



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

**UNAUDITED QUARTERLY FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020**

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.

- 1(a)(i) **An income statement and statement of comprehensive income, or a statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**Income Statement**

|  | <b>Group</b>                       |                                 |                             |
|--|------------------------------------|---------------------------------|-----------------------------|
|  | <b>3 months ended 30 September</b> |                                 |                             |
|  | <b>1Q<br/>FY2021<br/>\$'000</b>    | <b>1Q<br/>FY2020<br/>\$'000</b> | <b>Inc/<br/>(Dec)<br/>%</b> |
| <b>Revenue</b>                                       | 35,878                             | 41,491                          | (13.5)                      |
| Cost of sales  | (39,199)                           | (41,316)                        | (5.1)                       |
| <b>Gross (loss)/ profit</b>                          | <b>(3,321)</b>                     | <b>175</b>                      | <b>(1,997.7)</b>            |
| Other operating income                               | 1,711                              | 4,648                           | (63.2)                      |
| Administrative expenses                              | (4,197)                            | (4,118)                         | 1.9                         |
| Other operating expenses                             | (97)                               | -                               | Nm                          |
| Finance costs  | (5,583)                            | (6,143)                         | (9.1)                       |
| Impairment losses on<br>financial assets             | (1,113)                            | (392)                           | 183.9                       |
| Share of results of joint ventures<br>and associates | (417)                              | (455)                           | (8.4)                       |
| <b>Loss before tax</b>                               | <b>(13,017)</b>                    | <b>(6,285)</b>                  | 107.1                       |
| Income tax (expense)/ credit                         | (256)                              | 418                             | (161.2)                     |
| <b>Loss for the period</b>                           | <b>(13,273)</b>                    | <b>(5,867)</b>                  | <b>126.2</b>                |
| <b>Attributable to:</b>                              |                                    |                                 |                             |
| Owners of the Company                                | (12,995)                           | (11,348)                        | 14.5                        |
| Non-controlling interests                            | (278)                              | 5,481                           | Nm                          |
|  | <b>(13,273)</b>                    | <b>(5,867)</b>                  | <b>126.2</b>                |
| <b>Adjusted EBITDA* for<br/>the period</b>           | <b>8,392</b>                       | <b>15,244</b>                   | <b>(44.9)</b>               |

**Notes:**

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

Nm: Not meaningful

- 1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Statement of Comprehensive Income**

| Note   | Group                       |                        |                      |
|--|-----------------------------|------------------------|----------------------|
|  | 3 months ended 30 September |                        |                      |
|  | 1Q<br>FY2021<br>\$'000      | 1Q<br>FY2020<br>\$'000 | Inc/<br>(Dec)<br>%   |
| <b>Loss for the period</b>   | <b>(13,273)</b>             | <b>(5,867)</b>         | <b>126.2</b>         |
| <i>Items that may be reclassified subsequently to profit or loss:</i>                        |                             |                        |                      |
| Translation differences relating to financial statements of foreign subsidiaries, net of tax | 1                           | 227                    | 246 (7.7)            |
| Realisation of foreign currency translation reserves on disposal a subsidiary                |                             | -                      | 193 (100.0)          |
| Share of other comprehensive income of joint ventures and associates                         |                             | (110)                  | 194 (156.7)          |
| <i>Items that will not be reclassified subsequently to profit or loss:</i>                   |                             |                        |                      |
| Remeasurement of defined benefit plan  |                             | -                      | (101) (100.0)        |
| <b>Other comprehensive income for the period, net of tax</b>                                 |                             | <b>117</b>             | <b>532 (78.0)</b>    |
| <b>Total comprehensive income for the period</b>   |                             | <b>(13,156)</b>        | <b>(5,335) 146.6</b> |
| <b>Attributable to:</b>  |                             |                        |                      |
| Owners of the Company  |                             | (12,941)               | (10,875) 19.0        |
| Non-controlling interests  |                             | (215)                  | 5,540 Nm             |
|  |                             | <b>(13,156)</b>        | <b>(5,335) 146.6</b> |

**Note:**

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

**1(a)(ii) Net loss for the period was stated after (charging)/crediting:-**

|   | <b>Group</b>                       |                                 |
|---|------------------------------------|---------------------------------|
|   | <b>3 months ended 30 September</b> |                                 |
|   | <b>1Q<br/>FY2021<br/>\$'000</b>    | <b>1Q<br/>FY2020<br/>\$'000</b> |
| Amortisation of intangible assets   | (74)                               | (142)                           |
| Depreciation of property, plant and equipment                               | (13,534)                           | (14,113)                        |
| Depreciation of right-of-use assets   | (829)                              | (452)                           |
| Loss on disposal of property, plant and equipment                           | (25)                               | -                               |
| Gain on disposal of assets classified as held for sale                      | 78                                 | 605                             |
| Gain on disposal of disposal group classified as held for sale              | -                                  | 3,271                           |
| (Loss)/ Gain on foreign exchange (net)                                      | (58)                               | 436                             |
| (Impairment losses)/ Reversal of impairment losses on financial assets, net |                                    |                                 |
| - trade receivables (third parties)   | (726)                              | (482)                           |
| - contract assets   | (134)                              | 90                              |
| - other receivables   | (253)                              | -                               |
| Interest income from bank balances  | 16                                 | 16                              |
| Interest income from finance lease receivables                              | 139                                | 152                             |
| Inventories written off   | (12)                               | -                               |
| Property, plant and equipment written off                                   | (2)                                | -                               |
| Reversal of pension liabilities   | 8                                  | 5                               |
| Reversal of provision for warranty (net)                                    | 2                                  | -                               |
| (Under)/Over provision of tax in respect of prior years                     | (275)                              | 439                             |

**1(b)(i) A statement of financial position (for the group and issuer), together with a comparative statement as at the end of the immediately preceding financial year.**

|   | Group               |                     | Company             |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | 30-Sep-20<br>\$'000 | 30-Jun-20<br>\$'000 | 30-Sep-20<br>\$'000 | 30-Jun-20<br>\$'000 |
| <b>Non-current assets</b>                           |                     |                     |                     |                     |
| Property, plant and equipment                       | 429,560             | 443,928             | -                   | -                   |
| Right-of-use assets                                 | 11,930              | 12,375              | -                   | -                   |
| Investment in subsidiaries                          | -                   | -                   | 39,647              | 39,647              |
| Investment in joint ventures and associates         | 3,714               | 4,298               | -                   | -                   |
| Intangible assets                                   | 2,228               | 2,256               | -                   | -                   |
| Other receivables                                   | -                   | -                   | 3,100               | 3,100               |
| Finance lease receivables                           | 4,669               | 4,952               | -                   | -                   |
|   | <b>452,101</b>      | <b>467,809</b>      | <b>42,747</b>       | <b>42,747</b>       |
| <b>Current assets</b>                               |                     |                     |                     |                     |
| Inventories   | 88,402              | 86,977              | -                   | -                   |
| Contract assets                                     | 27,181              | 22,678              | -                   | -                   |
| Trade and other receivables                         | 62,392              | 63,182              | 279,308             | 278,664             |
| Prepayments   | 5,724               | 3,490               | 155                 | 184                 |
| Finance lease receivables                           | 746                 | 745                 | -                   | -                   |
| Cash and bank balances                              | 26,150              | 35,165              | 3,846               | 3,984               |
|   | <b>210,595</b>      | <b>212,237</b>      | <b>283,309</b>      | <b>282,832</b>      |
| Assets classified as held for sale                  | -                   | 1,047               | -                   | -                   |
|   | <b>210,595</b>      | <b>213,284</b>      | <b>283,309</b>      | <b>282,832</b>      |
| <b>Current liabilities</b>                          |                     |                     |                     |                     |
| Trade and other payables                            | 146,165             | 148,823             | 109,803             | 108,233             |
| Contract liabilities                                | 9,068               | 7,324               | -                   | -                   |
| Trust receipts                                      | 16,124              | 19,137              | -                   | -                   |
| Interest-bearing loans and borrowings               | 33,512              | 26,972              | 8,060               | 5,737               |
| Lease liabilities                                   | 1,867               | 2,052               | -                   | -                   |
| Income tax payables                                 | 6,202               | 6,129               | 14                  | 14                  |
|   | <b>212,938</b>      | <b>210,437</b>      | <b>117,877</b>      | <b>113,984</b>      |
| <b>Net current (liabilities)/ assets</b>            | <b>(2,343)</b>      | <b>2,847</b>        | <b>165,432</b>      | <b>168,848</b>      |
| <b>Non-current liabilities</b>                      |                     |                     |                     |                     |
| Amount due to joint ventures and associates         | 877                 | 893                 | -                   | -                   |
| Contract liabilities                                | 56                  | 56                  | -                   | -                   |
| Other liabilities                                   | 3,640               | 3,633               | -                   | -                   |
| Interest-bearing loans and borrowings               | 305,767             | 313,511             | 162,389             | 162,514             |
| Lease liabilities                                   | 5,964               | 5,921               | -                   | -                   |
| Deferred tax liabilities                            | 13,231              | 13,263              | -                   | -                   |
|   | <b>329,535</b>      | <b>337,277</b>      | <b>162,389</b>      | <b>162,514</b>      |
| <b>Net assets</b>                                   | <b>120,223</b>      | <b>133,379</b>      | <b>45,790</b>       | <b>49,081</b>       |
| <b>Equity attributable to owners of the Company</b> |                     |                     |                     |                     |
| Share capital                                       | 108,056             | 108,056             | 108,056             | 108,056             |
| Treasury shares                                     | (923)               | (923)               | (923)               | (923)               |
| Reserves  | 12,353              | 25,294              | (61,343)            | (58,052)            |
|   | <b>119,486</b>      | <b>132,427</b>      | <b>45,790</b>       | <b>49,081</b>       |
| <b>Non-controlling interests</b>                    | 737                 | 952                 | -                   | -                   |
| <b>Total equity</b>                                 | <b>120,223</b>      | <b>133,379</b>      | <b>45,790</b>       | <b>49,081</b>       |

**1(b)(ii) Aggregate amount of the Group’s borrowings and debt securities.**

|  | Group (Carrying Value) |                     |                 |                   |                     |                 |
|--|------------------------|---------------------|-----------------|-------------------|---------------------|-----------------|
|  | As at 30-Sep-20        |                     |                 | As at 30-Jun-20   |                     |                 |
|  | Secured<br>\$'000      | Unsecured<br>\$'000 | Total<br>\$'000 | Secured<br>\$'000 | Unsecured<br>\$'000 | Total<br>\$'000 |
| Amount repayable<br>in one year or less,<br>or on demand | 47,967                 | 1,669               | 49,636          | 44,859            | 1,250               | 46,109          |
| Amount repayable<br>after one year                       | 297,519                | 8,248               | 305,767         | 304,532           | 8,979               | 313,511         |
|  | <b>345,486</b>         | <b>9,917</b>        | <b>355,403</b>  | <b>349,391</b>    | <b>10,229</b>       | <b>359,620</b>  |

**Details of any collateral**

The Group’s secured borrowings comprised of term loans and finance leases which are secured by way of:

- 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
- Assignment of subordination and intercompany loans
- Corporate guarantees from the Company and certain subsidiaries

The Group’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 Notes are secured by second priority mortgages of vessels pledged as securities for the \$99.9 million club term loan facility (the “**CTL Facility**”). As at 30 September 2020, the aggregate fair market value of these 86 vessels amounted to \$157.4 million.

1(c) **A statement of cash flows for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

|   | <b>Group</b>                |               |
|---|-----------------------------|---------------|
|   | 3 months ended 30 September |               |
|   | 1Q                          | 1Q            |
|   | FY2021                      | FY2020        |
|   | \$'000                      | \$'000        |
| <b>Cash flows from operating activities</b>                                 |                             |               |
| Loss before tax   | (13,017)                    | (6,285)       |
| <b>Adjustments for:</b>   |                             |               |
| Amortisation of intangible assets   | 74                          | 142           |
| Depreciation of property, plant and equipment                               | 13,534                      | 14,113        |
| Depreciation of right-of-use assets   | 829                         | 452           |
| Loss on disposal of property, plant and equipment                           | 25                          | -             |
| Gain on disposal of assets classified as held for sale                      | (78)                        | (605)         |
| Gain on disposal of disposal group classified as held for sale              | -                           | (3,271)       |
| Inventories written off   | 12                          | -             |
| Impairment losses/ (Reversal of impairment losses) on financial assets, net |                             |               |
| -trade receivables (third parties)  | 725                         | 482           |
| -contract assets  | 134                         | (90)          |
| -other receivables  | 253                         | -             |
| Interest expense  | 5,583                       | 6,143         |
| Interest income   | (155)                       | (168)         |
| Reversal of provision for warranty (net)                                    | (2)                         | -             |
| Property, plant and equipment written off                                   | 2                           | -             |
| Reversal of provision for pension liabilities                               | (8)                         | (5)           |
| Share of results of joint venture and associates                            | 417                         | 455           |
| <b>Operating cash flows before changes in working capital</b>               | <b>8,328</b>                | <b>11,363</b> |
| <b>Changes in working capital:</b>  |                             |               |
| Inventories   | (1,397)                     | 876           |
| Contract assets and liabilities   | (2,647)                     | 3,148         |
| Trade and other receivables   | (513)                       | 1,814         |
| Prepayments   | (2,234)                     | (1,332)       |
| Trade and other payables  | 291                         | (656)         |
| Finance lease receivables   | 171                         | 115           |
| Other liabilities   | (24)                        | -             |
| Balances with related parties (trade)                                       | (52)                        | 1,803         |
| <b>Cash flows generated from operations</b>                                 | <b>1,923</b>                | <b>17,131</b> |
| Interest received from finance lease receivables                            | 107                         | 37            |
| Income tax paid   | (91)                        | (52)          |
| <b>Net cash flows generated from operating activities</b>                   | <b>1,939</b>                | <b>17,116</b> |
| <b>Cash flows from investing activities</b>                                 |                             |               |
| Interest received from bank balances  | 16                          | 16            |
| Purchase of assets classified as held for sale                              | -                           | (479)         |
| Purchase of property, plant and equipment                                   | (1,533)                     | (3,294)       |
| Proceeds from disposal of property, plant and equipment                     | 4                           | -             |
| Proceeds from disposal of assets classified as held for sale                | 255                         | 1,083         |
| Proceeds from disposal of a subsidiary                                      | -                           | 3,739         |
| Balances with related parties (non-trade)                                   | (179)                       | 104           |
| <b>Net cash flows (used in)/ generated from investing activities</b>        | <b>(1,437)</b>              | <b>1,169</b>  |

|   | <b>Group</b>                       |                 |
|---|------------------------------------|-----------------|
|   | <b>3 months ended 30 September</b> |                 |
|   | <b>1Q</b>                          | <b>1Q</b>       |
|   | <b>FY2021</b>                      | <b>FY2020</b>   |
|   | <b>\$'000</b>                      | <b>\$'000</b>   |
| <b>Cash flows from financing activities</b>                   |                                    |                 |
| Interest paid   | (3,180)                            | (4,713)         |
| Repayment of interest-bearing loans and borrowings            | (2,931)                            | (6,277)         |
| Repayment of trust receipts                                   | (6,123)                            | (716)           |
| Proceeds from trust receipts                                  | 3,081                              | 2,699           |
| Repayment of lease liabilities                                | (280)                              | (243)           |
| Net proceeds from issuance of rights warrants                 | -                                  | 899             |
| Cash and bank balances (restricted use)                       | 2,837                              | (6,828)         |
| <b>Net cash flows used in financing activities</b>            | <b>(6,596)</b>                     | <b>(15,179)</b> |
| Net (decrease)/ increase in cash and cash equivalents         | (6,094)                            | 3,106           |
| Cash and cash equivalents at beginning of period              | 17,650                             | 7,151           |
| Effects of exchange rate changes on cash and cash equivalents | (84)                               | 34              |
| <b>Cash and cash equivalents at end of period (Note 1)</b>    | <b>11,472</b>                      | <b>10,291</b>   |

**Note 1:**

Cash and cash equivalents comprise the followings:

|   |               |               |
|---|---------------|---------------|
| Cash and bank balances                            | <b>26,150</b> | <b>27,271</b> |
| Less: Restricted cash                             |               |               |
| - Cash at banks                                   | (14,678)      | (16,425)      |
| - Fixed deposits with banks                       | -             | (555)         |
| <b>Cash and cash equivalents at end of period</b> | <b>11,472</b> | <b>10,291</b> |

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

1(d)(i) A statement (for the group and issuer) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

| Statement of Changes in Equity for the year ended 30-Sep-20                                  |                                       |                        |   |                        |                            |                       |   |                                  |                     |
|--|---------------------------------------|------------------------|---|------------------------|----------------------------|-----------------------|---|----------------------------------|---------------------|
| Group  | Attributable to owners of the Company |                        |   |                        |                            |                       | Equity attributable to owners of the Company \$'000 | Non-controlling interests \$'000 | Total Equity \$'000 |
|  | Share capital \$'000                  | Treasury shares \$'000 | Foreign currency translation reserve \$'000 | Warrant reserve \$'000 | Accumulated profits \$'000 | Total reserves \$'000 |   |                                  |                     |
| <b>1Q FY2021</b>   |                                       |                        |   |                        |                            |                       |   |                                  |                     |
| <b>At 1-Jul-20</b>   | <b>108,056</b>                        | <b>(923)</b>           | <b>(143)</b>                                | <b>899</b>             | <b>24,538</b>              | <b>25,294</b>         | <b>132,427</b>                                      | <b>952</b>                       | <b>133,379</b>      |
| <b>Loss for the period</b>   | -                                     | -                      | -   | -                      | (12,995)                   | (12,995)              | (12,995)  | (278)                            | (13,273)            |
| <b>Other comprehensive income</b>  |                                       |                        |   |                        |                            |                       |   |                                  |                     |
| Translation differences relating to financial statements of foreign subsidiaries, net of tax | -                                     | -                      | 150   | -                      | -                          | 150                   | 150   | 77                               | 227                 |
| Share of other comprehensive income of joint ventures and associates                         | -                                     | -                      | (96)  | -                      | -                          | (96)                  | (96)  | (14)                             | (110)               |
| <b>Other comprehensive income for the period, net of tax</b>                                 | -                                     | -                      | 54  | -                      | -                          | 54                    | 54  | 63                               | 117                 |
| <b>Total comprehensive income for the period</b>   | -                                     | -                      | 54  | -                      | (12,995)                   | (12,941)              | (12,941)  | (215)                            | (13,156)            |
| <b>At 30-Sep-20</b>  | <b>108,056</b>                        | <b>(923)</b>           | <b>(89)</b>                                 | <b>899</b>             | <b>11,543</b>              | <b>12,353</b>         | <b>119,486</b>                                      | <b>737</b>                       | <b>120,223</b>      |



**Statement of Changes in Equity for the year ended 30-Sep-19**

**Attributable to owners of the Company**

**Group**

**1Q FY2020**

**At 1-Jul-19**

**Loss for the period**

**Other comprehensive income**

Translation differences relating to financial statements of foreign subsidiaries, net of tax

Share of other comprehensive income of joint ventures and associates  
Re-measurement of defined benefit plans

**Other comprehensive income for the period, net of tax**

**Total comprehensive income for the period**

**Others**

Disposal of a subsidiary

**Contributions by owners**

Issuance of rights warrants

**At 30-Sep-19**

|  | Share capital<br>\$'000 | Treasury shares<br>\$'000 | Foreign currency translation reserve<br>\$'000 | Warrant reserve<br>\$'000 | Accumulated profits<br>\$'000 | Total reserves<br>\$'000 | Reserve of disposal group classified as held for sale<br>\$'000 | Equity attributable to owners of the Company<br>\$'000 | Non-controlling interests<br>\$'000 | Total Equity<br>\$'000 |
|--|-------------------------|---------------------------|--|---------------------------|-------------------------------|--------------------------|---|--|-------------------------------------|------------------------|
| <b>At 1-Jul-19</b>   | <b>108,056</b>          | <b>(923)</b>              | <b>1,671</b>                                   | <b>-</b>                  | <b>47,959</b>                 | <b>49,630</b>            | <b>193</b>  | <b>156,956</b>   | <b>(3,164)</b>                      | <b>153,792</b>         |
| <b>Loss for the period</b>   | <b>-</b>                | <b>-</b>                  | <b>-</b>                                       | <b>-</b>                  | <b>(11,348)</b>               | <b>(11,348)</b>          | <b>-</b>  | <b>(11,348)</b>  | <b>5,481</b>                        | <b>(5,867)</b>         |
| <b>Other comprehensive income</b>  |                         |                           |  |                           |                               |                          |   |  |                                     |                        |
| Translation differences relating to financial statements of foreign subsidiaries, net of tax | -                       | -                         | 402  | -                         | -                             | <b>402</b>               | -   | <b>402</b>   | 37                                  | <b>439</b>             |
| Share of other comprehensive income of joint ventures and associates                         | -                       | -                         | 172  | -                         | -                             | <b>172</b>               | -   | <b>172</b>   | 22                                  | <b>194</b>             |
| Re-measurement of defined benefit plans  | -                       | -                         | -  | -                         | (101)                         | <b>(101)</b>             | -   | <b>(101)</b>   | -                                   | <b>(101)</b>           |
| <b>Other comprehensive income for the period, net of tax</b>                                 | <b>-</b>                | <b>-</b>                  | <b>574</b>                                     | <b>-</b>                  | <b>(101)</b>                  | <b>473</b>               | <b>-</b>  | <b>473</b>   | <b>59</b>                           | <b>532</b>             |
| <b>Total comprehensive income for the period</b>   | <b>-</b>                | <b>-</b>                  | <b>574</b>                                     | <b>-</b>                  | <b>(11,449)</b>               | <b>(10,875)</b>          | <b>-</b>  | <b>(10,875)</b>  | <b>5,540</b>                        | <b>(5,335)</b>         |
| <b>Others</b>  |                         |                           |  |                           |                               |                          |   |  |                                     |                        |
| Disposal of a subsidiary   | -                       | -                         | -  | -                         | -                             | -                        | (193)   | <b>(193)</b>   | 4,420                               | <b>4,227</b>           |
| <b>Contributions by owners</b>   |                         |                           |  |                           |                               |                          |   |  |                                     |                        |
| Issuance of rights warrants  | -                       | -                         | -  | 899                       | -                             | 899                      | -   | <b>899</b>   | -                                   | <b>899</b>             |
| <b>At 30-Sep-19</b>  | <b>108,056</b>          | <b>(923)</b>              | <b>2,245</b>                                   | <b>899</b>                | <b>36,510</b>                 | <b>39,654</b>            | <b>-</b>  | <b>146,787</b>   | <b>6,796</b>                        | <b>153,583</b>         |

**Statement of Changes in Equity for the periods ended 30-Sep-20 and 30-Sep-19**

| <u>Company</u>  | <b>Share<br/>capital<br/>\$'000</b> | <b>Treasury<br/>shares<br/>\$'000</b> | <b>Warrant<br/>reserve<br/>\$'000</b> | <b>Accumulated<br/>losses<br/>\$'000</b> | <b>Total<br/>reserves<br/>\$'000</b> | <b>Total<br/>equity<br/>\$'000</b> |
|---|-------------------------------------|---------------------------------------|---------------------------------------|--|--------------------------------------|------------------------------------|
| <b><u>1Q FY2021</u></b>   |                                     |                                       |                                       |  |                                      |                                    |
| At 1-Jul-20   | 108,056                             | (923)                                 | 899                                   | (58,951)                                 | (58,052)                             | 49,081                             |
| Loss for the year, representing total comprehensive income for the period   | -                                   | -                                     | -                                     | (3,291)                                  | (3,291)                              | (3,291)                            |
| <b>At 30-Sep-20</b>   | <b>108,056</b>                      | <b>(923)</b>                          | <b>899</b>                            | <b>(62,242)</b>                          | <b>(61,343)</b>                      | <b>45,790</b>                      |
| <b><u>1Q FY2020</u></b>   |                                     |                                       |                                       |  |                                      |                                    |
| At 1-Jul-19   | 108,056                             | (923)                                 | -                                     | (76,053)                                 | (76,053)                             | 31,080                             |
| Loss for the period, representing total comprehensive income for the period | -                                   | -                                     | -                                     | (1,395)                                  | (1,395)                              | (1,395)                            |
| <b><u>Contributions by owners</u></b>                                       |                                     |                                       |                                       |  |                                      |                                    |
| Issuance of rights warrants   | -                                   | -                                     | 899                                   | -  | 899                                  | 899                                |
| <b>At 30-Sep-19</b>   | <b>108,056</b>                      | <b>(923)</b>                          | <b>899</b>                            | <b>(77,448)</b>                          | <b>(76,549)</b>                      | <b>30,584</b>                      |

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

|  | <b>Number of Ordinary Shares<br/>(excluding treasury shares)</b> |
|--|--|
| Balance as at 30-Sep-20, 30-Jun-20 and 30-Sep-19         | <u>629,266,941</u>   |
|  | <b>Number of Warrants</b>  |
| Balance as at 30-Sep-20 and 25-Jul-19 (date of issuance) | <u>567,130,713</u>   |

The percentage of the aggregate number of treasury shares held against the total number of shares outstanding that is listed as at 30 September 2020 and 30 September 2019 is 0.40%.

Except for the warrants, there were no convertible securities or subsidiary holdings as at 30 September 2020 and 30 September 2019.

There were no outstanding share options granted under the ESOS as at 30 September 2020 and 30 September 2019.

#### Warrants

On 25 July 2019, the Company completed the issuance of renounceable non-underwritten rights warrants and allotted 266,505,713 rights warrants for a total consideration of \$1,599,000. On the same date, the Company also completed the issuance of 300,625,000 free warrants to the noteholders. As announced on 29 August 2019, the net proceeds of \$899,000 (net of transaction cost of \$700,000) raised from the subscription of the renounceable non-underwritten rights issue of warrants have been fully utilized for working capital requirement.

No warrants were exercised since the date of issuance of warrants on 25 July 2019. As at 30 September 2020, the number of shares that may be issued on exercise of warrants were 567,130,713.

**1(d)(iii) Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

|  | <b>As at<br/>30-Sep-20</b> | <b>As at<br/>30-Sep-19</b> |
|--|----------------------------|----------------------------|
| Total number of issued shares                                | 631,778,541                | 631,778,541                |
| Total number of treasury shares                              | (2,511,600)                | (2,511,600)                |
| Total number of issued shares<br>(excluding treasury shares) | <u><b>629,266,941</b></u>  | <u><b>629,266,941</b></u>  |

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

During the current financial period reported on, there were no sales, transfers, disposal, cancellation and/or use of treasury shares.

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable as the Company has no subsidiary holdings.

**2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditor.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

**(3A) Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-**

**(a) Updates on the efforts taken to resolve each outstanding audit issue.**

**(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

**This is not required for any audit issue that is a material uncertainty relating to going concern.**

Not applicable as the Group's latest financial statements are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The accounting policies adopted and methods of computation in the preparation of the financial statements are consistent with those of the audited financial statements as at 30 June 2020.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the financial year ended 30 June 2020. The Group has adopted the following new or amended Singapore Financial Reporting Standards (International) ("SFRS(I)") that are effective for annual periods beginning on or after 1 July 2020:

- Amendments to References to the Conceptual Framework in SFRS(I) standards
- Amendments to SFRS(I) 1-1 and SFRS(I) 1-8 Definition of Material
- Amendments to SFRS(I) 3 Definition of a Business
- Amendments to SFRS(I) 9 and SFRS(I) 7 Interest Rate Benchmark Return

The adoption of the new accounting standards does not have any significant impact on the financial statements of the Group.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

|   | <b>Group</b>          |                       |
|---|-----------------------|-----------------------|
|   | <b>3 months ended</b> |                       |
|   | <b>30 September</b>   |                       |
| <b>Earnings per ordinary share:</b>                     | <b>1Q FY2021</b>      | <b>1Q FY2020</b>      |
| (i) On weighted average no. of ordinary shares in issue | <u>(2.07) cents</u>   | <u>(1.80) cents</u>   |
| (ii) On a fully diluted basis                           | <u>(2.07) cents</u>   | <u>(1.80) cents</u>   |
| <b>Net loss attributable to shareholders:</b>           | <u>(\$12,995,000)</u> | <u>(\$11,348,000)</u> |
| <b>Number of shares in issue:</b>                       |                       |                       |
| (i) Weighted average no. of shares in issue             | <u>629,266,941</u>    | <u>629,266,941</u>    |
| (ii) On a fully diluted basis                           | <u>629,266,941</u>    | <u>629,266,941</u>    |

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**  
**(a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

|   | <b>Group</b>       |                    | <b>Company</b>     |                    |
|---|--------------------|--------------------|--------------------|--------------------|
|   | <b>30-Sep-20</b>   | <b>30-Jun-20</b>   | <b>30-Sep-20</b>   | <b>30-Jun-20</b>   |
| Net Asset Value (NAV) per ordinary share            | <u>18.99 cents</u> | <u>21.04 cents</u> | <u>7.28 cents</u>  | <u>7.80 cents</u>  |
| NAV computed based on no. of ordinary shares issued | <u>629,266,941</u> | <u>629,266,941</u> | <u>629,266,941</u> | <u>629,266,941</u> |

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
  - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

## **REVIEW OF GROUP PERFORMANCE**

With the adoption of SFRS(I) 15 Revenue from Contracts with Customers, 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**"). As a result, shipbuilding revenue and results can fluctuate depending on whether the revenue from shipbuilding contracts is recognised on POC or Completion Method.

### **Revenue**

Group revenue of \$35.9 million for the 3 months ended 30 September 2020 ("**1Q FY2021**") was \$5.6 million (13.5%) lower compared to the corresponding period in FY2020 ("**1Q FY2020**").

Details for revenue generated from each segment are as follows:

|  | <b>Group</b>         |                      |                         |
|--|----------------------|----------------------|-------------------------|
|  | <b>1Q<br/>FY2021</b> | <b>1Q<br/>FY2020</b> | Increase/<br>(Decrease) |
|  | <b>\$'000</b>        | <b>\$'000</b>        | <b>%</b>                |
| Shipbuilding                                       | 3,370                | 1,758                | 91.7                    |
| Shiprepair, conversion and<br>engineering services | 17,314               | 14,806               | 16.9                    |
| Shipchartering                                     | 15,194               | 24,927               | (39.0)                  |
|  | <b>35,878</b>        | <b>41,491</b>        | <b>(13.5)</b>           |

### **Shipbuilding**

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

|                   | <b>Group</b>         |               |                      |               |                         |
|-------------------|----------------------|---------------|----------------------|---------------|-------------------------|
|                   | <b>1Q<br/>FY2021</b> |               | <b>1Q<br/>FY2020</b> |               | Increase/<br>(Decrease) |
|                   | <b>Units</b>         | <b>\$'000</b> | <b>Units</b>         | <b>\$'000</b> | <b>%</b>                |
| Tugs              | 3                    | 3,230         | 3                    | 1,012         | 219.2                   |
| Barges and others | -                    | 140           | 1                    | 746           | (81.2)                  |
|                   | <b>3</b>             | <b>3,370</b>  | <b>4</b>             | <b>1,758</b>  | 91.7                    |

Shipbuilding revenue increased by \$1.6 million to \$3.4 million in 1Q FY2021 as compared to last corresponding period. The revenue in 1Q FY2021 was attributable to higher percentage of progressive recognition from the construction of tugs based on POC method. In 1Q FY2020, the construction progress of tugs was slow, pending activation of project financing lines from the banks.

## 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 breakdown of revenue generated from the shiprepair, conversion and engineering services segment are as follows:

|  | Group                  |                        |                              |
|--|------------------------|------------------------|------------------------------|
|  | 1Q<br>FY2021<br>\$'000 | 1Q<br>FY2020<br>\$'000 | Increase/<br>(Decrease)<br>% |
| Shiprepair, conversion<br>and engineering services | 17,146                 | 14,531                 | 18.0                         |
| Other marine related<br>services                   | 168                    | 275                    | (38.9)                       |
|  | <b>17,314</b>          | <b>14,806</b>          | <b>16.9</b>                  |

Shiprepair, conversion and engineering services revenue increased by \$2.6 million (18.0%) to \$17.1 million in 1Q FY2021 mainly due to reversal of accrued discounts for prior years' completed projects and more orders of dredge components and spare parts in the current quarter under review.

## Shipchartering

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

|                                  | Group                  |                        |                              |
|----------------------------------|------------------------|------------------------|------------------------------|
|                                  | 1Q<br>FY2021<br>\$'000 | 1Q<br>FY2020<br>\$'000 | Increase/<br>(Decrease)<br>% |
| Offshore Support Vessels ("OSV") | 2,889                  | 3,559                  | (18.8)                       |
| Landing crafts                   | 61                     | 146                    | (58.2)                       |
| Tug Boats                        | 4,359                  | 7,552                  | (42.3)                       |
| Barges                           | 4,887                  | 10,270                 | (52.4)                       |
| <b>Total charter</b>             | <b>12,196</b>          | <b>21,527</b>          | <b>(43.3)</b>                |
| Trade sales and other services   | 2,998                  | 3,400                  | (11.8)                       |
|                                  | <b>15,194</b>          | <b>24,927</b>          | <b>(39.0)</b>                |

Charter revenue decreased by \$9.3 million (43.3%) to \$12.2 million in 1Q FY2021 mainly due to lower utilisation of the vessels (1Q FY2021: 26%; 1Q FY2020: 56%). This was due to:

- (i) Lower charter income from OSVs in 1Q FY2021 mainly owing to early termination of one OSV and two chemical tankers in 2Q FY2020 and 4Q FY2020 respectively; and
- (ii) Certain of the key marine transportation for local infrastructure projects being affected by temporary suspension consequent to the movements restriction during the Circuit Breaker Period in Singapore. These projects progressively resumed its operations in September 2020.

There were lower trade sales and other services rendered which comprised bunker sales, agency and management fees and ad-hoc marine-related services.

## Gross profit/(loss) and gross profit/(loss) margin

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

|  | Group          |               |              |             |
|--|----------------|---------------|--------------|-------------|
|  | 1Q<br>FY2021   |               | 1Q<br>FY2020 |             |
|  | \$'000         | GPM           | \$'000       | GPM         |
| Shipbuilding                                       | 143            | 4.2%          | 192          | 10.9%       |
| Shiprepair, conversion and<br>engineering services | 2,170          | 12.5%         | 1,124        | 7.6%        |
| Shipchartering                                     | (5,634)        | (37.1%)       | (1,141)      | (4.6%)      |
|  | <u>(3,321)</u> | <u>(9.3%)</u> | <u>175</u>   | <u>0.4%</u> |

### Shipbuilding

The gross profit in 1Q FY2021 was comparable to last corresponding quarter. The higher gross profit margin of 10.9% recorded in 1Q FY2020 was partly due to the reversal of accrued costs for prior years' completed projects.

### Shiprepair, conversion and engineering services

In line with the increase in revenue in 1Q FY2021, gross profit increased by \$1.0 million to \$2.2 million (GPM: 12.5%) in 1Q FY2021 mainly due to reversal of accrued discounts for prior years' completed projects and higher revenue contribution derived from supply of dredge components and spare parts. The margin in 1Q FY2020 was lower partly due to credit notes issued to certain customers.

### Shipchartering

The breakdown of gross (loss)/ profit and gross (loss)/ profit margin from shipchartering segment are as follows:

|                                | Group          |                |                |                |
|--------------------------------|----------------|----------------|----------------|----------------|
|                                | 1Q<br>FY2021   |                | 1Q<br>FY2020   |                |
|                                | \$'000         | GPM            | \$'000         | GPM            |
| OSV                            | (1,401)        | (48.5%)        | 568            | 16.0%          |
| Landing crafts                 | (153)          | (250.8%)       | (898)          | (615.1%)       |
| Tug boats and Barges           | (5,279)        | (57.1%)        | (1,861)        | (10.4%)        |
| <b>Total charter</b>           | <b>(6,833)</b> | <b>(56.0%)</b> | <b>(2,191)</b> | <b>(10.2%)</b> |
| Trade sales and other services | 1,199          | 40.0%          | 1,050          | 30.9%          |
|                                | <u>(5,634)</u> | <u>(37.1%)</u> | <u>(1,141)</u> | <u>(4.6%)</u>  |

Gross loss and gross loss margin for charter in 1Q FY2021 were attributable to lower revenue contribution from OSV, Tug boats and Barges which were insufficient to cover the fixed operating costs of the chartering fleet.



## Other operating income

Details for other operating income are as follows:

|  | Group        |              |
|--|--------------|--------------|
|  | 1Q           | 1Q           |
|  | FY2021       | FY2020       |
|  | \$'000       | \$'000       |
| Gain on disposal of assets classified as held for sale         | 78           | 605          |
| Gain on disposal of disposal group classified as held for sale | -            | 3,271        |
| Gain on foreign exchange (net)                                 | -            | 436          |
| Interest income from bank balances                             | 16           | 16           |
| Interest income from finance lease receivables                 | 139          | 152          |
| Insurance claims   | 62           | 39           |
| Rental income from property, plant and equipment               | 131          | 96           |
| Government grants  | 1,002        | -            |
| Miscellaneous income   | 283          | 33           |
|  | <b>1,711</b> | <b>4,648</b> |

The gain on disposal of disposal group classified as held for sale recorded in 1Q FY2020 pertained to the sale of entire equity interest in its 60% owned subsidiary, Jiangmen Hongda Shipyard (the “**China Subsidiary**”) Ltd in August 2019.

The net foreign exchange gain recorded in 1Q FY2020 mainly pertained to unrealised exchange gain due to the appreciation of USD against SGD on USD denominated assets as well as SGD denominated liabilities for certain subsidiaries whose accounts are maintained in USD.

|                        | 30 Sep 2020 | 30 Jun 2020 | 30 Sep 2019 | 30 Jun 2019 |
|------------------------|-------------|-------------|-------------|-------------|
| <b>USD against SGD</b> | 1.3674      | 1.3932      | 1.3818      | 1.3537      |
| <b>IDR against SGD</b> | 10,909      | 10,265      | 10,258      | 10,446      |

The government grants pertained to grants provided by the Singapore Government for wages paid to local employees under the Jobs Support Scheme (“**JSS grant**”) and foreign workers levy rebate.

## Other operating expenses

|   | Group     |          |
|---|-----------|----------|
|   | 1Q        | 1Q       |
|   | FY2021    | FY2020   |
|   | \$'000    | \$'000   |
| Inventories written off                           | 12        | -        |
| Loss on disposal of property, plant and equipment | 25        | -        |
| Loss on foreign exchange (net)                    | 58        | -        |
| Property, plant and equipment written off         | 2         | -        |
|   | <b>97</b> | <b>-</b> |

The net foreign exchange loss in 1Q FY2021 were mainly due to depreciation of USD against SGD on SGD denominated liabilities for certain subsidiaries whose accounts are maintained in USD, offset by the foreign exchange gain from the depreciation of IDR against SGD on IDR denominated liabilities during the quarter under review.

The loss on disposal of property, plant and equipment and plant and equipment written off arose from shifting of office in Europe.

### Finance costs

|                                      | Group        |              |
|--------------------------------------|--------------|--------------|
|                                      | 1Q           | 1Q           |
|                                      | FY2021       | FY2020       |
|                                      | \$'000       | \$'000       |
| Interest expense on:                 |              |              |
| Bank loans and bonds                 | 2,936        | 4,268        |
| Lease liabilities                    | 244          | 160          |
| Amortisation of bank loans and bonds | 2,403        | 1,715        |
|                                      | <u>5,583</u> | <u>6,143</u> |

The decrease in finance costs in 1Q FY2021 was mainly due to lower floating interest rate charged on bank loans, partially offset by amortisation of fair value adjustments resulting from re-measurement of long term bank loans and bonds.

### Impairment losses on financial assets

|  | Group        |            |
|--|--------------|------------|
|  | 1Q           | 1Q         |
|  | FY2021       | FY2020     |
|  | \$'000       | \$'000     |
| <b>Impairment losses/ (reversal of impairment losses) on financial assets, net</b> |              |            |
| - trade receivables (third parties)  | 726          | 482        |
| - contract assets  | 134          | (90)       |
| - other receivables  | 253          | -          |
|  | <u>1,113</u> | <u>392</u> |

The impairment losses on financial assets pertained to allowances on trade and other receivables, impaired based on expected credit loss model, including an estimated impact of the COVID-19 pandemic and specific impairment made on certain debts where recovery is uncertain.

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

## Share of results of joint ventures and associates

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

|   | Group's effective interest | Group            |                  |
|---|----------------------------|------------------|------------------|
|   |                            | 1Q FY2021 \$'000 | 1Q FY2020 \$'000 |
| <u>Joint ventures</u>                     |                            |                  |                  |
| Sindo-Econ group                          | 50%                        | -                | -                |
| <u>Associates</u>                         |                            |                  |                  |
| PT. Hafar Capitol Nusantara ("PT Hafar")  | 36.75%                     | (472)            | (510)            |
| PT Capitol Nusantara Indonesia ("PT CNI") | 27%                        | 55               | 55               |
|   |                            | <u>(417)</u>     | <u>(455)</u>     |

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

The share of loss from PT Hafar of \$0.5 million in 1Q FY2021 was due to absence of charter income during the quarter under review.

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

### Loss before tax

The Group recorded a higher loss before tax of \$13.0 million in 1Q FY2021 (1Q FY2020: \$6.3 million) mainly due to higher gross loss and impairment losses on financial assets, coupled with lower other operating income.

### Tax (expense)/ credit

The Group recorded a tax expense of \$0.3 million in 1Q FY2021 mainly due to underprovision of current taxation in prior year from shipping operations.

### Non-controlling interests

Non-controlling interests' share of loss of \$0.3 million for 1Q FY2021 mainly pertains to the portion of results of its non-wholly owned subsidiaries in Indonesia.

Non-controlling interests' share of profit of \$5.5 million for 1Q FY2020 mainly pertained to i) their share of profit on gain on disposal of the China Subsidiary of \$5.6 million, partially offset by ii) their share of loss of the Group's non-wholly owned subsidiaries in Indonesia of \$0.1 million.

## OPERATION CASH FLOWS

The Group recorded a lower net cash inflow from operating activities of \$1.9 million in 1Q FY2021 (1Q FY2020: \$17.1 million) mainly due to lower earnings, lower progressive billings received, higher purchase of inventories and prepayments as well as lower receipts from customers.

The net cash outflow from investing activities of \$1.4 million in 1Q FY2021 (1Q FY2020: inflow of \$1.2 million) was mainly attributed to absence of proceeds from disposal of a

subsidiary, lower net proceeds from disposal of assets classified as held for sale, partially offset by lower purchase of property, plant and equipment.

The lower net cash outflow from financing activities of \$6.6 million in 1Q FY2021 (1Q FY2020: \$15.2 million) was mainly due to lower repayments on interest-bearing loans and borrowings and interest paid, lower cash balances being restricted in shipbuilding project accounts, partially offset by higher net repayments on trust receipts and absence of net proceeds from issuance of rights warrants.

## **REVIEW OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020**

### **Non-current assets**

Property, plant and equipment (“**PPE**”) decreased by \$14.4 million (3.2%) from \$443.9 million as at 30 June 2020 to \$429.6 million as at 30 September 2020.

Movement in PPE during the period under review is as follows:

|  | <b>\$'000</b>         |
|--|-----------------------|
| Balance as at 1 July 2020  | 443,928               |
| Additions, inclusive of:   | 2,649                 |
| - \$0.9 million for vessels and modification works                 |                       |
| - \$0.4 million for plant and equipment                            |                       |
| - \$0.1 million for yard infrastructure                            |                       |
| - \$1.2 million for dry docking expenditure on vessels capitalised |                       |
| Disposals/ Write-off   | (31)                  |
| Depreciation charge  | (13,745)              |
| Translation differences  | (3,241)               |
| Balance as at 30 September 2020                                    | <u><u>429,560</u></u> |

The additions included assets of \$1.1 million swapped with the Koon Group (companies related to directors) pursuant to the deed of settlement entered as disclosed in Note 38 of the Annual Report for the year ended 30 June 2020 (“**FY2020 Annual Report**”).

The right-of-use assets (“**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 \$0.4 million (3.6%) to \$11.9 million as at 30 September 2020 mainly due to depreciation charge of \$0.9 million, partially offset by addition of \$0.4 million.

### **Current assets**

Current assets decreased by \$2.7 million (1.3%) to \$210.6 million as at 30 September 2020 mainly due to lower cash and bank balances, partially offset by higher inventories, contract assets and prepayments.

Inventories comprised the following:

|                                 | <b>Group</b>         |                      |                         |                   |
|---------------------------------|----------------------|----------------------|-------------------------|-------------------|
|                                 | <b>30-Sep-20</b>     | <b>30-Jun-20</b>     | Increase/<br>(Decrease) |                   |
|                                 | <b>\$'000</b>        | <b>\$'000</b>        | <b>\$'000</b>           | <b>%</b>          |
| Raw materials and fuel on board | 12,886               | 11,421               | 1,465                   | 12.8              |
| Finished goods                  | 75,516               | 75,556               | (40)                    | (0.1)             |
| Total inventories               | <u><u>88,402</u></u> | <u><u>86,977</u></u> | <u><u>1,425</u></u>     | <u><u>1.6</u></u> |

Majority of the raw materials are inventories meant for ongoing shipbuilding and shiprepair projects. Finished goods comprised mainly three PSV and dredge

component parts. The increase in inventories pertained to higher steel plates and bunker remaining on board the vessels.

Trade and other receivables comprised the following:

|                                  | <b>Group</b>     |                  |                         |              |
|----------------------------------|------------------|------------------|-------------------------|--------------|
|                                  | <b>30-Sep-20</b> | <b>30-Jun-20</b> | Increase/<br>(Decrease) |              |
|                                  | <b>\$'000</b>    | <b>\$'000</b>    | <b>\$'000</b>           | <b>%</b>     |
| Trade receivables                | 49,176           | 49,667           | (491)                   | (1.0)        |
| Other receivables                | 10,272           | 10,247           | 25                      | 0.2          |
| Amount due from related parties  |                  |                  |                         |              |
| - joint ventures and associates  | 2,510            | 2,695            | (185)                   | (6.9)        |
| - companies related to directors | 434              | 573              | (139)                   | (24.3)       |
|                                  | <b>62,392</b>    | <b>63,182</b>    | <b>(790)</b>            | <b>(1.3)</b> |

The trade receivables decreased by \$0.5 million (1.0%) to \$49.2 million as at 30 September 2020 partly due to impairment made during the quarter. Trade receivables of \$18.4 million have been received subsequent to the financial period under review.

Other receivables comprised mainly receivables from sale of vessels, advances to suppliers and subcontractors and recoverables from customers.

The increase in prepayments by \$2.2 million (64.0%) to \$5.7 million as at 30 September 2020 mainly pertained to insurance premiums.

### Current liabilities

Current liabilities increased by \$2.5 million (1.2%) from \$210.4 million as at 30 June 2020 to \$212.9 million as at 30 September 2020. The increase was mainly due to higher interest-bearing loans and borrowings and contract liabilities, partially offset by lower trade and other payables and trust receipts.

Trade and other payables comprised the following:

|   | <b>Group</b>     |                  |                         |              |
|---|------------------|------------------|-------------------------|--------------|
|   | <b>30-Sep-20</b> | <b>30-Jun-20</b> | Increase/<br>(Decrease) |              |
|   | <b>\$'000</b>    | <b>\$'000</b>    | <b>\$'000</b>           | <b>%</b>     |
| <b>Trade and other payables (current)</b>           |                  |                  |                         |              |
| Trade payables                                      | 125,024          | 127,121          | (2,097)                 | (1.6)        |
| Payables for property, plant and equipment          | 3,824            | 3,674            | 150                     | 4.1          |
| Other payables                                      | 3,100            | 3,212            | (112)                   | (3.5)        |
| Deposits received from customers                    | 3,811            | 3,788            | 23                      | 0.6          |
| Deferred income                                     | 2,110            | 2,083            | 27                      | 1.3          |
| Amount due to related parties                       |                  |                  |                         |              |
| - joint ventures and associates                     | 707              | 1,374            | (667)                   | (48.5)       |
| - companies related to directors                    | 748              | 724              | 24                      | 3.3          |
| Amounts due to shareholders                         | 6,620            | 6,620            | -                       | -            |
| Loan from non-controlling interests of subsidiaries | 209              | 213              | (4)                     | (1.9)        |
| Provision for warranty                              | 12               | 14               | (2)                     | (14.3)       |
|   | <b>146,165</b>   | <b>148,823</b>   | <b>(2,658)</b>          | <b>(1.8)</b> |

The decrease in amount due to related parties was mainly due to settlement of accounts.

## Contracts assets and liabilities

|  | Group         |               |                         |             |
|--|---------------|---------------|-------------------------|-------------|
|  | 30-Sep-20     | 30-Jun-20     | Increase/<br>(Decrease) |             |
|  | \$'000        | \$'000        | \$'000                  | %           |
| <b>Contract assets</b>                                       |               |               |                         |             |
| Construction work-in-progress                                | 20,115        | 17,707        | 2,408                   | 13.6        |
| Accrued revenue  | 7,066         | 4,971         | 2,095                   | 42.1        |
|  | <b>27,181</b> | <b>22,678</b> | <b>4,503</b>            | <b>19.9</b> |
| <b>Contract liabilities (current)</b>                        |               |               |                         |             |
| Progress billings in excess of construction work-in-progress | 2,769         | 1,929         | 840                     | 43.5        |
| Deferred income and deposits received from customers         | 6,299         | 5,395         | 904                     | 16.8        |
|  | <b>9,068</b>  | <b>7,324</b>  | <b>1,744</b>            | <b>23.8</b> |
| <b>Contract liabilities (non-current)</b>                    |               |               |                         |             |
| Deferred income  | 56            | 56            | -                       | -           |
|  | <b>9,124</b>  | <b>7,380</b>  | <b>1,744</b>            | <b>23.6</b> |

Net construction work-in-progress in excess of progress billings for shipbuilding and shiprepair projects increased by \$1.5 million (9.9%) from \$15.8 million as at 30 June 2020 to \$17.3 million as at 30 September 2020 mainly due to higher work in progress incurred for shipbuilding projects.

Accrued revenue primarily relate to the services completed but not yet billed at reporting date. The increase mainly pertained to shiprepair and shipchartering services rendered during the quarter.

Deferred income and deposits received from customers mainly relates 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. The increase was mainly due to additional advance billings to shipchartering customers on towing jobs secured.

### Net current liabilities

The Group recorded a net current liabilities of \$2.3 million as at 30 September 2020. The financial statements are prepared on a going concern basis, the validity of which was disclosed in Note 2.1 of the FY2020 Annual Report.

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

|                                  | Group (Carrying Value) |                |                         |              | Group (Face Value) |                |                         |              |
|----------------------------------|------------------------|----------------|-------------------------|--------------|--------------------|----------------|-------------------------|--------------|
|                                  | 30-Sep-20              | 30-Jun-20      | Increase/<br>(Decrease) |              | 30-Sep-20          | 30-Jun-20      | Increase/<br>(Decrease) |              |
|                                  | \$'000                 | \$'000         | \$'000                  | %            | \$'000             | \$'000         | \$'000                  | %            |
| <b>Current</b>                   |                        |                |                         |              |                    |                |                         |              |
| <b>Bonds</b>                     | 1,500                  | 1,500          | -                       | -            | 1,500              | 1,500          | -                       | -            |
| <b>Trust receipts</b>            |                        |                |                         |              |                    |                |                         |              |
| - shipbuilding related           | 10,119                 | 10,492         | (373)                   | (3.6)        | 10,119             | 10,492         | (373)                   | (3.6)        |
| - general                        | 6,005                  | 8,645          | (2,640)                 | (30.5)       | 6,005              | 8,645          | (2,640)                 | (30.5)       |
|                                  | 16,124                 | 19,137         | (3,013)                 | (15.7)       | 16,124             | 19,137         | (3,013)                 | (15.7)       |
| <b>Long term loan</b>            |                        |                |                         |              |                    |                |                         |              |
| - vessels loan                   | 9,633                  | 8,200          | 1,433                   | 17.5         | 10,347             | 8,935          | 1,412                   | 15.8         |
| - assets financing               | 5,512                  | 3,400          | 2,112                   | 62.1         | 6,897              | 4,678          | 2,219                   | 47.4         |
| - working capital                | 14,962                 | 12,167         | 2,795                   | 23.0         | 15,619             | 12,837         | 2,782                   | 21.7         |
|                                  | 30,107                 | 23,767         | 6,340                   | 26.7         | 32,863             | 26,450         | 6,413                   | 24.2         |
| <b>Finance lease liabilities</b> | 1,905                  | 1,705          | 200                     | 11.7         | 1,905              | 1,705          | 200                     | 11.7         |
|                                  | <b>49,636</b>          | <b>46,109</b>  | <b>3,527</b>            | <b>7.6</b>   | <b>52,392</b>      | <b>48,792</b>  | <b>3,600</b>            | <b>7.4</b>   |
| <b>Non-current</b>               |                        |                |                         |              |                    |                |                         |              |
| <b>Bonds</b>                     | 91,600                 | 89,496         | 2,104                   | 2.4          | 134,500            | 135,000        | (500)                   | (0.4)        |
| <b>Long term loan</b>            |                        |                |                         |              |                    |                |                         |              |
| - vessels loan                   | 63,593                 | 66,767         | (3,174)                 | (4.8)        | 75,529             | 78,967         | (3,438)                 | (4.4)        |
| - assets financing               | 67,746                 | 70,934         | (3,188)                 | (4.5)        | 72,145             | 75,746         | (3,601)                 | (4.8)        |
| - working capital                | 81,308                 | 84,603         | (3,295)                 | (3.9)        | 82,270             | 85,661         | (3,391)                 | (4.0)        |
|                                  | 212,647                | 222,304        | (9,657)                 | (4.3)        | 229,944            | 240,374        | (10,430)                | (4.3)        |
| <b>Finance lease liabilities</b> | 1,520                  | 1,711          | (191)                   | (11.2)       | 1,520              | 1,711          | (191)                   | (11.2)       |
|                                  | <b>305,767</b>         | <b>313,511</b> | <b>(7,744)</b>          | <b>(2.5)</b> | <b>365,964</b>     | <b>377,085</b> | <b>(11,121)</b>         | <b>(2.9)</b> |
| <b>Total borrowings</b>          | <b>355,403</b>         | <b>359,620</b> | <b>(4,217)</b>          | <b>(1.2)</b> | <b>418,356</b>     | <b>425,877</b> | <b>(7,521)</b>          | <b>(1.8)</b> |
| <b>Total shareholders' funds</b> | <b>119,486</b>         | <b>132,427</b> |                         |              |                    |                |                         |              |
| <b>Gearing ratio (times)</b>     | <b>2.97</b>            | <b>2.72</b>    |                         |              |                    |                |                         |              |
| <b>Net gearing ratio (times)</b> | <b>2.76</b>            | <b>2.45</b>    |                         |              |                    |                |                         |              |

The Group's current portion of long-term loans (carrying value) increased by \$6.3 million (26.7%) to \$30.1 million as at 30 September 2020 mainly due to the 8 months deferral of principal repayment from May 2020 to December 2020 granted by the lenders to the respective loans maturity dates. There were 3 months deferral remaining as at 30 September 2020 as compared to 6 months of deferral as of 30 June 2020.

The Group's total borrowings (carrying value) decreased by \$4.2 million (1.2%) to \$355.4 million as at 30 September 2020 mainly due to net repayment of interest-bearing loans and borrowings and trust receipts, 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 \$7.8 million to \$329.5 million as at 30 September 2020 due to decrease in the non-current portion of the Group's total borrowings.

### 9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

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

**10. 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.**

**(A) Market and industry outlook**

The COVID-19 pandemic has severely disrupted global economic activity, and led to both demand- and supply-side shocks to worldwide economy. As our businesses are primarily reliant on the market conditions in the infrastructure, shipbuilding and shiprepair, shipping and offshore & marine industries, the main macroeconomic variables we are sensitive to include global trade, oil price and infrastructure spending in Asia.

The drop in global trade, the disruptions to global supply chains, the flight to safety in financial markets and the reduction in consumer and business confidence are all expected to take their toll on future economic activity, and is prolonged given the COVID-19 pandemic.

Macro trends remain uncertain in near term in view of

- a. Recent fall and weakness in crude oil prices due to the demand shock from the COVID-19 and the supply shock from the Saudi-Russian oil price war. Although oil prices have recovered since April 2020, with the WTI crude oil price trading at around US\$45 a barrel as of 30 November 2020. The COVID-19 pandemic continues to exert a substantial toll on economies. Prospects for an eventual path out of the crisis have improved, with encouraging news about progress in developing an effective vaccine, but the near-term outlook remains very uncertain. Growth prospects depend on many factors, including the magnitude and duration of the COVID-19 pandemic, the degree to which current containment measures are maintained or reinforced, the time until an effective treatment or vaccine is deployed, and the extent to which significant fiscal and monetary policy actions support revival of market demand.
- b. On the assumption that renewed virus outbreaks remain contained, and that the prospect of a widely available vaccine towards the end of 2021 helps to support confidence, a gradual but uneven recovery in the global economy should occur in the next two years. The global economy will gain momentum over the coming two years, with global GDP at pre-pandemic levels by the end of 2021. After a sharp decline this year, global GDP is projected to rise by around 4.2% in 2021 and a further 3.7% in 2022<sup>1</sup>.
- c. Governments and public authorities may selectively proceed on infrastructure projects as soon as normality returns so as to reinvigorate the construction industry and the wider economy. This will spread across all areas of transport infrastructure and energy and utilities. The post COVID-19 long-term prospects for infrastructure investment in the Asia-Pacific region remain positive, reflecting the need to expand and modernise transport infrastructure and utilities to cope with the region's demand growth amid rising economic prosperity and urbanisation<sup>2</sup>.

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<sup>1</sup> OECD Economic Outlook, Volume 2020 Issue 2: Preliminary Version © OECD 2020

<sup>2</sup> Jenny Lescohier, "Asia-Pacific region poised for infrastructure investment" (11 June 2020) <https://www.khl.com/international-construction/asia-pacific-region-poised-for-infrastructure-investment/144532.article> (accessed 11 December 2020)



In general, the factors discussed above suggest a negative outlook in near term. While it is difficult to prognosticate when normality will return or when we will adjust to a new normal. The management, with the support of various stakeholders, will continue to navigate and manage foreseeable risks and long-run disruptions that the current political, social, and economic environment presents.

We will continue to focus on our core business and strengthen our foothold in supporting the marine infrastructure work in Singapore and abroad. We are exploring more revenue sources by going beyond our traditional markets (Southeast Asia, Australia and Europe) to North Asia, the Indian subcontinent and the Middle East. We will continue to seek cash-flow-positive business opportunities across our business segments and improve assets utilisation rates.

## **(B) Business segments**

### Shipbuilding, Shiprepair, Conversion and Engineering Services

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

For shiprepair segment, the Group increased its capacity in Singapore yard to capture the local shiprepair for bunkering vessels, tugs, workboats, mid-size cargo ships. The Group is actively engaging international customers so as to secure more jobs at its Batam yard. As the scheduled maintenance of vessels cannot be postponed indefinitely, there is evidence that more ships will have to be sent to shipyards for repair in 2021.

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

The Group will continue to improve its operational efficiency, tighten cost control to ensure our competitiveness.

### Shipchartering

The diversified vessel types in our fleet are expected to lend support to our chartering business in view of the demand from marine infrastructure projects in South Asia, South East Asia and Singapore for a) land reclamation and dredging; b) port and bridge construction; c) coastal transportation on stone aggregates; and d) Cargo transshipment in Indonesia.

### Order Book

As at 30 September 2020, the Group had an outstanding shipbuilding order book from external customers of approximately \$25 million with progressive deliveries up to 3Q FY2021.

The Group's shipchartering revenue consists of mainly short-term and ad-hoc contracts. Approximately 19% of shipchartering revenue in FY2020 was attributed to long-term chartering contracts (meaning contracts with a duration of more than one year). As at 30 September 2020, the Group had an outstanding ship chartering order book of approximately \$42 million with respect to long-term contracts.

Investors may wish to note that the financial performance of the companies in the shipping and shipbuilding industries tend to lag industry trends.

### **(C) Financing arrangements**

#### Continuing support from principal lenders

In addition to the revolving project financing and trade lines of \$114,000,000 granted by the principal lenders, the Group has obtained an 8 months deferment of principal repayment up to the end of the calendar year for certain loans to the respective maturity dates;

The trade line facilities activated in August 2019 provides a strong base in sustaining the businesses of the Group.

#### Support measures in response to the COVID-19 pandemic

Pursuant to the Government's relief and support measures on the COVID-19 pandemic, the Group received (a) the Jobs Support Scheme and its related enhancements, (b) waiver of monthly foreign worker levy and levy rebates, and (c) enhanced financing support under the Temporary Bridging Loan Programme and Enterprise Financing Scheme as announced in the various Singapore Budgets 2020.

This has further helped to alleviate and sustain the Group's operating cash flows amid this challenging period.

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

Further to our announcement released on 13 May 2020, 7 December 2020, and the results announcement for 3Q FY2020 and 4Q FY2020 released on 12 June 2020 and 29 September 2020 respectively, the Board wishes to update as follows:

- (1) The COVID-19 case reported on 5 December 2020 was discharged from the National Centre for Infectious Diseases and transferred to a community recovery facility on 8 December 2020.
- (2) Our shipbuilding operations in Singapore resumed work in mid-August 2020, and will be progressively delivering its existing order books of tugs with expected deliveries up to 3Q FY2021.
- (3) Demand for shiprepair services are still affected by restrictive movement controls in Indonesia and Singapore imposed on owners' representatives and Singapore-based specialists rendering certain engine, communications, safety, inspection, and engineering.
- (4) Several key local infrastructure projects under shipchartering segment resumed operations in September 2020. The Group expects continued pressure on charter rates due to market competition and COVID-19 pandemic situation. The management will continue to focus on increasing utilisation of its fleet, widening geographical coverage and raising operational efficiency.

Barring any unforeseen circumstances, the Group expects a recovery trend in 2H FY2021 (January 2021 to June 2021).

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

## 11. Dividend

**If a decision regarding dividend has been made:-**

**(a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

No dividends have been declared or recommended for the current reporting period.

**(b)(i) Amount per share (cents)**

Not applicable.

**(b)(ii) Previous corresponding period (cents)**

None.

**(c) Whether the dividend is before tax, net of tax or tax exempt.**

If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

**(d) The date the dividend is payable.**

Not applicable.

**(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

## 12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No interim dividend has been declared for the period ended 30 September 2020 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.

**13. 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 IPT Mandate was last renewed on 30 October 2019 and lapsed on 25 November 2020 as the Company did not renew its IPT mandate from its shareholders in its 20<sup>th</sup> Annual General Meeting held on 26 November 2020.

During the financial period, the following interested person transactions were entered into by the Group:

| Nature of relationship  | Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual)<br><br>\$'000 | Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual (excluding transactions less than \$100,000)<br><br>\$'000 |
|---|--|--|
| <p><b>Purchase of goods and services</b><br/>Sintech Metal Industries Pte Ltd</p> | <p><sup>1</sup> Wholly owned by Mr. Ang Sin Liu<br/><br/>226</p>   | <p>-</p>   |
|   | <p><b>226</b></p>  | <p>-</p>   |

**Notes:**

1. Mr. Ang Sin Liu is the father of Ang Kok Tian, Ang Ah Nui and Ang Kok Leong, all of whom are Directors and substantial shareholders of the Company. He is also the father of Ang Kok Eng and Ang Swee Kuan, both of whom are also the substantial shareholders of the Company. Each of them is deemed to have an interest in the shares held by the other.
2. The above aggregate values were based on amount incurred and accrued, including where an interested person transaction had an indefinite term or where the contract sum was not specified.

**14. 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 2020 to be false or misleading in any material aspect.

**15. 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.

**BY ORDER OF THE BOARD**

Ang Kok Tian  
Chairman, Managing Director and CEO  
11 December 2020