	Group	
	3 months ended 30 September	
	1Q FY2024	1Q FY2023
	\$'000	\$'000
Current income tax:		
Current year income tax	(1,410)	(328)
Underprovision in prior years	4	629
	(1,406)	301
Deferred tax:		
Underprovision in prior years	-	(188)
	-	(188)
Income tax expense/ (credit)	(1,406)	113

17. Earnings 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. Earnings 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 30 September	
	1Q FY2024	1Q FY2023
Earnings per ordinary share:		
(i) On weighted average no. of ordinary shares in issue	0.50 cents	(1.27) cents
(ii) On a fully diluted basis	0.50 cents	(1.27) cents
Net profit/ (loss) attributable to shareholders	\$3,245,000	(\$7,980,000)
Number of shares in issue:		
(i) Weighted average no. of shares in issue	654,430,441	630,626,941
(ii) On a fully diluted basis	654,430,441	630,626,941

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.

The outstanding warrants as disclosed in Note 10 have not been included in the calculation of diluted earnings per share because these were anti-dilutive.

18. Net asset value per share

	Group		Company	
	30-Sep-23	30-Jun-23	30-Sep-23	30-Jun-23
Net Asset Value (" NAV ") per ordinary share	11.81 cents	11.24 cents	4.51 cents	4.99 cents
NAV computed based on no. of ordinary shares issued	654,430,441	654,430,441	654,430,441	654,430,441

The calculation of net asset value per share as at 30 September 2023 and 30 June 2023 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

	Group	
	3 months ended 30 September	
	1Q FY2024	1Q FY2023
	\$'000	\$'000
Joint ventures and associates		
Charter and trade expenses	(433)	(1,063)
Shiprepair income	157	-

	Company	
	3 months ended 30 September	
	1Q FY2024	1Q FY2023
	\$'000	\$'000
Subsidiaries		
Interest income	1,555	1,535

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

	Group	
	3 months ended 30 September	
	1Q FY2024	1Q FY2023
	\$'000	\$'000
Joint ventures and associates	240	99
Related parties	8	-

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.

20. Fair value measurement (Cont'd)

	Group		Company	
	30-Sep-23	30-Jun-23	30-Sep-23	30-Jun-23
	\$'000	\$'000	\$'000	\$'000
Financial assets not measured at fair value				
Trade and other receivables	74,372	59,603	226,029	236,673
Accrued revenue	10,615	7,333	-	-
Finance lease receivables	349	554	-	-
Cash and bank balances	8,854	24,730	3,641	5,110
At amortised cost	94,190	92,220	229,670	241,783
Financial liabilities not measured at fair value				
Trade and other payables*	175,318	165,873	67,535	76,565
Trust receipts	12,855	12,399	-	-
Interest bearing loans and borrowings	245,267	248,611	165,704	165,693
Lease liabilities	11,505	11,537	-	-
At amortised cost	444,945	438,420	233,239	242,258

(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 30 September 2023 and 30 June 2023.

(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.

20. Fair value measurement (Cont'd)

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	
	30-Sep-23	30-Jun-23	30-Sep-23	30-Jun-23
	\$'000	\$'000	\$'000	\$'000
Financial liabilities				
Finance lease liabilities (Non-current) (Note 9)	1,375	1,270	1,205	1,384
Fixed rate loans (Non-current) (Note 9)	1,385	1,839	1,208	1,806

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 \$88.1 million for the 3 months ended 30 September 2023 ("1Q FY2024") was \$20.8 million (31.0%) higher compared to the corresponding quarter in FY2023 ("1Q FY2023"), on the back of higher contributions from all three business segments.

The breakdown of revenue generated from each segment is as follows:

	Group		
	3 months ended 30 September		Increase/
	1Q FY2024	1Q FY2023	(Decrease)
	\$'000	\$'000	%
Shipbuilding	17,535	6,148	185.2
Shiprepair, conversion and engineering services	43,717	36,263	20.6
Shipchartering	26,842	24,848	8.0
	88,094	67,259	31.0

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				
	3 months ended 30 September				Increase/
	1Q FY2024		1Q FY2023		(Decrease)
	Units	\$'000	Units	\$'000	%
Tugs	1	5,504	1	526	946.4
Barges and others	7	12,031	3	5,622	114.0
	8	17,535	4	6,148	185.2

Shipbuilding revenue increased by \$11.4 million (185.2%) to \$17.5 million in 1Q FY2024 as compared to last corresponding period due to higher percentage of completion recognised from the construction of tug which was at its initial stage of construction in the corresponding quarter last year. In addition, comparatively there were more barges being constructed in progress in 1Q FY2024.

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.

The increase in shiprepair, conversion and engineering services revenue in 1Q FY2024 was mainly due to more and bigger vessel repairs and other marine related services as well as sale of more dredge components.

Shipchartering

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

	Group		
	3 months ended 30 September		Increase/ (Decrease) %
	1Q FY2024	1Q FY2023	
	\$'000	\$'000	
Offshore Support Vessels ("OSV")	6,367	5,786	10.0
Tug Boats	7,097	9,684	(26.7)
Barges	9,596	4,800	99.9
Total charter	23,060	20,270	13.8
Trade sales and other services	3,782	4,578	(17.4)
	26,842	24,848	8.0

Charter revenue increased by \$2.0 million (8.0%) to \$26.8 million in 1Q FY2024 mainly due to

- (i) higher contribution from OSV deployed in overseas infrastructure projects;
- (ii) higher contribution from new local marine infrastructure projects which commenced since second half of last financial year;
partially offset by
- (iii) reduced contribution from overseas towage jobs and rock transportation.

Trade sales and other services comprised bunker sales, agency and management fees and ad-hoc marine-related services.

Gross profit/(loss) and gross margin

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

	Group			
	3 months ended 30 September		3 months ended 30 September	
	1Q FY2024	1Q FY2023	1Q FY2024	1Q FY2023
	\$'000	GPM	\$'000	GPM
Shipbuilding	1,376	7.8%	(833)	Nm
Shiprepair, conversion and engineering services	10,816	24.7%	6,207	17.1%
Shipchartering	593	2.2%	(6,982)	Nm
	12,785	14.5%	(1,608)	Nm

Shipbuilding

The gross profit of \$1.4 million in 1Q FY2024 mainly derived from progressive recognition from construction of barges based on POC method.

The gross loss in 1Q FY2023 was attributed to costs overrun incurred on the barges. The costs overrun was primarily due to shortage of manpower and rising cost of raw materials and labour.

Shiprepair, conversion and engineering services

In line with the increase in revenue from shiprepair jobs, gross profit increased by \$4.6 million to \$10.8 million with higher gross profit margin of 24.7% recorded in 1Q FY2024.

Shipchartering

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

	Group			
	3 months ended 30 September			
	1Q FY2024		1Q FY2023	
	\$'000	GPM	\$'000	GPM
OSV	416	6.5%	(2,256)	Nm
Tug boats and Barges	(1,138)	(6.8%)	(5,980)	(41.3%)
Total charter	(722)	(3.1%)	(8,236)	(40.6%)
Trade sales and other services	1,315	34.8%	1,254	27.4%
	593	2.2%	(6,982)	(28.1%)

The Group recorded a gross profit of \$0.6 million with gross profit margin of 2.2 % in 1Q FY2024, as compared to a gross loss of \$7.0 million in the last corresponding quarter. This was mainly attributed to

- (i) increase in revenue contribution from OSV and new local marine infrastructure projects in 1Q FY2024; and
- (ii) decrease in fuel costs and consumption in line with lower overseas towage jobs and contract of affreightment arrangements in 1Q FY2024. The average fuel price decreased from 1.55/litre in 1Q FY2023, as compared to S\$1.05/litre in 1Q FY2024.

In 1Q FY2023, the Group incurred high fuel and upkeep costs in mobilizing vessels deployed in overseas infrastructure projects under towage and contract of affreightment arrangements.

Other operating income

Refer to breakdown of other operating income in section (I) F, Note 12 of this report. The decrease by \$4.9 million (71.6%) to \$1.9 million in 1Q FY2024, was mainly due to lower insurance claim receivables and net foreign exchange gain.

The net foreign exchange gain in 1Q FY2024 was mainly due to appreciation of USD against SGD on SGD denominated liabilities of certain subsidiaries whose accounts are maintained in USD and appreciation of SGD against IDR on IDR denominated liabilities.

Other operating expenses

Refer to breakdown of other operating expenses in section (I) F, Note 13 of this report. There was no other operating expenses recorded in current quarter under review. Other operating expenses in 1Q FY2023 comprised mainly barges written off which are under insurance claims.

Finance costs

	Group		
	3 months ended 30 September		Increase/
	1Q FY2024	1Q FY2023	(Decrease)
	\$'000	\$'000	%
Interest expense on:			
Bank loans and bonds	3,139	3,261	(3.7)
Finance lease and lease liabilities	386	131	194.7
Amortisation of bank loans and bonds	3,310	3,317	(0.2)
	6,835	6,709	1.9

The higher interest expense was due to higher interest being amortised from lease liabilities which corresponded to the increase in ROU assets pursuant to extension of lease term of properties in Singapore in 4Q FY2023.

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	
	3 months ended 30 September	
	1Q FY2024	1Q FY2023
	\$'000	\$'000
Impairment loss/ (Reversal of impairment loss) on financial assets, net:		
Contract assets	11	(158)
Amount due from trade receivables (third parties)	72	1,205
	83	1,047

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

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	
		3 months ended 30 September	
		1Q FY2024	1Q FY2023
		\$'000	\$'000
Joint ventures			
Sindo-Econ group	50%	-	-
Associates			
PT. Hafar Capitol Nusantara ("PT Hafar")	36.75%	831	214
PT Capitol Nusantara Indonesia ("PT CNI")	27%	11	17
		842	231

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, which is still on going in the current financial period.

The share of profit from PT Hafar of \$0.8 million in 1Q FY2024 was mainly due to increase in revenue contributed from its operating fleet.

The share of results of 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.

Profit/ (Loss) before tax

The Group recorded profit before tax of \$4.7 million in 1Q FY2024 (1Q FY2023: loss before tax of \$8.0 million). This was mainly attributable to higher revenue and gross earnings from all three segments, absence of other operating expenses, lower impairment loss on financial assets and higher share of results of associates, partially offset by lower other operating income.

Non-controlling interests

Non-controlling interests' share of profit or loss was mainly pertained to the results of non-wholly owned subsidiaries in Indonesia.

Consolidated Statement of Cash Flows

The Group recorded a lower net cash inflow from operating activities of \$10.3 million in 1Q FY2024 (1Q FY2023: \$15.4 million) mainly attributable to the increase in trade receivables and accrued revenue which was in line with increased level of business activities from all segments.

The higher net cash outflow from investing activities of \$5.1 million in 1Q FY2024 (1Q FY2023: \$2.0 million) was mainly due to higher purchase of property, plant and equipment.

The lower net cash outflow from financing activities of \$9.2 million in 1Q FY2024 (1Q FY2023: \$10.2 million), was mainly due to lower restricted cash being released from project accounts upon completion.

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 \$3.6 million (0.9 %) from \$394.3 million as at 30 June 2023 to \$390.7 million as at 30 September 2023 mainly due to depreciation charge, partially offset by additions made.

The additions made during the period comprised:

	<u>\$'000</u>
Vessels and modification works	494
Plant and machinery, office equipment and motor vehicles	3,536
Assets under construction	1,365
Drydocking expenditure on vessels capitalised	1,366
	<u>6,761</u>

The dry docking expenditure pertained to costs capitalized relating to regulatory dry dock activity including intermediate as well as special surveys (seaworthiness checks) on vessels so as to maintain the vessels in the standardized working condition.

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 \$0.2 million (1.3%) to \$14.5 million as at 30 September 2023 mainly due to depreciation charge.

Current assets

Current assets increased by \$14.7 million (10.0%) to \$161.2 million as at 30 September 2023 mainly due to higher contract assets, trade and other receivables and prepayment, partially offset by lower cash and bank balances.

Inventories

Refer to breakdown of inventories in section (I) F, Note 5 of this report. A nominal increase of \$0.6 million (2.2%) was noted. Majority of the raw materials are inventories meant for ongoing shipbuilding and shiprepair projects. Finished goods consist of vessels held for sale and dredge component parts.

Trade and other receivables

	Group		Increase/ (Decrease)	
	30-Sep-23 \$'000	30-Jun-23 \$'000	\$'000	%
Trade and other receivables (current)				
Trade receivables	52,190	39,029	13,161	33.7
Other receivables and deposits	12,666	11,162	1,504	13.5
Amounts due from related parties	390	390	-	-
Amounts due from joint ventures and associates	9,126	9,022	104	1.2
	74,372	59,603	14,769	24.8

The increase in trade receivables was mainly due to higher receivables from all segments, majority of which pertained to shipbuilding projects, where billings were made towards the end of the reporting period. Trade receivables of \$8.1 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 advance payment made for purchase of a vessel during the period under review.

Contracts assets and liabilities

Referring to the breakdown of contracts assets and liabilities in section (I) F, Note 6 of this report. The accrued revenue of \$10.6 million as at 30 September 2023 (30 June 2023: \$7.3 million) relates to shiprepair and shipchartering services completed but invoices not yet raised at the end of financial years. Subsequent to the end of financial year, \$4.0 million of the accrued revenue have been invoiced.

The Group recorded a net construction work-in-progress in excess of progress billings of \$18.1 million as at 30 September 2023 (30 June 2023: \$17.1 million) mainly due to higher work in progress incurred for shipbuilding and shiprepair projects.

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.

Current liabilities

Current liabilities increased by \$12.4 million (5.0%) to \$258.6 million as at 30 September 2023. The increase was mainly due to higher trade and other payables and income tax payable.

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 subcontractors and suppliers with the pick-up of shipyard activities during the quarter under review.

Total borrowings

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

	Group (Carrying Value)				Group (Face Value)			
	30-Sep-23 \$'000	30-Jun-23 \$'000	Increase/ (Decrease) \$'000	%	30-Sep-23 \$'000	30-Jun-23 \$'000	Increase/ (Decrease) \$'000	%
Current								
Bonds	1,500	1,500	-	-	1,500	1,500	-	-
Trust receipts:								
General	12,853	12,399	454	3.7	12,853	12,399	454	3.7
Term loans:								
Vessels loan	8,680	8,867	(187)	(2.1)	10,650	10,650	-	-
Assets financing	5,006	4,669	337	7.2	5,356	5,300	56	1.1
Working capital	15,453	15,515	(62)	(0.4)	15,685	15,778	(93)	(0.6)
	29,139	29,051	88	0.3	31,691	31,728	(37)	(0.1)
Finance lease liabilities	992	1,012	(20)	(2.0)	992	1,012	(20)	(2.0)
	44,484	43,962	522	1.2	47,036	46,639	397	0.9
Non-current								
Bonds	114,016	110,907	3,109	2.8	130,000	130,500	(500)	(0.4)
Term loans:								
Vessels loan	39,834	41,731	(1,897)	(4.5)	42,992	45,404	(2,412)	(5.3)
Assets financing	15,992	17,146	(1,154)	(6.7)	17,015	18,162	(1,147)	(6.3)
Working capital	42,421	45,994	(3,573)	(7.8)	42,659	46,258	(3,599)	(7.8)
	98,247	104,871	(6,624)	(6.3)	102,666	109,824	(7,158)	(6.5)
Finance lease liabilities	1,375	1,270	105	8.3	1,375	1,270	105	8.3
	213,638	217,048	(3,410)	(1.6)	234,041	241,594	(7,553)	(3.1)
	258,122	261,010	(2,888)	(1.1)	281,077	288,233	(7,156)	(2.5)
Total shareholders' funds	76,375	73,545						
Gearing ratio (times)	3.38	3.55						
Net gearing ratio (times)	3.26	3.21						

The Group's total borrowings (carrying value) decreased by \$2.9 million (1.1%) to \$258.1 million as at 30 September 2023 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 \$4.4 million (1.8%) to \$236.2 million as at 30 September 2023 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

The outlook for the shipbuilding, ship repair, offshore, and marine services industries is dependent on several factors, including the global economic conditions, demand for shipping, changes in regulations and environmental standards as well as technologies. The main macroeconomic variables affecting our performance include but are not limited to the global logistics trade, supply and demand of energy and natural resources and infrastructure expenditure in Asia.

The macro trends remain mixed and uncertain:

- a. The global recovery remains slow. The latest World Economic Outlook reports signs that policy tightening is starting to cool activity despite core inflation proving persistent. Risks are more balanced as banking sector stress has receded, but they remain tilted to the downside.

International Monetary Fund ("IMF") projected global growth to slow from 3.5 percent in 2022 to 3.0 percent in 2023 and 2.9 percent in 2024, well below the historical (2000-2019) average of 3.8 percent. Global inflation is forecast to decline steadily, from 8.7 percent in 2022 to 6.9 percent in 2023 and 5.8 percent in 2024, due to tighter monetary policy aided by lower international commodity prices¹.

- b. Tighter monetary policy and high interest rates, high energy prices, weak real household income growth and declining confidence are all expected to sap growth. The outlook for transport and logistics industry is affected by slower growth in the Chinese and global economies.
- 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.

¹ IMF World Economy Outlook, Navigating Global Divergences October 2023

There are encouraging signs that the maritime industry is recovering in tandem, barring the adverse impact that may be caused by a) geopolitical rivalry; b) rising interest rates and c) increase in the prices of energy, raw materials as well as labour costs. Whilst it is difficult to predict the impact of global events on the maritime industry, the overall long-term maritime industry outlook remains sustainable.

The management, with the support of various stakeholders, will continue to adapt, navigate and mitigate foreseeable risks and long-run disruptions that the current political, social, and economic environment present.

The management is closely monitoring the market demands on our core business, optimizing our current business processes and strengthening our foothold in the local and global maritime industry. The Group has embarked on leveraging on its core competencies and key resources to explore and expand to new growth areas anchored in environmental sustainability. Initiatives include recycling and low-emission marine related services.

2. Business segments

Shipbuilding, Shiprepair, Conversion and Engineering Services

For the shipbuilding segment, we continue to focus on securing orders for vessels of standard and generic designs like tugs, barges and workboats. To better manage financial risks, the management is working on contracts which have shorter delivery cycles and are less capital intensive. We will continue to exercise caution with our review of customers based on their creditworthiness.

For the shiprepair segment, the Group is expanding its dry-docking capacity by deploying a second floating dock in its Singapore yard to capture a larger share of the local shiprepair market for bunkering vessels and harbour crafts. The Group is actively expanding its marketing network and engaging international customers. Seaborne transport is essential for international trade and upswing of shipping activities will continue to spur the demand for maintenance and repairs of vessels.

Shipchartering

The diversified vessel types in our fleet are expected to lend support to our chartering business.

With the commencement of new projects, we expect continued inflow of business from customers in the marine infrastructure industry (e.g. land reclamation and dredging, port and bridge construction etc), oil and gas exploration and production, offshore renewable energy sectors and bulk cargo transshipment industry in Asia Pacific and South Asia region.

The Group is focusing to improve its operational efficiency and fleet utilisation, tighten cost control and exploring other business opportunities in regional markets. The management plans to dispose certain vessels to enhance liquidity, scrapping of ageing vessels to reduce maintenance cost and renewing its fleet to better meet its customer requirement.

Order Book

As at 30 September 2023, the Group had an outstanding shipbuilding order book from external customers of approximately \$45 million for 15 vessels with progressive deliveries up to 1Q FY2025.

The Group's shipchartering revenue consists of mainly short-term and ad-hoc contracts. Approximately 21% of shipchartering revenue in FY2023 was attributed to long-term chartering contracts (meaning contracts with a duration of more than one year). As at 30 June 2023, the Group had an outstanding ship chartering order book of approximately \$22 million with respect to long-term contracts. With the increase in demand for vessels from the traditional oil and gas industry, national infrastructure projects in the region and the emerging renewable energy market, we anticipate that we will be able to secure more employment for our fleet of vessels.

D. Dividend

No dividend has been declared for the three months ended 30 September 2023 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 1Q FY2024, the Group did not have any interested person transactions (excluding transactions less than \$100,000) reportable under Rule 920 of the SGX-ST Listing Manual.

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 first quarter ended 30 September 2023 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 at 30 September 2023, 25,163,500 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 541,967,213 (30 September 2022: 565,770,713).

The Group utilised the proceeds of \$1,509,810 received from the conversion of 25,163,500 warrants for its semi-annual principal repayments of bonds on 28 September 2023 and 2 October 2023.

BY ORDER OF THE BOARD

Ang Kok Tian
Chairman, Managing Director and CEO
14 November 2023