ASL MARINE HOLDINGS LTD.

(Incorporated in the Republic of Singapore)

Co. Reg. No. 200008542N

UNAUDITED QUARTERLY FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FOURTH QUARTER ENDED 30 JUNE 2019

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

	Group					
	3 months ended 30 June			12 months ended 30 June		
	4Q FY2019 $'000	4Q FY2018 (restated)^ $'000	Inc/ (Dec) %	FY2019 $'000	FY2018 (restated)^ $'000	Inc/ (Dec) %
Revenue	63,307	67,987	(6.9)	312,882	252,988	23.7
Cost of sales	(59,893)	(62,566)	(4.3)	(298,523)	(237,338)	25.8
Gross profit	**3,414**	**5,421**	**(37.0)**	**14,359**	**15,650**	**(8.2)**
Other operating income	2,110	8,872	(76.2)	4,413	15,556	(71.6)
Administrative expenses	(5,217)	(6,126)	(14.8)	(23,088)	(20,851)	10.7
Other operating expenses	(94,153)	(48,482)	94.2	(98,541)	(48,947)	101.3
Finance costs	(7,820)	(5,780)	35.3	(23,195)	(22,711)	2.1
Fair value adjustments arising from debt refinancing exercise	59,179	-	Nm	59,179	-	Nm
Impairment losses on financial assets	(75,663)	(4,413)	1,614.5	(75,663)	(4,456)	1,598.0
Share of results of joint ventures and associates	1,132	(603)	(287.7)	857	(3,823)	(122.4)
Loss before tax	**(117,018)** +	**(51,111)**	128.9	**(141,679)**	**(69,582)**	103.6
Income tax expense	(3,134)	(1,411)	122.1	(4,200)	(3,204)	31.1
Loss for the period/ year	**(120,152)**	**(52,522)**	**128.8**	**(145,879)**	**(72,786)**	**100.4**
Attributable to:						
Owners of the Company	**(116,588)**	**(52,245)**	**123.2**	**(141,027)**	**(71,361)**	**97.6**
Non-controlling interests	(3,564)	(277)	1,186.6	(4,852)	(1,425)	240.5
Loss for the period/ year	**(120,152)**	**(52,522)**	**128.8**	**(145,879)**	**(72,786)**	**100.4**
Adjusted EBITDA* for the period/ year	**13,637**	**25,216**	**(45.9)**	**51,541**	**73,437**	**(29.8)**

Nm: Not meaningful

Notes:

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

^ Restated pursuant to adoption of new accounting standards. For details, please refer to item 5 of this results announcement.

+ Please refer to Page 25 of this results announcement.

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

		Group					
		3 months ended 30 June			12 months ended 30 June		
		4Q FY2019	4Q FY2018 (restated)	Inc/ (Dec)	FY2019	FY2018 (restated)	Inc/ (Dec)
	Note	$'000	$'000	%	$'000	$'000	%
Loss for the period/ year		**(120,152)**	**(52,522)**	**128.8**	**(145,879)**	**(72,786)**	**100.4**
Items that may be reclassified subsequently to profit or loss:							
Translation differences relating to financial statements of foreign subsidiaries, net of tax	(i)	262	1,248	(79.0)	835	(1,795)	(146.5)
Share of other comprehensive income of joint ventures and associates		(90)	78	(215.4)	(59)	(147)	(59.9)
Net fair value changes to cash flow hedges	(ii)	-	-	-	-	(11)	(100.0)
Items that will not be reclassified subsequently to profit or loss:							
Remeasurement of defined benefit pension plan		58	177	(67.2)	-	177	(100.0)
Other comprehensive income for the period/ year, net of tax		**230**	**1,503**	**(84.7)**	**776**	**(1,776)**	**(143.7)**
Total comprehensive income for the period/ year		**(119,922)**	**(51,019)**	**135.1**	**(145,103)**	**(74,562)**	**94.6**
Attributable to:							
Owners of the Company		**(116,359)**	**(50,798)**	**129.1**	**(140,273)**	**(72,981)**	**92.2**
Non-controlling interests		(3,563)	(221)	1,512.2	(4,830)	(1,581)	205.5
		(119,922)	**(51,019)**	**135.1**	**(145,103)**	**(74,562)**	**94.6**

Notes:

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

(ii) The fair value loss on cash flow hedges was primarily due to fair value adjustments on interest rate swaps.

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

	Group			
	3 months ended 30 June		12 months ended 30 June	
	4Q FY2019	4Q FY2018 (restated)	FY2019	FY2018 (restated)
	$'000	$'000	$'000	$'000
Impairment losses on financial assets				
- trade receivables (third parties)	(7,086)	(2,504)	(7,086)	(2,547)
- contract assets	(123)	-	(123)	-
- other receivables	(1,464)	(1,909)	(1,464)	(1,909)
-amount due from:				
• joint ventures and associates	(65,420)	-	(65,420)	-
• companies related to directors	(4)	-	(4)	-
- finance lease receivables	(1,566)	-	(1,566)	-
Amortisation of intangible assets	(160)	(166)	(652)	(766)
Amortisation of lease prepayments	(86)	(84)	(358)	(358)
Bad debts written off	(102)	-	(102)	-
Depreciation of property, plant and equipment	(15,424)	(17,012)	(61,064)	(62,830)
Fair value adjustments arising from debt refinancing exercise	59,179	-	59,179	-
Gain on disposal of property, plant and equipment	904	4,626	327	7,364
(Loss)/ gain on disposal of assets classified as held for sale	(48)	189	941	1,950
(Loss)/ gain on foreign exchange (net)	(751)	3,399	(4,001)	2,987
Impairment losses on non-financial assets				
- inventories	(72,338)	(21,766)	(72,338)	(21,766)
- property, plant and equipment	(13,667)	(21,357)	(13,667)	(21,357)
- intangible assets	(5,504)	(5,027)	(5,504)	(5,027)
Loss on disposal of short-term investment	-	-	(134)	-
Interest income from bank balances	26	51	82	299
Interest income from finance lease receivables	155	162	640	573
Inventories written off	(300)	(330)	(1,350)	(330)
Property, plant and equipment written off	(83)	(2)	(85)	(467)
Reversal/ (provision) for pension liabilities	94	32	(21)	(22)
(Provision)/ reversal for warranty (net)	(33)	(3)	(9)	128
Over/ (under) provision of tax in respect of prior years	502	(236)	(844)	(591)

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-Jun-19	30-Jun-18 (restated)	01-Jul-17 (restated)	30-Jun-19	30-Jun-18 (restated)
	$'000	$'000	$'000	$'000	$'000
Non-current assets					
Property, plant and equipment	490,244	577,087	611,887	-	-
Lease prepayments	4,606	5,913	5,731	-	-
Investment in subsidiaries	-	-	-	40,723	42,404
Investment in joint ventures and associates	5,450	4,845	9,008	-	-
Intangible assets	5,865	12,368	17,877	-	-
Finance lease receivables	5,536	7,841	8,865	-	-
	511,701	**608,054**	**653,368**	**40,723**	**42,404**
Current assets					
Inventories	99,484	171,457	182,015	-	-
Contract assets	23,617	60,418	88,048	-	-
Trade and other receivables	80,546	165,907	178,445	259,353	373,598
Prepayments	4,811	5,790	5,564	185	1,306
Finance lease receivables	670	905	1,001	-	-
Derivative financial instruments	-	-	15	-	-
Cash and bank balances	15,395	28,609	36,141	3,591	2,492
	224,523	**433,086**	**491,229**	**263,129**	**377,396**
Assets classified as held for sale	-	4,899	-	-	-
Assets of disposal group classified as held for sale	9,841	-	-	-	-
	234,364	**437,985**	**491,229**	**263,129**	**377,396**
Current liabilities					
Trade and other payables	177,961	181,908	166,407	99,480	115,720
Provision for warranty	42	35	169	-	-
Contract liabilities	22,149	30,586	19,730	-	-
Trust receipts	1,157	13,805	20,515	-	-
Interest-bearing loans and borrowings	45,107	99,589	215,233	11,965	14,893
Income tax payables	6,754	6,776	5,967	-	-
	253,170	**332,699**	**428,021**	**111,445**	**130,613**
Liabilities of disposal group classified as held for sale	2,015	**-**	**-**	**-**	**-**
	255,185	**332,699**	**428,021**	**111,445**	**130,613**
Net current (liabilities)/ assets	**(20,821)**	**105,286**	**63,208**	**151,684**	**246,783**
Non-current liabilities					
Other liabilities	3,699	3,479	3,725	-	-
Contract liabilities	507	2,158	6,356	-	-
Interest-bearing loans and borrowings	316,871	388,714	313,751	161,327	219,262
Deferred tax liabilities	16,011	15,319	14,512	-	-
	337,088	**409,670**	**338,344**	**161,327**	**219,262**
Net assets	**153,792**	**303,670**	**378,232**	**31,080**	**69,925**
Equity attributable to owners of the Company					
Share capital	108,056	108,056	108,056	108,056	108,056
Treasury shares	(923)	(923)	(923)	(923)	(923)
Reserves	49,630	194,871	267,852	(76,053)	(37,208)
Reserve of disposal group classified as held for sale	193	-	-	-	-
	156,956	**302,004**	**374,985**	**31,080**	**69,925**
Non-controlling interests	(3,164)	1,666	3,247	-	-
Total equity	**153,792**	**303,670**	**378,232**	**31,080**	**69,925**

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

	Group					
	As at 30-Jun-19			As at 30-Jun-18		
	Secured $'000	Unsecured $'000	Total $'000	Secured $'000	Unsecured $'000	Total $'000
Amount repayable in one year or less, or on demand	45,014	1,250	46,264	112,873	521	113,394
Amount repayable after one year	313,642	3,229	316,871	384,235	4,479	388,714
	358,656	**4,479**	**363,135**	**497,108**	**5,000**	**502,108**

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 5-year club term loan facility (the "**CTL Facility**"). As at 30 June 2019, the aggregate fair market value of these 87 vessels amounted to $170.8 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.

	Group			
	3 months ended 30 June		12 months ended 30 June	
	4Q FY2019	4Q FY2018 (restated)	FY2019	FY2018 (restated)
	$'000	$'000	$'000	$'000
Cash flows from operating activities	**(117,018)**	**(51,111)**	**(141,679)**	**(69,582)**
Adjustments for:				
Amortisation of intangible assets	160	166	652	766
Amortisation of lease prepayments	86	84	358	358
Bad debts written off	102	-	102	-
Depreciation of property, plant and equipment	15,424	17,012	61,064	62,830
Fair value adjustments arising from debt refinancing exercise	(59,179)	-	(59,179)	-
Gain on disposal of property, plant and equipment	(904)	(4,626)	(327)	(7,364)
Loss/ (gain) on disposal of assets classified as held for sale	48	(189)	(941)	(1,950)
Inventories written off	300	330	1,350	330
Impairment losses on financial assets				
-trade receivables (third parties)	7,086	2,504	7,086	2,547
-contract assets	123	-	123	-
-other receivables	1,464	1,909	1,464	1,909
-amount due from:				
• joint ventures and associates	65,420	-	65,420	-
• companies related to directors	4	-	4	-
-finance lease receivables	1,566	-	1,566	-
Impairment losses on non-financial assets				
-inventories	72,338	21,766	72,338	21,766
-property, plant and equipment	13,667	21,357	13,667	21,357
-intangible assets	5,504	5,027	5,504	5,027
Loss on disposal of short-term investment	-	-	134	-
Interest expense	7,820	5,780	23,195	22,711
Interest income	(181)	(213)	(722)	(872)
Provision/ (reversal) for warranty (net)	33	3	9	(128)
Property, plant and equipment written off	83	2	85	467
(Reversal)/ provision for pension liabilities	(94)	(32)	21	22
Share of results of joint venture and associates	(1,132)	603	(857)	3,823
Operating cash flows before changes in working capital	**12,720**	**20,372**	**50,437**	**64,017**
Changes in working capital:				
Inventories	2,108	(12,101)	(1,437)	(13,023)
Contract assets and liabilities	(2,691)	(8,748)	21,972	24,324
Trade and other receivables	8,872	724	5,457	1,520
Prepayments	(1,144)	671	(61)	(226)
Trade and other payables	5,792	4,313	(1,518)	20,684
Finance lease receivables	801	290	1,543	1,088
Other liabilities	(2,925)	(648)	(2)	(4,208)
Balances with related parties (trade)	(11,444)	(3,033)	(12,583)	(6,152)
Cash flows generated from operations	**12,089**	**1,840**	**63,808**	**88,024**
Interest received from finance lease receivables	(485)	162	-	573
Income tax paid	247	(657)	(495)	(1,578)
Net cash flows generated from operating activities	**11,851**	**1,345**	**63,313**	**87,019**
Cash flows from investing activities				
Interest received from bank balances	26	52	82	299
Purchase of assets classified as held for sale	-	(3)	(2,509)	(4,300)
Purchase of property, plant and equipment	(3,782)	(1,179)	(10,179)	(30,970)
Proceeds from disposal of property, plant and equipment	3,959	9,438	28,894	14,466
Proceeds from disposal of assets classified as held for sale	-	352	9,125	6,250
Proceeds from disposal of of short-term investment	-	-	534	-
Lease prepayments	-	(531)	(505)	(531)
Balances with related parties (non-trade)	1,269	(1,478)	3,230	836
Net cash flows generated from/ (used in) investing activities	**1,472**	**6,651**	**28,672**	**(13,950)**

	Group			
	3 months ended 30 June		12 months ended 30 June	
	4Q FY2019	4Q FY2018 (restated)	FY2019	FY2018 (restated)
	$'000	$'000	$'000	$'000
Cash flows from financing activities				
Interest paid	(5,285)	(6,578)	(23,205)	(26,624)
Repayment of interest-bearing loans and borrowings	(14,754)	(25,725)	(71,253)	(98,399)
Proceeds from interest-bearing loans and borrowings	-	-	3,850	51,288
Repayment of trust receipts	(1,835)	(8,117)	(28,976)	(36,389)
Proceeds from trust receipts	936	9,628	16,328	29,603
Cash and bank balances (restricted use)	2,599	19,514	5,664	(1,578)
Net cash flows used in financing activities	**(18,339)**	**(11,278)**	**(97,592)**	**(82,099)**
Net decrease in cash and cash equivalents	(5,016)	(3,282)	(5,607)	(9,030)
Cash and cash equivalents at beginning of period/ year	12,172	15,970	12,793	21,903
Effects of exchange rate changes on cash and cash equivalents	(5)	105	(35)	(80)
Cash and cash equivalents at end of period/ year	**7,151**	**12,793**	**7,151**	**12,793**

Note 1:

Cash and cash equivalents comprise the followings:

Cash and bank balances:		
-continuing operations	15,395	28,609
-disposal group classified as held for sale	1,908	-
Cash and bank balances	**17,303**	**28,609**
Less: Restricted cash		
- Cash at banks	(3,355)	(15,281)
- Fixed deposits with banks	(6,797)	(535)
Cash and cash equivalents at end of year	**7,151**	**12,793**

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-Jun-19

Group	Attributable to owners of the Company								
	Share capital $'000	Treasury shares $'000	Foreign currency translation reserve $'000	Accumulated profits $'000	Total reserves $'000	Equity attributable to owners of the Company $'000	Reserve of disposal group classified as held for sale $'000	Non-controlling interests $'000	Total Equity $'000
FY2019									
At 1-Jul-18 (FRS framework)	**108,056**	**(923)**	**1,110**	**195,776**	**196,886**	**304,019**	-	**1,666**	**305,685**
Adoption of the SFRS(I) 15	-	-	-	(2,015)	**(2,015)**	**(2,015)**	-	-	**(2,015)**
Adoption of the SFRS(I) 9	-	-	-	(4,775)	**(4,775)**	**(4,775)**	-	-	**(4,775)**
At 1-Jul-18 (SFRS(I))	**108,056**	**(923)**	**1,110**	**188,986**	**190,096**	**297,229**	**-**	**1,666**	**298,895**
Loss for the year	-	-	-	(141,027)	**(141,027)**	**(141,027)**	-	(4,852)	**(145,879)**
Other comprehensive income									
Translation differences relating to financial statements of foreign subsidiaries, net of tax	-	-	806	-	**806**	806	-	29	**835**
Share of other comprehensive income of joint ventures and associates	-	-	(52)	-	**(52)**	**(52)**	-	(7)	**(59)**
Other comprehensive income for the year, net of tax	**-**	**-**	754	-	**754**	**754**	-	22	**776**
Total comprehensive income for the year	**-**	**-**	754	(141,027)	**(140,273)**	**(140,273)**	-	(4,830)	**(145,103)**
Reserves attributable to disposal group classified as held for sale	-	-	(193)	-	**(193)**	**(193)**	193	-	-
At 30-Jun-19	**108,056**	**(923)**	**1,671**	**47,959**	**49,630**	**156,763**	**193**	**(3,164)**	**153,792**

Statement of Changes in Equity for the year ended 30-Jun-18									
	Attributable to owners of the Company								
Group	**Share capital $'000**	**Treasury shares $'000**	**Foreign currency translation reserve $'000**	**Hedging reserve $'000**	**Accumulated profits $'000**	**Total reserves $'000**	**Equity attributable to owners of the Company $'000**	**Non-controlling interests $'000**	**Total Equity $'000**
FY2018									
At 1-Jul-17 (FRS framework)	**108,056**	**(923)**	**2,896**	**11**	**265,491**	**268,398**	**375,531**	**3,247**	**378,778**
Adoption of the SFRS(I) 15	-	-	-	-	(546)	**(546)**	**(546)**	-	**(546)**
At 1-Jul-17 (SFRS(I))	**108,056**	**(923)**	**2,896**	**11**	**264,945**	**267,852**	**374,985**	**3,247**	**378,232**
Loss for the year	-	-	-	-	(71,361)	**(71,361)**	**(71,361)**	(1,425)	**(72,786)**
Other comprehensive income									
Translation differences relating to financial statements of foreign subsidiaries, net of tax	-	-	(1,656)	-	-	**(1,656)**	**(1,656)**	(139)	**(1,795)**
Share of other comprehensive income of joint ventures and associates	-	-	(130)	-	-	**(130)**	**(130)**	(17)	**(147)**
Re-measurement of defined benefit pension plans			-	-	177	**177**	**177**	-	**177**
Net fair value changes to cash flow hedges			-	(11)	-	**(11)**	**(11)**	-	**(11)**
Other comprehensive income for the year, net of tax	**-**	**-**	(1,786)	(11)	177	**(1,620)**	**(1,620)**	(156)	**(1,776)**
Total comprehensive income for the year	**-**	**-**	(1,786)	(11)	(71,184)	**(72,981)**	**(72,981)**	(1,581)	**(74,562)**
At 30-Jun-18 (Restated)	**108,056**	**(923)**	**1,110**	**-**	**193,761**	**194,871**	**302,004**	**1,666**	**303,670**

Statement of Changes in Equity for the year ended 30-Jun-19 and 30-Jun-18				
<u>Company</u>	Share capital $'000	Treasury shares $'000	Accumulated losses $'000	Total equity $'000
<u>FY2019</u>				
At 1-Jul-18 (FRS framework)	108,056	(923)	(37,208)	69,925
Adoption of the SFRS(I) 9	-	-	(16,041)	(16,041)
At 1-Jul-18 (SFRS(I))	108,056	(923)	(53,249)	53,884
Loss for the period, representing total comprehensive income for the year	-	-	(22,804)	(22,804)
At 30-Jun-19	108,056	(923)	(76,053)	31,080
<u>FY2018</u>				
At 1-Jul-17	108,056	(923)	(12,011)	95,122
Loss for the period, representing total comprehensive income for the year	-	-	(25,197)	(25,197)
At 30-Jun-18	108,056	(923)	(37,208)	69,925

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, 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.

	Number of Ordinary Shares (excluding treasury shares)
Balance as at 30-Jun-19 and 30-Jun-18	629,266,941

The percentage of the aggregate number of treasury shares held against the total number of shares outstanding that is listed as at 30 June 2019 and 30 June 2018 is 0.40%.

There were no convertibles or subsidiary holdings as at 30 June 2019 and 30 June 2018.

There were no outstanding share options granted under the ESOS as at 30 June 2019 and 30 June 2018.

1(d)(iii) To show the 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.

	As at 30-Jun-19	As at 30-Jun-18
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 (excluding treasury shares)	**629,266,941**	**629,266,941**

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.

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.

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

Except as disclosed in item 5 below, 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 2018.

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 Singapore Financial Reporting Standards (International) (SFRS(I)), on 1 July 2018. In adopting SFRS(I), the Group has applied the specific transition requirements in SFRS(I) 1 First-time Adoption of SFRS(I) in preparing the financial information included in this announcement. The Group's opening balance sheet has been prepared as at 1 July 2017 which is the Group's transition date to SFRS(I).

Adoption of SFRS(I)s:

The following SFRS(I)s, amendments and interpretations of SFRS(I)s are applicable to the Group:
- SFRS(I) 15 Revenue from Contracts with Customers
- SFRS(I) 9 Financial Instruments
- Amendments to SFRS(I) 1-28 Long-term Interests in Associates and Joint Ventures
- SFRS(I) INT 23 Uncertainty over Income Tax Treatments
- Amendments to SFRS(I)2 Classification and Measurement of Share Based Payment Transactions

The adoption of the new accounting standards does not have any significant impact on the financial statements of the Group and the Company except for SFRS(I) 15 and SFRS(I) 9.

Adoption of SFRS(I) 15

The adoption of SFRS(I) 15 has the following key changes to the accounting of contracts of the Group:

i) Timing of revenue recognition: Revenue and related costs of sales of contracts with non-enforceability of right to payment for performance completed to-date are recognised only when the constructed assets are delivered to customers at a point in time, instead of using the percentage of completion method.

ii) Contract costs: For long term contracts where the stage of completion is measured by reference to the contracts costs incurred to date as a percentage of the total estimated costs for each contract, contract costs are recognised as an expense in profit or loss using the percentage of completion method prior to the adoption of SFRS(I) 15.

    On adoption of SFRS(I) 15, the costs incurred to fulfil the satisfied performance obligation are recognised in profit or loss as control of goods or services to the customer is transferred over time. Where the control of goods and services to the customer is transferred at a future point in time, the costs incurred to fulfil the future performance obligation are capitalised as they are recoverable, and presented as "Contract Assets" within the balance sheet. The costs capitalised are recognised in profit or loss when the performance obligation is satisfied.

iii) In accordance with the presentation requirements of the SFRS(I) 15, the Group has presented "Construction work-in-progress in excess of progress billings" as "Contract assets" and "Progress billings in excess of construction work-in-progress" as "Contract liabilities".

Adoption of SFRS(I) 9

On 1 July 2018, the Group adopted SFRS(I) 9 Financial instruments, which is effective for annual periods beginning on or after 1 July 2018. The changes arising from the adoption of SFRS(I) 9 have been applied retrospectively. The Group has elected to apply the exemption in SFRS(I) 1 and has not restated comparative information in the year of initial application. The impact arising from SFRS(I) 9 adoption was included in the opening retained earnings at the date of initial application, 1 July 2018. The comparative information was prepared in accordance with the requirements of FRS 39.

Impact on the comparatives for the fourth quarter ended 30 June 2019 financial statements

The financial impacts of adopting SFRS(I) 15 and SFRS(I) 9 are as follows:

Consolidated Income Statement

	4Q FY2018			FY2018		
	FRS	Effect of SFRS(I) 15	SFRS(I)	FRS	Effect of SFRS(I) 15	SFRS(I)
	$'000	$'000	$'000	$'000	$'000	$'000
Revenue	79,472	(11,485)	67,987	280,457	(27,469)	252,988
Cost of sales	(74,279)	11,713	(62,566)	(263,501)	26,163	(237,338)
Gross profit	**5,193**	**228**	**5,421**	**16,956**	**(1,306)**	**15,650**
Other operating income	8,872	-	8,872	15,556	-	15,556
Administrative expenses	(6,126)	-	(6,126)	(20,851)	-	(20,851)
Other operating expenses (including impairment losses of financial assets)	(52,895)	-	(52,895)	(53,403)	-	(53,403)
Finance costs	(5,780)	-	(5,780)	(22,711)	-	(22,711)
Share of results of joint ventures and associates	(603)	-	(603)	(3,823)	-	(3,823)
Loss before tax	**(51,339)**	**228**	**(51,111)**	**(68,276)**	**(1,306)**	**(69,582)**
Income tax expense	(1,560)	149	(1,411)	(3,041)	(163)	(3,204)
Loss for the period/ year	**(52,899)**	**377**	**(52,522)**	**(71,317)**	**(1,469)**	**(72,786)**
Attributable to:						
Owners of the Company	(52,622)	377	(52,245)	(69,892)	(1,469)	(71,361)
Non-controlling interests	(277)	-	(277)	(1,425)	-	(1,425)
Loss for the period/ year	**(52,899)**	**377**	**(52,522)**	**(71,317)**	**(1,469)**	**(72,786)**
Adjusted EBITDA for the period/ year	**24,802**	**414**	**25,216**	**75,179**	**(1,742)**	**73,437**

Consolidated Statement of Comprehensive income

	4Q FY2018			FY2018		
	FRS	Effect of SFRS(I) 15	SFRS(I)	FRS	Effect of SFRS(I) 15	SFRS(I)
	$'000	$'000	$'000	$'000	$'000	$'000
Loss for the period/ year	**(52,899)**	**377**	**(52,522)**	**(71,317)**	**(1,469)**	**(72,786)**
Other comprehensive income for the period, net of tax	1,503	-	1,503	(1,776)	-	(1,776)
Total comprehensive income for the period/ year	**(51,396)**	**377**	**(51,019)**	**(73,093)**	**(1,469)**	**(74,562)**
Total comprehensive income attributed to:						
Owners of the Company	**(51,175)**	**377**	**(50,798)**	**(71,512)**	**(1,469)**	**(72,981)**
Non-controlling interests	(221)	-	(221)	(1,581)	-	(1,581)
Total comprehensive income for the period/ year	**(51,396)**	**377**	**(51,019)**	**(73,093)**	**(1,469)**	**(74,562)**

Consolidated Statement of Cash Flows

	4Q FY2018			FY2018		
	FRS	Effect of SFRS(I) 15	SFRS(I)	FRS	Effect of SFRS(I) 15	SFRS(I)
	$'000	$'000	$'000	$'000	$'000	$'000
Cash flows from operating activities						
Loss before tax	**(51,339)**	**228**	**(51,111)**	**(68,276)**	**(1,306)**	**(69,582)**
Adjustments for:						
Depreciation of property, plant and equipment	16,826	186	17,012	63,266	(436)	62,830
Others	54,471	-	54,471	70,769	-	70,769
Operating cash flows before changes in working capital	**19,958**	**414**	**20,372**	**65,759**	**(1,742)**	**64,017**
Changes in working capital:						
Contract assets and liabilities	(8,334)	(414)	(8,748)	22,582	1,742	24,324
Others	(9,784)	-	(9,784)	(317)	-	(317)
Cash flows generated from operations	**1,840**	**-**	**1,840**	**88,024**	**-**	**88,024**
Others	(495)	-	(495)	(1,005)	-	(1,005)
Net cash flows generated from operating activities	**1,345**	**-**	**1,345**	**87,019**	**-**	**87,019**
Net cash flows generated from/ (used in) investing activities	**6,651**	**-**	**6,651**	**(13,950)**	**-**	**(13,950)**
Net cash flows used in financing activities	**(11,278)**	**-**	**(11,278)**	**(82,099)**	**-**	**(82,099)**
Net decrease in cash and cash equivalents	**(3,282)**	**-**	**(3,282)**	**(9,030)**	**-**	**(9,030)**
Cash and cash equivalents at beginning of period/ year	15,970	-	15,970	21,903	-	21,903
Effects of exchange rate changes on cash and cash equivalents	105	-	105	(80)	-	(80)
Cash and cash equivalents at end of year	**12,793**	**-**	**12,793**	**12,793**	**-**	**12,793**

Consolidated Statement of Financial Position

	30-Jun-2018 FRS $'000	Effect of SFRS(I) 15 $'000	30-Jun-2018 SFRS(I) $'000	Effect of SFRS(I) 9 $'000	01-Jul-18 SFRS(I) $'000	1-Jul-2017 FRS $'000	Effect of SFRS(I) 15 $'000	1-Jul-2017 SFRS(I) $'000
Non-current assets	**608,054**	**-**	**608,054**	**-**	**608,054**	**653,368**	**-**	**653,368**
Current assets								
Construction work-in-progress	46,748	(46,748)	-	-	-	85,345	(85,345)	-
Contract assets	-	60,418	60,418	-	60,418	-	88,048	88,048
Trade and other receivables	181,003	(15,096)	165,907	(4,017)	161,890	181,563	(3,118)	178,445
Others	211,660	-	211,660	-	211,660	224,736	-	224,736
Total current assets	**439,411**	**(1,426)**	**437,985**	**(4,017)**	**433,968**	**491,644**	**(415)**	**491,229**
Current liabilities								
Trade and other payables	206,915	(25,007)	181,908	-	181,908	184,700	(18,293)	166,407
Progress billings in excess of construction work-in-progress	5,285	(5,285)	-	-	-	1,437	(1,437)	-
Contract liabilities	-	30,586	30,586	-	30,586	-	19,730	19,730
Interest-bearing loans and borrowings	99,589	-	99,589	172	- 99,761	215,233	-	215,233
Income tax payables	6,772	4	6,776	-	6,776	5,779	188	5,967
Others	13,840	-	13,840	-	13,840	20,684	-	20,684
Total current liabilities	**332,401**	**298**	**332,699**	**172**	**332,871**	**427,833**	**188**	**428,021**
Net current assets	**107,010**	**(1,724)**	**105,286**	**(4,189)**	**101,097**	**63,811**	**(603)**	**63,208**
Non-current								
Other liabilities	5,637	(2,158)	3,479	-	3,479	10,081	(6,356)	3,725
Contract liabilities	-	2,158	2,158		2,158	-	6,356	6,356
Interest-bearing loans and borrowings	388,714	-	388,714	586	389,300	313,751	-	313,751
Deferred tax liabilities	15,028	291	15,319	-	15,319	14,569	(57)	14,512
Total non-current liabilities	**409,379**	**291**	**409,670**	**586**	**410,256**	**338,401**	**(57)**	**338,344**
Net assets	**305,685**	**(2,015)**	**303,670**	**(4,775)**	**298,895**	**378,778**	**(546)**	**378,232**
Equity attributable to of the Company								
Share capital	108,056	-	108,056	-	108,056	108,056	-	108,056
Treasury shares	(923)	-	(923)	-	(923)	(923)	-	(923)
Reserves	196,886	(2,015)	194,871	(4,775)	190,096	268,398	(546)	267,852
	304,019	**(2,015)**	**302,004**	**(4,775)**	**297,229**	**375,531**	**(546)**	**374,985**
Non-controlling interests	1,666	-	1,666	-	1,666	3,247	-	3,247
Total equity	**305,685**	**(2,015)**	**303,670**	**(4,775)**	**298,895**	**378,778**	**(546)**	**378,232**

Statement of Financial Position (Company)

	30-Jun-2018 FRS $'000	Effect of SFRS(I) 9 $'000	01-Jul-18 SFRS(I) $'000
Non-current assets	**42,404**	**-**	**42,404**
Current assets			
Trade and other receivables	373,598	(16,041)	357,557
Others	3,798	-	3,798
Total current assets	**377,396**	**(16,041)**	**361,355**
Current liabilities			
Interest-bearing loans and borrowings	14,893	-	14,893
Others	115,720	-	115,720
Total current liabilities	**130,613**	**-**	**130,613**
Net current assets	**246,783**	**(16,041)**	**230,742**
Non-current			
Interest-bearing loans and borrowings	219,262	-	219,262
Total non-current liabilities	**219,262**	**-**	**219,262**
Net assets	**69,925**	**(16,041)**	**53,884**
Equity attributable to of the Company			
Share capital	108,056	-	108,056
Treasury shares	(923)	-	(923)
Reserves	(37,208)	(16,041)	(53,249)
	69,925	**(16,041)**	**53,884**
Total equity	**69,925**	**(16,041)**	**53,884**

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.

	Group			
	3 months ended 30 June		12 months ended 30 June	
Earnings per ordinary share:	**4Q FY2019**	**4Q FY2018 (restated)**	**FY2019**	**FY2018 (restated)**
(i) On weighted average no. of ordinary shares in issue	(18.53) cents	(8.30) cents	(22.41) cents	(11.34) cents
(ii) On a fully diluted basis	(18.53) cents	(8.30) cents	(22.41) cents	(11.34) cents
Net loss attributable to shareholders:	($116,588,000)	($52,245,000)	($141,027,000)	($71,361,000)
Number of shares in issue:				
(i) Weighted average no. of shares in issue	629,266,941	629,266,941	629,266,941	629,266,941
(ii) On a fully diluted basis	629,266,941	629,266,941	629,266,941	629,266,941

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.

	Group			Company	
	30-Jun-19	**30-Jun-18 (restated)**	**01-Jul-18 (restated)**	**30-Jun-19**	**30-Jun-18**
Net Asset Value (NAV) per ordinary share	24.94 cents	47.99 cents	59.59 cents	4.94 cents	11.11 cents
NAV computed based on no. of ordinary shares issued	629,266,941	629,266,941	629,266,941	629,266,941	629,266,941

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**"). 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 $63.3 million for the 3 months ended 30 June 2019 ("**4Q FY2019**") was $4.7 million (6.9%) lower compared to the corresponding period in FY2018 ("**4Q FY2018**"). For the 12 months ended 30 June 2019 ("**FY2019**"), the Group revenue was $59.9 million (23.7%) higher compared to the corresponding period ended 30 June 2018 ("**FY2018**").

Details for revenue generated from each segment are as follows:

	Group					
	4Q FY2019 $'000	4Q FY2018 (restated) $'000	Increase/ (Decrease) %	FY2019 $'000	FY2018 (restated) $'000	Increase/ (Decrease) %
Shipbuilding	315	5,420	(94.2)	63,341	36,482	73.6
Shiprepair and conversion	26,833	25,948	3.4	93,856	84,731	10.8
Shipchartering	34,681	33,872	2.4	145,618	118,650	22.7
Engineering	1,478	2,747	(46.2)	10,067	13,125	(23.3)
	63,307	**67,987**	**(6.9)**	**312,882**	**252,988**	**23.7**

Shipbuilding

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

	Group									
	4Q FY2019		4Q FY2018 (restated)		Increase/ (Decrease)	FY2019		FY2018 (restated)		Increase/ (Decrease)
	Units	$'000	Units	$'000	%	Units	$'000	Units	$'000	%
Tugs	4	1,656	1	120	1,280.0	9	40,643	4	12,696	220.1
Barges and others	-	(1,341)	6	5,300	Nm	4	22,698	17	23,786	(4.6)
	4	**315**	**7**	**5,420**	**(94.2)**	**13**	**63,341**	**21**	**36,482**	73.6

Shipbuilding revenue decreased by $5.1 million (94.2%) to $0.3 million in 4Q FY2019 as compared to last corresponding period. The revenue in 4Q FY2019 was attributable to 4 tugs recognised based on POC method, including commencement of revenue recognition from 3 newly secured projects in February 2019; partially offset by reversal of revenue due to cancellation of a barge delivered and recognised during the year. The customer has instead chartered the barge from the Group. The revenue in 4Q FY2018 was mainly from delivery of barges recognised based on Completion Method.

Shipbuilding revenue increased by $26.9 million (73.6%) in FY2019 as compared to the last corresponding year mainly due to delivery of six tugs and one high value tanker recognised based on Completion Method. In FY2018, the revenue derived from the tugs was recognised based on POC with delivery of 3 units during the year while all the barges were recognised based on Completion Method upon delivery.

Shiprepair and conversion

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 POC.

The breakdown of revenue generated from the shiprepair and conversion segment are as follows:

	Group					
	4Q FY2019 $'000	4Q FY2018 (restated) $'000	Increase/ (Decrease) %	FY2019 $'000	FY2018 (restated) $'000	Increase/ (Decrease) %
Shiprepair and conversion	26,324	25,467	3.4	92,309	81,502	13.3
Other marine related services	509	481	5.8	1,547	3,229	(52.1)
	26,833	**25,948**	**3.4**	**93,856**	**84,731**	**10.8**

Shiprepair and conversion revenue increased by $0.9 million (3.4%) to $26.3 million in 4Q FY2019 and by $10.8 million (13.3%) to $92.3 million in FY2019 mainly due to more shiprepair jobs with high value (>$200,000) being recognised. As a result of the adoption of SFRS(I)15, the restated revenue in FY2018 was $9.0 million lower as compared to $90.5 million previously reported on.

The other marine related services of $3.2 million recorded in FY2018 included one-off sale of inventories amounted to $1.4 million.

Shipchartering

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

	Group					
	4Q FY2019 $'000	4Q FY2018 $'000	Increase/ (Decrease) %	FY2019 $'000	FY2018 $'000	Increase/ (Decrease) %
OSV	5,560	2,247	147.4	21,354	12,291	73.7
Landing crafts	1,257	1,143	10.0	3,711	7,208	(48.5)
Tug Boats	9,256	9,601	(3.6)	44,475	33,391	33.2
Barges	14,686	13,287	10.5	56,192	46,881	19.9
Total charter	**30,759**	**26,278**	**17.1**	**125,732**	**99,771**	**26.0**
Trade sales	3,922	7,594	(48.4)	19,886	18,879	5.3
	34,681	**33,872**	**2.4**	**145,618**	**118,650**	**22.7**

Charter revenue increased by $4.5 million (17.1%) to $30.8 million in 4Q FY2019 mainly due to higher revenue from OSV in current quarter (average utilisation rate: 4Q FY 2019: 80%; 4Q FY2018: 58%). 10 units of OSV were under charter during the current quarter (4Q FY2018: 5 units).

Charter revenue increased by $26.0 million (26.0%) to $125.7 million in FY2019 mainly due to contribution from several new charter projects in Bangladesh, Indonesia and Singapore which commenced in 2Q FY2019. One of such projects in Bangladesh for stones shipment was completed in 4Q FY2019 and will resume after the monsoon period in 2Q FY2020.

Trade sales comprised bunker sales, agency fees and ad hoc services rendered. There were higher ad hoc services for modification and outfitting of barges to cater for charterers' projects in the current year under review.

Engineering

The breakdown by revenue generated from the engineering segment are as follows:

	Group					
	4Q FY2019 $'000	4Q FY2018 $'000	Increase/ (Decrease) %	FY2019 $'000	FY2018 $'000	Increase/ (Decrease) %
Components & services ("Components")	1,478	2,747	(46.2)	10,067	13,125	(23.3)

Engineering revenue decreased by $1.3 million (46.2%) and $3.0 million (23.3%) in 4Q FY2019 and FY2019 respectively mainly due to fewer orders for cutting/coupling systems resulting from completion of several supply contracts, partially offset by more orders for spare parts used by customers for replacement in the periods under review.

Gross profit and gross profit margin

The breakdown of gross profit and gross profit margin for each respective segment are as follows:

	Group							
	4Q FY2019		4Q FY2018 (restated)		FY2019		FY2018 (restated)	
	$'000	GPM	$'000	GPM	$'000	GPM	$'000	GPM
Shipbuilding	207	65.7%	698	12.9%	(3,862)	(6.1%)	(230)	(0.6%)
Shiprepair and conversion	3,033	11.3%	2,913	11.2%	10,518	11.2%	10,186	12.0%
Shipchartering	(103)	(0.3%)	1,336	3.9%	5,430	3.7%	3,045	2.6%
Engineering	277	18.7%	474	17.3%	2,273	22.6%	2,649	20.2%
	3,414	5.4%	5,421	8.0%	14,359	4.6%	15,650	6.2%

Shipbuilding

The gross profit of $0.2 million recognised in 4Q FY2019 was mainly attributed to:

(i) recognition of revenue from the tugs;

(ii) reclassification of $0.6 million of sales commission incurred on five completed tugs to administrative expenses pursuant to adoption of SFRS(I)15;

partially offset by

(iii) the reversal of $0.2 million profit recognised on the cancelled barge; and

(iv) provision for warranty costs on certain projects completed in prior years.

The Group recorded a gross loss of $3.9 million in FY2019 mainly due to: i) delay in the delivery of a tanker resulting in cost overruns and liquidated damages and ii) an IDR denominated contract which was negatively affected by the weakening of IDR against SGD as compared to the budgeted foreign exchange rate at inception of contract in 2016.

Shiprepair and conversion

The gross profit and gross profit margin in 4Q FY2019 were comparable to the corresponding period under review. Lower profit margin in FY2019 was partly due to competitive market pricing given to certain repeated customers.

Shipchartering

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

	Group							
	4Q FY2019		4Q FY2018		FY2019		FY2018	
	$'000	GPM	$'000	GPM	$'000	GPM	$'000	GPM
OSV	(428)	(7.7%)	(2,012)	(89.5%)	(1,022)	(4.8%)	(5,870)	(47.8%)
Landing crafts	(1,120)	(89.1%)	(754)	(66.0%)	(2,753)	(74.2%)	340	4.7%
Tug boats and Barges	(163)	(1.1%)	2,548	19.2%	4,052	7.2%	5,067	10.8%
Total charter	**(1,711)**	(5.6%)	**(218)**	(0.8%)	**277**	0.2%	**(463)**	(0.5%)
Trade sales	1,608	41.0%	1,554	20.5%	5,153	25.9%	3,508	18.6%
	(103)	(0.3%)	**1,336**	3.9%	**5,430**	3.7%	**3,045**	2.6%

Gross loss from OSV decreased by $1.6 million and $4.8 million in 4Q FY2019 and FY2019 respectively mainly due to higher utilisation rates (4Q FY2019: 80%, 4Q FY2018: 58%; FY2019: 71%, FY2018: 58%). The OSV were mainly used for jobs in the region. The negative contribution from OSV in FY2018 included an one-off compensation incurred for late delivery of two AHTS to charterer in India.

Negative contribution from landing crafts was due to lower charter and utilisation rates (4Q FY2019: 57%, 4Q FY2018: 73%; FY2019: 60%, FY2018: 80%) partly as a result of reduced activities in the precast business.

The lower gross profit and gross profit margin from Tug boats and Barges in 4Q FY2019 and FY2019 was mainly due to one-off demobilisation costs incurred on vessels returning from Bangladesh to Singapore for the stone shipment projects in 4Q FY2019.

Engineering

Lower gross profit in 4Q FY2019 and FY2019 were in line with lower revenue recorded during the periods.

The higher profit margins of 18.7% and 22.6% recorded in 4Q FY2019 and FY2019 respectively were mainly attributable to higher margin derived from sale of spare parts.

Other operating income

Details for other operating income are as follows:

	Group			
	4Q FY2019 $'000	4Q FY2018 $'000	FY2019 $'000	FY2018 $'000
Gain on disposal of property, plant and equipment	904	4,626	327	7,364
Gain on disposal of assets classified as held for sale	-	189	941	1,950
Gain on foreign exchange (net)	-	3,399	-	2,987
Interest income from bank balances	26	51	82	299
Interest income from finance lease receivables	155	162	640	573
Insurance claims	570	1	670	449
Rental income from property, plant and equipment	228	338	946	1,369
Miscellaneous income	227	106	807	565
	2,110	**8,872**	**4,413**	**15,556**

The gain on disposal of property, plant and equipment in 4Q FY2018 and FY2018 mainly pertained to disposal of cranes, tugs and barges.

Administrative expenses

Administrative expenses decreased by $0.9 million (14.8%) to $5.2 million in 4Q FY2019 when compare to last corresponding period mainly due to reduction in legal and professional fees, development costs and general expenses partially offset by increase in sales commission of $0.6 million for shipbuilding projects.

Administrative expenses increased by $2.2 million (10.7%) to $23.1 million in FY2019 when compare to last corresponding year. This was mainly due to increase in legal and professional fees incurred for obtaining new banking facilities and sales commission for shipbuilding project.

Other operating expenses

	Group			
	4Q FY2019 $'000	4Q FY2018 $'000	FY2019 $'000	FY2018 $'000
Impairment losses on non-financial assets				
- inventories	72,338	21,766	72,338	21,766
- property, plant and equipment	13,667	21,357	13,667	21,357
- intangible assets	5,504	5,027	5,504	5,027
	91,509	**48,150**	**91,509**	**48,150**
Bad debts written off	102	-	102	-
Inventories written off	300	330	1,350	330
Loss on disposal of assets classified as held for sale	48	-	-	-
Loss on foreign exchange (net)	751	-	4,001	-
Loss on disposal of short-term investment	-	-	134	-
Property, plant and equipment written off	83	2	85	467
Legal claims	1,360	-	1,360	-
	94,153	**48,482**	**98,541**	**48,947**

Impairment losses on non-financial assets of $91.5 million recorded in 4Q FY2019 and FY2019 mainly comprised:

a) Inventories

Impairment of

i) inventories (Finished goods) of $55.3 million on vessels which the Group holds as inventories, impaired based on net realisable value in respect of an indicative offer;

ii) inventories (Work-in-progress and Raw materials) of $17.0 million on one unit of Seismic Support Vessel and two previously cancelled, built-to-stock offshore supply support vessels (collectively, the “Offshore Support Vessels”). The management has re-evaluated its business plans and have decided to stop the construction of these Offshore Support Vessels. Consequently, an impairment charge was made on materials, equipment, subcontractor costs and overheads. The Offshore Support Vessels were impaired based on net realisable value of the remaining equipment and raw materials estimated by the management;

b) Property, plant and equipment

In view of the unfavourable conditions of the marine sector, the impairment of the Group’s chartering fleet of vessels was based on market value derived from valuation guidance from independent valuers; and

c) Intangible assets

The goodwill arose from the Group’s acquisition of VOSTA LMG group in December 2012. The Engineering segment continued to incur lower operating profits. The goodwill and intangibles were impaired based on recoverable amount determined from value in use calculations using cash flow projections from financial budgets prepared by the management covering a five-year period.

The inventories written off in 4Q FY2019 and FY2019 mainly pertained to inventories related to the China shipyard upon its subsequent disposal. The inventories written off in 4Q FY2018 and FY2018 pertained to write-off of slow moving components parts from engineering segment.

The higher net foreign exchange loss recorded in 4Q FY2019 and FY2019 arose mainly due to depreciation of USD against SGD on SGD denominated liabilities for certain subsidiaries whose accounts are maintained in USD and appreciation of IDR against SGD on IDR denominated liabilities.

The net foreign exchange gain recorded in 4Q FY2018 (under operating income) arose mainly due to the appreciation of USD against SGD on SGD denominated liabilities for certain subsidiaries whose accounts are maintained in USD. The net foreign exchange gain in FY2018 was mainly attributed from depreciation of IDR against SGD on IDR denominated liabilities.

	30 Jun 2019	31 Mar 2019	30 Jun 2018	31 Mar 2018	30 Jun 2017
USD against SGD	1.3537	1.3556	1.3679	1.3117	1.3887
IDR against SGD	10,446	10,507	10,530	10,487	9,591

The loss on disposal of short-term investment of $0.1 million recorded in FY2019 pertained to quoted shares allotted by a customer for the purpose of settlement of outstanding debts owing by the customer to the Group.

Legal claims relate to damages awarded to a customer arising from a breach of a charter contract.

Impairment losses on financial assets

	Group			
Impairment losses on financial assets	4Q FY2019 $'000	4Q FY2018 $'000	FY2019 $'000	FY2018 $'000
- trade receivables (third parties)	7,086	2,504	7,086	2,547
- contract assets	123	-	123	-
- other receivables	1,464	1,909	1,464	1,909
- amount due from:				
• joint ventures and associates	65,420	-	65,420	-
• companies related to directors	4	-	4	-
- finance lease receivables	1,566	-	1,566	-
	75,663	**4,413**	**75,663**	**4,456**
Impairment losses on non-financial assets (recorded in other operating expenses)	**91,509**	**48,150**	**91,509**	**48,150**
Total impairment losses	**167,172**	**52,563**	**167,172**	**52,606**

The Group recorded impairment losses on financial assets of $75.7 million in 4Q FY2019 and FY2019. The impairment on:

(i) trade receivables was due to the adoption of SFRS(I) 9 based on expected credit loss model;

(ii) other receivables included an amount of $1.1 million on deposits paid for purchase of equipment for previously cancelled projects. The management has re-evaluated its business plans and have decided to stop the construction of these projects. The deposits were impaired in full as the probability of recovering from suppliers was remote. The remaining impairment on the other receivables was based on expected credit loss model arising from the adoption of SFRS(I) 9;

(iii) amount due from joint ventures and associates was due to: a) expected credit losses on trade balances arising from the adoption of SFRS(I) 9; and b) specific provision made on non-trade balances, which were impaired as the probability of recovery was remote based on the current market situation; and

(iv) finance lease receivables was based on the offer price negotiated with the lessee for an outright sale subsequent to the financial year end under review. These receivables pertained to a lessee's right to charter a vessel owned by one of the wholly-owned subsidiary of the Company, the ownership of the asset is to be transferred to the lessee at the end of the lease term at a nominal price.

Nonetheless, the Group continues to make great effort to recover these amounts, especially with respect to those receivables which the Group has possession of the repaired vessels in hand.

Finance costs

Finance costs increased by $2.0 million (35.3%) to $7.8 million in 4Q FY2019 due to amortisation of the fair value recognised on the Notes and term loans during the period partially offset by lower interest rate payable under the fixed rate bonds with effect from 1 October 2018 pursuant to the consent obtained from the Noteholders on 30 January 2019.

Finance costs increased by $0.4 million (2.1%) to $23.2 million in FY2019 mainly due to:

(i) increase in interest rate of floating-rate loans;

(ii) amortization of the fair value recognised on the Notes and term loans during the year;

partially offset by

(iii) lower interest rate payable under the fixed rate bonds with effect from 1 October 2018 pursuant to the consent obtained from the Noteholders on 30 January 2019 ; and

(iv) lower average bank loan balances during the year under review.

Fair value adjustments arising from debt refinancing exercise

The Group has remeasured the fair value of long term loans and bonds that were subject to re-financing and has made the necessary adjustments in 4Q FY2019. The remeasurement has resulted in a fair value gain.

Share of results of joint ventures and associates

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

		Group			
	Group's effective interest	**4Q FY2019 $'000**	**4Q FY2018 $'000**	**FY2019 $'000**	**FY2018 $'000**
Joint ventures					
Sindo-Econ group	50%	-	-	-	(1,311)
Associates					
PT. Hafar Capitol Nusantara ("PT Hafar")	36.75%	1,114	(621)	673	(2,696)
PT Capitol Nusantara Indonesia ("PT CNI")	27%	18	18	184	184
		1,132	**(603)**	**857**	**(3,823)**

The Group has restricted its share of losses from Sindo-Econ group to its cost of investment since 1Q FY2018.

The share of profit from PT Hafar of $1.1 million in 4Q FY2019 and $0.7 million in FY2019 was due to credit note for discount received by PT Hafar in 4Q FY2019 for a vessel acquired in 2011, this was recorded by PT Hafar as other income. Excluding the effect of the credit note, the share of loss would have been $1.1 million in 4Q FY2019 and $1.5 million in FY2019 due to low utilisation of its vessel fleet.

The share of profit from PT CNI of $0.1 million in FY2019 mainly pertained 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 loss before tax of $117.0 million in 4Q FY2019 and $141.7 million in FY2019 mainly due to one-off impairment losses of $167.2 million partially offset by fair value adjustments arising from debt refinancing exercise of $59.2 million.

		4Q FY2019 $'000
Loss before one-off costs		(9,025)
One-off gain/(loss):		
i) Impairment losses on:		
-financial assets (page 23)	(75,663)	
-non-financial assets (recorded in other operating expenses - page 21)	(91,509)	
		(167,172)
ii) Fair value adjustments arising from debt refinancing exercise		59,179
Loss before tax		(117,018)

Tax expense

The Group recorded a higher tax expense by $1.7 million in 4Q FY2019 and 1.0 million in FY2019 mainly due to higher current tax provided on non-exempt charter revenue from shipping operations.

OPERATION CASH FLOW

4Q FY2019

Despite lower earnings, the Group recorded a higher net cash inflow from operating activities of $11.9 million in 4Q FY2019 (4Q FY2018: $1.3 million) mainly due to higher receipts from customers and lower purchase of inventories partially offset by higher billings for shiprepair jobs to companies related to directors.

The lower net cash inflow from investing activities of $1.5 million in 4Q FY2019 (4Q FY2018: $6.7 million) was mainly attributed to lower net proceeds by $8.1 million from sale of property, plant and equipment partially offset by lower non-trade related parties balances.

The higher net cash outflow from financing activities of $18.3 million in 4Q FY2019 (4Q FY2018: $11.3 million) was mainly due to lower restricted cash being released upon completion of shipbuilding projects, partially offset by lower net repayments on interest-bearing loans and borrowings and trust receipts.

FY2019

The Group recorded a lower net cash inflow from operating activities of $63.3 million in FY2019 (FY2018: $87.0 million) mainly due to lower earnings,higher payment to suppliers and higher billings for shiprepair jobs to companies related to directors, partially offset by lower purchase of inventories and higher receipts from customers.

The net cash inflow from investing activities of $28.7 million in FY2019 (FY2018: net cash outflow of $14.0 million) was mainly due to higher net proceeds of $18.7 million from sale of property, plant and equipment in FY2019, as compared to a net cash outflow of $16.5 million from purchase of property, plant and equipment in FY2018, coupled with lower non-trade related parties balances.

The higher net cash outflow from financing activities of $97.6 million in FY2019 (FY2018: $82.1 million) was mainly due to lower drawdown of interest-bearing loans and borrowings and higher net repayment of trust receipts, partially offset by higher restricted cash which was released upon completion of shipbuilding projects.

REVIEW OF FINANCIAL POSITION AS AT 30 JUNE 2019

Non-current assets

Property, plant and equipment ("**PPE**") decreased by $86.8 million (15.0%) from $577.1 million as at 30 June 2018 to $490.2 million as at 30 June 2019.

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

	$'000
Balance as at 1 July 2018	577,087
Addition of property, plant and equipment Inclusive of : - $20.0 million for vessels***** - $0.9 million for plant and equipment - $1.9 million for yard infrastructure under development - $1.6 million for dry docking expenditure on vessels capitalised	24,367
Disposal/ write-off	(28,680)
Depreciation charge	(59,419)
Impairment of plant and equipment	(13,667)
Transfer to inventories	(724)
Assets of disposal group classified as held for sale	(6,365)
Translation differences	(2,355)
Balance as at 30 June 2019	**490,244**

***** The addition of vessels in FY2019 were mainly barges acquired from a customer arising from the settlement of debts owing to the Group amounting to approximately $13.3 million. These barges were acquired to support marine infrastructure projects in the region.

Current assets

Current assets decreased by $203.6 million (46.5%) from $438.0 million as at 30 June 2018 to $234.4 million as at 30 June 2019. The decrease was mainly due to lower inventories, contract assets, trade and other receivables and cash and bank balances.

Inventories comprised the following:

	Group			
	30-Jun-19	**30-Jun-18**	Increase/ (Decrease)	
	$'000	**$'000**	**$'000**	**%**
Raw materials and consumables	14,919	16,755	(1,836)	(11.0)
Work-in-progress	-	17,748	(17,748)	(100.0)
Finished goods	84,565	136,954	(52,389)	(38.3)
Total inventories	**99,484**	**171,457**	**(71,973)**	**(42.0)**

Majority of the raw materials and consumables are inventories meant for ongoing shipbuilding and shiprepair projects. Finished goods comprised mainly three PSV and dredge component parts. The decrease in inventories was mainly due to impairment made during the year.

The assets classified as held for sale as at 30 June 2018 had been disposed in July 2018.

Trade and other receivables comprised the following:

	Group			
	30-Jun-19	30-Jun-18 (restated)	Increase/ (Decrease)	
	$'000	$'000	$'000	%
Trade receivables	55,775	66,139	(10,364)	(15.7)
Other receivables	10,724	19,944	(9,220)	(46.2)
Amount due from related parties				
- joint ventures and associates	5,058	77,463	(72,405)	(93.5)
- companies related to directors	8,989	2,361	6,628	280.7
	80,546	**165,907**	**(85,361)**	**(51.5)**

The trade receivables decreased by $10.4 million (15.7%) to $55.8 million partly due to impairment made during the year. Trade receivables of $21.1 million have been received subsequent to the financial year under review.

Other receivables comprised mainly receivables from sale of vessels, advances to suppliers and subcontractors and recoverables from customers. The reduction was mainly due to lower advances to suppliers and subcontractors and recoverables which were being billed to customers during the year.

The receivables from joint ventures and associates were lower mainly due to impairment loss made during the year. The higher amounts due from companies related to directors was due to billings for shiprepair jobs in current quarter under review.

Current liabilities

Current liabilities decreased by $77.5 million (23.7%) from $332.7 million as at 30 June 2018 to $255.2 million as at 30 June 2019. The decrease was mainly due to lower current portion of interest-bearing loans and borrowings, trust receipts and contract liabilities.

Trade and other payables comprised the following:

	Group			
	30-Jun-19	30-Jun-18 (restated)	Increase/ (Decrease)	
	$'000	$'000	$'000	%
Trade payables	144,212	142,056	2,156	1.5
Payables for yard development, purchase of vessels and cranes	5,931	9,005	(3,074)	(34.1)
Other payables	5,628	2,288	3,340	146.0
Deposits received from customers	3,958	3,614	344	9.5
Deferred income	1,615	1,881	(266)	(14.1)
Amount due to related parties				
- joint ventures and associates	1,030	8,097	(7,067)	(87.3)
- companies related to directors	8,760	8,137	623	7.7
Amounts due to shareholders	6,620	6,620	-	-
Loan from non-controlling interests of subsidiaries	207	210	(3)	(1.4)
	177,961	**181,908**	**(3,947)**	**(2.2)**

The decrease in payables for yard development, purchase of vessels and cranes was mainly due to repayments while the decrease in deposits received from customers was due to delivery of vessels to the customer.

Amount due to joint ventures and associates decreased mainly due to offsetting arrangements entered during the year.

Contracts assets and liabilities

	Group			
	30-Jun-19	30-Jun-18 (restated)	Increase/ (Decrease)	
	$'000	$'000	$'000	%
Contract assets				
Shipbuilding and shiprepair	11,075	45,322	(34,247)	(75.6)
Shipchartering	12,542	15,096	(2,554)	(16.9)
	23,617	**60,418**	**(36,801)**	**(60.9)**
Contract liabilities (current)				
Shipbuilding and shiprepair	6,536	5,579	957	17.2
Shipchartering	15,613	25,007	(9,394)	(37.6)
	22,149	**30,586**	**(8,437)**	**(27.6)**
Contract liabilities (non-current)				
Shipchartering	507	2,158	(1,651)	(76.5)
	22,656	**32,744**	**(10,088)**	**(30.8)**

<u>Shipbuilding and shiprepair</u>

Net contract assets of decreased by $35.2 million (88.6%) from $39.7 million as at 30 June 2018 to $4.5 million as at 30 June 2019, mainly due to completion of shipbuilding and shiprepair projects during the current period under review.

<u>Shipchartering</u>

Contract assets primarily relate to the Group's right to consideration for services completed but not yet billed at reporting date. Contract assets are transferred to receivables when the rights become unconditional.

The contract liabilities mainly relates to advance payments received from customers for which charter services have not been rendered and/or obligation to transfer goods. The contract liabilities will be recognised as income when the services are performed. The increase was due to additional charters during the year, partially offset by the income recognised when the services are performed.

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

	Group			
	30-Jun-19	30-Jun-18	Increase/ (Decrease)	
	$'000	$'000	$'000	%
Current				
Bonds	1,500	7,500	(6,000)	(80.0)
Short term loan				
- shipbuilding related	-	24,466	(24,466)	(100.0)
- general	2,161	13,034	(10,873)	(83.4)
	2,161	37,500	(35,339)	(94.2)
Trust receipts				
- shipbuilding related	-	10,381	(10,381)	(100.0)
- general	1,157	3,424	(2,267)	(66.2)
	1,157	13,805	(12,648)	(91.6)
Long term loan				
- vessels loan	12,271	28,978	(16,707)	(57.7)
- assets financing	9,472	11,726	(2,254)	(19.2)
- working capital	18,624	7,913	10,711	135.4
	40,367	48,617	(8,250)	(17.0)
Finance lease liabilities	1,079	5,972	(4,893)	(81.9)
	46,264	**113,394**	**(67,130)**	**(59.2)**
Non-current				
Bonds	84,029	135,000	(50,971)	(37.8)
Long term loan				
- vessels loan	70,368	81,364	(10,996)	(13.5)
- assets financing	76,389	76,520	(131)	(0.2)
- working capital	84,288	93,741	(9,453)	(10.1)
	231,045	251,625	(20,580)	(8.2)
Finance lease liabilities	1,797	2,089	(292)	(14.0)
	316,871	**388,714**	**(71,843)**	**(18.5)**
Total borrowings	**363,135**	**502,108**	**(138,973)**	**(27.7)**
Total shareholders' funds	**156,956**	**302,004**		
Gearing ratio (times)	**2.31**	**1.66**		
Net gearing ratio (times)	**2.20**	**1.57**		

Current portion of interest-bearing loans and borrowings and trust receipts reduced by $67.3 million mainly due to

(i) reduced bonds principal repayment pursuant to the passing of Consent Solicitation Exercise in January 2019;

(ii) re-profile (extending loans tenure thereby reducing monthly instalment) of majority of existing term loans;

(iii) repayment of certain short term loans and conversion of shipbuilding related short term loans to vessel loans; and

(iv) net repayment of trust receipts.

The Group's total borrowings decreased by $139.0 million (27.7%) to $363.1 million as at 30 June 2019 mainly due to

(i) net repayment of interest-bearing loans and borrowings and trust receipts; and

(ii) the Group has remeasured its long term loans and bonds arising from the debts refinancing exercise at fair value as a result of adoption of SFRS(I) 9 and this has resulted in a lower carrying amount of these interest-bearing loans and borrowings.

Financial Covenant

On 10 May 2019, the Company has received a waiver for the breach of one of the financial covenants (the "**Breach**") under the CTL Facility for the quarter ended 30 June 2019. The Company continues to repay in accordance with the monthly repayment schedule of the Facility Agreement. In view of the above, the Company has not reclassified the non-current portion of the CTL Facility of $77,298,000 as current liabilities as at 30 June 2019.

The Breach relates to the same covenant that has been clarified in the clarification announcement released via SGXNET on 19 October 2017.

Non-current liabilities

Non-current liabilities decreased by $72.6 million (17.7%) to $337.1 million as at 30 June 2019 mainly due to decrease in non-current portion of the Group's total borrowings as a result of remeasurement of its long term loans and bonds which arose from the debts refinancing exercise .

Disposal group classified as held for sale

On 29 July 2019, Hongda Investment Pte. Ltd. ("HDI"), a 60% owned subsidiary of the Company, entered into a share purchase agreement with Guangdong Sanhe Pile Co., Ltd for the sale of HDI's entire equity interests in Jiangmen Hongda Shipyard Ltd. (JMHD"), a wholly-owned subsidiary of HDI (the "Disposal"). JMHD was previously reported in the shipbuilding segment.

As at 30 June 2019, the assets and liabilities related to JMHD have been presented in the statement of financial position as "Assets of disposal group classified as held for sale" and "Liabilities of disposal group classified as held for sale".

The Disposal of JMHD was completed on 16 August 2019.

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.

Market and industry outlook

As our businesses are primarily reliant on the market conditions in the shipbuilding, shipping, oil & gas and offshore & marine industries, the main macroeconomic variables we are sensitive to include (but not exclusively) global trade, oil prices and infrastructure spending in Asia.

Macro trends remain mixed.

a. While oil prices are higher than they were compared to 2016[1], the price of WTI crude oil has fallen to about US$54 per barrel in August 2019. Recent crude oil prices were showing signs of weakness as volatility climbed amid lingering US-China trade war uncertainty.

[1] Source: Barclays Bank market research report

b. The IMF has warned that global growth could slow and slow sharply if the China-US trade disputes escalate and particularly given that it comes at a time when China output and growth is slowing.

c. The bright spot is that infrastructure spending in select Asian regions are expected to increase further, as China implements the Belt and Road Initiative in the countries along the route. The urbanization process in emerging markets such as Philippines and Indonesia should boost spending for vital infrastructure sectors including water, power and transportation. This represents mid-long term opportunities for the Group's non-offshore and marine business. In Singapore, as the Tuas Mega Port project gains momentum, the demand for hiring tugs and barges is expected to remain strong.

In general, the factors discussed above suggest an improving but volatile business environment for the Group. However, given that capital goods lag the industry cycle and is very sensitive to macro economy, the Group will benefit from these factors only gradually.

We will continue to focus on our core business and strengthen our foothold in supporting marine infrastructure work in Singapore and abroad. We will explore 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 optimize financial performance.

Business segments

Shipbuilding and Shiprepair

In shipbuilding, we will continue to seek orders for non-OSV vessels such as tankers, tugs and barges and exercise caution with selection of customers' portfolio based on creditworthiness and size of projects.

In shiprepair, with an additional floating dock to be put in place by 1Q FY2020 at the Singapore yard, this will provide additional capacity in terms of servicing the mid-size range of vessels.

We also adopt the strategy to train direct employed workers for specialized work, thus reducing our reliance on subcontractors, and strengthening our competency and efficiency. We will continue to improve operational efficiency, tighten cost control to ensure our competitiveness.

Shipchartering

The diversified vessel types in our fleet, especially the non-OSV vessels are expected to lend support to our chartering business in view of the marine infrastructure projects in Bangladesh, Indonesia and Singapore. Our in-house ability to provide integrated services to modify or retrofit vessels to suit our shipchartering customers' customized requirements. However, due to market competition, the Group expects continued pressure on charter rates. The management will focus on increasing utilisation of fleet, improving charter rates, limiting capital expenditure and exploring bareboat charter-in of vessels.

The OSV in the market has not recovered from depressed pricing. The Group, however has been actively seeking opportunities to improve the utilisation of the OSV.

Dredge Engineering

Our engineering division (VOSTA LMG) engages primarily in the infrastructure and construction industry. Demand for our engineering business is supported by i) the amount of land and coastal reclamation projects due to population growth and global warming; and ii) port expansion projects due to increasing seaborne trade and growing size of container vessels. The Group is working closely with suppliers and seek to have production capability in different regional markets to drive down costs.

Order Book

As at 30 June 2019, the Group had an outstanding shipbuilding order book from external customers of approximately $51 million for the building of 4 tugboats and 23 barges with progressive deliveries up to 1H FY2021.

The Group's shipchartering revenue consists of mainly short-term and ad-hoc contracts. Approximately 28% of shipchartering revenue in FY2019 was attributed to long-term chartering contracts (meaning contracts with a duration of more than one year). As at 30 June 2019, the Group had an outstanding chartering order book of approximately $96 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.

Funding Arrangement

The Notes

The Company has received consent from its noteholders on 30 January 2019, for among other changes,

i) extended the tenor of its existing Notes by another five years from the last maturity dates to 28 March 2025 (Series 006 notes) and 1 October 2026 (Series 007 notes);

ii) revised coupon rate to a base rate of 3% p.a. and mandatory redemption rate to 1% p.a., payable semi-annually;

iii) included performance-triggered variable payments which comprise additional coupon of up to 2% p.a. and additional principal redemption of up to 4% p.a. depending on the Company's financial performance; and

iv) noteholders will also be given warrants that are exercisable into new shares of the Company (subject to passing of extraordinary general meeting) by 31 July 2019.

Banking Facilities

The principal lenders and certain secured lenders of the Group have given their approvals on the re-profiling (extending loans tenure thereby reducing monthly instalment) of its existing term loans which includes its CTL Facility, generally based on a 10-year profile with 8 years repayment term from its principal lenders. In addition, the principal lenders have granted revolving project financing and trade lines of S$114 million subsequent to the financial year under review.

11. Dividend

(a) Current Financial Period

Any dividend recommended for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

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 dividend has been declared for the year ended 30 June 2019 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 Group has renewed the general mandate from shareholders of the Company for interested person transactions in the Annual General Meeting held on 31 October 2018. During the financial period, the following interested person transactions were entered into by the Group:

	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual (excluding transactions less than $100,000)
	$'000	$'000
Sale of goods and services		
Contech Precast Pte Ltd	-	139
Econ Precast Pte Ltd	-	14,298
Entire Engineering Pte Ltd	-	643
Koon Construction & Transport Co Pte Ltd	-	2,394
Petra I Pte Ltd	-	738
Sindo-Econ Pte Ltd	-	1,902
PT. Sindomas Precas	-	1,557
Reem Island Pte Ltd	-	6,700
Purchase of goods and services		
Koon Holdings Limited	-	348
Koon Construction & Transport Co Pte Ltd	-	5,383
Entire Engineering Pte Ltd	-	210
Econ Precast Pte Ltd	-	1,933
Sintech Metal Industries Pte Ltd	2,869	-
Reimbursement of expenses due from		
Koon Construction & Transport Co Pte Ltd	1,808	-
Entire Engineering Pte Ltd	523	-
Econ Precast Pte Ltd	243	-
PT. Sindomas Precas	338	-
Reem Island Pte Ltd	290	-
Reimbursement of expenses due to		
Koon Holdings Limited	180	-
Koon Construction & Transport Co Pte Ltd	894	-
	7,145	**36,245**

Notes:

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. Undertakings pursuant to Rule 720(1).

We confirm that the Company has procured undertakings from the Company's directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the SGX-ST Listing manual.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

2019	Shipbuilding $'000	Shiprepair and conversion $'000	Shipchartering and rental $'000	Engineering $'000	Investment holding $'000	Eliminations $'000	Consolidated $'000
Revenue							
Revenue from external customers	63,341	93,856	145,618	10,067	-	-	312,882
Inter-segment revenue	27,254	79,442	54,695	-	-	(161,391)	-
Total revenue	90,595	173,298	200,313	10,067	-	(161,391)	312,882
Results							
Segment results	(79,704)	(6,299)	(91,839)	(8,411)	(57,573)	64,666	(179,160)
Interest income from finance lease receivables			640				640
Finance costs							(23,195)
Fair value adjustments arising from debt refinancing exercise							59,179
Share of results of joint ventures and associates							857
Tax expense							(4,200)
Loss for the year							(145,879)
Assets							
Segment assets	140,318	169,907	413,849	12,746	3,795	-	740,615
Unallocated assets							5,450
Total assets							746,065
Liabilities							
Segment liabilities	44,525	77,895	68,512	8,207	7,230	-	206,369
Unallocated liabilities							385,905
Total liabilities							592,274
Capital expenditure	1,288	1,519	21,400	160	-	-	24,367
Depreciation and amortisation	7,738	11,187	42,327	822	-	-	62,074
Other non-cash expenses	28,635	16,441	29,525	8	2,614	-	77,223
Impairment of property, plant and equipment	169	-	13,498	-	-	-	13,667
Impairment of inventories	16,909	154	55,275	-	-	-	72,338
Impairment of intangible assets	-	-	-	5,504	-	-	5,504

2018 (Restated)	Shipbuilding $'000	Shiprepair and conversion $'000	Shipchartering and rental $'000	Engineering $'000	Investment holding $'000	Eliminations $'000	Consolidated $'000
Revenue							
Revenue from external customers	36,482	84,731	118,650	13,125	-	-	252,988
Inter-segment revenue	34,773	53,915	35,969	165	-	(124,822)	-
Total revenue	71,255	138,646	154,619	13,290	-	(124,822)	252,988
Results							
Segment results	(15,676)	8,753	(39,220)	(8,925)	(13,388)	24,835	(43,621)
Interest income from finance lease receivables			573				573
Finance costs							(22,711)
Share of results of joint ventures and associates							(3,823)
Tax expense							(3,204)
Loss for the year							(72,786)
Assets							
Segment assets	231,683	263,523	518,424	20,717	6,847	-	1,041,194
Unallocated assets							4,845
Total assets							1,046,039
Liabilities							
Segment liabilities	44,934	82,438	75,283	12,718	2,793	-	218,166
Unallocated liabilities							524,203
Total liabilities							742,369
Capital expenditure	1,935	1,534	57,418	74	-	-	60,961
Depreciation and amortisation	7,555	14,133	41,323	943	-	-	63,954
Other non-cash expenses	3,812	1,382	(228)	181	-	-	5,147
Impairment of property, plant and equipment	-	-	21,357	-	-	-	21,357
Impairment of inventories	4,727	155	16,656	-	228	-	21,766
Impairment of intangible assets	-	-	-	5,027	-	-	5,027

	Singapore $'000	Indonesia $'000	Rest of Asia $'000	Europe $'000	Australia $'000	United States and Other Countries $'000	Consolidated $'000
2019							
Revenue from external customers	170,104	55,609	23,357	11,218	5,114	47,480	312,882
Capital expenditure	23,020	1,187	-	160	-	-	24,367
2018 (Restated)							
Revenue from external customers	133,790	43,775	39,823	9,035	16,271	10,294	252,988
Capital expenditure	22,428	1,474	36,985	74	-	-	60,961

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

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to item 8.

17. A breakdown of sales.

	Group			
	FY2019	FY2018 (restated)	Increase/ (Decrease)	
	$'000	$'000	$'000	%
Sales reported for first half year	160,685	113,161	47,524	42.0
Operating loss after tax before deducting non-controlling interests reported for first half year	(17,634)	(13,286)	(4,348)	32.7
Sales reported for second half year	152,197	139,827	12,370	8.8
Operating loss after tax before deducting non-controlling interests reported for second half year	(128,245)	(59,500)	(68,745)	115.5

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Total Annual Dividend	Latest full year $'000	Previous full year $'000
Ordinary	-	-
Preference	-	-
Total	-	-

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director, chief executive officer and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Ang Kok Tian	58	Brother of Ang Ah Nui and Ang Kok Leong, both of whom are Directors and substantial shareholders of the Company. Son of Ang Sin Liu and brother of Ang Kok Eng and Ang Swee Kuan, all of whom are substantial shareholders of the Company.	Appointed in 2003 as Chairman and Managing Director and Chief Executive Officer of the Company. Also acting as Executive Director of certain principal subsidiaries of the Company. Responsible for the Group's business strategies and direction, corporate plans and policies as well as the overall management, development, operations, finance and treasury functions of the Group. Also in charge of the Group's shipbuilding division and engineering business.	No change
Ang Ah Nui	56	Brother of Ang Kok Tian and Ang Kok Leong, both of whom are Directors and substantial shareholders of the Company. Son of Ang Sin Liu and brother of Ang Kok Eng and Ang Swee Kuan, all of whom are substantial shareholders of the Company.	Appointed in 2003 as Deputy Managing Director of the Company. Also acting as Executive Director of certain principal subsidiaries of the Company. Jointly responsible for the Group's business strategies and direction, corporate plans and policies and the management of the Group's shipchartering, shiprepair and conversion business.	No change
Ang Kok Eng	52	Brother of Ang Kok Tian, Ang Ah Nui and Ang Kok Leong, all of whom are Directors and substantial shareholders of the Company. Son of Ang Sin Liu and brother of Ang Swee Kuan, both of whom are substantial shareholders of the Company.	Acting as Executive Director of certain principal subsidiaries of the Company since 2003. Responsible for the Group's marketing and business development function for Asia. Also in charge of the Group's management information systems.	No change

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Ang Kok Leong	51	Brother of Ang Kok Tian and Ang Ah Nui, both of whom are Directors and substantial shareholders of the Company. Son of Ang Sin Liu and brother of Ang Kok Eng and Ang Swee Kuan, all of whom are substantial shareholders of ASL Marine.	Appointed in 2002 as Executive Director of ASL Marine. Also acting as Executive Director of certain principal subsidiaries of the Company. Responsible for the Group's marketing and business development function for Europe, Middle East and other regions. Also in charge of overseeing engineering and research development division of the Group.	No change
Ang Sin Liu	84	Father of Ang Kok Tian, Ang Ah Nui and Ang Kok Leong, all of whom are Directors and substantial shareholders of the Company. Father of Ang Kok Eng and Ang Swee Kuan, both of whom are substantial shareholders of the Company.	Appointed in 2003 as Advisor to the Company. Advising on the setting of Group's business strategy and direction.	No change

Ang Kok Tian, Ang Ah Nui, Ang Kok Eng, Ang Kok Leong, Ang Sin Liu and Ang Swee Kuan are substantial shareholders of the Company.

Ang Sin Liu is the father of Ang Kok Tian, Ang Ah Nui, Ang Kok Eng, Ang Kok Leong and Ang Swee Kuan. Each of them is deemed to have an interest in the shares held by the other.

20. Use of Proceeds

The Group had fully utilised the net proceeds of $0.9 million raised from the subscription of Rights Issue of 266,505,713 warrants in July 2019 for working capital usage including payment to its suppliers and subcontractors, and for its operating expenses. The utilisation is in accordance with the intended use of proceeds as stated by the Company Announcement dated 26 January 2019, the Offer Information Statement dated 2 July 2019 and the Circular to Shareholders dated 3 July 2019.

BY ORDER OF THE BOARD

Ang Kok Tian
Chairman, Managing Director and CEO
29 August 2019