



TIONG WOON CORPORATION HOLDING LTD
(Company Registration No. 199705837C)

Condensed interim financial statements
For the six months ended 31 December 2021

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A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	Group		Increase/ (Decrease) %
		6 months ended		
		31 December 2021 \$'000	31 December 2020 \$'000	
Revenue	4	60,950	52,459	16
Cost of sales		(35,280)	(33,521)	5
Gross profit		<u>25,670</u>	<u>18,938</u>	36
Other income		1,215	2,652	(54)
Impairment loss on financial assets - net		(33)	(508)	(94)
Other losses - net		(314)	(2,159)	(85)
Expenses				
- Administrative		(595)	(526)	13
- Other operating		(14,041)	(12,028)	17
- Finance		(1,312)	(1,651)	(21)
Share of (loss)/profit of associated companies		(82)	80	NM
Share of profit of a joint venture		-	34	NM
Profit before income tax		<u>10,508</u>	<u>4,832</u>	117
Income tax expense	7	(2,760)	(1,343)	106
Total profit		<u>7,748</u>	<u>3,489</u>	122
Other comprehensive (loss)/income:				
Items that may be subsequently reclassified to profit or loss:				
Currency translation differences arising from consolidation				
- (Losses)/gains		(73)	1,534	NM
Total comprehensive income		<u>7,675</u>	<u>5,023</u>	53
Profit/(loss) attributable to:				
Equity holders of the Company		7,759	3,514	121
Non-controlling interest		(11)	(25)	(56)
		<u>7,748</u>	<u>3,489</u>	122
Total comprehensive income attributable to:				
Equity holders of the Company		7,686	5,052	52
Non-controlling interest		(11)	(29)	(62)
		<u>7,675</u>	<u>5,023</u>	53
Earnings per share attributable to the equity holders of the Company				
Basic (SGD in cent)		3.34	1.51	121
Diluted (SGD in cent)		3.34	1.51	121

Denotes: NM - not meaningful

B. Condensed interim statements of financial position

	Note	Group		Company	
		As at 31 December 2021 \$'000	As at 30 June 2021 \$'000	As at 31 December 2021 \$'000	As at 30 June 2021 \$'000
ASSETS					
Current assets					
Cash and cash equivalents		47,909	45,512	144	800
Financial assets, at fair value through profit or loss	10	255	294	-	-
Trade and other receivables		50,811	47,081	-	-
Tax recoverable		87	121	-	-
Inventories		2,077	1,895	-	-
Other assets		2,893	1,752	5	9
		104,032	96,655	149	809
Non-current assets					
Other receivables		266	535	43,534	43,131
Investment in associated companies		2,821	2,898	1,020	1,020
Investment in subsidiaries		-	-	44,884	44,884
Property, plant and equipment	11	349,481	346,867	-	-
Right-of-use assets		11,269	11,872	-	-
Deferred income tax assets		503	503	-	-
		364,340	362,675	89,438	89,035
Total assets		468,372	459,330	89,587	89,844
LIABILITIES					
Current liabilities					
Trade and other payables		30,047	35,378	165	277
Current income tax liabilities		3,840	2,998	-	-
Borrowings	12	19,929	19,053	-	-
		53,816	57,429	165	277
Non-current liabilities					
Trade and other payables		11,954	4,761	-	-
Borrowings	12	96,044	97,981	-	-
Deferred income tax liabilities		28,868	28,215	-	-
		136,866	130,957	-	-
Total liabilities		190,682	188,386	165	277
NET ASSETS		277,690	270,944	89,422	89,567
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	13	87,340	87,340	87,340	87,340
Other reserves		(499)	(426)	-	-
Retained earnings		190,834	184,004	2,082	2,227
		277,675	270,918	89,422	89,567
Non-controlling interest		15	26	-	-
Total equity		277,690	270,944	89,422	89,567

C. Condensed interim statements of changes in equity

<u>Group</u>	<u>Attributable to equity holders of the Company</u>					Total Equity \$'000
	Share Capital \$'000	Other Reserves \$'000	Retained Earnings \$'000	Total \$'000	Non- controlling Interest \$'000	
	Balance at 1 July 2021	87,340	(426)	184,004	270,918	
Total comprehensive (loss)/income for the financial period	-	(73)	7,759	7,686	(11)	7,675
Dividend relating to 2021 paid	-	-	(929)	(929)	-	(929)
Balance at 31 December 2021	87,340	(499)	190,834	277,675	15	277,690

Balance at 1 July 2020	87,340	(2,964)	174,828	259,204	94	259,298
Total comprehensive income for the financial period	-	1,538	3,514	5,052	(29)	5,023
Dividend relating to 2020 paid	-	-	(697)	(697)	-	(697)
Balance at 31 December 2020	87,340	(1,426)	177,645	263,559	65	263,624

Company

	Share Capital \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance at 1 July 2021	87,340	2,227	89,567
Total comprehensive income for the financial period	-	784	784
Dividend relating to 2021 paid	-	(929)	(929)
Balance at 31 December 2021	87,340	2,082	89,422

Balance at 1 July 2020	87,340	2,331	89,671
Total comprehensive income for the financial period	-	798	798
Dividend relating to 2020 paid	-	(697)	(697)
Balance at 31 December 2020	87,340	2,432	89,772

D. Condensed interim consolidated statement of cash flows

	Group	
	6 months ended	
	31 December 2021	31 December 2020
	\$'000	\$'000
Cash flows from operating activities		
Total profit	7,748	3,489
Adjustments for:		
Income tax expense	2,760	1,343
Bad debt written off	-	7
Depreciation of property, plant and equipment	15,205	15,516
Depreciation of right-of-use assets	603	581
Loss/(gain) on disposal of property, plant and equipment	348	(101)
Fair value loss on financial assets, at fair value through profit or loss	39	19
Impairment loss on trade receivables - net	33	522
Impairment written back on other receivables	-	(14)
Interest income	(196)	(77)
Interest expense	1,312	1,641
Share of loss/(profit) of associated companies	82	(80)
Share of profit of a joint venture	-	(34)
Translation differences	(203)	887
Operating cash flow before working capital changes	27,731	23,699
Change in operating assets and liabilities:		
Inventories	(182)	98
Trade and other receivables	(3,519)	(6,313)
Other assets	(1,141)	(1,591)
Trade and other payables	(7,384)	(3,390)
Cash generated from operations	15,505	12,503
Income tax paid	(1,251)	(1,578)
Net cash provided by operating activities	14,254	10,925
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,569)	(3,909)
Deposit unpledged	-	201
Interest received	196	77
Proceeds from disposal of property, plant and equipment	2,302	450
Net cash used in investing activities	(71)	(3,181)
Cash flows from financing activities		
Proceeds from bank borrowings	353	9,923
Principal repayment of bank borrowings	(2,668)	(2,688)
Repayment of other secured borrowings	(6,674)	(12,307)
Principal repayments of lease liabilities	(557)	(505)
Interest paid	(1,309)	(1,668)
Dividends paid to equity holders of the Company	(929)	(697)
Net cash used in financing activities	(11,784)	(7,942)
Net increase/(decrease) in cash and cash equivalents	2,399	(198)
Cash and cash equivalents at beginning of financial period	44,837	38,509
Cash and cash equivalents at end of financial period	47,236	38,311
Cash and cash equivalents at end of financial period	47,909	38,984
Less: Bank deposits pledged	(673)	(673)
Cash and cash equivalents per statement of cash flows	47,236	38,311

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Tiong Woon Corporation Holding Ltd (the “Company”) is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is No. 15 Pandan Crescent, Singapore 128470.

These condensed interim consolidated financial statements as at and for the six months ended 31 December 2021 comprise the Company and its subsidiaries (collectively, the “Group”).

The principal activity of the Company is that of an investment holding company. The principal activities of the Group are:

- (a) Hiring out of cranes and transport;
- (b) Selling, servicing and leasing of equipment in the petroleum, construction, shipbuilding and related industries; and
- (c) Marine or transportation logistics related business

2. Basis of preparation

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

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

2.1 New and amended standards adopted by the Group

On 1 July 2021, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) (“INT SFRS(I)”) that are mandatory for application for the current financial period and financial year. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group’s accounting policies and had no material effect on the amounts reported for the current or prior financial periods and financial years.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 30 June 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2.2 Use of judgements and estimates (continued)

(a) Impairment of property, plant and equipment - Machinery, tug boats and barges

The machinery, tug boat and barges are tested for impairment whenever there is an objective evidence or indication that they may be impaired. An impairment loss is recognised to the extent that the carrying amount is more than its recoverable amount. The recoverable amount is determined based on the fair value less costs of disposal.

As at 31 December 2021, management has not identified any indicators of impairment relating to the machinery, tug boat and barges of the Group.

(b) Impairment of trade receivables

Management reviews its trade receivables for objective evidence of impairment at least quarterly. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

As at 31 December 2021, the Group's net trade receivables amounted to \$43.7 million (30 June 2021: \$39.1 million), arising from the Group's different revenue segments as disclosed in Note 4.1. Based on the Group's historical credit loss experience, trade receivables exhibited different loss patterns depending on the type of trade receivables that are grouped based on shared credit risk characteristics. Accordingly, management has determined expected loss rates for each of the trade receivables. Notwithstanding the above, the Group evaluates the expected credit loss on customers in financial difficulties separately.

As at 31 December 2021, the impairment loss allowance for trade receivables was \$29.4 million (30 June 2021: \$26.3 million). The Group's trade receivables included one debtor, whose debt amounted to \$11.6 million (30 June 2021: \$11.6 million) which is aged more than 365 days. Allowance for impairment of \$11.6 million (30 June 2021: \$11.6 million) has been made for this debt.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group is organised into the following main business segments:

- Segment 1: Heavy Lift & Haulage;
- Segment 2: Marine Transportation; and
- Segment 3: Trading

These operating segments are reported in a manner consistent with internal reporting provided to Senior Management of the Group who are responsible for allocating resources and assessing performance of the operating segments. The Senior Management of the Group comprises the Executive Chairman, Executive Directors and key senior management personnel of the Group.

4.1. Reportable segments

	Heavy Lift & Haulage	Marine Transportation	Trading	Total
	\$'000	\$'000	\$'000	\$'000
1 July 2021 to 31 December 2021 (FY2022-1H)				
Revenue				
-external sales	59,060	1,888	2	60,950
-inter-segment sales	188	465	-	653
	<u>59,248</u>	<u>2,353</u>	<u>2</u>	<u>61,603</u>
Elimination				<u>(653)</u>
				<u>60,950</u>
Segment result	11,922	197	(23)	12,096
Depreciation - property, plant and equipment				(1,459)
Depreciation - ROU assets				(252)
Other income				1,215
Other losses - net				(314)
Finance costs				(696)
Share of loss of associated companies	(59)	(23)	-	(82)
Profit before income tax				<u>10,508</u>
Income tax expense				<u>(2,760)</u>
Net profit				<u>7,748</u>
Other segment items				
Capital expenditure				
- property, plant and equipment	19,504	918	-	20,422
Depreciation - property, plant and equipment	13,080	659	7	13,746
Depreciation - ROU assets	351	-	-	351
Segment assets	457,488	7,366	194	465,048
Investment in associated companies	13	2,808	-	2,821
Unallocated assets				503
Consolidated total assets				<u>468,372</u>
Segment liabilities	(97,093)	(1,235)	(19)	(98,347)
Unallocated liabilities				(92,335)
Consolidated total liabilities				<u>(190,682)</u>

4.1. Reportable segments (continued)

	Heavy Lift & Haulage	Marine Transportation	Trading	Total
	\$'000	\$'000	\$'000	\$'000
1 July 2020 to 31 December 2020 (FY2021-1H)				
Revenue				
-external sales	50,718	1,349	392	52,459
-inter-segment sales	422	570	-	992
	<u>51,140</u>	<u>1,919</u>	<u>392</u>	<u>53,451</u>
Elimination				(992)
				<u>52,459</u>
Segment result	7,221	(646)	88	6,663
Depreciation - property, plant and equipment				(1,452)
Depreciation - ROU assets				(252)
Other income				2,652
Other losses - net				(2,159)
Finance costs				(734)
Share of profit of associated companies	6	74	-	80
Share of profit of a joint venture	34	-	-	34
Profit before income tax				<u>4,832</u>
Income tax expense				<u>(1,343)</u>
Net profit				<u>3,489</u>
Other segment items				
Capital expenditure				
- property, plant and equipment	9,555	682	-	10,237
Depreciation - property, plant and equipment	13,357	700	7	14,064
Depreciation - ROU assets	329	-	-	329
Segment assets	448,236	8,149	619	457,004
Investment in associated companies	71	2,827	-	2,898
Investment in a joint venture	2,019	-	-	2,019
Unallocated assets				503
Consolidated total assets				<u>462,424</u>
Segment liabilities	(102,563)	(869)	(53)	(103,485)
Unallocated liabilities				(95,315)
Consolidated total liabilities				<u>(198,800)</u>

4.2. Disaggregation of revenue

	Heavy Lift & Haulage \$'000	Marine Transportation \$'000	Trading \$'000	Total \$'000
1 July 2021 to 31 December 2021 (FY2022-1H)				
Types of goods or service:				
Rendering of services	7,271	9	-	7,280
Trading sales of equipment and spare parts	-	-	2	2
Total revenue from contracts with customers	7,271	9	2	7,282
Rental income	51,789	1,879	-	53,668
Total revenue	59,060	1,888	2	60,950
Timing of revenue recognition:				
At a point in time	-	-	2	2
Over time	7,271	9	-	7,280
Total revenue from contracts with customers	7,271	9	2	7,282
Geographical information:				
Singapore	46,870	219	2	47,091
Brunei	11	-	-	11
Middle East	1,217	-	-	1,217
India	2,944	113	-	3,057
Malaysia	610	2	-	612
Thailand	396	230	-	626
Indonesia	3,858	-	-	3,858
China	765	-	-	765
Other countries	2,389	1,324	-	3,713
Total revenue	59,060	1,888	2	60,950
1 July 2020 to 31 December 2020 (FY2021-1H)				
Types of goods or service:				
Rendering of services	8,829	62	-	8,891
Trading sales of equipment and spare parts	-	-	392	392
Total revenue from contracts with customers	8,829	62	392	9,283
Rental income	41,889	1,287	-	43,176
Total revenue	50,718	1,349	392	52,459
Timing of revenue recognition:				
At a point in time	-	-	392	392
Over time	8,829	62	-	8,891
Total revenue from contracts with customers	8,829	62	392	9,283
Geographical information:				
Singapore	42,682	82	392	43,156
Brunei	600	13	-	613
Middle East	749	-	-	749
India	2,478	-	-	2,478
Malaysia	1,060	843	-	1,903
Thailand	739	-	-	739
Indonesia	175	254	-	429
China	1,006	-	-	1,006
Other countries	1,229	157	-	1,386
Total revenue	50,718	1,349	392	52,459

4.2. Disaggregation of revenue (continued)

A breakdown of sales:

	Group		Increase/ (Decrease) %
	FY2022 \$'000	FY2021 \$'000	
Sales reported for first half year	60,950	52,459	16%
Profit after tax reported for first half year	7,748	3,489	122%

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2021 and 30 June 2021:

	Group		Company	
	As at 31 December 2021 \$'000	As at 30 June 2021 \$'000	As at 31 December 2021 \$'000	As at 30 June 2021 \$'000
Financial Assets				
Cash and bank balances and trade and other receivables (Amortised cost)	97,765	91,981	144	800
Financial assets, at fair value through profit or loss	255	294	-	-
	98,020	92,275	144	800
Financial Liabilities				
Trade and other payables and borrowings (Amortised cost)	154,333	150,999	165	277

6. Profit before taxation

6.1 Significant items

	Group	
	6 months ended	
	31 December 2021 \$'000	31 December 2020 \$'000
Income		
Interest Income	196	77
Insurance claims received	151	100
Government grant	841	2,422
Miscellaneous gains	27	53
Expenses		
Depreciation of property, plant and equipment	(15,205)	(15,516)
Depreciation of right-of-use assets	(603)	(581)
Currency exchange gain/(loss) - net	73	(2,251)
(Loss)/Gain on disposal of property, plant and equipment	(348)	101
Fair value loss on financial assets at fair value through profit or loss	(39)	(19)
Bad debt written off	-	(7)
Impairment loss on trade receivables	(116)	(730)
Impairment loss on trade receivables written back	83	208
Impairment loss on other receivables written back	-	14
Interest expense	(1,312)	(1,641)
Over/(under) provision in prior years' current income tax	111	(10)

6.2 Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Sales and purchases of goods and services

	Group	
	6 months ended	
	31 December 2021 \$'000	31 December 2020 \$'000
Sales to corporations in which certain directors or their close family members have control or significant influence over:		
- Sales and rental of equipment and rendering of services	108	438
Purchases from corporations in which certain directors or their close family members have control or significant influence over:		
- Rental of equipment	101	18

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	Group	
	6 months ended	
	31 December 2021 \$'000	31 December 2020 \$'000
Salaries and other short-term employee benefits	2,604	2,174
Employer's contribution to defined contribution plans, including Central Provident Fund	218	182
	2,822	2,356

7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	6 months ended	
	31 December 2021	31 December 2020
	\$'000	\$'000
Current income tax expense	2,107	1,343
Deferred income tax expense relating to origination and reversal of temporary differences	653	-
	2,760	1,343

8. Dividends

	Group	
	FY2022 \$'000	FY2021 \$'000
*Ordinary dividends paid: Final dividend paid in respect of the previous financial year	929	697
Dividend per share (net of tax)	0.4 cents	0.3 cents

* Based on total number of ordinary shares of 232,235,253 (31 December 2020: 232,235,253)

9. Net Asset Value

	Group		Company	
	As at 31 December 2021	As at 30 June 2021	As at 31 December 2021	As at 30 June 2021
Net asset value per ordinary share (cents)	119.57	116.66	38.50	38.57
Number of shares in issue	232,235,253	232,235,253	232,235,253	232,235,253

10. Financial assets, at fair value through profit or loss

Financial assets, at fair value through profit or loss comprise the following:

	Group	
	As at 31 December 2021 \$'000	As at 30 June 2021 \$'000
Listed securities		
- Equity securities - Singapore	249	288
- Equity securities - Sri Lanka	6	6
	255	294

10.1 Fair value measurement

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- (a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (c) Inputs for the assets or liability which are not based on observable market data (unobservable inputs) (Level 3)

The following table presented the assets measured at fair value:

	<u>Level 1</u> \$'000	<u>Level 2</u> \$'000	<u>Level 3</u> \$'000	<u>Total</u> \$'000
Group				
As at 31 December 2021				
Asset				
Financial assets, at fair value through profit or loss	255	-	-	255
As at 30 June 2021				
Asset				
Financial assets, at fair value through profit or loss	294	-	-	294

11. Property, plant and equipment

During the six months ended 31 December 2021, the Group acquired assets amounting to \$20,422,000 (31 December 2020: \$10,237,000) and disposed of assets amounting to \$2,650,000 (31 December 2020: \$349,000).

12. Borrowings

	<u>Group</u>	
	<u>As at</u> 31 December 2021 \$'000	<u>As at</u> 30 June 2021 \$'000
Amount repayable in one year or less (secured)		
- Bank borrowings	5,656	5,555
- Other secured borrowings	13,632	12,489
	19,288	18,044
Amount repayable in one year or less (unsecured)		
- Lease liabilities	641	1,009
	19,929	19,053
Amount repayable after one year (secured)		
- Bank borrowings	53,972	56,388
- Other secured borrowings	31,086	30,418
	85,058	86,806
Amount repayable after one year (unsecured)		
- Lease liabilities	10,986	11,175
	96,044	97,981
Total borrowings	115,973	117,034

12. Borrowings (continued)

Details of any collateral:

- (a) Bank borrowings of the Group are secured by a first legal charge over certain of the Group's property, plant and equipment.
- (b) Other secured borrowings of the Group are secured over the leased machinery and motor vehicles.

13. Share capital

As at 31 December 2021, the Group's share capital comprises fully paid up 232,235,253 (30 June 2021: 232,235,253) ordinary shares (excluding treasury shares) with no par value, amounting to a total of \$87,340,000 (30 June 2021: \$87,340,000). There were no treasury shares and outstanding convertibles as at 31 December 2021 and 30 June 2021. There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the financial period ended 31 December 2021.

14. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

Other Information Required by Listing Rule Appendix 7.2

F. Other Information

1. Review

The condensed consolidated statement of financial position of Tiong Woon Corporation Holding Ltd and its subsidiaries as at 31 December 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

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 on Group's Financial Results

6 Months ended 31 December 2021 (1HFY2022) vs 6 Months ended 31 December 2020 (1HFY2021)

Revenue	1HFY2022	1HFY2021	Increase/ (Decrease)
	\$'000	\$'000	%
Heavy Lift and Haulage			
- External	59,060	50,718	16%
- Inter-segment	188	422	(55%)
	59,248	51,140	16%
Marine Transportation			
- External	1,888	1,349	40%
- Inter-segment	465	570	(18%)
	2,353	1,919	23%
Trading			
- External	2	392	(99%)
Less: Inter-segment	(653)	(992)	(34%)
	60,950	52,459	16%

Revenue was S\$61.0 million in 1HFY2022, an increase of S\$8.5 million or 16% from S\$52.5 million in 1HFY2021. The increase was mainly attributable to the increase in contributions from Heavy Lift and Haulage as well as Marine Transportation segments.

Heavy Lift and Haulage segment external revenue increased by S\$8.4 million or 16% from S\$50.7 million in 1HFY2021 to S\$59.1 million in 1HFY2022, mainly due to more projects executed in Singapore and Indonesia.

Marine Transportation segment external revenue increased by S\$0.6 million or 40% from S\$1.3 million in 1HFY2021 to S\$1.9 million in 1HFY2022, mainly due to more chartering jobs.

Trading segment revenue decreased by S\$0.4 million or 99% as there was sale of equipment and trading parts in 1HFY2021 as compared to sale of only trading parts in 1HFY2022.

Gross Profit was S\$25.7 million in 1HFY2022, an increase of S\$6.8 million or 36% from S\$18.9 million in 1HFY2021, mainly due to higher revenue from Heavy Lift and Haulage as well as Marine Transportation segments. **Gross Profit Margin** was higher at 42% in 1HFY2022 as compared to 36% in 1HFY2021, mainly due to better performance in Heavy Lift and Haulage as well as Marine Transportation segments.

Other Income was S\$1.2 million in 1HFY2022, a decrease of S\$1.5 million or 54% from S\$2.7 million in 1HFY2021, mainly due to lower government grant income from the Jobs Support Scheme by S\$1.2 million and foreign worker levy rebates by S\$0.3 million.

Impairment Loss on Financial Assets - net was S\$0.03 million in 1HFY2022, a decrease of S\$0.5 million or 94% from S\$0.5 million in 1HFY2021. This was mainly attributable to a decrease of S\$0.6 million in impairment loss on trade receivables from S\$0.7 million in 1HFY2021 to S\$0.1 million in 1HFY2022. However, this was offset by lower impairment loss on trade receivables written back of S\$0.1 million in 1HFY2022 as compared to S\$0.2 million in 1HFY2021.

Other Losses - net was S\$0.3 million in 1HFY2022, a decrease of S\$1.9 million or 85% as compared to S\$2.2 million in 1HFY2021. This was mainly attributable to loss on disposal of plant and equipment of S\$0.3 million offset by operational exchange gain of S\$0.1 million in 1HFY2022, as compared to operational exchange loss of S\$2.2 million offset by gain on disposal of plant and equipment of S\$0.1 million in 1HFY2021.

Other Operating Expenses were S\$14.0 million in 1HFY2022, an increase of S\$2.0 million or 17% from S\$12.0 million in 1HFY2021 mainly due to higher manpower and related costs.

Administrative Expenses were S\$0.6 million in 1HFY2022, an increase of S\$0.1 million or 13% from S\$0.5 million in 1HFY2021, mainly due to higher professional fees incurred.

Finance Expenses were S\$1.3 million in 1HFY2022, a decrease of S\$0.4 million or 21% from S\$1.7 million in 1HFY2021, mainly due to lower interest rates on bank borrowings and lower bank borrowings during the current period.

Income Tax Expense was S\$2.8 million in 1HFY2022, an increase of S\$1.5 million or 106% from S\$1.3 million in 1HFY2021. This was mainly due to higher tax provision made for current financial period.

Profit/(Loss) Before Tax	1HFY2022	1HFY2021	Increase/ (Decrease)
	\$'000	\$'000	%
Heavy Lift and Haulage	10,286	5,508	87%
Marine Transportation	217	(601)	NM
Trading	5	(75)	NM
	10,508	4,832	117%

Profit before Income Tax was S\$10.5 million in 1HFY2022, an increase of S\$5.7 million or 117% from S\$4.8 million in 1HFY2021.

Heavy Lift and Haulage segment profit before income tax was S\$10.3 million in 1HFY2022, an increase of S\$4.8 million or 87% from S\$5.5 million in 1HFY2021. This was mainly due to higher revenue and better performance in 1HFY2022. The Group's Heavy Lift and Haulage segment in Singapore and other countries was still recovering from the impact of Covid-19 in 1HFY2021.

Marine Transportation segment recorded a profit before income tax of S\$0.2 million in 1HFY2022 as compared to a loss before income tax of S\$0.6 million in 1HFY2021, mainly due to higher revenue and better performance in 1HFY2022.

Trading segment recorded a profit before income tax of S\$0.005 million in 1HFY2022 as compared to a loss before income tax of S\$0.1 million in 1HFY2021. This was mainly due to operational exchange gain of S\$0.03 million in 1HFY2022, as compared to operational exchange loss of S\$0.2 million in 1HFY2021.

Review of Statements of Financial Position and Cash Flows

Cash and cash equivalents per consolidated statement of cash flow increased by S\$2.4 million from S\$44.8 million as at 30 June 2021 to S\$47.2 million as at 31 December 2021 mainly due to net cash inflows from operating activities of S\$14.3 million. This was offset by the net cash outflow from financing activities and investing activities of S\$11.8 million and S\$0.1 million respectively. Net cash outflow from financing activities of S\$11.8 million resulted mainly from repayment of bank borrowings and other secured borrowings of S\$9.3 million, payment of interest S\$1.3 million and payment of dividend to shareholders S\$0.9 million.

Total trade and other receivables (current and non-current) increased by S\$3.5 million from S\$47.6 million as at 30 June 2021 to S\$51.1 million as at 31 December 2021, mainly due to higher revenue recorded in the current period.

Inventories increased by S\$0.2 million from S\$1.9 million as at 30 June 2021 to S\$2.1 million as at 31 December 2021, mainly due to increase in purchase of parts.

Other current assets increased by S\$1.1 million from S\$1.8 million as at 30 June 2021 to S\$2.9 million as at 31 December 2021, mainly due to the increase in prepayments for insurance premium.

Total trade and other payables (current and non-current) increased by S\$1.9 million from S\$40.1 million as at 30 June 2021 to S\$42.0 million as at 31 December 2021. The increase was mainly due to increase in purchases of equipment with longer credit terms.

Current income tax liabilities increased by S\$0.8 million from S\$3.0 million as at 30 June 2021 to S\$3.8 million as at 31 December 2021, mainly due to increase in provision of income tax for the current financial period.

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

Not applicable.

4. 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 operating period and the next 12 months

The operating environment continues to be challenging and uncertain with the Covid-19 pandemic still surging in Singapore and other countries which the Group operates in. The Group's priority is to ensure that it has adequate liquidity to sustain its business to ride through this Covid-19 pandemic while managing its cashflow, operating costs and business risks.

5. Dividend Information

5(a) Current Financial Period Reported on

Any dividend recommended for the current financial period reported on?

No. There is no dividend recommended for the financial period ended 31 December 2021.

5(b) Corresponding Period of the Immediate Preceding Financial Year

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

No dividend was declared and paid in the corresponding period.

5(c) Date Payable

Not applicable.

5(d) Books Closure Date

Not applicable.

6. Interested person transactions

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

The following interested person transactions took place between the Group and the interested persons during the financial year under review:

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	
	1HFY2022 \$'000	1HFY2021 \$'000	1HFY2022 \$'000	1HFY2021 \$'000
Sales				
Pollisum Engineering Pte Ltd	36	414	-	-
Xin Woon Transport Pte Ltd	72	23	-	-
Purchases				
Pollisum Engineering Pte Ltd	59	-	-	-
Xin Woon Transport Pte Ltd	42	18	-	-

7. Negative Confirmation of Interim Financial Results Pursuant to Rule 705(5) of the SGX-ST Listing Manual

The Directors of the Company confirm that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements of the Company and the Group for Half Year ended 31 December 2021 to be false or misleading, in any material aspect.

8. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has received undertaking from all its Directors and Executive Officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

By Order of the Board
Mr Ang Kah Hong
Executive Chairman

14 February 2022