



**ASL MARINE HOLDINGS LTD.**

(Incorporated in the Republic of Singapore)

Co. Reg. No. 200008542N

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**UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2023**

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**QUARTERLY FINANCIAL STATEMENTS**

Pursuant to Rule 705(2C) of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual, the Company is required by SGX-ST to continue to announce its quarterly financial statements.

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## A. Statements of Financial Position

	Note	Group		Company	
		31-Dec-23 \$'000	30-Jun-23 \$'000	31-Dec-23 \$'000	30-Jun-23 \$'000
<b>Non-current assets</b>					
Property, plant and equipment	3	357,775	394,252	-	-
Right-of-use assets		14,332	14,733	-	-
Investment in subsidiaries		-	-	32,986	32,986
Investment in joint ventures and associates		5,745	4,286	-	-
Intangible assets	4	-	-	-	-
Other receivables	7	-	-	5,167	5,167
		<b>377,852</b>	<b>413,271</b>	<b>38,153</b>	<b>38,153</b>
<b>Current assets</b>					
Inventories	5	26,748	29,150	-	-
Contract assets	6	36,207	29,343	-	-
Trade and other receivables	7	64,229	59,603	210,962	231,506
Prepayments		6,015	3,130	39	190
Finance lease receivables		141	554	-	-
Restricted cash		10,156	11,837	-	-
Cash and cash equivalents		8,927	12,893	3,617	5,110
		<b>152,423</b>	<b>146,510</b>	<b>214,618</b>	<b>236,806</b>
<b>Current liabilities</b>					
Trade and other payables	8	166,005	167,291	74,201	76,565
Contract liabilities	6	25,084	23,669	-	-
Trust receipts	9	13,351	12,399	-	-
Interest-bearing loans and borrowings	9	31,606	31,563	10,704	10,631
Lease liabilities		363	382	-	-
Income tax payables		12,985	10,922	14	14
		<b>249,394</b>	<b>246,226</b>	<b>84,919</b>	<b>87,210</b>
<b>Net current assets/ (liabilities)</b>		<b>(96,971)</b>	<b>(99,716)</b>	<b>129,699</b>	<b>149,596</b>
<b>Non-current liabilities</b>					
Other payables	8	-	1,453	-	-
Other liabilities		2,272	2,447	-	-
Contract liabilities	6	-	2,345	-	-
Interest-bearing loans and borrowings	9	185,479	217,048	141,487	155,062
Lease liabilities		11,091	11,155	-	-
Deferred tax liabilities		6,391	6,233	-	-
		<b>205,233</b>	<b>240,681</b>	<b>141,487</b>	<b>155,062</b>
<b>Net assets</b>		<b>75,648</b>	<b>72,874</b>	<b>26,365</b>	<b>32,687</b>
<b>Equity attributable to owners of the Company</b>					
Share capital	10	109,606	109,606	109,606	109,606
Treasury shares		(923)	(923)	(923)	(923)
Reserves		(32,633)	(35,138)	(82,318)	(75,996)
		<b>76,050</b>	<b>73,545</b>	<b>26,365</b>	<b>32,687</b>
<b>Non-controlling interests</b>		(402)	(671)	-	-
<b>Total equity</b>		<b>75,648</b>	<b>72,874</b>	<b>26,365</b>	<b>32,687</b>

## B. Consolidated Income Statement

Note	Group						
	3 months ended 31 December			6 months ended 31 December			
	2Q FY2024	2Q FY2023	Increase/ (Decrease)	1H FY2024	1H FY2023	Increase/ (Decrease)	
	\$'000	\$'000	%	\$'000	\$'000	%	
Revenue	11	90,622	69,425	30.5	178,716	136,684	30.8
Cost of sales		(78,130)	(66,464)	17.6	(153,439)	(135,331)	13.4
<b>Gross profit</b>		<b>12,492</b>	<b>2,961</b>	<b>321.9</b>	<b>25,277</b>	<b>1,353</b>	<b>1,768.2</b>
Other operating income	12	1,293	996	Nm	1,325	4,656	(71.5)
Selling and distribution expenses		(583)	(552)	5.6	(752)	(633)	18.8
Administrative expenses		(4,109)	(3,744)	9.7	(7,872)	(7,513)	4.8
Other operating expenses	13	(4,474)	(3,881)	15.3	(2,568)	(2,528)	1.6
Finance costs	14	(7,041)	(7,233)	(2.7)	(13,876)	(13,942)	(0.5)
Reversal of/ (Impairment loss) on financial assets, net		2,185	(807)	Nm	2,102	(1,854)	Nm
Share of results of joint ventures and associates		785	341	130.2	1,627	572	184.4
<b>Profit/ (Loss) before tax</b>	15	<b>548</b>	<b>(11,919)</b>	<b>Nm</b>	<b>5,263</b>	<b>(19,889)</b>	<b>Nm</b>
Income tax expense	16	(2,201)	(1,054)	108.8	(3,607)	(941)	283.3
<b>Profit/ (Loss) for the period</b>		<b>(1,653)</b>	<b>(12,973)</b>	<b>(87.3)</b>	<b>1,656</b>	<b>(20,830)</b>	<b>Nm</b>
<b>Attributable to:</b>							
Owners of the Company		(1,754)	(13,020)	(86.5)	1,491	(21,000)	Nm
Non-controlling interests		101	47	114.9	165	170	(2.9)
		<b>(1,653)</b>	<b>(12,973)</b>	<b>(87.3)</b>	<b>1,656</b>	<b>(20,830)</b>	<b>Nm</b>
<b>Earnings per share (cents per share)</b>	17						
Basic		(0.27)	(2.06)	(86.9)	0.23	(3.33)	Nm
Diluted		(0.27)	(2.06)	(86.9)	0.23	(3.33)	Nm
<b>Adjusted EBITDA* for the period</b>		<b>16,248</b>	<b>8,092</b>	<b>100.8</b>	<b>42,007</b>	<b>21,830</b>	<b>92.4</b>

### Notes:

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

Nm: Not meaningful

## C. Consolidated Statement of Comprehensive Income

	Group			
	3 months ended 31 December		6 months ended 31 December	
	2Q FY2024	2Q FY2023	1H FY2024	1H FY2023
	\$'000	\$'000	\$'000	\$'000
<b>Profit/ (Loss) for the period</b>	<b>(1,653)</b>	<b>(12,973)</b>	<b>1,656</b>	<b>(20,830)</b>
<b>Items that may be reclassified subsequently to profit or loss:</b>				
Translation differences relating to financial statement of foreign subsidiaries, net of tax (i)	772	1,096	1,263	1,379
Share of other comprehensive income of joint ventures and associates	(205)	(291)	(145)	(132)
Net fair value changes to cash flow hedges (ii)	-	-	-	1
<b>Other comprehensive income for the period, net of tax</b>	<b>567</b>	<b>805</b>	<b>1,118</b>	<b>1,248</b>
<b>Total comprehensive income for the period</b>	<b>(1,086)</b>	<b>(12,168)</b>	<b>2,774</b>	<b>(19,582)</b>
<b>Attributable to:</b>				
Owners of the Company	(1,225)	(12,214)	2,505	(19,742)
Non-controlling interests	139	46	269	160
	<b>(1,086)</b>	<b>(12,168)</b>	<b>2,774</b>	<b>(19,582)</b>

### Note:

- (i) The movement in foreign currency translation reserves arose from the consolidation of subsidiaries whose functional currencies are United States Dollar ("USD"), Euro ("EUR") and Indonesian Rupiah ("IDR").
- (ii) The fair value gain on cash flow hedges was primarily due to fair value adjustments on foreign currency forward contracts entered for shipbuilding contracts.

## D. Statements of Changes in Equity

For the period ended 31-Dec-23									
<u>Group</u>	Attributable to owners of the Company								
	Share capital \$'000	Treasury shares \$'000	Foreign currency translation reserve \$'000	Warrant reserve \$'000	Accumulated losses \$'000	Total reserves \$'000	Equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total Equity \$'000
<b>1H FY2024</b>									
<b>At 1-Jul-23</b>	109,606	(923)	2,333	859	(38,330)	(35,138)	73,545	(671)	72,874
<b>Profit for the period</b>	-	-	-	-	1,491	1,491	1,491	165	1,656
<u>Other comprehensive income</u>									
Translation differences relating to financial statements of foreign subsidiaries	-	-	1,142	-	-	1,142	1,142	122	1,264
Share of other comprehensive income of joint ventures and associates	-	-	(128)	-	-	(128)	(128)	(18)	(146)
<b>Other comprehensive income for the period, net of tax</b>	-	-	1,014	-	-	1,014	1,014	104	1,118
<b>Total comprehensive income for the period</b>	-	-	1,014	-	1,491	2,505	2,505	269	2,774
<b>At 31-Dec-23</b>	109,606	(923)	3,347	859	(36,839)	(32,633)	76,050	(402)	75,648

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

For the period ended 31-Dec-22										
Group	Attributable to owners of the Company									
	Share capital \$'000	Treasury shares \$'000	Foreign currency translation reserve \$'000	Hedging reserve \$'000	Warrant reserve \$'000	Accumulated losses \$'000	Total reserves \$'000	Equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total Equity \$'000
<b>1H FY2023</b>										
<b>At 1-Jul-22</b>	108,140	(923)	2,381	(1)	897	(41,911)	(38,634)	68,583	(828)	67,755
<b>Loss for the period</b>	-	-	-	-	-	(21,000)	(21,000)	(21,000)	170	(20,830)
<u>Other comprehensive income</u>										
Translation differences relating to financial statements of foreign subsidiaries	-	-	1,373	-	-	-	1,373	1,373	6	1,379
Share of other comprehensive income of joint ventures and associates	-	-	(116)	-	-	-	(116)	(116)	(16)	(132)
Net fair value changes to cash flow hedges	-	-	-	1	-	-	1	1	-	1
<b>Other comprehensive income for the period, net of tax</b>	-	-	1,257	1	-	-	1,258	1,258	(10)	1,248
<b>Total comprehensive income for the period</b>	-	-	1,257	1	-	(21,000)	(19,742)	(19,742)	160	(19,582)
<b>At 31-Dec-22</b>	108,140	(923)	3,638	-	897	(62,911)	(58,376)	48,841	(668)	48,173

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

For the periods ended 31-Dec-23 and 31-Dec-22						
<u>Company</u>	Share capital \$'000	Treasury shares \$'000	Warrant reserve \$'000	Accumulated losses \$'000	Total reserves \$'000	Total equity \$'000
<b>1H FY2024</b>						
At 1-Jul-23	109,606	(923)	859	(76,855)	(75,996)	32,687
Loss for the period, representing total comprehensive income for the period	-	-	-	(3,151)	(3,151)	(3,151)
At 31Dec-23	109,606	(923)	859	(80,006)	(79,147)	29,536
<b>1H FY2023</b>						
At 1-Jul-22	108,140	(923)	897	(75,029)	(74,132)	33,085
Loss for the period, representing total comprehensive income for the period	-	-	-	(5,663)	(5,663)	(5,663)
At 31-Dec-22	108,140	(923)	897	(80,692)	(79,795)	27,422

## E. Consolidated Statement of Cash Flows

	<b>Group</b>	
	<b>6 months ended 31 December</b>	
	<b>1H FY2024</b>	<b>1H FY2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>		
Profit/ (Loss) before tax	5,263	(19,889)
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	26,059	24,138
Depreciation of right-of-use assets	555	1,015
(Gain)/ Loss on disposal of property, plant and equipment	347	(562)
Loss on ineffective portion of cash flow hedges on forward currency contracts	-	1
(Reversal of)/ Impairment loss on financial assets, net:		
- Joint ventures and associates	(611)	-
- Contract assets	52	(97)
- Other receivables	29	-
- Trade receivables (third parties)	(1,572)	1,951
Inventories written off	25	-
Interest income	(42)	(416)
Interest expense	13,876	13,942
Property, plant and equipment written off	-	1,758
Provision for warranty	6	3
Provision for pension liabilities	14	18
Share of results of joint venture and associates	(1,627)	(572)
<b>Operating cash flows before changes in working capital</b>	<b>42,374</b>	<b>21,290</b>
<b>Changes in working capital:</b>		
Inventories	2,377	(1,660)
Contract assets and liabilities	(9,596)	(4,571)
Trade and other receivables	(3,853)	(1,049)
Prepayments	(2,885)	(517)
Trade and other payables	91	14,562
Finance lease receivables	414	2,240
Other liabilities	(44)	1
Balances with related parties (trade)	2,120	3,492
<b>Cash flows generated from operations</b>	<b>30,998</b>	<b>33,788</b>
Interest received from finance lease receivables	11	221
Income tax paid	(1,249)	(24)
<b>Net cash flows generated from operating activities</b>	<b>29,760</b>	<b>33,985</b>
<b>Cash flows from investing activities</b>		
Interest received	30	13
Purchase of property, plant and equipment	(16,997)	(9,229)
Proceeds from disposal of property, plant and equipment	28,166	1,971
Movement in balances with related parties (non-trade)	(196)	(178)
<b>Net cash flows generated from/ (used in) investing activities</b>	<b>11,003</b>	<b>(7,423)</b>



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

	<b>Group</b>	
	<b>6 months ended 31 December</b>	
	<b>1H FY2024</b>	<b>1H FY2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from financing activities</b>		
Interest paid	(6,875)	(7,450)
Repayment of interest-bearing loans and borrowings	(39,721)	(20,106)
Principal repayment of lease liabilities	(656)	(898)
Repayment of trust receipts	(23,169)	(16,134)
Proceeds from trust receipts	24,233	16,803
Cash and bank balances (restricted use)*	1,682	925
<b>Net cash flows used in financing activities</b>	<b>(44,506)</b>	<b>(26,860)</b>
Net increase/(decrease) in cash and cash equivalents	(3,743)	(298)
Cash and cash equivalents at beginning of period	12,893	7,438
Effects of exchange rate changes on cash and cash equivalents	(223)	(290)
<b>Cash and cash equivalents at end of period (Note 1)</b>	<b>8,927</b>	<b>6,850</b>
<b>Note 1:</b>		
<b>Cash and cash equivalents comprise the followings:</b>		
Bank balances and cash	19,083	20,559
Less: Restricted cash *		
- Cash at banks	(10,156)	(13,709)
<b>Cash and cash equivalents at end of period</b>	<b>8,927</b>	<b>6,850</b>

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

## **F. Selected Notes to the Condensed Consolidated Interim Financial Statements**

### **1. Corporate information**

ASL Marine Holdings Ltd. (the “**Company**”), incorporated in the Republic of Singapore on 4 October 2000, is a public limited company listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

These condensed consolidated interim financial statements as at and for the six months ended 31 December 2023 comprise the Company and its subsidiaries (collectively, the “**Group**”).

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are those relating to shipbuilding, shiprepair and conversion, shipchartering, dredge engineering and other marine related services.

The condensed consolidated interim financial statements have not been audited nor reviewed by the Company’s auditors.

### **2. Basis of preparation**

#### **2.1 Statement of compliance**

The condensed consolidated interim financial statements for the six months ended 31 December 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore, and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 30 June 2023. The condensed consolidated interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 30 June 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.5.

#### **2.2 Basis of measurement**

The condensed consolidated interim financial statements have been prepared on the historical cost basis except as otherwise disclosed.

The condensed consolidated interim financial statements are presented in Singapore dollars (“SGD” or “\$”), which is the Company’s functional currency, and all values in the tables are rounded to the nearest thousand (\$’000) except when otherwise indicated.

#### **2.3 Going concern basis of preparation of financial statements**

The Group achieved a profit after tax of \$1,656,000 (1H FY2023: loss after tax of \$20,830,000) for the financial period ended 31 December 2023 (“**1H FY2024**”). As at 31 December 2023, the Group’s current liabilities exceeded its current assets by \$96,971,000 (30 June 2023: \$99,716,000). As at 31 December 2023, the Group’s and Company’s total borrowings amounted to \$230,436,000 and \$152,191,000 (30 June 2023: \$261,010,000 and \$165,693,000) of which \$44,957,000 and \$10,704,000 (30 June 2023: \$43,962,000 and \$10,631,000) were classified as current liabilities respectively.

## 2.3 Going concern basis of preparation of financial statements (Cont'd)

The Group's businesses are capital intensive. As at 31 December 2023, the aggregate value of property, plant and equipment and right-of-use assets amounted to \$372,107,000 (30 June 2023: \$408,985,000), which represented 70% (30 June 2023: 73%) of its total assets. The majority of these assets were financed through bank loans, bonds and lease liabilities of \$228,539,000 (30 June 2023: \$260,148,000), which represented 50% (30 June 2023: 53%) of its total liabilities as of 31 December 2023. The Group has been generating positive operating cash flows in fulfilling its debt repayment obligations, with majority of its debts maturing in 2025 and beyond.

The management and directors of the Company, having assessed the available sources of liquidity and funding, believe that the Group and the Company can continue as a going concern for the foreseeable future. In analysing the validity of the going concern basis applied in the preparation of the condensed consolidated interim financial statements of the Group and the Company, the following factors were considered:

- (i) The Group is able to generate sufficient operating cash flows from operations to meet its working capital needs. This is supported by positive Earnings before Interest, Tax, Depreciation, Amortisation and after adjusting for impairments and any other non-cash flow items of \$ 42,007,000 for 1H FY2024 (1H FY2023: \$21,830,000). The consolidated net cash flows generated from operating activities have been consistently positive, and the Group has been meeting all its short-term obligations. The availability of the working capital banking facilities secured since August 2019 from its principal lenders provide the Group with short term trade financing when needed;
- (ii) Management has exerted increased efforts in
  - Elevating sales and acquiring new customers;
  - Broadening the sources of supply to enhance competitive procurement;
  - Improving productivity; and
  - Disposing vessels to decrease debt and interest expenses, thereby enhancing the cash flow position.
- (iii) Continuing support from principal lenders including trade line and project financing which provides a strong base in sustaining the businesses of the Group. The principal lenders had also granted the Group waivers from complying with certain financial covenants, a further request for the waiver may be sought, as appropriate; and
- (iv) The controlling shareholders of the Company remain supportive to the Company and the Group with their injection of funds during the Company's last two fund raising exercises in December 2016 and July 2019. The controlling shareholders remain committed to funding the Group, amongst others, provided an unsecured and interest-free loan of \$6,620,000 in October 2017 which remained unpaid as at reporting date.

## 2.4 Uses of estimates and judgements

The preparation of the condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities. These are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The critical judgement and key sources of estimation uncertainty made by the management remains unchanged from audited consolidated financial statements for the financial year ended 30 June 2023.

## 2.5 New and amended standards

During the current financial period, the Group and the Company have adopted new or amended Singapore Financial Reporting Standards (International) (“SFRS(I)”) which took effective for annual periods beginning on or after 1 July 2023.

The adoption of the new accounting standards does not have any significant impact on the financial statements of the Group and of the Company for the period ended 31 December 2023. Accordingly, it has no material impact on the earnings per share of the Group and the Company.

## 3. Property, plant and equipment

	Group	
	31-Dec-23	31-Dec-22
	\$'000	\$'000
<b>Balance as at 1 July</b>	<b>394,252</b>	<b>375,228</b>
Additions	18,835	9,649
Disposals/ Write-off	(28,359)	(3,832)
Depreciation charge	(23,869)	(23,495)
Translation differences	(3,084)	(4,951)
<b>Balance as at 31 December</b>	<b>357,775</b>	<b>352,599</b>

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

	Group			
	3 months ended 31 December 2Q FY2024	3 months ended 31 December 2Q FY2023	6 months ended 31 December 1H FY2024	6 months ended 31 December 1H FY2023
	\$'000	\$'000	\$'000	\$'000
Depreciation charge for the period	11,828	11,680	23,869	23,495
Depreciation included in construction work-in-progress carried forward	(434)	279	(1,745)	(3,609)
Depreciation capitalised in prior year construction work-in-progress now charged to consolidated income statement	-	-	3,935	4,252
<b>Depreciation charge as disclosed in Note 15</b>	<b>11,394</b>	<b>11,959</b>	<b>26,059</b>	<b>24,138</b>

#### 4. Intangible assets

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

#### 5. Inventories

	<b>Group</b>	
	<b>31-Dec-23</b>	<b>30-Jun-23</b>
	<b>\$'000</b>	<b>\$'000</b>
At cost or net realisable value:		
Raw materials and consumables	15,802	15,963
Finished goods	10,946	13,187
	<b>26,748</b>	<b>29,150</b>

#### 6. Contracts assets and contract liabilities

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

	<b>Group</b>	
	<b>31-Dec-23</b>	<b>30-Jun-23</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Contract assets</b>		
<b>Current</b>		
Accrued revenue	14,065	7,333
Construction work-in-progress	22,142	22,010
	<b>36,207</b>	<b>29,343</b>
<b>Contract liabilities</b>		
<b>Current</b>		
Deferred income and deposits received from customers	(18,063)	(18,729)
Progress billings in excess of construction work-in-progress	(7,021)	(4,940)
	(25,084)	(23,669)
<b>Non-current</b>		
Deferred income	-	(2,345)
	<b>(25,084)</b>	<b>(26,014)</b>

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

	<b>Group</b>	
	<b>31-Dec-23</b>	<b>30-Jun-23</b>
	<b>\$'000</b>	<b>\$'000</b>
At gross:		
Construction work-in-progress and attributable profits (less recognised losses) to date	75,661	90,127
Less: Progress billings	(60,540)	(73,057)
	<b>15,121</b>	<b>17,070</b>
Presented on a contract basis, net:		
Construction work-in-progress	22,142	22,010
Progress billings in excess of construction work-in-progress	(7,021)	(4,940)
	<b>15,121</b>	<b>17,070</b>

## 7. Trade and other receivables

	Group		Company	
	31-Dec-23 \$'000	30-Jun-23 \$'000	31-Dec-23 \$'000	30-Jun-23 \$'000
<b>Non-current</b>				
Other receivables:				
Amount due from a subsidiary	-	-	5,167	5,167
<b>Current</b>				
Trade receivables	59,262	57,658	-	-
Less: Allowance for impairment	(16,797)	(18,629)	-	-
	42,465	39,029	-	-
Other receivables and deposits	14,560	12,599	20	20
Amounts due from subsidiaries	-	-	278,566	299,284
Amounts due from joint ventures and associates	58,891	62,086	2,542	2,614
Amounts due from related parties	430	434	-	-
	73,881	75,119	281,128	301,918
Less: Allowance for impairment				
Other receivables	(1,437)	(1,437)	-	-
Amounts due from subsidiaries	-	-	(68,751)	(68,926)
Amounts due from joint ventures and associates	(50,638)	(53,064)	(1,415)	(1,486)
Amounts due from related parties	(42)	(44)	-	-
	(52,117)	(54,545)	(70,166)	(70,412)
	<b>21,764</b>	<b>20,574</b>	<b>210,962</b>	<b>231,506</b>
<b>Total trade and other receivables (current)</b>	<b>64,229</b>	<b>59,603</b>	<b>210,962</b>	<b>231,506</b>
<b>Total trade and other receivables (current and non-current)</b>	<b>64,229</b>	<b>59,603</b>	<b>216,129</b>	<b>236,673</b>

## 8. Trade and other payables

	Group		Company	
	31-Dec-23 \$'000	30-Jun-23 \$'000	31-Dec-23 \$'000	30-Jun-23 \$'000
<b>Non-current</b>				
Other payables:				
Amounts due to an associate	-	1,453	-	-
<b>Current</b>				
Trade payables and accruals	143,727	146,156	4,103	3,858
Payables for property, plant and equipment	4,918	4,348	-	-
Other payables	2,485	2,626	-	-
Other liabilities:				
- Deferred income	784	845	-	-
- Deposits received from customers	2,612	2,019	-	-
Amounts due to subsidiaries	-	-	70,098	72,707
Amounts due to joint ventures and associates	388	277	-	-
Amounts due to related parties	4,256	4,186	-	-
Amounts due to non-controlling interests of subsidiaries	202	207	-	-
Amounts due to a shareholder	6,620	6,620	-	-
Provision for warranty	13	7	-	-
	<b>166,005</b>	<b>167,291</b>	<b>74,201</b>	<b>76,565</b>
<b>Total trade and other payables (current and non-current)</b>	<b>166,005</b>	<b>168,744</b>	<b>74,201</b>	<b>76,565</b>

## 8. Trade and other payables (Cont'd)

The balances with joint ventures and associates and related parties and non-controlling interests of subsidiaries are unsecured, interest-free and repayable on demand.

Related parties are Koon Holdings Limited (“KHL”) and its subsidiaries (collectively known as “Koon Group”) and Sintech Metal Industries Pte Ltd (“Sintech”). KHL was placed under Creditors’ Voluntary Liquidation on 12 May 2022. Mr. Ang Sin Liu wholly owns Sintech, which is an exempt private company limited by share.

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

## 9. Loans and Borrowings

	Group		Company	
	31-Dec-23 \$'000	30-Jun-23 \$'000	31-Dec-23 \$'000	30-Jun-23 \$'000
<b>Current</b>				
Trust receipts	13,351	12,399	-	-
Interest-bearing loans and borrowings:				
- Finance lease liabilities (secured)	1,470	1,012	-	-
- Floating rate (secured)	28,329	28,773	10,704	10,631
- Fixed rate (secured)	-	-	-	-
- Fixed rate (unsecured)	1,807	1,778	-	-
	<u>31,606</u>	<u>31,563</u>	<u>10,704</u>	<u>10,631</u>
	<b>44,957</b>	<b>43,962</b>	<b>10,704</b>	<b>10,631</b>
<b>Non-current</b>				
Interest-bearing loans and borrowings:				
- Finance lease liabilities (secured)	2,381	1,270	-	-
- Floating rate (secured)	182,171	213,939	141,487	155,062
- Fixed rate (unsecured)	927	1,839	-	-
	<u>185,479</u>	<u>217,048</u>	<u>141,487</u>	<u>155,062</u>
	<b>230,436</b>	<b>261,010</b>	<b>152,191</b>	<b>165,693</b>

Loans and borrowings of the Group and the Company are secured by certain assets of the Group as follows:

- Legal mortgages of certain leasehold properties of subsidiaries;
- Legal mortgages over certain vessels, plant and equipment of subsidiaries;
- Assignment of charter income and insurance of certain vessels of subsidiaries;
- Certain vessels under construction;
- Assignment and subordination of intercompany loans; and
- Corporate guarantees from the Company and certain subsidiaries.

The Group’s and the Company’s secured borrowings included the Series 006 and Series 007 notes issued pursuant to the S\$500,000,000 Multicurrency Debt Issuance Programme established by the Company (the “Notes”). The Series 006 and Series 007 notes with carrying value of \$80,406,000 (30 June 2023: \$77,298,000) and \$36,449,000 (30 June 2023: \$35,109,000) mature on 28 March 2025 and 1 October 2026 respectively. The Notes are secured by second priority mortgages of vessels pledged as securities for the \$99,900,000 5-year club term loan facility (“CTL Facility”).

The total carrying value of the collateralized assets as of 31 December 2023 was \$332,329,000 (30 June 2023: \$378,149,000).

## 10. Share capital and treasury shares

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

	As at 31-Dec-23	As at 30-Jun-23	As at 31-Dec-22
Total number of issued shares	656,942,041	656,942,041	633,138,541
Total number of treasury shares	(2,511,600)	(2,511,600)	(2,511,600)
Total number of issued shares (excluding treasury shares)	654,430,441	654,430,441	630,626,941

The holders of ordinary shares (except for treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares (except for treasury shares) carry one vote per share without restriction.

### Treasury shares

Treasury shares relate to ordinary shares of the Company that are held by the Company, the Company's subsidiaries did not hold any treasury shares. During the financial periods ended 31 December 2023 and 31 December 2022, the Company did not buy back any shares and there were no sales, transfers, disposal, cancellation and/or use of treasury shares.

### Warrants

	Number of Warrants		
	As at 31-Dec-23	As at 30-Jun-23	As at 31-Dec-22
Balance as at 1 July	541,967,213	565,770,713	565,770,713
Warrants exercised	-	(23,803,500)	-
Balance as at 30 June	541,967,213	541,967,213	565,770,713

### Other information

The percentage of the aggregate number of treasury shares held against the total number of shares outstanding that is listed as at 31 December 2023 and 31 December 2022 was 0.38% and 0.40% respectively.

Except for the warrants, there were no convertible securities as at 31 December 2023 and 31 December 2022. As at 31 December 2023, 25,163,500 warrants were exercised since the date of issuance of warrants on 25 July 2019 and the number of shares that may be issued on exercise of warrants were 541,967,213 (31 December 2022: 565,770,713).



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

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

The Company has no subsidiary holdings as at 31 December 2023 and 31 December 2022.

## 11 Segment and revenue information

### 11.1 (i) Business segments

The Group’s operating segments are its strategic business units that offer different products and serves different markets. Management monitors the operating results of its business segments separately for purpose of making decisions about resource allocation and performance assessment. The Group has the following four main business segments:

Shipbuilding	: Construction of vessels
Shiprepair, conversion and engineering services	: Provision of shiprepair, dredging engineering products and related services
Shipchartering	: Provision for chartering of vessels and transportation services
Investment holding	: Provision of corporate and treasury services to the Group

## 11.1 (i) Business segments (Cont'd)

	<b>Group</b>					
	<b>3 months ended 31 December</b>					
	<b>Shipbuilding</b>	<b>Shiprepair, conversion and engineering services</b>	<b>Shipchartering</b>	<b>Investment holding</b>	<b>Eliminations</b>	<b>Consolidated</b>
<b>Revenue and expenses</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>From 1 October 2023 to 31 December 2023</b>						
Revenue from external customers	16,383	44,122	30,117	-	-	90,622
Inter-segment revenue	8,176	13,350	3,714	-	(25,240)	-
<b>Total revenue</b>	<b>24,559</b>	<b>57,472</b>	<b>33,831</b>	<b>-</b>	<b>(25,240)</b>	<b>90,622</b>
Segment results	(1,639)	12,648	(3,992)	(218)	-	6,799
Interest income from finance lease receivables	-	-	5	-	-	5
Finance costs						(7,041)
Share of results of joint ventures and associates						785
Income tax expense						(2,201)
<b>Loss for the period</b>						<b>(1,653)</b>
<b>From 1 October 2022 to 31 December 2022</b>						
Revenue from external customers	1,751	45,758	21,916	-	-	69,425
Inter-segment revenue	(598)	17,389	4,064	-	(20,855)	-
<b>Total revenue</b>	<b>1,153</b>	<b>63,147</b>	<b>25,980</b>	<b>-</b>	<b>(20,855)</b>	<b>69,425</b>
Segment results	(177)	11,211	(16,071)	(162)	-	(5,199)
Interest income from finance lease receivables	-	-	172	-	-	172
Finance costs						(7,233)
Share of results of joint ventures and associates						341
Income tax expense						(1,054)
<b>Loss for the period</b>						<b>(12,973)</b>
<b>6 months ended 31 December</b>						
<b>From 1 July 2023 to 31 December 2023</b>						
Revenue from external customers	33,918	87,839	56,959	-	-	178,716
Inter-segment revenue	11,521	25,184	7,611	-	(44,316)	-
<b>Total revenue</b>	<b>45,439</b>	<b>113,023</b>	<b>64,570</b>	<b>-</b>	<b>(44,316)</b>	<b>178,716</b>
Segment results	(574)	22,239	(3,651)	(514)	-	17,500
Interest income from finance lease receivables	-	-	12	-	-	12
Finance costs						(13,876)
Share of results of joint ventures and associates						1,627
Income tax expense						(3,607)
<b>Profit for the period</b>						<b>1,656</b>
<b>From 1 July 2022 to 31 December 2022</b>						
Revenue from external customers	7,899	82,021	46,764	-	-	136,684
Inter-segment revenue	(482)	33,483	7,496	-	(40,497)	-
<b>Total revenue</b>	<b>7,417</b>	<b>115,504</b>	<b>54,260</b>	<b>-</b>	<b>(40,497)</b>	<b>136,684</b>
Segment results	(1,255)	13,557	(18,805)	(419)	-	(6,922)
Interest income from finance lease receivables	-	-	403	-	-	403
Finance costs						(13,942)
Share of results of joint ventures and associates						572
Income tax expense						(941)
<b>Loss for the period</b>						<b>(20,830)</b>

## 11.1 (i) Business segments (Cont'd)

	Group					Consolidated \$'000
	Shipbuilding \$'000	Shiprepair, conversion and engineering services \$'000	Shipchartering \$'000	Investment holding \$'000	Eliminations \$'000	
<b>Assets and liabilities</b>						
<b>As at 31 December 2023</b>						
Segment assets	47,867	143,322	328,382	4,959	-	524,530
Unallocated assets						5,745
<b>Total assets</b>						<b>530,275</b>
Segment liabilities	42,380	94,236	64,081	4,118	-	204,815
Unallocated liabilities						249,812
<b>Total liabilities</b>						<b>454,627</b>
<b>As at 31 December 2022</b>						
Segment assets	19,148	226,159	310,218	3,881	-	559,406
Unallocated assets						2,516
<b>Total assets</b>						<b>561,922</b>
Segment liabilities	16,803	120,900	63,135	3,763	-	204,601
Unallocated liabilities						309,148
<b>Total liabilities</b>						<b>513,749</b>

	Group					
	3 months ended 31 December					
	Shipbuilding \$'000	Shiprepair, conversion and engineering \$'000	Shipchartering \$'000	Investment holding \$'000	Consolidated \$'000	
<b>Other segmental information</b>						
<b>From 1 October 2023 to 31 December 2023</b>						
Capital expenditure		832	2,109	9,133	-	12,074
Depreciation and amortisation		1,090	2,035	8,501	-	11,626
Other non-cash expense		-	36	-	-	36
Reversal of impairment loss on financial assets, net		-	(1,978)	(207)	-	(2,185)
Finance cost		893	1,725	1,470	2,953	7,041
Interest income		(3)	(12)	(7)	-	(22)
<b>From 1 October 2022 to 31 December 2022</b>						
Capital expenditure		141	1,799	4,631	-	6,571
Depreciation and amortisation		787	3,096	8,606	-	12,489
Other non-cash expense		-	14	-	-	14
Impairment loss on financial assets, net		-	99	708	-	807
Finance cost		78	2,921	1,536	2,698	7,233
Interest income		-	(4)	(174)	-	(178)
<b>6 months ended 31 December</b>						
<b>From 1 July 2023 to 31 December 2023</b>						
Capital expenditure		1,852	5,962	11,021	-	18,835
Depreciation and amortisation		2,447	6,686	17,481	-	26,614
Other non-cash expense		-	45	-	-	45
Impairment loss/ (Reversal of impairment loss) on financial assets, net		-	(2,583)	481	-	(2,102)
Finance cost		1,765	3,581	2,719	5,811	13,876
Interest income		(4)	(20)	(16)	(2)	(42)
<b>From 1 July 2022 to 31 December 2022</b>						
Capital expenditure		186	2,489	6,974	-	9,649
Depreciation and amortisation		1,932	6,096	17,125	-	25,153
Other non-cash expense		-	23	1,757	-	1,780
Impairment loss on financial assets, net		-	396	1,458	-	1,854
Finance cost		433	5,245	3,017	5,247	13,942
Interest income		-	(10)	(406)	-	(416)

## 11.1 (ii) Geographical segments

The Group operates in Singapore, Indonesia, Rest of Asia, Europe, Australia and other countries. In presenting information on the basis of geographical segments, segment revenue is based on the countries in which customers are invoiced.

Non-current assets relate to property, plant and equipment, right-of-use assets, investment in joint ventures and associates, intangible assets and finance lease receivables. Non-current assets are based on the geographical location of the respective entities within the Group.

<b>Group</b>							
<b>3 months ended 31 December</b>							
<b>From 1 October 2023 to 31 December 2023</b>	<b>Singapore \$'000</b>	<b>Indonesia \$'000</b>	<b>Rest of Asia \$'000</b>	<b>Europe \$'000</b>	<b>Australia \$'000</b>	<b>Other Countries \$'000</b>	<b>Consolidated \$'000</b>
Revenue from external customers	26,400	23,093	22,821	6,428	3,598	8,282	90,622
Non-current assets	(15,475)	(1,456)	(15,574)	(41)	-	-	(32,546)
<b>From 1 October 2022 to 31 December 2022</b>							
Revenue from external customers	22,455	13,288	23,247	6,036	1,912	2,487	69,425
Non-current assets	203,562	120,239	40,920	1,098	-	-	365,819
<b>6 months ended 31 December</b>							
<b>From 1 July 2023 to 31 December 2023</b>							
Revenue from external customers	67,754	33,345	37,638	7,995	16,119	15,865	178,716
Non-current assets	229,111	122,014	25,730	997	-	-	377,852
<b>From 1 July 2022 to 31 December 2022</b>							
Revenue from external customers	46,896	19,166	41,107	14,419	4,631	10,465	136,684
Non-current assets	203,562	120,239	40,920	1,098	-	-	365,819

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

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

## 11.2 Disaggregation of revenue

Group	3 months ended 31 December						6 months ended 31 December					
	2Q FY2024			2Q FY2023			1H FY2024			1H FY2023		
	At a point in time \$'000	Over time \$'000	Total \$'000	At a point in time \$'000	Over time \$'000	Total \$'000	At a point in time \$'000	Over time \$'000	Total \$'000	At a point in time \$'000	Over time \$'000	Total \$'000
<b>Shipbuilding segment</b>												
Construction of tugs	-	6,660	6,660	-	-	-	-	12,164	12,164	-	1,248	1,248
Construction of barges and others	15,191	(5,468)	9,723	141	2,764	2,905	22,053	(299)	21,754	281	6,370	6,651
	15,191	1,192	16,383	141	2,764	2,905	22,053	11,865	33,918	281	7,618	7,899
<b>Shiprepair, conversion and engineering services segment</b>												
Provision of shiprepair and related services	-	38,563	38,563	-	21,390	21,390	-	77,391	77,391	-	76,989	76,989
Provision of engineering service and sales of components	2,228	3,331	5,559	347	1,270	1,617	3,718	6,730	10,448	3,403	1,629	5,032
	2,228	41,894	44,122	347	22,660	23,007	3,718	84,121	87,839	3,403	78,618	82,021
<b>Shipchartering segment</b>												
Leasing income	-	12,566	12,566	-	9,044	9,044	-	26,280	26,280	-	15,435	15,435
Mobilisation and demobilisation income	-	1,103	1,103	-	47	47	-	1,858	1,858	-	1,038	1,038
Freight income	-	9,248	9,248	-	8,429	8,429	-	14,007	14,007	-	12,136	12,136
Other charter ancillary and marine related service income	1,970	5,023	6,993	1,770	7,839	9,609	3,523	10,940	14,463	3,532	14,037	17,569
Ship management income	-	12	12	-	163	163	-	24	24	-	237	237
Trade sales	195	-	195	(75)	44	(31)	327	-	327	259	90	349
	2,165	27,952	30,117	1,695	25,566	27,261	3,850	53,109	56,959	3,791	42,973	46,764
	<b>19,584</b>	<b>71,038</b>	<b>90,622</b>	<b>2,183</b>	<b>50,990</b>	<b>53,173</b>	<b>29,621</b>	<b>149,095</b>	<b>178,716</b>	<b>7,475</b>	<b>129,209</b>	<b>136,684</b>

## 11.2 Disaggregation of revenue (Cont'd)

The following table set out the Group's revenue disaggregated by primary geographical markets and main business segments:

Group								
3 months ended 31 December								
	Shipbuilding		Shiprepair, conversion and engineering services		Shipchartering and rental		Total	
	2Q FY2024	2Q FY2023	2Q FY2024	2Q FY2023	2Q FY2024	2Q FY2023	2Q FY2024	2Q FY2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Singapore	(3,123)	-	11,841	12,490	17,682	9,965	26,400	22,455
Indonesia	8,102	1,017	10,523	10,386	4,468	1,885	23,093	13,288
Rest of Asia	8,210	722	12,333	15,160	2,278	7,365	22,821	23,247
Europe	-	-	5,647	5,159	781	877	6,428	6,036
Australia	3,194	-	(1,764)	753	2,168	1,159	3,598	1,912
Other Countries	-	12	5,543	1,810	2,739	665	8,282	2,487
	<b>16,383</b>	<b>1,751</b>	<b>44,123</b>	<b>45,758</b>	<b>30,116</b>	<b>21,916</b>	<b>90,622</b>	<b>69,425</b>

  

6 months ended 31 December								
	1H FY2024	1H FY2023	1H FY2024	1H FY2023	1H FY2024	1H FY2023	1H FY2024	1H FY2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Singapore	7,022	-	29,430	27,589	31,302	19,307	67,754	46,896
Indonesia	8,102	1,522	17,744	13,058	7,499	4,586	33,345	19,166
Rest of Asia	14,188	1,248	16,795	24,467	6,655	15,392	37,638	41,107
Europe	-	-	7,146	12,933	849	1,486	7,995	14,419
Australia	4,606	-	7,045	874	4,468	3,757	16,119	4,631
Other Countries	-	5,129	9,679	3,100	6,186	2,236	15,865	10,465
	<b>33,918</b>	<b>7,899</b>	<b>87,839</b>	<b>82,021</b>	<b>56,959</b>	<b>46,764</b>	<b>178,716</b>	<b>136,684</b>

## 11.3 Seasonality of operations

The Group's shipyard and shipchartering businesses are not affected significantly by seasonable factors quarter-to-quarter in a financial year.

## 12. Other operating income

	<b>Group</b>			
	<b>3 months ended 31 December</b>		<b>6 months ended 31 December</b>	
	<b>2Q FY2024</b>	<b>2Q FY2023</b>	<b>1H FY2024</b>	<b>1H FY2023</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Gain on disposal of property, plant and equipment	-	617	-	562
Interest income from debt instruments at amortised costs:				
- Deposits and bank balances	17	6	30	13
- Finance lease receivables	5	172	12	403
Insurance claims/ (in excess)	-	-	(196)	3,146
Rental income	67	115	136	249
Miscellaneous income	1,204	86	1,343	283
	<b>1,293</b>	<b>996</b>	<b>1,325</b>	<b>4,656</b>

## 13. Other operating expenses

	<b>Group</b>			
	<b>3 months ended 31 December</b>		<b>6 months ended 31 December</b>	
	<b>2Q FY2024</b>	<b>2Q FY2023</b>	<b>1H FY2024</b>	<b>1H FY2023</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Inventories written off	25	-	25	-
Loss on disposal of property, plant and equipment	621	-	347	-
Loss on foreign exchange, net	3,828	3,880	2,196	770
Property, plant and equipment written off	-	1	-	1,758
	<b>4,474</b>	<b>3,881</b>	<b>2,568</b>	<b>2,528</b>

## 14. Finance costs

	<b>Group</b>			
	<b>3 months ended 31 December</b>		<b>6 months ended 31 December</b>	
	<b>2Q FY2024</b>	<b>2Q FY2023</b>	<b>1H FY2024</b>	<b>1H FY2023</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Interest expense on:				
- Bank loans and bonds	2,884	3,787	6,023	7,048
- Finance lease	126	4	190	9
- Lease liabilities	321	115	643	241
- Trust receipts	241	105	473	191
- Amortisation of bank loans and bonds	3,710	3,327	7,020	6,644
	<b>7,282</b>	<b>7,338</b>	<b>14,349</b>	<b>14,133</b>
Less:				
Interest expense capitalised in contract assets:				
- Trust receipts	(7)	3	(56)	(3)
Interest expense charged to cost of sales:				
- Trust receipts	(234)	(108)	(417)	(188)
	<b>7,041</b>	<b>7,233</b>	<b>13,876</b>	<b>13,942</b>

## 15. Profit/ (Loss) before tax

	<b>Group</b>			
	<b>3 months ended 31 December</b>		<b>6 months ended 31 December</b>	
	<b>2Q FY2024</b>	<b>2Q FY2023</b>	<b>1H FY2024</b>	<b>1H FY2023</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Profit/ (Loss) before tax is stated after charging/ (crediting):</b>				
Audit fees paid/ payable:				
- Auditor of the Company	65	87	172	175
- Overseas affiliates of the auditors of the Company	(49)	22	42	43
- Other auditors	28	14	28	28
- Non-audit fees paid/ payable to auditor of the Company	9	3	9	7
Depreciation of property, plant and equipment	11,394	11,959	26,059	24,138
Depreciation of right-of-use assets	232	530	555	1,015
Employee benefits expense	11,134	9,369	21,970	18,685
Loss on ineffective portion of cash flow hedges on forward currency contracts	-	(51)	-	1
Impairment loss/ (Reversal of impairment loss) on financial assets, net:				
- Amount due from joint ventures and associates	(611)	-	(611)	-
- Contract assets	41	61	52	(97)
- Amount due from other receivables	29	-	29	-
- Amount due from trade receivables (third parties)	(1,644)	746	(1,572)	1,951

## 16. Income tax expense

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 are:

	<b>Group</b>			
	<b>3 months ended 31 December</b>		<b>6 months ended 31 December</b>	
	<b>2Q FY2024</b>	<b>2Q FY2023</b>	<b>1H FY2024</b>	<b>1H FY2023</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current income tax:</b>				
Current year income tax	(1,361)	(1,049)	(2,771)	(1,377)
Underprovision in prior years	(652)	-	(648)	629
	<b>(2,013)</b>	<b>(1,049)</b>	<b>(3,419)</b>	<b>(748)</b>
<b>Deferred tax:</b>				
Underprovision in prior years	(188)	(5)	(188)	(193)
	<b>(188)</b>	<b>(5)</b>	<b>(188)</b>	<b>(193)</b>
Income tax expense	<b>(2,201)</b>	<b>(1,054)</b>	<b>(3,607)</b>	<b>(941)</b>

## 17. Earnings per share

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



## 17. Earnings per share (Cont'd)

Diluted earnings per share are calculated by dividing profit or loss, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. The following table reflects the income or loss and share data used in the computation of basic and diluted earnings per share during the financial periods reported on:

	<b>Group</b>			
	<b>3 months ended 31 December</b>		<b>6 months ended 31 December</b>	
	<b>2Q FY2024</b>	<b>2Q FY2023</b>	<b>1H FY2024</b>	<b>1H FY2023</b>
<b>Earnings per ordinary share:</b>				
(i) On weighted average no. of ordinary shares in issue	(0.27) cents	(2.06) cents	0.23 cents	(3.33) cents
(ii) On a fully diluted basis	(0.27) cents	(2.06) cents	0.23 cents	(3.33) cents
<b>Net profit/ (loss) attributable to shareholders</b>	(\$1,754,000)	(\$13,020,000)	\$1,491,000	(\$21,000,000)
<b>Number of shares in issue:</b>				
(i) Weighted average no. of shares in issue	654,430,441	630,626,941	654,430,441	630,626,941
(ii) On a fully diluted basis	654,430,441	630,626,941	654,430,441	630,626,941

Treasury shares have not been included in the calculation of both basic and diluted earnings per share because the holders of these treasury shares are not entitled to dividend of the Company.

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

## 18. Net asset value per share

	<b>Group</b>		<b>Company</b>	
	<b>31-Dec-23</b>	<b>30-Jun-23</b>	<b>31-Dec-23</b>	<b>30-Jun-23</b>
Net Asset Value (" <b>NAV</b> ") per ordinary share	11.62 cents	11.24 cents	4.03 cents	4.99 cents
NAV computed based on no. of ordinary shares issued	654,430,441	654,430,441	654,430,441	654,430,441

The calculation of net asset value per share as at 31 December 2023 and 30 June 2023 was computed based on the number of shares as at the end of the reporting periods.

## 19. Related party transactions

In addition to the related party information disclosed elsewhere in the condensed consolidated interim financial statements, the following significant transactions were entered by the Group and its related parties on terms agreed between the parties during the financial periods:

### (i) Sale and purchase of goods and services

	<b>Group</b>			
	3 months ended 31 December		6 months ended 31 December	
	2Q FY2024	2Q FY2023	1H FY2024	1H FY2023
	\$'000	\$'000	\$'000	\$'000
<b>Joint ventures and associates</b>				
Charter and trade expenses	(373)	(647)	(806)	(1,710)
Shiprepair income	148	-	305	-
<b>Related parties</b>				
Purchase of plant and machinery	86	-	86	-
Miscellaneous income	25	-	25	-
<b>Company</b>				
3 months ended 31 December		6 months ended 31 December		
2Q FY2024	2Q FY2023	1H FY2024	1H FY2023	
\$'000	\$'000	\$'000	\$'000	
<b>Subsidiaries</b>				
Interest income	1,512	1,678	3,067	3,213

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

	<b>Group</b>			
	3 months ended 31 December		6 months ended 31 December	
	2Q FY2024	2Q FY2023	1H FY2024	1H FY2023
	\$'000	\$'000	\$'000	\$'000
Joint ventures and associates	205	150	445	249
Related parties	(8)	-	-	-

## 20. Fair value measurement

### (i) Financial assets and financial liabilities

The following table shows carrying amounts of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

## 20. Fair value measurement (Cont'd)

	Group		Company	
	31-Dec-23	30-Jun-23	31-Dec-23	30-Jun-23
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets not measured at fair value</b>				
Trade and other receivables	64,229	59,603	216,129	236,673
Accrued revenue	14,065	7,333	-	-
Finance lease receivables	141	554	-	-
Cash and bank balances	8,927	24,730	3,617	5,110
<b>At amortised cost</b>	<b>87,362</b>	<b>92,220</b>	<b>219,746</b>	<b>241,783</b>
<b>Financial liabilities not measured at fair value</b>				
Trade and other payables*	162,596	165,873	74,201	76,565
Trust receipts	13,351	12,399	-	-
Interest bearing loans and borrowings	217,085	248,611	152,191	165,693
Lease liabilities	11,454	11,537	-	-
<b>At amortised cost</b>	<b>404,486</b>	<b>438,420</b>	<b>226,392</b>	<b>242,258</b>

### (ii) Measurement of fair values

#### (a) Fair value hierarchy

The Group and the Company classify fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1: Quoted prices (unadjusted) in active markets of identical assets or liabilities that the Group can access at the measurement date,
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3: Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

There have been no transfers between Level 1 and Level 2 and no transfers into or out of Level 3 during financial periods 31 December 2023 and 30 June 2023.

#### (b) Assets and liabilities measured at fair value

##### Level 3 fair value measurements

###### Property, plant and equipment

The recoverable amounts of certain plant and equipment were based on fair value less cost of disposal which was determined by an independent valuer. These considered replacement costs of similar plant and equipment currently owned by the Group adjusted for age, condition and technological obsolescence. In addition, the valuers also considered sales of similar plant and equipment that have been transacted in the open market.

## 20. Fair value measurement (Cont'd)

### Inventories

The recoverable amounts of certain inventories were based on fair value less cost of disposal which was determined by an independent valuer. The valuers considered sales of similar vessels that have been transacted in the open market.

- (c) *Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value*

The Group's financial assets and liabilities include cash and bank balances, trade and other receivables, contract assets, trade and other payables, contract liabilities, trust receipts, floating rate loans and current portion of fixed rate loans.

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, because these are short-term in nature or that they are floating rate instruments that are repriced to market interest rates on or near to the end of the reporting period.

- (d) *Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not a reasonable approximation of fair value*

The fair value of financial liabilities by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value are as follows:

	Group			
	Carrying amount		Fair value	
	31-Dec-23	30-Jun-23	31-Dec-23	30-Jun-23
	\$'000	\$'000	\$'000	\$'000
<b>Financial liabilities</b>				
Finance lease liabilities (Non-current) (Note 9)	2,381	1,270	2,210	1,384
Fixed rate loans (Non-current) (Note 9)	927	1,839	809	1,806

These financial liabilities are categorised within Level 3 of the fair value hierarchy.

### Determination of fair value

The fair values of finance lease liabilities, interest-bearing loans and borrowings and lease liabilities with fixed interest rates are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the end of the reporting period.

## (II) Other Information Required under Appendix 7.2 of the Listing Manual of SGX-ST

### A. Review of Group Performance

#### Consolidated Income Statement

##### Revenue by business segments

Group revenue of \$90.6 million for the 3 months ended 31 December 2023 ("2Q FY2024") was \$21.2 million (30.5%) higher as compared to the corresponding quarter in FY2023 ("2Q FY2023"), on the back of higher contributions from shipbuilding and shipchartering. For the 6 months ended 31 December 2023 ("1H FY2024"), the Group revenue of \$178.7 million was \$42.0 million (30.8%) higher as compared to the corresponding period ended 31 December 2022 ("1H FY2022") with all three segments recording comparatively higher revenue.

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

	Group					
	2Q	2Q	Increase/	1H	1H	Increase/
	FY2024	FY2023	(Decrease)	FY2024	FY2023	(Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Shipbuilding	16,383	1,751	835.6	33,918	7,899	329.4
Shiprepair, conversion and engineering services	44,122	45,758	(3.6)	87,839	82,021	7.1
Shipchartering	30,117	21,916	37.4	56,959	46,764	21.8
	<b>90,622</b>	<b>69,425</b>	<b>30.5</b>	<b>178,716</b>	<b>136,684</b>	<b>30.8</b>

#### Shipbuilding

Revenue and related costs of shipbuilding contracts with non-enforceability of right to payment for performance completed to-date are recognised only when the constructed vessels are delivered to customers ("**Completion method**"), instead of using the percentage of completion method ("**POC method**") in accordance with SFRS(I) 15 *Revenue from Contracts with Customers*. As a result, shipbuilding revenue and results can fluctuate depending on whether the revenue from shipbuilding contracts is recognised on Completion or POC methods.

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

	Group									
	2Q		2Q		Increase/	1H		1H		Increase/
	Units	\$'000	Units	\$'000	(Decrease)	Units	\$'000	Units	\$'000	(Decrease)
				%					%	
Tugs	1	6,660	1	722	822.4	1	12,164	1	1,248	874.7
Barges and others	6	9,723	1	1,029	844.9	9	21,754	3	6,651	227.1
	<b>7</b>	<b>16,383</b>	<b>2</b>	<b>1,751</b>	<b>835.6</b>	<b>10</b>	<b>33,918</b>	<b>4</b>	<b>7,899</b>	<b>329.4</b>

Shipbuilding revenue increased by \$14.6 million (835.6%) to \$16.4 million in 2Q FY2024 as compared to last corresponding period due to higher percentage of completion recognised from the construction of tug which was at its initial stage of construction in last year, 2Q FY2023. In addition, comparatively there were more barges being constructed in 2Q FY2024, with 2 being constructed in progress and 4 delivered.

The Group secured and contracted additional 35 barges in second half of 2023. Consequently, the Group's outstanding shipbuilding order book from external customers as at 31 December 2023, has increased to approximately \$86 million for 38 vessels with progressive deliveries up to early 2025 (3Q FY2025).

## Shiprepair, conversion and engineering services

Shiprepair and conversion services are generally performed based on the customer's specifications and control is transferred progressively when the services are rendered. Recognition of shiprepair and conversion revenue is calculated based on project value multiplied by percentage of completion.

The shiprepair, conversion and engineering services revenue in 2Q FY2024 as compared to last corresponding quarter was marginally lower mainly due to comparatively lower volume of high value projects undertaken, partially offset by higher trade sales which include sale of a vessel held as inventory, higher production volume from precast projects as well as sale of more dredge components during the quarter under review.

## Shipchartering

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

	Group					
	2Q FY2024 \$'000	2Q FY2023 \$'000	Increase/ (Decrease) %	1H FY2024 \$'000	1H FY2023 \$'000	Increase/ (Decrease) %
Offshore Support Vessels ("OSV")	5,309	3,778	40.5	11,676	9,564	22.1
Tug Boats	9,712	8,605	12.9	16,809	18,289	(8.1)
Barges	11,304	4,360	159.3	20,900	9,160	128.2
<b>Total charter</b>	<b>26,325</b>	<b>16,743</b>	<b>57.2</b>	<b>49,385</b>	<b>37,013</b>	<b>33.4</b>
Trade sales and other services	3,792	5,173	(26.7)	7,574	9,751	(22.3)
	<b>30,117</b>	<b>21,916</b>	<b>37.4</b>	<b>56,959</b>	<b>46,764</b>	<b>21.8</b>

Charter revenue increased by \$9.6 million (57.2%) to \$26.3 million in 2Q FY2024 and \$12.4 million (33.4%) to \$49.4 million in 1H FY2024 mainly due to

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

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

## Gross profit/ (loss) and gross margin

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

	Group							
	2Q FY2024		2Q FY2023		1H FY2024		1H FY2023	
	\$'000	GPM	\$'000	GPM	\$'000	GPM	\$'000	GPM
Shipbuilding	(661)	Nm	141	8.1%	715	2.1%	(692)	Nm
Shiprepair, conversion and engineering services	12,304	27.9%	10,620	23.2%	23,120	26.3%	16,827	20.5%
Shipchartering	849	2.8%	(7,800)	Nm	1,442	2.5%	(14,782)	Nm
	<b>12,492</b>	<b>13.8%</b>	<b>2,961</b>	<b>4.3%</b>	<b>25,277</b>	<b>14.1%</b>	<b>1,353</b>	<b>1.0%</b>

## Shipbuilding

The gross loss of \$0.7 million in 2Q FY2024 was mainly due to costs overruns of the tanker being constructed, which is due for delivery in next quarter. This was however offset by higher gross profit derived from construction of barges.

The gross profit of \$0.7 million in 1H FY2024 derived from construction of barges with 2 being constructed in progress and 7 delivered, partially offset by costs overruns incurred on the construction of tanker in 2Q FY2024. The costs overruns was primarily due to higher raw materials and labour costs.

## Shiprepair, conversion and engineering services

In line with the higher revenue, gross profit increased by \$1.7 million (15.8%) to \$12.3 million in 2Q FY2024 and \$6.3 million (37.4%) to \$23.1 million in 1H FY2024.

## Shipchartering

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

	Group							
	2Q		2Q		1H		1H	
	FY2024		FY2023		FY2024		FY2023	
	\$'000	GPM	\$'000	GPM	\$'000	GPM	\$'000	GPM
OSV	(240)	Nm	(2,359)	Nm	176	1.5%	(4,615)	Nm
Tug boats and Barges	(265)	Nm	(6,855)	Nm	(1,403)	Nm	(12,835)	Nm
<b>Total charter</b>	<b>(505)</b>	Nm	<b>(9,214)</b>	Nm	<b>(1,227)</b>	Nm	<b>(17,450)</b>	Nm
Trade sales and other services	1,354	35.7%	1,414	27.3%	2,669	35.2%	2,668	27.4%
	<b>849</b>	<b>2.8%</b>	<b>(7,800)</b>	Nm	<b>1,442</b>	<b>2.5%</b>	<b>(14,782)</b>	Nm

The Group recorded a gross profit of \$0.8 million and \$1.4 million with gross profit margin of 2.8 % and 2.5% in 2Q FY2024 and 1H FY2024 respectively. Gross loss were reported in the corresponding periods. This was mainly attributed to

- (i) increase in revenue contribution from OSV and new local marine infrastructure projects; and
- (ii) decrease in fuel costs and consumption in line with lower overseas towage jobs and contract of affreightment arrangements. The average fuel price decreased from S\$1.50/litre in 2Q FY2023 (1H FY2023: S\$1.53/litre), as compared to S\$1.22/litre in 2Q FY2024 (1H FY2024: S\$1.14/litre).

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

## Other operating income

Refer to breakdown of other operating income in section (I) F, Note 12 of this report. Other operating income increased by \$0.3 million to \$1.3 million in 2Q FY2024 was mainly due to higher miscellaneous income which resulted from reversal of commission fees previously accrued for charter, no longer required.

## Administrative expenses

Administrative expenses increased by \$0.4 million (9.7%) to \$4.1 million in 2Q FY2024 mainly due to higher upkeep, travelling and transport expenses and staff salaries.

## Other operating expenses

Refer to breakdown of other operating expenses in section (I) F, Note 13 of this report. The other operating expenses increased by \$0.6 million (15.3%) to \$4.5 million in 2Q FY2024 mainly attributed to loss incurred on disposal of property, plant and equipment.

The net foreign exchange loss in 2Q FY2024 comprised mainly unrealized losses due to depreciation of USD against SGD on SGD denominated liabilities of certain subsidiaries whose accounts are maintained in USD, partially offset by unrealized gains from depreciation of IDR against SGD on IDR denominated liabilities.

	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Dec 2022	30 Sep 2022	30 Jun 2022
USD against SGD	1.3163	1.3699	1.3534	1.3492	1.4434	1.3895
IDR against SGD	11,712	11,334	11,102	11,659	10,563	10,685

## Finance costs

Group					
2Q FY2024	2Q FY2023	Increase/ (Decrease) %	1H FY2024	1H FY2023	Increase/ (Decrease) %
\$'000	\$'000		\$'000	\$'000	
- Bank loans and bonds	2,884	3,786 (23.8)	6,023	7,047 (14.5)	
- Finance lease and lease liabilities	447	120 272.5	833	251 231.9	
- Amortisation of bank loans and bonds	3,710	3,327 11.5	7,020	6,644 5.7	
	<b>7,041</b>	<b>7,233 (2.7)</b>	<b>13,876</b>	<b>13,942 (0.5)</b>	

Interest expense on:

- Bank loans and bonds	2,884	3,786	(23.8)	6,023	7,047	(14.5)
- Finance lease and lease liabilities	447	120	272.5	833	251	231.9
- Amortisation of bank loans and bonds	3,710	3,327	11.5	7,020	6,644	5.7
	<b>7,041</b>	<b>7,233</b>	<b>(2.7)</b>	<b>13,876</b>	<b>13,942</b>	<b>(0.5)</b>

The lower interest expense was mainly due to a) lower loans interest as a result of prepayments of loans pursuant to disposal of mortgaged vessels in 2Q FY2024, partially offset by b) higher interest being amortised from lease liabilities which corresponded to the increase in ROU assets pursuant to extension of lease term of properties in Singapore in 4Q FY2023 and c) higher amortization of bank loans due to prepayments of loans in 2Q FY2024.

The amortisation of bank loans and bond pertained to amortisation of fair value adjustments resulting from re-measurement of long term bank loans and bonds in prior years.

## (Reversal of)/ Impairment loss on financial assets

Group				
	2Q FY2024	2Q FY2023	1H FY2024	1H FY2023
	\$'000	\$'000	\$'000	\$'000
- Amount due from joint ventures and associates	(611)	-	(611)	-
- Contract assets	41	61	52	(97)
- Amount due from other receivables	29	-	29	-
- Amount due from trade receivables (third parties)	(1,644)	746	(1,572)	1,951
	<b>(2,185)</b>	<b>807</b>	<b>(2,102)</b>	<b>1,854</b>



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

The reversal of impairment loss from third parties was made based on recovery of the receivables. The reversal of impairment loss on amount due from associates resulted from progressive settlement of debts and reversal of prior year's impairment made in view of certainty of recoverability.

### Share of results of joint ventures and associates

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

	Group's effective interest	Group			
		2Q FY2024 \$'000	2Q FY2023 \$'000	1H FY2024 \$'000	1H FY2023 \$'000
<b>Joint ventures</b>					
Sindo-Econ group	50%	-	-	-	-
<b>Associates</b>					
PT. Hafar Capitol Nusantara ("PT Hafar")	36.75%	776	325	1,607	539
PT Capitol Nusantara Indonesia ("PT CNI")	27%	9	16	20	33
		<b>785</b>	<b>341</b>	<b>1,627</b>	<b>572</b>

The Group has restricted its share of losses from Sindo-Econ group to its cost of investment since 1Q FY2018. Sindo-Econ Pte Ltd commenced creditors' voluntary winding up on 21 July 2020, which is still on going in the current financial period.

The share of profit from PT Hafar of \$0.8 million in 2Q FY2024 was mainly due to increase in revenue contributed from its operating fleet.

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

### Profit/ (Loss) before tax

The Group recorded a profit before tax of \$0.5 million in 2Q FY2024 (2Q FY2023: loss before tax of \$11.9 million). This was mainly attributable to higher revenue and gross earnings and reversal of impairment loss on financial assets, partially offset by higher other operating expenses.

The Group recorded a profit before tax of \$5.3 million in 1H FY2024 (1H FY2023: loss before tax of \$19.9 million) mainly attributable to higher revenue and gross earnings, reversal of impairment loss on financial assets, higher share of results of associates, partially offset by lower other operating income.

Excluding the finance costs on amortisation of bank loans and bonds which pertained to amortisation of fair value adjustments resulting from re-measurement of long term bank loans and bonds in prior years, the Group's profit before tax would have been \$4.3 million in 2Q FY2024 (2Q FY2023: loss before tax of \$8.6 million) and \$12.3 million in 1H FY2024 (1H FY2023: loss before tax of \$13.2 million).

### Non-controlling interests

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

## **Consolidated Statement of Cash Flows**

The Group recorded a lower net cash inflow from operating activities of \$29.8 million in 1H FY2024 (1H FY2023: \$34.0 million) mainly attributable to increased level of business activities from all segments, partially offset by higher outflow of net working capital on trade and other payables.

The net cash inflow from investing activities of \$11.0 million in 1H FY2024 (1H FY2023: net cash outflow of \$7.4 million) was mainly due to net proceeds received from disposal/purchase of property, plant and equipment.

The higher net cash outflow from financing activities of \$44.5 million in 1H FY2024 (1H FY2023: \$26.9 million) was mainly due to higher repayment of interest-bearing loans and borrowings, partially offset by lower interest paid and higher restricted cash being released from project accounts upon completion.

## **Consolidated Statement of Financial Position**

### **Non-current assets**

#### **Property, plant and equipment**

Refer movement in property, plant and equipment during the period in section I (F), Note 3 of this report. Property, plant and equipment decreased by \$36.5 million (9.3%) from \$394.3 million as at 30 June 2023 to \$357.8 million as at 31 December 2023 mainly due to disposal and depreciation charge, partially offset by additions made.

The additions made during the period comprised:

	<b><u>\$'000</u></b>
Vessels and modification works	7,948
Plant and machinery, office equipment and motor vehicles	8,082
Leasehold property and buildings	121
Assets under construction	345
Drydocking expenditure on vessels capitalised	2,339
	<b><u>18,835</u></b>

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

#### **Right-of-use assets ("ROU assets")**

The ROU assets pertained to leases of plant and machinery, leasehold property and buildings as well as land use rights over plots of land in Indonesia and Singapore where the shipyards of the Group operate. ROU assets decreased by \$0.4 million (2.7%) to \$14.3 million as at 31 December 2023 was due to depreciation charge.

### **Current assets**

Current assets increased by \$5.9 million (4.0%) to \$152.4 million as at 31 December 2023 mainly due to increase in contract assets as well as trade and other receivables, partially offset by decrease in cash and cash equivalents and inventories.

#### **Contracts assets and liabilities**

Referring to the breakdown of contracts assets and liabilities in section (I) F, Note 6 of this report. The accrued revenue of \$14.1 million as at 31 December 2023 (30 June 2023: \$7.3 million) relates to shiprepair and shipchartering services completed but invoices not yet

raised at the end of financial period. Subsequent to the end of financial period, \$6.2 million of the accrued revenue have been invoiced.

The Group recorded a net construction work-in-progress in excess of progress billings of \$15.1 million as at 31 December 2023 (30 June 2023: \$17.1 million) mainly due to lower construction work in progress incurred for shiprepair projects.

Deferred income and deposits received from customers primarily relate to advance payments received from customers for which charter services have not been rendered and/or obligation to transfer goods. The deferred income and deposits will be recognised as income when the services are performed.

### Trade and other receivables

	Group		Increase/	
	31-Dec-23	30-Jun-23	(Decrease)	
	\$'000	\$'000	\$'000	%
<b>Trade and other receivables (current)</b>				
Trade receivables	42,465	39,029	3,436	8.8
Other receivables and deposits	13,123	11,162	1,961	17.6
Amounts due from related parties	388	390	(2)	(0.5)
Amounts due from joint ventures and associates	8,253	9,022	(769)	(8.5)
	<b>64,229</b>	<b>59,603</b>	<b>4,626</b>	<b>7.8</b>

The increase in trade receivables was mainly due to higher receivables from chartering segments, majority of which pertained to receivables from local infrastructure projects where billings were made towards the end of the reporting period. Trade receivables of \$18.6 million have been received subsequent to the end of financial period under review.

Other receivables and deposits comprised mainly receivables from sale of vessels, advances to suppliers and subcontractors and recoverable from customers. Increase in other receivables and deposits were mainly due to higher recoverable from customers, partially offset by lower insurance claimable.

### Inventories

Refer to breakdown of inventories in section (I) F, Note 5 of this report. The decrease of \$2.4 million (8.2%) was mainly due to disposal of one vessel held as inventories.

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

### **Current liabilities**

Current liabilities increased by \$3.2 million (1.3%) to \$249.4 million as at 31 December 2023. The increase was mainly due to higher income tax payable and contract liabilities due to increased business activities, partially offset by lower trade and other payables.

### Trade and other payables

Refer to breakdown of trade and other payables in section (I) F, Note 8 of this report. The decrease in trade payables was mainly due to lower accrual of operating expenses, partially offset by higher payables owing to subcontractors and suppliers with the pick-up of shipyard activities during the period under review.

## Total borrowings

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

	<b>Group (Carrying Value)</b>				<b>Group (Face Value)</b>			
	<b>31-Dec-23</b>	<b>30-Jun-23</b>	<b>Increase/ (Decrease)</b>		<b>31-Dec-23</b>	<b>30-Jun-23</b>	<b>Increase/ (Decrease)</b>	
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
<b>Current</b>								
Bonds	1,500	1,500	-	-	1,500	1,500	-	-
Trust receipts:								
- General	13,351	12,399	953	7.7	13,352	12,399	953	7.7
Term loans:								
- Vessels loan	9,498	8,867	631	7.1	11,118	10,650	468	4.4
- Assets financing	3,760	4,669	(909)	(19.5)	4,156	5,300	(1,144)	(21.6)
- Working capital	15,378	15,515	(137)	(0.9)	15,550	15,778	(228)	(1.4)
	28,636	29,051	(415)	(1.4)	30,824	31,728	(904)	(2.8)
Finance lease liabilities	1,470	1,012	458	45.3	1,470	1,012	458	45.3
	<b>44,957</b>	<b>43,962</b>	<b>995</b>	<b>2.3</b>	<b>47,146</b>	<b>46,639</b>	<b>507</b>	<b>1.1</b>
<b>Non-current</b>								
Bonds	115,355	110,907	4,448	4.0	129,750	130,500	(750)	(0.6)
Term loans:								
- Vessels loan	36,393	41,731	(5,338)	(12.8)	39,182	45,404	(6,222)	(13.7)
- Assets financing	4,291	17,146	(12,855)	(75.0)	4,858	18,162	(13,304)	(73.3)
- Working capital	27,059	45,994	(18,935)	(41.2)	27,304	46,258	(18,954)	(41.0)
	67,743	104,871	(37,128)	(35.4)	71,344	109,824	(38,480)	(35.0)
Finance lease liabilities	2,381	1,270	1,111	87.5	2,381	1,270	1,111	87.5
	<b>185,479</b>	<b>217,048</b>	<b>(31,569)</b>	<b>(14.5)</b>	<b>203,475</b>	<b>241,594</b>	<b>(38,119)</b>	<b>(15.8)</b>
	<b>230,436</b>	<b>261,010</b>	<b>(30,574)</b>	<b>(11.7)</b>	<b>250,621</b>	<b>288,233</b>	<b>(37,612)</b>	<b>(13.0)</b>
Total shareholders' funds	76,050	73,545						
Gearing ratio (times)	3.03	3.55						
Net gearing ratio (times)	2.91	3.21						

The Group's total borrowings (carrying value) decreased by \$30.6 million (11.7%) to \$230.4 million as at 31 December 2023 mainly due to prepayment of loans pursuant to disposal of mortgaged vessels as well as monthly repayment of interest-bearing loans and borrowings, partially offset by the accretion of interests on bank loans and bonds measured at fair value.

The Group re-measured its bonds and long term loans arising from the debts refinancing exercise at fair value (carrying value) pursuant to the adoption of SFRS(I)9. The face value (nominal value) of the bonds and long term loans, has been separately disclosed for information.

### **Non-current liabilities**

Non-current liabilities decreased by \$35.4 million (14.7%) to \$205.2 million as at 31 December 2023 mainly due to a) prepayment of loans pursuant to disposal of mortgaged vessels; b) repayment of other payables and c) transfer of current portion of contract liabilities (deferred income) to current liabilities where income is recognised over the period when the services were performed.

## **B. Variance from Prospect Statement**

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

## C. Outlook and Prospect

**A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

### 1. Market and industry outlook

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

The macro trends remain mixed and uncertain:

- a. The latest World Economic Outlook reports that the global economic recovery from the COVID-19 pandemic, Russia's invasion of Ukraine, and the cost-of-living crisis is proving surprisingly resilient. Inflation is falling faster than expected from its 2022 peak, with a smaller-than-expected toll on employment and activity, reflecting favorable supply-side developments and tightening by central banks, which has kept inflation expectations anchored. At the same time, high interest rates aimed at fighting inflation and a withdrawal of fiscal support amid high debt are expected to weigh on growth in 2024.

International Monetary Fund ("IMF") estimated global growth at 3.1 percent in 2023, and has projected it to remain at 3.1 percent in 2024 before rising modestly to 3.2 percent in 2025 on account of greater-than-expected resilience in the United States and several large emerging market and developing economies, as well as fiscal support in China. The forecast for 2024–25 is, however, below the historical (2000–19) average of 3.8 percent, with elevated central bank policy rates to fight inflation, a withdrawal of fiscal support amid high debt weighing on economic activity, and low underlying productivity growth. Inflation is on a downward trend in most regions, in the midst of unwinding supply-side issues and restrictive monetary policy. Global headline inflation is expected to fall to 5.8 percent in 2024 and to 4.4 percent in 2025, with the 2025 forecast revised down<sup>1</sup>.

- b. The anticipation of a more restrictive monetary policy and elevated interest rates, coupled with high energy costs, sluggish growth in real household income, and declining confidence, is projected to impede overall economic growth. The outlook for the transport and logistics industry is affected by disruptions in the supply chain and a deceleration in global trade and economic expansion.
- c. Policymakers are increasingly implementing fiscal policies that support growth in infrastructure, green energy, decarbonization, and sustainable resources projects. Though the wider economy can benefit from the stronger and higher spending in the long run, the projects are of long term commitments with higher financial risks and burden, and it does not guarantee short to mid-term realization.

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<sup>1</sup> IMF World Economic Outlook Update, Moderating Inflation and Steady Growth Open Path to Soft Landing January 2024

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

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

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

## **2. Business segments**

### **Shipbuilding, Shiprepair, Conversion and Engineering Services**

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

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

### **Shipchartering**

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

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

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

### **Order Book**

As at 31 December 2023, the Group had an outstanding shipbuilding order book from external customers of approximately \$86 million for 38 vessels with progressive deliveries up to early 2025 (3Q FY2025).

The Group's shipchartering revenue consists of mainly short-term and ad-hoc contracts. Approximately 23% of shipchartering revenue in 1H FY2024 was attributed to long-term chartering contracts (meaning contracts with a duration of more than one year). As at 31 December 2023, the Group had an outstanding ship chartering order book of approximately \$23 million with respect to long-term contracts. With the increase in demand for vessels from the traditional oil and gas industry, national infrastructure projects in the region and the emerging renewable energy market, we anticipate that we will be able to secure more employment for our fleet of vessels.

#### **D. Dividend**

No dividend has been declared for the six months ended 31 December 2023 and the previous corresponding period.

#### **E. Interested Person Transactions**

**If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not obtained a general mandate from shareholders for interested person transactions. During 1H FY2024, the Group did not have any interested person transactions (excluding transactions less than \$100,000) reportable under Rule 920 of the SGX-ST Listing Manual.

#### **F. Negative confirmation pursuant to Rule 705(5).**

We, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial statements of the Group and the Company for the second quarter ended 31 December 2023 to be false or misleading in any material aspect.

#### **G. Confirmation pursuant to Rule 720(1).**

The Company confirms that it has procured the undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 under Rule 720(1) of the SGX-ST Listing manual.

#### **H. Use of Proceeds**

Refer to breakdown of convertible securities in section (I) F, Note 10 of this report. As at 31 December 2023, 25,163,500 warrants were exercised since the date of issuance of warrants on 25 July 2019 and the number of shares that may be issued on exercise of warrants were 541,967,213 (31 December 2022: 565,770,713).

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

### **BY ORDER OF THE BOARD**

Ang Kok Tian  
Chairman, Managing Director and CEO  
14 February 2024