



ASL MARINE HOLDINGS LTD.

(Incorporated in the Republic of Singapore)

Co. Reg. No. 200008542N

**UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR
THE SECOND QUARTER ENDED 31 MARCH 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	29
B Variance from Prospect Statement	36
C Outlook and Prospect	36
D Dividend	38
E Interested Person Transactions	38
F Negative confirmation pursuant to Rule 705(5)	38
G Confirmation pursuant to Rule 720(1)	38
H Use of Proceeds	38

A. Statements of Financial Position

	Note	Group		Company	
		31-Mar-23	30-Jun-22	31-Mar-23	30-Jun-22
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment	3	405,595	375,228	-	-
Right-of-use assets		7,499	8,856	-	-
Investment in subsidiaries		-	-	38,166	38,166
Investment in joint ventures and associates		1,920	2,116	-	-
Other receivables	7	-	-	5,167	5,167
Finance lease receivables		-	4,580	-	-
		415,014	390,780	43,333	43,333
Current assets					
Inventories	5	22,675	89,721	-	-
Contract assets	6	28,088	21,121	-	-
Trade and other receivables	7	51,077	51,528	220,361	236,019
Prepayments		4,205	3,660	291	190
Finance lease receivables		2,165	5,080	-	-
Derivative financial instruments		-	1	-	-
Cash and bank balances		16,660	22,072	3,703	3,700
		124,870	193,183	224,355	239,909
Current liabilities					
Trade and other payables	8	159,621	149,436	75,829	82,873
Contract liabilities	6	28,194	25,883	-	-
Trust receipts	9	10,354	8,767	-	-
Interest-bearing loans and borrowings	9	30,931	37,364	10,608	10,536
Lease liabilities		1,460	1,658	-	-
Derivative financial instruments		-	1	-	-
Income tax payables		8,603	7,595	14	14
		239,163	230,704	86,451	93,423
Net current (liabilities)/ assets		(114,293)	(37,521)	137,904	146,486
Non-current liabilities					
Other payables	8	1,428	1,494	-	-
Other liabilities		2,531	2,524	-	-
Contract liabilities	6	2,928	8,144	-	-
Interest-bearing loans and borrowings	9	222,321	262,785	156,738	156,734
Lease liabilities		2,611	3,635	-	-
Deferred tax liabilities		7,080	6,922	-	-
		238,899	285,504	156,738	156,734
Net assets		61,822	67,755	24,499	33,085
Equity attributable to owners of the Company					
Share capital	10	108,140	108,140	108,140	108,140
Treasury shares		(923)	(923)	(923)	(923)
Reserves		(44,923)	(38,634)	(82,718)	(74,132)
		62,294	68,583	24,499	33,085
Non-controlling interests		(472)	(828)	-	-
Total equity		61,822	67,755	24,499	33,085

B. Consolidated Income Statement

		Group					
		3 months ended 31 March			9 months ended 31 March		
Note	3Q FY2023 \$'000	3Q FY2022 \$'000	Increase/ (Decrease) %	9M FY2023 \$'000	9M FY2022 \$'000	Increase/ (Decrease) %	
Revenue	11	102,227	71,853	42.3	238,911	175,707	36.0
Cost of sales		(88,770)	(69,868)	27.1	(224,101)	(170,750)	31.2
Gross profit		13,457	1,985	577.9	14,810	4,957	198.8
Other operating income	12	14,428	3,334	332.8	19,084	5,841	226.7
Selling and distribution expenses		(1,123)	(458)	145.2	(1,756)	(909)	93.2
Administrative expenses		(3,992)	(3,637)	9.8	(11,505)	(10,952)	5.0
Other operating expenses	13	(2,519)	(1,114)	126.1	(5,047)	(2,276)	121.7
Finance costs	14	(6,952)	(5,807)	19.7	(20,894)	(17,695)	18.1
Reversal of impairment losses/ (Impairment losses) on financial assets		2,118	313	576.7	264	(1,195)	(122.1)
Share of results of joint ventures and associates		(541)	(889)	(39.1)	31	938	(96.7)
Profit/(Loss) before tax	15	14,876	(6,273)	(337.1)	(5,013)	(21,291)	(76.5)
Income tax expenses	16	(833)	(783)	6.4	(1,774)	(1,550)	14.5
Profit/(Loss) for the period		14,043	(7,056)	(299.0)	(6,787)	(22,841)	(70.3)
Attributable to:							
Owners of the Company		13,974	(6,716)	(308.1)	(7,026)	(22,826)	(69.2)
Non-controlling interests		69	(340)	(120.3)	239	(15)	Nm
		14,043	(7,056)	(299.0)	(6,787)	(22,841)	(70.3)
Earnings/(Loss) per share (cents per share)	17						
Basic		2.22	(1.06)	Nm	(1.11)	(3.62)	(69.3)
Diluted		2.22	(1.06)	Nm	(1.11)	(3.62)	(69.3)
Adjusted EBITDA* for the period		19,360	12,952	49.5	41,190	32,507	26.7

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 FY2023	3Q FY2022	9M FY2023	9M FY2022	
	\$'000	\$'000	\$'000	\$'000	
Profit/(Loss) for the period	14,043	(7,056)	(6,787)	(22,841)	
Items that may be reclassified subsequently to profit or loss:					
Translation differences relating to financial statements of foreign subsidiaries, net of tax	(i)	(354)	704	1,025	1,630
Share of other comprehensive income of joint ventures and associates		(39)	(6)	(171)	24
Realisation of foreign currency translation reserves upon dissolution of subsidiaries		-	-	-	(401)
Net fair value changes to cash flow hedges	(ii)	-	-	1	-
Other comprehensive income for the period, net of tax		(393)	698	855	1,253
Total comprehensive income for the period		13,650	(6,358)	(5,932)	(21,588)
Attributable to:					
Owners of the Company		13,454	(6,027)	(6,288)	(21,547)
Non-controlling interests		196	(331)	356	(41)
		13,650	(6,358)	(5,932)	(21,588)

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 31-Mar-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
9M FY2023										
At 1 July 2022	108,140	(923)	2,381	(1)	897	(41,911)	(38,634)	68,583	(828)	67,755
(Loss)/ profit for the period	-	-	-	-	-	(7,026)	(7,026)	(7,026)	239	(6,787)
<u>Other comprehensive income</u>										
Translation differences relating to financial statements of foreign subsidiaries	-	-	887	-	-	-	887	887	138	1,025
Share of other comprehensive income of joint ventures and associates	-	-	(151)	-	-	-	(151)	(151)	(21)	(172)
Net fair value changes to cash flow hedges	-	-	-	1	-	-	1	1	-	1
Other comprehensive income for the period, net of tax	-	-	736	1	-	-	737	737	117	854
Total comprehensive income for the period	-	-	736	1	-	(7,026)	(6,289)	(6,289)	356	(5,933)
At 31 March 2023	108,140	(923)	3,117	-	897	(48,937)	(44,923)	62,294	(472)	61,822

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

For the period ended 31-Mar-22									
<u>Group</u>	Attributable to owners of the Company								
	Share capital \$'000	Treasury shares \$'000	Foreign currency translation 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
9M FY2022									
At 1 July 2021	108,133	(923)	411	897	(10,350)	(9,042)	98,168	(797)	97,371
(Loss)/ profit for the period	-	-	-	-	(22,826)	(22,826)	(22,826)	(15)	(22,841)
<u>Other comprehensive income</u>									
Translation differences relating to financial statements of foreign subsidiaries	-	-	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)
Other comprehensive income for the period, net of tax	-	-	1,279	-	-	1,279	1,279	(26)	1,253
Total comprehensive income for the period	-	-	1,279	-	(22,826)	(21,547)	(21,547)	(41)	(21,588)
<u>Contributions by owners</u>									
Conversion of warrants	7	-	-	-	-	-	7	-	7
At 31 December 2021	108,140	(923)	1,690	897	(33,176)	(30,589)	76,628	(838)	75,790

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

For the periods ended 31-Mar-23 and 31-Mar-22						
<u>COMPANY</u>	Share capital \$'000	Treasury shares \$'000	Warrant reserve \$'000	Accumulated losses \$'000	Total reserves \$'000	Total equity \$'000
<u>9M FY2023</u>						
At 1 July 2022	108,140	(923)	897	(75,029)	(74,132)	33,085
Loss for the period, representing total comprehensive income for the period	-	-	-	(8,586)	(8,586)	(8,586)
At 31 March 2023	108,140	(923)	897	(83,615)	(82,718)	24,499
<u>9M FY2022</u>						
At 1 July 2021	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)
<u>Contributions by owners</u>						
Conversion of warrants	7	-	-	-	-	7
At 31 March 2022	108,140	(923)	897	(82,920)	(82,023)	25,194

E. Consolidated Statement of Cash Flows

	Group	
	9 months ended 31 March	
	9M FY2023 \$'000	9M FY2022 \$'000
Cash flows from operating activities		
Loss before tax	(5,013)	(21,291)
Adjustments for:		
Amortisation of intangible assets	-	225
Depreciation of property, plant and equipment	36,122	33,731
Depreciation of right-of-use assets	1,494	1,872
Loss on ineffective portion of cash flow hedges on forward currency contracts	1	-
Loss on disposal of property, plant and equipment	(492)	(1,436)
Gain on dissolution of subsidiaries	-	(401)
(Gain)/Loss on remeasurement of lease liabilities	(40)	60
(Reversal of)/ impairment losses on financial assets (net):		
-amount due from joint ventures and associates	(827)	(700)
-contract assets	(51)	(33)
-other receivables	-	(178)
-trade receivables (third parties)	614	2,106
Reversal of impairment losses on non-financial assets	(13,449)	-
Interest income	(448)	(510)
Interest expense	20,894	17,695
Property, plant and equipment written off	1,758	528
Provision/ (reversal of provision) for warranty (net)	3	(7)
Provision for pension liabilities	26	24
Share of results of joint venture and associates	(31)	(938)
Operating cash flows before changes in working capital	40,561	30,747
Changes in working capital:		
Inventories	21,263	(3,440)
Contract assets and liabilities	(9,893)	3,592
Trade and other receivables	(3,761)	(1,722)
Prepayments	(545)	(565)
Trade and other payables	15,462	21,490
Finance lease receivables	2,977	1,347
Other liabilities	1	(76)
Balances with related parties (trade)	4,210	(117)
Cash flows generated from operations	70,275	51,256
Interest received from finance lease receivables	266	233
Income tax paid	(312)	(727)
Net cash flows generated from operating activities	70,229	50,762
Cash flows from investing activities		
Interest received	27	18
Purchase of property, plant and equipment	(9,935)	(14,933)
Proceeds from disposal of property, plant and equipment	2,658	2,681
Movement in balances with related parties (non-trade)	192	166
Net cash flows used in investing activities	(7,058)	(12,068)

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

	Group	
	9 months ended 31 March	
	9M	9M
	FY2023	FY2022
	\$'000	\$'000
Cash flows from financing activities		
Interest paid	(11,093)	(8,287)
Repayment of interest-bearing loans and borrowings	(57,218)	(27,338)
Principal repayment of lease liabilities	(1,538)	(2,150)
Repayment of trust receipts	(24,673)	(17,859)
Proceeds from trust receipts	26,277	19,558
upon conversion of warrants	-	7
Cash and bank balances (restricted use)	6,466	(4,228)
Net cash flows used in financing activities	(61,779)	(40,297)
Net increase/(decrease) in cash and cash equivalents	1,392	(1,603)
Cash and cash equivalents at beginning of period	7,438	14,125
Effects of exchange rate changes on cash and cash equivalents	(337)	58
Cash and cash equivalents at end of period (Note 1)	8,493	12,580
 Note 1:		
Cash and cash equivalents comprise the followings:		
Bank balances and cash	16,660	29,216
Less: Restricted cash		
- Cash at banks	(8,167)	(16,636)
Cash and cash equivalents at end of period	8,493	12,580

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 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 six months ended 31 December 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 2022. 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 2022.

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 \$6,787,000 (9M FY2022: \$22,841,000) for the financial period ended 31 March 2023 (“**9M FY2023**”) and as at 31 March 2023, the Group’s current liabilities exceeded its current assets by \$114,293,000 (30 June 2022: \$37,521,000). As at 31 March 2023, the Group’s and Company’s total borrowings amounted to \$263,606,000 and \$167,346,000 (30 June 2022: \$308,916,000 and \$167,270,000) of which \$41,285,000 and \$10,608,000 (30 June 2022: \$46,131,000 and \$10,536,000) 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 2023, the aggregate value of property, plant and equipment and right-of-use assets amounted to \$413,094,000 (30 June 2022: \$384,084,000), which represented 77% (30 June 2022: 66%) of its total assets. The majority of these assets were financed through bank loans, bonds and lease liabilities of \$257,323,000 (30 June 2022: \$305,442,000), which represented 54% (30 June 2022: 59%) of its total liabilities as of 31 March 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 \$41,190,000 for 9M FY2023 (9M FY2022: \$32,507,000). 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 expenses of recurring nature;
 - Close collaboration with contractors and suppliers to improve working capital management, such as on credit terms, payment plans and debt settlements;
 - Stricter customer credit control;
 - Strengthening of coordination among marketing, operations and finance departments for better credit control; 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 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 2022.

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 2022.

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 2023. Accordingly, it has no material impact on the earnings/(loss) per share of the Group and the Company.

3. Property, plant and equipment

	Group	
	31-Mar-23 \$'000	31-Mar-22 \$'000
Balance as at 1 July	375,228	395,623
Additions	11,799	16,068
Disposals/ Write-off	(5,031)	(1,779)
Depreciation charge	(35,825)	(34,301)
Transfer from inventories	62,093	-
Transfer from finance lease	5,101	-
Translation differences	(7,770)	1,133
Balance as at 31 March	405,595	376,744

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

	Group			
	3 months ended 31 March 3Q FY2023		9 months ended 31 March 9M FY2023	
	\$'000	\$'000	\$'000	\$'000
Depreciation charge for the period	12,330	11,755	35,825	34,301
Depreciation included in construction work-in-progress carried forward	(346)	84	(3,955)	(3,786)
Depreciation capitalised in prior year construction work-in-progress now charged to consolidated income statement	-	-	4,252	3,216
Depreciation charge as disclosed in Note 15	11,984	11,839	36,122	33,731

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	
	As at 31-Mar-23 \$'000	As at 30-Jun-22 \$'000
Raw materials and consumables (at cost or net realisable value)	18,091	15,182
Finished goods (at cost or net realisable value)	4,584	74,539
Total inventories	22,675	89,721

6. Contracts assets and contract liabilities

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

	Group	
	As at 31-Mar-23 \$'000	As at 30-Jun-22 \$'000
Contract assets		
<i>Current</i>		
Accrued revenue	11,644	13,010
Construction work-in-progress	16,444	8,111
Total contract assets	28,088	21,121
Contract liabilities		
<i>Current</i>		
Deferred income and deposits received from customers	(19,620)	(16,293)
Progress billings in excess of construction work-in-progress	(8,574)	(9,590)
	(28,194)	(25,883)
<i>Non-current</i>		
Deferred income	(2,928)	(8,144)
Total contract liabilities	(31,122)	(34,027)

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

	Group	
	As at 31-Mar-23 \$'000	As at 30-Jun-22 \$'000
At gross:		
Construction work-in-progress and attributable profits (less recognised losses) to date	67,984	32,535
Less: Progress billings	(60,114)	(34,014)
	7,870	(1,479)
Presented on a contract basis, net:		
Construction work-in-progress	16,444	8,111
Progress billings in excess of construction work-in-progress	(8,574)	(9,590)
	7,870	(1,479)

7. Trade and other receivables

	Group		Company	
	As at 31-Mar-23 \$'000	As at 30-Jun-22 \$'000	As at 31-Mar-23 \$'000	As at 30-Jun-22 \$'000
Non-current				
Other receivables:				
Amount due from a subsidiary	-	-	5,167	5,167
Current				
Trade receivables	55,647	57,135	-	-
Less: Allowance for impairment	(22,354)	(22,261)	-	-
	33,293	34,874	-	-
Other receivables and deposits	12,475	9,951	20	20
Amounts due from subsidiaries	-	-	295,939	311,778
Amounts due from joint ventures and associates	58,973	63,051	2,564	2,683
Amounts due from related parties	431	437	-	-
	71,879	73,439	298,523	314,481
Less: Allowance for impairment				
Other receivables	(790)	(818)	-	-
Amounts due from subsidiaries	-	-	(75,598)	(75,779)
Amounts due from joint ventures and associates	(53,263)	(55,922)	(2,564)	(2,683)
Amounts due from related parties	(42)	(45)	-	-
	(54,095)	(56,785)	(78,162)	(78,462)
	17,784	16,654	220,361	236,019
Total trade and other receivables (current)	51,077	51,528	220,361	236,019
Total trade and other receivables (current and non-current)	51,077	51,528	225,528	241,186

8. Trade and other payables

	Group		Company	
	As at 31-Mar-23 \$'000	As at 30-Jun-22 \$'000	As at 31-Mar-23 \$'000	As at 30-Jun-22 \$'000
Non-current				
Amounts due to an associate	1,428	1,494	-	-
Current				
Trade payables and accruals	139,494	130,826	2,478	3,590
Payables for property, plant and equipment	2,506	2,192	-	-
Other payables	2,304	2,308	-	-
Other liabilities				
- Deferred income	876	987	-	-
- Deposits received from customers	2,778	1,837	-	-
Amounts due to subsidiaries	-	-	73,351	79,283
Amounts due to joint ventures and associates	274	263	-	-
Amounts due to related parties	4,559	4,187	-	-
Amounts due to non-controlling interests of subsidiaries	203	213	-	-
Amounts due to a shareholder	6,620	6,620	-	-
Provision for warranty	7	3	-	-
	159,621	149,436	75,829	82,873
Total trade and other payables (current and non-current)	161,049	150,930	75,829	82,873

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% (FY2022: 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	
	As at 31-Mar-23 \$'000	As at 30-Jun-22 \$'000	As at 31-Mar-23 \$'000	As at 30-Jun-22 \$'000
Current				
Trust receipts	10,354	8,767	-	-
Interest-bearing loans and borrowings				
- Finance lease liabilities -secured	685	285	-	-
- Floating rate - secured	28,253	33,386	10,608	10,536
- Fixed rate -secured	230	1,244	-	-
- Fixed rate -unsecured	1,763	2,449	-	-
	30,931	37,364	10,608	10,536
	41,285	46,131	10,608	10,536
Non-current				
Interest-bearing loans and borrowings				
- Finance lease liabilities -secured	1,003	172	-	-
- Floating rate - secured	219,030	258,997	156,738	156,734
- Fixed rate -secured	-	-	-	-
- Fixed rate -unsecured	2,288	3,616	-	-
	222,321	262,785	156,738	156,734
Total loans and borrowings	263,606	308,916	167,346	167,270

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 \$77,298,000 (30 June 2022: \$71,632,000) and \$33,862,000 (30 June 2022: \$32,687,000) 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”).

9. Loans and Borrowings (Cont'd)

The total carrying value of the collateralized assets as of 31 March 2023 was \$359,609,000 (30 June 2022: \$379,518,000).

10. Share capital and treasury shares

	Group and Company			
	Number of shares		Amount	
	Issued share capital \$'000	Treasury shares \$'000	Issued share capital \$'000	Treasury shares \$'000
Fully paid ordinary shares, with no par value				
<u>9M FY2023</u>				
Balance at 1 July and 31 March	630,627	2,512	108,140	(923)
<u>FY2022</u>				
Balance at 1 July	630,507	2,512	108,133	(923)
Conversion of warrants	120	-	7	-
Balance at 30 June	630,627	2,512	108,140	(923)

As at	31-Mar-23	30-Jun-22	31-Mar-22
Total number of issued shares	633,138,541	633,138,541	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)	630,626,941	630,626,941	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 31 March 2023 and 31 March 2022, 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-23	As at 31-Mar-22
Balance as at 1 July	565,770,713	565,890,713
Warrants exercised	-	(120,000)
Balance as at 31 March	565,770,713	565,770,713

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 2023 and 31 March 2022 is 0.40% respectively.

Except for the warrants, there were no convertible securities as at 31 March 2023 and 31 March 2022. As at 31 March 2023, 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 2022: 565,770,713).

There were no outstanding share options granted under the ASL Employee Share Option Scheme 2012 (“**ESOS**”) as at 31 March 2023 and 31 March 2022. The ESOS expired on 25 October 2022.

The Company has no subsidiary holdings as at 31 March 2023 and 31 March 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)

	3 months ended 31 March					
	Shipbuilding \$'000	Shiprepair, conversion and engineering services \$'000	Shipchartering \$'000	Investment holding \$'000	Eliminations \$'000	Consolidated \$'000
Revenue and expenses						
<u>From 1 January 2023 to 31 March 2023</u>						
Revenue from external customers	47,330	35,666	19,231	-	-	102,227
Inter-segment revenue	(28,262)	13,867	3,313	-	11,082	-
Total revenue	19,068	49,533	22,544	-	11,082	102,227
Segment results	21,636	7,104	(6,182)	(207)	-	22,351
Interest income from finance lease receivables	-	-	18	-	-	18
Finance costs						(6,952)
Share of results of joint ventures and associates						(541)
Income tax expense						(833)
Profit for the period						14,043
<u>From 1 January 2022 to 31 March 2022</u>						
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 expense						(783)
Loss for the period						(7,056)
9 months ended 31 March						
	Shipbuilding \$'000	Shiprepair, conversion and engineering services \$'000	Shipchartering \$'000	Investment holding \$'000	Eliminations \$'000	Consolidated \$'000
<u>From 1 July 2022 to 31 March 2023</u>						
Revenue from external customers	55,229	117,687	65,995	-	-	238,911
Inter-segment revenue	(28,744)	47,350	10,809	-	(29,415)	-
Total revenue	26,485	165,037	76,804	-	(29,415)	238,911
Segment results	20,381	20,661	(24,987)	(626)	-	15,429
Interest income from finance lease receivables	-	-	421	-	-	421
Finance costs						(20,894)
Share of results of joint ventures and associates						31
Income tax expense						(1,774)
Loss for the year						(6,787)
<u>From 1 July 2021 to 31 March 2022</u>						
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	24,265	111,520	94,987	-	(55,065)	175,707
Segment results	(3,651)	5,621	(6,482)	(514)	-	(5,026)
Interest income from finance lease receivables	-	-	492	-	-	492
Finance costs						(17,695)
Share of results of joint ventures and associates						938
Income tax expense						(1,550)
Loss for the year						(22,841)

11.1 (i) Business segments (Cont'd)

	Shipbuilding \$'000	Shiprepair, conversion and engineering services \$'000	Shipchartering \$'000	Investment holding \$'000	Eliminations \$'000	Consolidated \$'000
Assets and liabilities						
As at 31 March 2023						
Segment assets	20,068	154,498	359,224	4,174	-	537,964
Unallocated assets						1,920
Total assets						539,884
Segment liabilities	23,057	110,838	62,385	2,492	-	198,772
Unallocated liabilities						279,290
Total liabilities						478,062
As at 31 March 2022						
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

3 months ended 31 March

	Shipbuilding \$'000	Shiprepair, conversion and engineering services \$'000	Shipchartering \$'000	Investment holding \$'000	Consolidated \$'000
Other segmental information					
From 1 January 2023 to 31 March 2023					
Capital expenditure	245	510	1,395	-	2,150
Depreciation and amortisation	1,074	1,982	9,407	-	12,463
Other non-cash expenses	-	9	126	-	135
Impairment loss on financial assets, net	-	(328)	(1,790)	-	(2,118)
Reversal of impairment losses on non-financial assets	-	-	(13,449)	-	(13,449)
Finance cost	742	2,086	1,425	2,699	6,952
Interest income	(2)	(3)	(27)	-	(32)
From 1 January 2022 to 31 March 2022					
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
(Reversal of)/ impairment losses on financial assets, net	-	112	(425)	-	(313)
Finance cost	925	1,280	1,178	2,424	5,807
Interest income	-	(3)	(145)	(1)	(149)

9 months ended 31 March

From 1 July 2022 to 31 March 2023					
Capital expenditure	431	2,999	8,369	-	11,799
Depreciation and amortisation	3,006	8,078	26,532	-	37,616
Other non-cash expenses	-	32	1,883	-	1,915
Impairment loss on financial assets, net	-	68	(332)	-	(264)
Reversal of impairment losses on non-financial assets	-	-	(13,449)	-	(13,449)
Finance cost	1,175	7,331	4,442	7,946	20,894
Interest income	(2)	(13)	(433)	-	(448)
From 1 July 2021 to 31 March 2022					
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)

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
From 1 January 2023 to 31 March 2023							
Revenue from external customers	68,288	6,331	21,052	1,993	1,803	2,760	102,227
Non-current assets	258,014	116,122	39,961	917	-	-	415,014
From 1 January 2022 to 31 March 2022							
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
	9 months ended 31 March						
	Singapore \$'000	Indonesia \$'000	Rest of Asia \$'000	Europe \$'000	Australia \$'000	Other Countries \$'000	Consolidated \$'000
From 1 July 2022 to 31 March 2023							
Revenue from external customers	115,184	25,497	62,159	16,412	6,434	13,225	238,911
Non-current assets	258,014	116,122	39,961	917	-	-	415,014
From 1 July 2021 to 31 March 2022							
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

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 31 March						9 months ended 31 March					
	3Q FY2023			3Q FY2022			9M FY2023			9M FY2022		
	At a point in time	Over time	Total	At a point in time	Over time	Total	At a point in time	Over time	Total	At a point in time	Over time	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Shipbuilding segment</i>												
- Construction of tugs	33,518	3,755	37,273	-	652	652	33,518	5,003	38,521	-	652	652
- Construction of barges and others	9,631	426	10,057	6,940	5,691	12,631	9,912	6,796	16,708	7,221	12,379	19,600
	43,149	4,181	47,330	6,940	6,343	13,283	43,430	11,799	55,229	7,221	13,031	20,252
<i>Shiprepair, conversion and engineering services segment</i>												
- Provision of shiprepair and related services	-	32,628	32,628	-	31,014	31,014	-	109,617	109,617	-	76,161	76,161
- Provision of engineering service and sales of components	1,109	1,929	3,038	896	302	1,198	4,512	3,558	8,070	1,334	2,627	3,961
	1,109	34,557	35,666	896	31,316	32,212	4,512	113,175	117,687	1,334	78,788	80,122
<i>Shipchartering segment</i>												
- Leasing income	-	8,927	8,927	-	10,094	10,094	-	24,362	24,362	-	28,637	28,637
- Mobilisation and demobilisation income	-	588	588	-	246	246	-	1,626	1,626	-	666	666
- Freight income	-	3,592	3,592	-	5,098	5,098	-	15,728	15,728	-	15,853	15,853
- Other charter ancillary and marine related service income	1,810	4,274	6,084	642	9,966	10,608	5,342	18,311	23,653	4,218	25,119	29,337
- Ship management income	-	(12)	(12)	-	172	172	-	225	225	-	485	485
- Trade sales	87	(35)	52	105	35	140	346	55	401	238	117	355
	1,897	17,334	19,231	747	25,611	26,358	5,688	60,307	65,995	4,456	70,877	75,333
	46,155	56,072	102,227	8,583	63,270	71,853	53,630	185,281	238,911	13,011	162,696	175,707

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 FY2023	3Q FY2022	3Q FY2023	3Q FY2022	3Q FY2023	3Q FY2022	3Q FY2023	3Q FY2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Singapore	37,613	6,800	11,447	13,329	7,734	8,012	56,794	28,141
Indonesia	559	140	5,772	7,584	1,774	2,263	8,105	9,987
Rest of Asia	8,890	652	12,161	2,704	5,539	11,713	26,590	15,069
Europe	-	-	1,992	4,339	661	261	2,653	4,600
Australia	-	-	1,802	2,136	1,465	1,689	3,267	3,825
Other Countries	268	5,691	2,492	2,120	2,058	2,420	4,818	10,231
	<u>47,330</u>	<u>13,283</u>	<u>35,666</u>	<u>32,212</u>	<u>19,231</u>	<u>26,358</u>	<u>102,227</u>	<u>71,853</u>

9 months ended 31 March								
Group	Shipbuilding		Shiprepair, conversion and engineering services		Shipchartering and rental		Total	
	9M FY2023	9M FY2022	9M FY2023	9M FY2022	9M FY2023	9M FY2022	9M FY2023	9M FY2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Singapore	37,613	7,537	39,036	33,140	27,041	27,923	103,690	68,600
Indonesia	2,081	421	18,830	16,177	6,360	9,475	27,271	26,073
Rest of Asia	10,138	652	36,628	6,165	20,931	27,846	67,697	34,663
Europe	-	-	14,925	12,077	2,147	1,530	17,072	13,607
Australia	-	-	2,676	4,854	5,222	4,174	7,898	9,028
Other Countries	5,397	11,642	5,592	7,709	4,294	4,385	15,283	23,736
	<u>55,229</u>	<u>20,252</u>	<u>117,687</u>	<u>80,122</u>	<u>65,995</u>	<u>75,333</u>	<u>238,911</u>	<u>175,707</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

	Group			
	3 months ended 31 March		9 months ended 31 March	
	3Q FY2023	3Q FY2022	9M FY2023	9M FY2022
	\$'000	\$'000	\$'000	\$'000
Gain/(Loss) on disposal of property, plant and equipment	(70)	1,303	492	1,436
Gain on dissolution of subsidiaries	-	-	-	401
Gain on remeasurement of lease liabilities	40	-	40	-
Government grants	-	284	-	1,257
Insurance claims	1	1,224	3,147	1,257
Interest income from debt instruments at amortised costs				
- deposits and bank balances	14	(23)	27	18
- finance lease receivables	18	172	421	492
Miscellaneous income	906	233	1,189	608
Rental income	70	141	319	372
Reversal of impairment losses on non-financial assets	13,449	-	13,449	-
	14,428	3,334	19,084	5,841

13. Other operating expenses

	Group			
	3 months ended 31 March		9 months ended 31 March	
	3Q FY2023	3Q FY2022	9M FY2023	9M FY2022
	\$'000	\$'000	\$'000	\$'000
Loss on foreign exchange (net)	2,392	586	3,162	1,688
Loss on remeasurement of lease liabilities	-	-	-	60
Property, plant and equipment written off	127	528	1,885	528
	2,519	1,114	5,047	2,276

14. Finance costs

	Group			
	3 months ended 31 March		9 months ended 31 March	
	3Q FY2023	3Q FY2022	9M FY2023	9M FY2022
	\$'000	\$'000	\$'000	\$'000
Interest expense on:				
- bank loans and notes	6,829	5,655	20,521	17,185
- finance lease	18	7	27	23
- lease liabilities	106	145	347	487
- trust receipts	128	44	319	120
	7,081	5,851	21,214	17,815
Less:				
Interest expense capitalised in contract assets				
- trust receipts	(5)	10	(8)	(4)
Interest expense charged to cost of sales				
- trust receipts	(124)	(54)	(312)	(116)
	6,952	5,807	20,894	17,695

15. Profit/(Loss) before tax

	Group			
	3 months ended 31 March		9 months ended 31 March	
	3Q FY2023	3Q FY2022	9M FY2023	9M FY2022
	\$'000	\$'000	\$'000	\$'000
Profit/(Loss) before tax is stated after charging/(crediting):				
Amortisation of intangible assets	-	72	-	225
Audit fees paid/payable				
- auditor of the Company	88	76	263	229
- overseas affiliates of the auditors of the Company	21	21	64	63
- other auditors	14	5	42	14
Non-audit fees paid/payable to auditor of the Company	4	1	11	3
Depreciation of property, plant and equipment	11,984	11,839	36,122	33,731
Depreciation of right-of-use assets	479	552	1,494	1,872
Employee benefits expense	10,989	10,207	29,674	27,810
Loss on ineffective portion of cash flow hedges on forward currency contracts	-	-	1	-
Impairment losses/ (reversal of impairment losses) on financial assets (net):				
- joint ventures and associates	(827)	(700)	(827)	(700)
- contract assets	46	18	(51)	(33)
- other receivables	-	3	-	(178)
- trade receivables (third parties)	(1,337)	366	614	2,106

16. Income tax expenses

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 31 March		9 months ended 31 March	
	3Q FY2023	3Q FY2022	9M FY2023	9M FY2022
	\$'000	\$'000	\$'000	\$'000
Current income tax:				
Current income tax	(757)	(868)	(2,134)	(1,950)
(Under)/ over provision in respect of prior years	(81)	(605)	548	(1,143)
	(838)	(1,473)	(1,586)	(3,093)
Deferred tax:				
Movements in temporary differences	-	18	-	726
(Under)/ over provision in respect of prior years	5	672	(188)	817
	5	690	(188)	1,543
Total income tax (expenses)/ credit	(833)	(783)	(1,774)	(1,550)

17. Earnings/(Loss) per share

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

Diluted earnings per share are calculated by dividing profit or 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 profit or loss and share data used in the computation of basic and diluted earnings per share during the financial periods reported on:

17. Earnings/(Loss) per share (Cont'd)

	Group			
	3 months ended 31 December		9 months ended 31 March	
Earnings per ordinary share:	3Q FY2023	3Q FY2022	9M FY2023	9M FY2022
(i) On weighted average no. of ordinary shares in issue	2.22 cents	(1.06) cents	(1.11) cents	(3.62) cents
(ii) On a fully diluted basis	2.22 cents	(1.06) cents	(1.11) cents	(3.62) cents
Net profit/(loss) attributable to shareholders:	\$13,974,000	(\$6,716,000)	(\$7,026,000)	(\$22,826,000)
Number of shares in issue:				
(i) Weighted average no. of shares in issue	630,626,941	630,626,941	630,626,941	630,616,430
(ii) On a fully diluted basis	630,626,941	630,626,941	630,626,941	630,616,430

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-23	30-Jun-22	31-Mar-23	30-Jun-22
Net Asset Value (NAV) per ordinary share	9.88 cents	10.88 cents	3.88 cents	5.25 cents
NAV computed based on no. of ordinary shares issued	630,626,941	630,626,941	630,626,941	630,626,941

The calculation of net asset value per share as at 31 March 2023 and 30 June 2022 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:

19. Related party transactions (Cont'd)

(i) Sale and purchase of goods and services

	Group			
	3 months ended 31 March		9 months ended 31 March	
	3Q FY2023	3Q FY2022	9M FY2023	9M FY2022
	\$'000	\$'000	\$'000	\$'000
Joint ventures and associates				
Charter and trade expenses	(764)	(544)	(2,474)	(1,624)
Shiprepair income	-	321	-	321
Related parties				
Charter and trade expenses	-	-	-	(10)
Purchase of materials	(3)	-	(3)	-
Purchase of plant and machinery	-	-	-	(810)
Shipcharter income	-	-	-	676
<hr/>				
Company				
3 months ended 31 March		9 months ended 31 March		
3Q FY2023	3Q FY2022	9M FY2023	9M FY2022	
\$'000	\$'000	\$'000	\$'000	
Subsidiaries				
Interest income	1,655	1,328	4,868	4,040

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

	Group			
	3 months ended 31 March		9 months ended 31 March	
	3Q FY2023	3Q FY2022	9M FY2023	9M FY2022
	\$'000	\$'000	\$'000	\$'000
Joint ventures and associates	358	363	607	1,168
Related parties	(370)	-	(370)	-

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	As at	As at	As at
	31-Mar-23	30-Jun-22	31-Mar-23	30-Jun-22
	\$'000	\$'000	\$'000	\$'000
Financial assets not measured at fair value				
Trade and other receivables	51,077	51,528	225,528	241,186
Accrued revenue	11,644	13,010	-	-
Finance lease receivables	2,165	9,660	-	-
Cash and bank balances	16,660	22,072	3,703	3,700
At amortised cost	81,546	96,270	229,231	244,886
Financial liabilities not measured at fair value				
Trade and other payables*	157,386	148,103	75,829	82,873
Trust receipts	10,354	8,767	-	-
Interest bearing loans and borrowings	253,252	300,149	167,346	167,270
Lease liabilities	4,071	5,293	-	-
At amortised cost	425,063	462,312	243,175	250,143

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

20. Fair value measurement (Cont'd)

(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 ended 31 March 2023 and 30 June 2022.

(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 independent valuers of the lenders' approved panel of valuers. The valuers 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 independent valuers of the lenders' approved panel of valuers. 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.

20. Fair value measurement (Cont'd)

(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-23	30-Jun-22	31-Mar-23	30-Jun-22
	\$'000	\$'000	\$'000	\$'000
Financial liabilities				
Finance lease liabilities (Non-current) (Note 9)	1,003	172	1,003	160
Fixed rate loans (Non-current) (Note 9)	2,288	3,616	2,385	3,241
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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 \$102.2 million for the 3 months ended 31 March 2023 ("**3Q FY2023**") was \$30.4 million (42.3%) higher compared to the corresponding quarter in FY2022 ("**3Q FY2022**"), due to higher contribution from shipbuilding as well as shiprepair, conversion and engineering services. For the 9 months ended 31 March 2023 ("**9M FY2023**"), the Group revenue was \$238.9 million (36.0%) higher compared to the corresponding period ended 31 March 2022 ("**9M FY2022**").

Details for revenue generated from each segment are as follows:

	Group					
	3Q		Increase/ (Decrease)	9M		Increase/ (Decrease)
	FY2023	FY2022		FY2023	FY2022	
	\$'000	\$'000	%	\$'000	\$'000	%
Shipbuilding	47,330	13,283	256.3	55,229	20,252	172.7
Shiprepair, conversion and engineering services	35,666	32,212	10.7	117,687	80,122	46.9
Shipchartering	19,231	26,358	(27.0)	65,995	75,333	(12.4)
	102,227	71,853	42.3	238,911	175,707	36.0

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									
	3Q		3Q		Increase/ (Decrease)	9M		9M		Increase/ (Decrease)
	FY2023		FY2022			FY2023		FY2022		
	Units	\$'000	Units	\$'000	%	Units	\$'000	Units	\$'000	%
Platform Supply Vessels ("PSV")	1	33,519	-	-	Nm	1	33,519	-	-	Nm
Tugs	1	3,755	1	652	475.9	1	5,003	1	652	Nm
Barges and others	8	10,056	4	12,631	(20.4)	10	16,707	5	19,600	(14.8)
	10	47,330	5	13,283	256.3	12	55,229	6	20,252	172.7

Shipbuilding revenue in 3Q FY2023 was significantly higher by \$34.0 million (256.3%) as compared to last corresponding period mainly due to disposal of one PSV previously held as inventories for sale. Six units of work barges were completed and delivered in 3Q FY2023, supplemented by progressive revenue recognition from the construction of 2 other barges and 1 tanker.

As at 31 March 2023, the Group had an outstanding shipbuilding order book from external customers of approximately \$54 million for 13 vessels with progressive deliveries up to 2H 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 shiprepair, conversion and engineering services revenue in 3Q FY2023 increased by \$3.5 million (10.7%) to \$35.7 million mainly due to higher volume of repair jobs including repair of bulk carriers, tankers, container/ cargo vessels, pipe lay vessel etc undertaken in the current and preceding quarters.

Shipchartering

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

	Group					
	3Q		Increase/ (Decrease) %	9M		Increase/ (Decrease) %
	FY2023	FY2022		FY2023	FY2022	
\$'000	\$'000		\$'000	\$'000		
Offshore Support Vessels ("OSV")	5,854	8,751	(33.1)	15,418	17,508	(11.9)
Tug Boats	5,956	8,669	(31.3)	24,245	24,759	(2.1)
Barges	3,877	5,849	(33.7)	13,037	21,150	(38.4)
Total charter	15,687	23,269	(32.6)	52,700	63,417	(16.9)
Trade sales and other services	3,544	3,089	14.7	13,295	11,916	11.6
	19,231	26,358	(27.0)	65,995	75,333	(12.4)

Charter revenue decreased by \$7.6 million (32.6%) to \$15.7 million in 3Q FY2023 mainly due to

- (i) reduced contribution from local infrastructure projects (which are near completion) and overseas towing jobs;
- (ii) lower utilisation of OSV (3Q FY2023: 55%; 3Q FY2022: 74%); and
- (iii) decreased contribution from charter of tugs and barges for rock shipment to Bangladesh.

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

Gross profit/(loss) and gross margin

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

	Group							
	3Q		3Q		9M		9M	
	FY2023	GPM	FY2022	GPM	FY2023	GPM	FY2022	GPM
	\$'000		\$'000		\$'000		\$'000	
Shipbuilding	9,462	20.0%	636	4.8%	8,770	15.9%	898	4.4%
Shiprepair, conversion and engineering services	9,545	26.8%	5,284	16.4%	26,372	22.4%	11,030	13.8%
Shipchartering	(5,550)	(28.9%)	(3,935)	(14.9%)	(20,332)	(30.8%)	(6,971)	(9.3%)
	13,457	13.2%	1,985	2.8%	14,810	6.2%	4,957	2.8%

Shipbuilding

Shipbuilding gross profit improved significantly in 3Q FY2023 mainly attributable to the disposal of one PSV previously classified as inventories held for sale.

Shiprepair, conversion and engineering services

In line with higher revenue, gross profit increased by \$4.3 million (80.6%) to \$9.5 million with gross profit margin improved from 16.4% to 26.8% in 3Q FY2023.

Shipchartering

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

	Group							
	3Q		3Q		9M		9M	
	FY2023		FY2022		FY2023		FY2022	
	\$'000	GPM	\$'000	GPM	\$'000	GPM	\$'000	GPM
OSV	148	2.5%	(689)	(7.9%)	(4,467)	(29.0%)	(2,558)	(14.6%)
Tug boats and Barges	(6,644)	(67.6%)	(3,911)	(26.9%)	(19,479)	(52.2%)	(7,150)	(15.6%)
Total charter	(6,496)	(41.4%)	(4,600)	(19.8%)	(23,946)	(45.4%)	(9,708)	(15.3%)
Trade sales and other services	946	26.7%	665	21.5%	3,614	27.2%	2,737	23.0%
	(5,550)	(28.9%)	(3,935)	(14.9%)	(20,332)	(30.8%)	(6,971)	(9.3%)

Consequent to the decrease in revenue and higher repair and maintenance costs, the Group recorded a higher gross loss from its Tug boats and Barges operation in 3Q FY2023. In addition, on a reduced quantum consumed, fuel price however on average rose to S\$1.28/ litre (3Q FY2022: \$0.98/litre) and \$1.47/ litre in 9MFY2023 (9M FY2022: \$0.85/ litre).

Other operating income

Refer to breakdown of other operating income in section (I) F, Note 12 of this report. The increase was mainly due to reversal of impairment of \$13.4 million on two PSVs previously recorded under inventories, which were being transferred to property, plant and equipment in 3Q FY2023 pursuant to long term charters secured.

Selling and distribution expenses

Selling and distribution expenses increased by \$0.7 million (145.2%) to \$1.1 million in 3Q FY2023 as compared to corresponding period mainly due to higher sales commission and marketing expenses.

Administrative expenses

Administrative expenses increased by \$0.4 million (9.8%) to \$4.0 million in 3Q FY2023 as compared to corresponding period mainly due to higher staff related costs.

Other operating expenses

Refer to breakdown of other operating expenses in section (I) F, Note 13 of this report. The other operating expenses in 3Q FY2023 comprised net foreign exchange loss of \$2.4 million, bulk of which were unrealized losses due to depreciation of USD against SGD on SGD denominated liabilities of certain subsidiaries whose accounts are maintained in USD and appreciation of IDR against SGD on IDR denominated liabilities.

	31 Mar	31 Dec	30 Jun	31 Mar	31 Dec	30 Jun
	2023	2022	2022	2022	2021	2021
USD against SGD	1,3279	1,3492	1,3895	1,3530	1,3546	1,3445
IDR against SGD	11,342	11,659	10,685	10,605	10,534	10,781

Other operating expenses in 9M FY2023 comprised barges written off, the insurance claims of which were recorded under other operating income.

Finance costs

	Group			
	3Q	3Q	9M	9M
	FY2023	FY2022	FY2023	FY2022
	\$'000	\$'000	\$'000	\$'000
Interest expense on:				
Bank loans and bonds	3,520	2,369	10,567	7,663
Lease liabilities	123	152	374	510
Amortisation of bank loans and bonds	3,309	3,286	9,953	9,522
	<u>6,952</u>	<u>5,807</u>	<u>20,894</u>	<u>17,695</u>

There were higher interest expense due to increase in interest rate 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
	FY2023	FY2022	FY2023	FY2022
	\$'000	\$'000	\$'000	\$'000
Impairment losses/ (reversal of impairment losses) on financial assets, net				
- amount due from:				
• joint ventures and associates	(827)	(700)	(827)	(700)
- contract assets	46	18	(51)	(33)
- other receivables	-	3	-	(178)
- trade receivables (third parties)	(1,337)	366	614	2,106
	<u>(2,118)</u>	<u>(313)</u>	<u>(264)</u>	<u>1,195</u>
Reversal of impairment losses on non-financial assets, net (recorded under other operating income)	(13,449)	-	(13,449)	-
Total (reversal of)/ impairment losses	<u>(15,567)</u>	<u>(313)</u>	<u>(13,713)</u>	<u>1,195</u>

The impairment losses made on receivables are based on expected credit loss model and specific impairment on certain debts where recovery is uncertain. Reversal of impairment losses was made based on recovery of debts. 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
		FY2023	FY2022	FY2023	FY2022
		\$'000	\$'000	\$'000	\$'000
<u>Joint ventures</u>					
Sindo-Econ group	50%	-	-	-	
<u>Associates</u>					
PT. Hafar Capitol Nusantara ("PT Hafar")	36.75%	(557)	(939)	(18)	782
PT Capitol Nusantara Indonesia ("PT CNI")	27%	16	50	49	156
		<u>(541)</u>	<u>(889)</u>	<u>31</u>	<u>938</u>

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 loss from PT Hafar of \$0.6 million in 3Q FY2023 was mainly due to absence of charters secured.

The share of profit 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 \$14.9 million in 3Q FY2023 (3Q FY2022: loss before tax of \$6.3 million) and loss before tax of \$5.0 million in 9M FY2023 (9M FY2022: \$21.3 million) mainly attributable to higher contribution generated from disposal of one PSV previously held as inventories and reversal of impairment on assets partially offset by higher foreign exchange loss and finance costs.

Excluding the finance cost on amortisation of bank loans and bond which pertained to amortisation of fair value adjustments resulting from re-measurement of long term bank loans and bonds in prior years, the Group's profit before tax would have been \$18.2 million in 3Q FY2023 (3Q FY2022: loss before tax of \$3.0 million) and \$4.9 million in 9M FY2023 (9M FY2022: loss before tax of \$11.8 million).

Non-controlling interests

Non-controlling interests' share of loss 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 \$75.3 million in 9M FY2023 (9M FY2022: \$50.8 million) mainly due to proceeds received from disposal of one PSV.

The higher cash outflow from investing activities of \$12.2 million in 9M FY2023 (9M FY2022: \$12.1 million) mainly comprised net purchase of property, plant and equipment.

The higher net cash outflow from financing activities of \$61.8 million in 9M FY2023 (9M FY2022: \$40.3 million) was mainly due to higher net repayments on interest-bearing loans and borrowings including the prepayment of the underlying loan on the PSV disposed and higher interest paid, partially offset by higher restricted cash being released upon completion of shipbuilding projects.

Consolidated Statement of Financial Position

Non-current assets

Property, plant and equipment

Referring to the movement in property, plant and equipment during the period in section I (F), Note 3 of this report. Property, plant and equipment has increased by \$30.4 million (8.1%) from \$375.2 million as at 30 June 2022 to \$405.6 million as at 31 March 2023, mainly due to additions made during the period and transfer of two PSV from inventories partially offset by depreciation charge and disposals of vessels. The additions made during the period comprised:

	\$'000
- vessels and modification works	2,034
- plant and equipment, office equipment and motor vehicles	3,399
- assets under construction	1,698
- drydocking expenditure on vessels capitalised	4,668
	<u>11,799</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 \$1.4 million (15.3%) to \$7.5 million as at 31 March 2023 mainly due to depreciation charge.

Finance lease receivables

The finance lease receivables as at 30 June 2022 comprised a vessel which was previously deemed as being disposed and accounted for under finance lease. The Vessel was arrested and re-possessed by the Group due to non-payment of past monthly instalments. Accordingly, the finance lease was terminated with the underlying vessel reclassified back to property, plant and equipment.

Current assets

Current assets decreased by \$68.3 million (35.4%) to \$124.9 million as at 31 March 2023 mainly due to lower inventories.

Inventories

Referring to breakdown of inventories in section (I) F, Note 5 of this report. The decrease in inventories (Finished goods) was due to disposal of one PSV and transfer of the remaining two PSV to property, plant and equipment pursuant to long term charters secured.

Majority of the raw materials are inventories meant for ongoing shipbuilding and shiprepair projects. Finished goods consist of vessels for sale and dredge component parts.

Trade and other receivables

	Group			
	31-Mar-23	30-Jun-22	Increase/ (Decrease)	
	\$'000	\$'000	\$'000	%
Trade receivables	33,293	34,874	(1,581)	(4.5)
Other receivables and deposits	11,685	9,133	2,552	27.9
Amount due from:				
- joint ventures and associates	5,710	7,129	(1,419)	(19.9)
- related parties	389	392	(3)	(0.8)
	51,077	51,528	(451)	(0.9)

The decrease in trade receivables was partly due to lower receivables from shipchartering operations, partially offset by higher milestone billings from shipbuilding projects towards the end of financial reporting periods. Trade receivables of \$13.1 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. The increase in other receivables and deposits were mainly due to insurance claimables, partially offset by lower recoverable from customers during the periods under review.

Current liabilities

Current liabilities increased by \$8.5 million (3.7%) to \$239.2 million as at 31 March 2023. The increase was mainly due to higher trade payables and accruals as well as contract liabilities.

Trade and other payables

Referring to the breakdown of trade and other payables in section (I) F, Note 8 of this report. The increase in trade payables and accruals was mainly due to higher payables owing to subcontractors with the pick-up of shiprepair activities 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. Accrued revenue of \$11.6 million primarily relates to the shiprepair and shipchartering services completed but not yet billed at the end of reporting period, of which \$5.0 million have been billed subsequent to the end of financial period under review.

The Group recorded a net construction work-in-progress in excess of progress billings of \$7.9 million as at 31 March 2023 (30 June 2022: a net progress billings in excess of construction work-in-progress of \$1.5 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.

Total borrowings

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

	Group (Carrying Value)				Group (Face Value)			
	31-Mar-23 \$'000	30-Jun-22 \$'000	Increase/ (Decrease) \$'000	%	31-Mar-23 \$'000	30-Jun-22 \$'000	Increase/ (Decrease) \$'000	%
Current								
Bonds	1,500	1,500	-	-	1,500	1,500	-	-
Trust receipts								
- general	10,354	8,767	1,587	18.1	10,354	8,767	1,587	18.1
Term loans								
- vessels loan	8,889	9,167	(278)	(3.0)	10,600	11,636	(1,036)	(8.9)
- assets financing	4,019	8,525	(4,506)	(52.9)	5,213	9,334	(4,121)	(44.2)
- working capital	15,838	17,887	(2,049)	(11.5)	16,135	18,294	(2,159)	(11.8)
	28,746	35,579	(6,833)	(19.2)	31,948	39,264	(7,316)	(18.6)
Finance lease liabilities	685	285	400	140.4	685	285	400	140.4
	41,285	46,131	(4,846)	(10.5)	44,487	49,816	(5,329)	(10.7)
Non-current								
Bonds	109,660	102,819	6,841	6.7	130,750	132,000	(1,250)	(0.9)
Term loans								
- vessels loan	43,570	51,694	(8,124)	(15.7)	47,724	57,262	(9,538)	(16.7)
- assets financing	18,723	50,568	(31,845)	(63.0)	20,267	53,037	(32,770)	(61.8)
- working capital	49,365	57,532	(8,167)	(14.2)	49,663	57,966	(8,303)	(14.3)
	111,658	159,794	(48,136)	(30.1)	117,654	168,265	(50,611)	(30.1)
Finance lease liabilities	1,003	172	831	483.1	1,003	172	831	483.1
	222,321	262,785	(40,464)	(15.4)	249,407	300,437	(51,030)	(17.0)
Total borrowings	263,606	308,916	(45,310)	(14.7)	293,894	350,253	(56,359)	(16.1)
Total shareholders' funds	62,294	68,583						
Gearing ratio (times)	4.23	4.50						
Net gearing ratio (times)	3.96	4.18						

The Group's total borrowings (carrying value) decreased by \$45.3 million (14.7%) to \$263.6 million as at 31 March 2023 mainly due to net repayment of interest-bearing loans and borrowings including the prepayment of the underlying loan on one PSV disposed during the period, 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 \$46.6 million (16.3%) to \$238.9 million as at 31 March 2023 mainly due to repayment and prepayment of loans and borrowings as well as decrease in contract liabilities (deferred income). 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, oil & gas prices and infrastructure expenditure in Asia.

The macro trends remain mixed and uncertain:

- a. The global economy has shown strength but is slowing down amid uncertainty. Persistent high inflation and financial sector stresses are impacting the outlook. International Monetary Fund (“**IMF**”) projected global growth of 2.8% in 2023 and 3.0% in 2024. Advanced economies are slowing sharply while developing countries have stronger growth¹.
- b. Tighter monetary policy and higher interest rates, high energy prices, weak real household income growth and declining confidence are all expected to sap growth. The outlook for transportation 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

¹ IMF World Economy Outlook, A Rocky Recovery April 2023

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.

There are encouraging signs that the maritime industry is recovering in tandem, barring the adverse impacts that may be caused by a) potential resurgence of COVID-19; b) geopolitical rivalry; c) rising interest rates and d) 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 had embarked on leveraging its 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 the shipbuilding segment, we continue to focus on securing orders for standardized vessels like tugs, barges and coastal tankers 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.

In 3Q FY2023, the Group sold one of its three PSV, the remaining two PSV were being transferred from inventories to property, plant and equipment pursuant to long term charters secured.

For the shiprepair segment, the Group will expand its dry-docking capacity in its Singapore yard by adding a second floating dock in Q2 FY2024 to capture a larger share of the local shiprepair market for bunkering vessels. 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.

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

Order Book

As at 31 March 2023, the Group had an outstanding shipbuilding order book from external customers of approximately \$54 million for 13 vessels with progressive deliveries up to 2H FY2024.

The Group's shipchartering revenue consists of mainly short-term and ad-hoc contracts. Approximately 27% of shipchartering revenue in 1H FY2023 was attributed to long-term chartering contracts (meaning contracts with a duration of more than one year). As at 31 March 2023, the Group had an outstanding ship chartering order book of approximately \$34 million with respect to long-term contracts. With the increase in demand for vessels from the traditional oil and gas industry 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 nine months ended 31 March 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 9M FY2023, 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 third quarter ended 31 March 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 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
12 May 2023