



**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 FOURTH QUARTER AND YEAR ENDED 30 JUNE 2021**

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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			
	30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-20		
	\$'000	\$'000	\$'000	\$'000		
<b>Non-current assets</b>						
	Property, plant and equipment	3	395,623	443,928	-	-
	Right-of-use assets		10,780	12,375	-	-
	Investment in subsidiaries		-	-	39,532	39,647
	Investment in joint ventures and associates		2,083	4,298	-	-
	Intangible assets	4	1,991	2,256	-	-
	Other receivables	7	-	-	4,650	3,100
	Finance lease receivables		6,441	4,952	-	-
			<b>416,918</b>	<b>467,809</b>	<b>44,182</b>	<b>42,747</b>
<b>Current assets</b>						
	Inventories	5	82,668	86,977	-	-
	Contract assets	6	20,636	22,678	-	-
	Trade and other receivables	7	55,744	63,182	237,168	278,664
	Prepayments		3,779	3,490	185	184
	Finance lease receivables		2,201	745	-	-
	Cash and bank balances		26,533	35,165	4,407	3,984
			<b>191,561</b>	<b>212,237</b>	<b>241,760</b>	<b>282,832</b>
	Assets classified as held for sale		-	1,047	-	-
			<b>191,561</b>	<b>213,284</b>	<b>241,760</b>	<b>282,832</b>
<b>Current liabilities</b>						
	Trade and other payables	8	124,338	148,823	82,044	108,233
	Contract liabilities	6	15,701	7,324	-	-
	Trust receipts	9	5,991	19,137	-	-
	Interest-bearing loans and borrowings	9	37,620	26,972	10,436	5,737
	Lease liabilities		2,069	2,052	-	-
	Income tax payables		6,451	6,129	14	14
			<b>192,170</b>	<b>210,437</b>	<b>92,494</b>	<b>113,984</b>
	<b>Net current (liabilities)/ assets</b>		<b>(609)</b>	<b>2,847</b>	<b>149,266</b>	<b>168,848</b>
<b>Non-current liabilities</b>						
	Amount due to joint ventures and associates	8	1,280	893	-	-
	Contract liabilities	6	15,246	56	-	-
	Other liabilities		3,381	3,633	-	-
	Interest-bearing loans and borrowings	9	285,014	313,511	160,621	162,514
	Lease liabilities		5,387	5,921	-	-
	Deferred tax liabilities		8,630	13,263	-	-
			<b>318,938</b>	<b>337,277</b>	<b>160,621</b>	<b>162,514</b>
	<b>Net assets</b>		<b>97,371</b>	<b>133,379</b>	<b>32,827</b>	<b>49,081</b>
<b>Equity attributable to owners of the Company</b>						
	Share capital	10	108,133	108,056	108,133	108,056
	Treasury shares		(923)	(923)	(923)	(923)
	Reserves		(9,042)	25,294	(74,383)	(58,052)
			<b>98,168</b>	<b>132,427</b>	<b>32,827</b>	<b>49,081</b>
	<b>Non-controlling interests</b>		<b>(797)</b>	<b>952</b>	<b>-</b>	<b>-</b>
	<b>Total equity</b>		<b>97,371</b>	<b>133,379</b>	<b>32,827</b>	<b>49,081</b>

## B. Consolidated Income Statement

Group						
Note	3 months ended 30 June			12 months ended 30 June		
	4Q FY2021 \$'000	4Q FY2020 \$'000	Inc/ (Dec) %	FY2021 \$'000	FY2020 \$'000	Inc/ (Dec) %
	<b>Revenue</b>	46,894	44,219	6.0	192,960	243,637
Cost of sales	(47,013)	(47,258)	(0.5)	(194,174)	(230,969)	(15.9)
<b>Gross (loss)/ profit</b>	<b>(119)</b>	<b>(3,039)</b>	<b>(96.1)</b>	<b>(1,214)</b>	<b>12,668</b>	<b>(109.6)</b>
Other operating income	4,168	3,590	16.1	12,102	12,953	(6.6)
Administrative expenses	(4,359)	(4,567)	(4.6)	(17,031)	(16,131)	5.6
Other operating expenses	(10,546)	(18,562)	(43.2)	(12,795)	(14,388)	(11.1)
Finance costs	(6,050)	(6,252)	(3.2)	(24,519)	(25,707)	(4.6)
Fair value adjustments arising from debt refinancing exercise	-	15,332	(100.0)	-	15,233	(100.0)
Reversal of/ (impairment losses) on financial assets	7,346	(1,766)	(516.0)	4,625	(4,765)	(197.1)
Share of results of joint ventures and associates	(567)	(450)	26.0	(1,777)	(1,122)	58.4
<b>Loss before tax</b>	<b>(10,127)</b>	<b>(15,714)</b>	<b>(35.6)</b>	<b>(40,609)</b>	<b>(21,259)</b>	<b>91.0</b>
Income tax credit	3,504	2,546	37.6	3,710	2,876	29.0
<b>Loss for the period/ year</b>	<b>(6,623)</b>	<b>(13,168)</b>	<b>(49.7)</b>	<b>(36,899)</b>	<b>(18,383)</b>	<b>100.7</b>
<b>Attributable to:</b>						
Owners of the Company	(6,415)	(13,116)	(51.1)	(35,015)	(23,633)	48.2
Non-controlling interests	(208)	(52)	300.0	(1,884)	5,250	(135.9)
	<b>(6,623)</b>	<b>(13,168)</b>	<b>(49.7)</b>	<b>(36,899)</b>	<b>(18,383)</b>	<b>100.7</b>
<b>Loss per share</b>						
(cents per share)						
Basic	(1.02)	(2.08)	(51.0)	(5.56)	(3.76)	47.9
Diluted	(1.02)	(2.08)	(51.0)	(5.56)	(3.76)	47.9
<b>Adjusted EBITDA* for the period/ year</b>	<b>12,062</b>	<b>6,797</b>	<b>77.5</b>	<b>48,173</b>	<b>68,954</b>	<b>(30.1)</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 30 June		12 months ended 30 June	
	4Q	4Q		
	FY2021	FY2020	FY2021	FY2020
	\$'000	\$'000	\$'000	\$'000
<b>Loss for the period/year</b>	<b>(6,623)</b>	<b>(13,168)</b>	<b>(36,899)</b>	<b>(18,383)</b>
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Translation differences relating to financial statements of foreign subsidiaries, net of tax **	(235)	(1,231)	986	(1,586)
Realisation of foreign currency translation reserves on disposal a subsidiary	(89)	(750)	(89)	(943)
Share of other comprehensive income of joint ventures and associates	(12)	(227)	(208)	199
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Remeasurement of defined benefit plan	127	312	127	212
<b>Other comprehensive income for the period, net of tax</b>	<b>(209)</b>	<b>(1,896)</b>	<b>816</b>	<b>(2,118)</b>
<b>Total comprehensive income for the period/ year</b>	<b>(6,832)</b>	<b>(15,064)</b>	<b>(36,083)</b>	<b>(20,501)</b>
<b>Attributable to:</b>				
Owners of the Company	(6,622)	(14,475)	(34,334)	(25,235)
Non-controlling interests	(210)	(589)	(1,749)	4,734
	<b>(6,832)</b>	<b>(15,064)</b>	<b>(36,083)</b>	<b>(20,501)</b>

### Note:

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

**D. Statements of Changes in Equity**

For the year ended 30-Jun-21									
Group	Attributable to owners of the Company								
	Share capital \$'000	Treasury shares \$'000	Foreign currency translation reserve \$'000	Warrant reserve \$'000	Accumulated profits \$'000	Total reserves \$'000	Equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total Equity \$'000
<b>FY2021</b>									
<b>At 1-Jul-20</b>	<b>108,056</b>	<b>(923)</b>	<b>(143)</b>	<b>899</b>	<b>24,538</b>	<b>25,294</b>	<b>132,427</b>	<b>952</b>	<b>133,379</b>
<b>Loss for the year</b>	-	-	-	-	(35,015)	<b>(35,015)</b>	<b>(35,015)</b>	(1,884)	<b>(36,899)</b>
<u>Other comprehensive income</u>									
Translation differences relating to financial statements of foreign subsidiaries, net of tax	-	-	826	-	-	<b>826</b>	<b>826</b>	160	<b>986</b>
Share of other comprehensive income of joint ventures and associates	-	-	(183)	-	-	<b>(183)</b>	<b>(183)</b>	(25)	<b>(208)</b>
Realisation of foreign currency translation reserves on dissolution of a subsidiary	-	-	(89)	-	-	<b>(89)</b>	<b>(89)</b>	-	<b>(89)</b>
Re-measurement of defined benefit plans	-	-	-	-	127	<b>127</b>	<b>127</b>	-	<b>127</b>
	-	-	554	-	127	<b>681</b>	<b>681</b>	135	<b>816</b>
<b>Total comprehensive income for the year</b>	-	-	554	-	(34,888)	<b>(34,334)</b>	<b>(34,334)</b>	(1,749)	<b>(36,083)</b>
<u>Contributions by to owners</u>									
Issue of ordinary shares from exercise of warrants	77	-	-	(2)	-	<b>(2)</b>	<b>75</b>	-	<b>75</b>
<b>At 30-Jun-21</b>	<b>108,133</b>	<b>(923)</b>	<b>411</b>	<b>897</b>	<b>(10,350)</b>	<b>(9,042)</b>	<b>98,168</b>	<b>(797)</b>	<b>97,371</b>

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

For the year ended 30-Jun-20										
Group	Attributable to owners of the Company									
	Share capital \$'000	Treasury shares \$'000	Foreign currency translation reserve \$'000	Warrant reserve \$'000	Accumulated profits \$'000	Total reserves \$'000	Reserve of disposal group classified as held for sale \$'000	Equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total Equity \$'000
<b>FY2020</b>										
At 1-Jul-19	108,056	(923)	1,671	-	47,959	49,630	193	156,956	(3,164)	153,792
Loss for the year	-	-	-	-	(23,633)	(23,633)	-	(23,633)	5,250	(18,383)
Other comprehensive income										
Translation differences relating to financial statements of foreign subsidiaries, net of tax	-	-	(1,423)	-	-	(1,423)	-	(1,423)	(163)	(1,586)
Share of other comprehensive income of joint ventures and associates	-	-	175	-	-	175	-	175	24	199
Realisation of foreign currency translation reserves on disposal of a subsidiary	-	-	(566)	-	-	(566)	(193)	(759)	(184)	(943)
Re-measurement of defined benefit plans	-	-	-	-	212	212	-	212	-	212
<b>Other comprehensive income for the year, net of tax</b>	-	-	(1,814)	-	212	(1,602)	(193)	(1,795)	(323)	(2,118)
<b>Total comprehensive income for the year</b>	-	-	(1,814)	-	(23,421)	(25,235)	(193)	(25,428)	4,927	(20,501)
Others										
Disposal of a subsidiary	-	-	-	-	-	-	-	-	1,278	1,278
Contributions by and distributions to owners										
Return of share capital to non-controlling interests	-	-	-	-	-	-	-	-	(2,089)	(2,089)
Issuance of rights warrants	-	-	-	899	-	899	-	899	-	899
<b>Total transactions with owners</b>	-	-	-	899	-	899	-	899	(2,089)	(1,190)
<b>At 30-Jun-20</b>	<b>108,056</b>	<b>(923)</b>	<b>(143)</b>	<b>899</b>	<b>24,538</b>	<b>25,294</b>	<b>-</b>	<b>132,427</b>	<b>952</b>	<b>133,379</b>

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

For the year ended 30-Jun-21 and 30-Jun-20						
<u>COMPANY</u>	Share capital \$'000	Treasury shares \$'000	Warrant reserve \$'000	Accumulated losses/ (profits) \$'000	Total reserves \$'000	Total equity \$'000
<b><u>FY2021</u></b>						
At 1-Jul-20	108,056	(923)	899	(58,951)	(58,052)	49,081
Loss for the year, representing total comprehensive income for the year	-	-	-	(16,329)	(16,329)	(16,329)
<b><u>Contributions by owners</u></b>						
Issue of ordinary shares from exercise of warrants	77	-	(2)	-	(2)	75
At 30-Jun-21	108,133	(923)	897	(75,280)	(74,383)	32,827
<b><u>FY2020</u></b>						
At 1-Jul-19	108,056	(923)	-	(76,053)	(76,053)	31,080
Profit for the year, representing total comprehensive income for the year	-	-	-	17,102	17,102	17,102
<b><u>Contributions by owners</u></b>						
Issuance of rights warrants	-	-	899	-	899	899
At 30-Jun-20	108,056	(923)	899	(58,951)	(58,052)	49,081

## E. Consolidated Statement of Cash Flows

	<b>Group</b>	
	12 months ended	
	30 June	
	FY2021	FY2020
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Loss before tax	(40,609)	(21,259)
<b>Adjustments for:</b>		
Amortisation of intangible assets	308	570
Depreciation of property, plant and equipment	55,450	56,226
Depreciation of right-of-use assets	3,212	3,312
Fair value adjustments arising from debt refinancing exercise	-	(15,233)
Gain on disposal of assets classified as held for sale	(981)	(605)
Gain on disposal of a subsidiary	-	(4,087)
Gain on disposal of property, plant and equipment	(5,291)	(1,859)
Gain on dissolution of a subsidiary	(89)	-
Gain on modification and termination of leases	(537)	-
Inventories written off	13	-
(Reversal of)/ impairment losses on financial assets (net):		
-amount due from:		
• joint ventures and associates	(5,354)	302
• companies related to directors	42	1
-contract assets	69	(157)
-other receivables	108	659
-trade receivables (third parties)	510	3,960
Impairment losses on non-financial assets		
-intangible assets	-	3,063
-inventories	6,578	9,494
-property, plant and equipment	2,150	1,608
Interest income	(602)	(644)
Interest expense	24,519	25,707
Property, plant and equipment written off	2	223
Reversal of provision for warranty (net)	(9)	(28)
(Reversal of)/ provision for pension liabilities	(20)	210
Share of results of joint venture and associates	1,777	1,122
<b>Operating cash flows before changes in working capital</b>	<b>41,246</b>	<b>62,585</b>
<b>Changes in working capital:</b>		
Inventories	(2,785)	2,203
Contract assets and liabilities	24,726	(13,818)
Trade and other receivables	2,006	11,561
Prepayments	(289)	1,321
Trade and other payables	(19,418)	(24,989)
Finance lease receivables	(3,142)	1,276
Other liabilities	(97)	(107)
Balances with related parties (trade)	3,207	1,351
<b>Cash flows generated from operations</b>	<b>45,454</b>	<b>41,383</b>
Interest received from finance lease receivables	380	184
Income tax paid	(6)	(530)
<b>Net cash flows generated from operating activities</b>	<b>45,828</b>	<b>41,037</b>
<b>Cash flows from investing activities</b>		
Interest received	38	52
Purchase of assets classified as held for sale	(1,000)	(478)
Purchase of property, plant and equipment	(18,896)	(10,345)
Proceeds from disposal of property, plant and equipment	13,433	7,188
Proceeds from disposal of assets classified as held for sale	4,800	1,083
Proceeds from disposal of a subsidiary	-	3,639
Payments to non-controlling interests upon disposal of a subsidiary	-	(3,143)
Return of capital to non-controlling interests upon capital reduction of a subsidiary	-	(2,089)
Balances with related parties (non-trade)	182	1,079
<b>Net cash flows used in investing activities</b>	<b>(1,443)</b>	<b>(3,014)</b>



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

	<b>Group</b>	
	12 months ended	
	30 June	
	FY2021	FY2020
	\$'000	\$'000
<b>Cash flows from financing activities</b>		
Interest paid	(12,660)	(16,778)
Repayment of interest-bearing loans and borrowings	(25,599)	(26,339)
Proceeds from interest-bearing loans and borrowings	-	7,068
Principal repayment of lease liabilities	(1,580)	(2,872)
Repayment of trust receipts	(29,063)	(20,796)
Proceeds from trust receipts	15,901	38,616
Proceeds from issuance of ordinary shares upon warrants exercise	75	-
Net proceeds from issuance of rights warrants	-	899
Cash and bank balances (restricted use)	5,107	(7,363)
<b>Net cash flows used in financing activities</b>	<b>(47,819)</b>	<b>(27,565)</b>
Net (decrease)/ increase in cash and cash equivalents	(3,434)	10,458
Cash and cash equivalents at beginning of year	17,650	7,151
Effects of exchange rate changes on cash and cash equivalents	(91)	41
<b>Cash and cash equivalents at end of year (Note 1)</b>	<b>14,125</b>	<b>17,650</b>

### **Note 1:**

Cash and cash equivalents comprise the followings:

Bank balances, fixed deposits and cash	26,533	35,165
Less: Restricted cash		
- Cash at banks	(12,408)	(17,515)
<b>Cash and cash equivalents at end of year</b>	<b>14,125</b>	<b>17,650</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**”) is a company incorporated in the Republic of Singapore on 4 October 2000 and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

These condensed consolidated interim financial statements as at and for the three months and year ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the “**Group**”).

The principal activity of the Group and the Company 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 three months and year ended 30 June 2021 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 2020. 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 2020.

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

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

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

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

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

The Group incurred loss after tax of \$36,899,000 (2020: \$18,383,000) for the financial year ended 30 June 2021 (“**FY2021**”) and as at that date, the Group’s current liabilities exceeded its current assets by \$609,000 (2020: net current asset position of \$2,847,000). As at 30 June 2021, the Group’s and Company’s total borrowings amounted to \$328,625,000 and \$171,057,000 (2020: \$359,620,000 and \$168,251,000) of which

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

\$43,611,000 and \$10,436,000 (2020: \$46,109,000 and \$5,737,000) were classified as current liabilities respectively.

The Group's businesses are capital intensive with aggregate value of property, plant and equipment and right-of-use assets of \$406,403,000, which represented 67% of its total assets of \$608,479,000 as of 30 June 2021. Bulk of these assets were financed through bank loans, bonds and leases of \$330,090,000, which represented 65% of its total liabilities as of 30 June 2021. The Group has been generating positive operating cash flows in fulfilling its debt repayment obligations, with most of its debts maturing in 2025 and beyond. The Group's current ratio stood at 0.99 as of 30 June 2021.

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's business fundamentals are reasonably sound in the context of the current economic climate and industry weakness. 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 \$48,173,000 for FY2021. For the past three years, 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 principle lenders provides the Group with short term trade financing when needed.
- (ii) Management has provided consistent and conscientious efforts in cost controls and cash flow enhancement measures, which include:
  - Planning and keeping track of project budget and setting performance parameters;
  - Regular operations review and close monitoring of project progress, schedule, cost and profitability;
  - Review by the management on all purchases and capital expenditures;
  - Increase suppliers' base;
  - Cutting overheads and administrative expenses which include measures such as redesigning of job scope for employees, control of headcount and salary freeze, reducing expenses of recurring nature;
  - Close collaboration with contractors and vendors to improve cashflow management, such as on credit terms, payment plans and debt settlements;
  - Strict management of credit terms offered to customers and timely billing of services; and
  - Strengthening of coordination among marketing, operations and finance departments in the collection of debts;
- (iii) Continuing support from principal lenders including trade line and project financing which provides a strong base in sustaining the businesses of the Group;
- (iv) Management has also considered the various COVID-19 support measures aided by the Singapore government, which included (a) the Jobs Support Scheme, (b) Foreign Worker Levy Rebates, and (c) enhanced financing support under the Temporary Bridging Loan Programme and Enterprise Financing Scheme as announced in the Singapore Budgets 2021; and

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

- (v) 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 outstanding as at reporting date.

## 2.4 Uses of estimates and judgements

The preparation of the condensed consolidated interim financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 11 – recognition of revenue from construction contracts

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are included in the following notes:

- Notes 3 – impairment test of property, plant and equipment
- Note 5 – determination of net realisable value of completed vessels included in finished goods
- Notes 6 and 7 – measurement of expected credit loss (ECL) allowance for trade and other receivables, contract assets and amounts due from subsidiaries

## 2.5 New and amended standards

During the current financial year, 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 2020.

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 year ended 30 June 2021. Accordingly, it has no material impact on the loss per share of the Group and the Company.

### 3. Property, plant and equipment

	Group	
	2021 \$'000	2020 \$'000
<b>Balance as at 1 July</b>	443,928	490,244
Additions	22,270	13,186
Disposals/ Write-off	(8,144)	(5,552)
Depreciation charge	(54,210)	(57,399)
Impairment on plant and equipment	(2,150)	(1,608)
Transfer from inventories	-	810
Transfer to assets classified as held for sale	-	(1,047)
Translation differences	(6,071)	5,294
<b>Balance as at 30 June</b>	<b>395,623</b>	<b>443,928</b>

#### Impairment of property, plant and equipment

During the financial year, the Group carried out a review of the recoverable amount of its property, plant and equipment as there were indicators of impairment. An impairment charge of \$2,150,000 (2020: \$1,608,000), representing the write-down of these property, plant and equipment to their recoverable amounts was recognised in "other operating expenses" line in the consolidated income statement. The recoverable amounts of these property, plant and equipment were based on fair value less cost of disposal.

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

	Group	
	2021 \$'000	2020 \$'000
Depreciation charge for the year	54,210	57,399
Depreciation included in construction work-in-progress carried forward	(3,216)	(4,458)
Depreciation previously included in inventories and construction work-in-progress now charged to profit or loss	4,456	3,285
Depreciation charge as disclosed in Note 15	<u>55,450</u>	<u>56,226</u>

### 4. Intangible assets

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

#### Impairment loss recognised

During the financial year, the Group carried out a review of the recoverable amount of its intangible assets and there were no further impairment required. In the previous financial year, \$3,063,000 were recognised to write down the carrying amount of the intangible assets. The impairment losses have been recognised in the "other operating expenses" line in the consolidated income statement.

## 5. Inventories

Group	
As at 30 June 2021	As at 30 June 2020
\$'000	\$'000

### Statement of financial position:

Raw materials and consumables (at cost or net realisable value)	13,993	11,421
Finished goods (at cost or net realisable value)	68,675	75,556
Total inventories	82,668	86,977

Group			
3 months ended 30 June		12 months ended 30 June	
2021	2020	2021	2020
\$'000	\$'000	\$'000	\$'000

### Consolidated income statement:

Inventories recognised as an expense in cost of sales	270	573	2,711	3,521
Inventories written down recognised as an expense in other operating expenses	6,578	9,227	6,578	9,494

### Inventories written down to net realisable value

The Group carried out a review of the recoverable amount of its inventories and recognised impairment losses of \$6,578,000 (2020: \$5,813,000) on vessels included in finished goods. The net realisable values of vessels were determined by external independent valuation expert and management has estimated the cost of disposal.

In the previous financial year, the Group recognised impairment losses of \$3,681,000 on the materials, equipment, subcontractor costs and overheads (included in Raw materials and consumables) of one unit of seismic support vessel and two offshore supply support vessels for which contracts were previously cancelled.

## 6. Contracts assets and contract liabilities

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

Group		
As at 30 June 2021	As at 30 June 2020	
\$'000	\$'000	
<b>Contract assets</b>		
<i>Current</i>		
Accrued revenue	10,008	4,971
Construction work-in-progress	10,628	17,707
Total contract assets	20,636	22,678
<b>Contract liabilities</b>		
<i>Current</i>		
Deferred income and deposits received from customers	(8,051)	(5,395)
Progress billings in excess of construction work-in-progress	(7,650)	(1,929)
	(15,701)	(7,324)
<i>Non-current</i>		
Deferred income	(15,246)	(56)
Total contract liabilities	(30,947)	(7,380)

## 6. Contracts assets and contract liabilities (Cont'd)

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

	<b>Group</b>	
	<b>As at 30 June 2021 \$'000</b>	<b>As at 30 June 2020 \$'000</b>
Construction work-in-progress and attributable profits (less recognised losses) to date	20,672	40,827
Less: Progress billings	(17,694)	(25,049)
	2,978	15,778
Presented as:		
Construction work-in-progress	10,628	17,707
Progress billings in excess of construction work-in-progress	(7,650)	(1,929)
	2,978	15,778

## 7. Trade and other receivables

	<b>Group</b>		<b>Company</b>	
	<b>As at 30 June 2021 \$'000</b>	<b>As at 30 June 2020 \$'000</b>	<b>As at 30 June 2021 \$'000</b>	<b>As at 30 June 2020 \$'000</b>
<b><u>Non-current</u></b>				
Other receivables:				
Amount due from a subsidiary	-	-	4,650	3,100
<b><u>Current</u></b>				
Trade receivables	69,970	81,322	-	-
Less: Allowance for impairment	(28,647)	(31,655)	-	-
	41,323	49,667	-	-
Other receivables and deposits	9,944	11,261	20	20
Amounts due from subsidiaries	-	-	325,488	360,743
Amounts due from joint ventures and associates	62,855	71,078	2,596	2,691
Amounts due from companies related to directors	433	574	-	-
	73,232	82,913	328,104	363,454
Less: Allowance for impairment				
Other receivables	(1,111)	(1,014)	-	-
Amounts due from subsidiaries	-	-	(88,340)	(82,099)
Amounts due from joint ventures and associates	(57,656)	(68,376)	(2,596)	(2,691)
Amounts due from companies related to directors	(44)	(8)	-	-
	(58,811)	(69,398)	(90,936)	(84,790)
	14,421	13,515	237,168	278,664
<b>Total trade and other receivables (current)</b>	55,744	63,182	237,168	278,664
<b>Total trade and other receivables (current and non-current)</b>	55,744	63,182	241,818	281,764

## 8. Trade and other payables

	Group		Company	
	As at 30 June 2021 \$'000	As at 30 June 2020 \$'000	As at 30 June 2021 \$'000	As at 30 June 2020 \$'000
<b>Non-current</b>				
Amounts due to an associate	1,280	893	-	-
<b>Current</b>				
Trade payables and accruals	107,572	127,121	3,900	5,298
Payables for property, plant and equipment	1,187	3,674	-	-
Other payables	2,437	3,212	-	-
Other liabilities				
- Deferred income	1,332	2,083	-	-
- Deposits received from customers	3,966	3,788	-	-
Amounts due to subsidiaries	-	-	78,144	102,935
Amounts due to joint ventures and associates	263	1,374	-	-
Amounts due to companies related to directors	749	724	-	-
Amounts due to non-controlling interests of subsidiaries	206	213	-	-
Amounts due to a shareholder	6,620	6,620	-	-
Provision for warranty	6	14	-	-
	124,338	148,823	82,044	108,233
<b>Total trade and other payables (current and non-current)</b>	125,618	149,716	82,044	108,233

## 9. Loans and Borrowings

	Group		Company	
	As at 30 June 2021 \$'000	As at 30 June 2020 \$'000	As at 30 June 2021 \$'000	As at 30 June 2020 \$'000
<b>Current</b>				
Trust receipts	5,991	19,137	-	-
Interest-bearing loans and borrowings				
- Finance lease liabilities -secured	362	1,705	-	-
- Floating rate - secured	33,080	22,872	10,436	5,737
- Fixed rate -secured	1,238	1,145	-	-
- Fixed rate -unsecured	2,940	1,250	-	-
	37,620	26,972	10,436	5,737
	43,611	46,109	10,436	5,737
<b>Non-current</b>				
Interest-bearing loans and borrowings				
- Finance lease liabilities -secured	457	1,711	-	-
- Floating rate - secured	277,224	300,215	160,621	162,514
- Fixed rate -secured	1,294	2,606	-	-
- Fixed rate -unsecured	6,039	8,979	-	-
	285,014	313,511	160,621	162,514
Total loans and borrowings	328,625	359,620	171,057	168,251

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



## 9. Loans and Borrowings (Cont'd)

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 Notes are secured by second priority mortgages of vessels pledged as 30 June 2021.

## 10. Share capital and treasury shares

	Group and Company			
	Number of shares		Amount	
	Issued share capital	Treasury shares	Issued share capital \$'000	Treasury shares \$'000
<b>Fully paid ordinary shares, with no par value</b>				
<u>2021</u>				
Balance at 1 July	629,266,941	2,511,600	108,056	(923)
Issue of ordinary shares from exercise of warrants	1,240,000	-	77	-
Balance at 30 June	<u>630,506,941</u>	<u>2,511,600</u>	<u>108,133</u>	<u>(923)</u>
<u>2020</u>				
Balance at 1 July and 30 June	<u>629,266,941</u>	<u>2,511,600</u>	<u>108,056</u>	<u>(923)</u>

As at	30-Jun-21	30-Jun-20
Total number of issued shares	633,018,541	631,778,541
Total number of treasury shares	(2,511,600)	(2,511,600)
Total number of issued shares (excluding treasury shares)	<u>630,506,941</u>	<u>629,266,941</u>

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.

The Company's subsidiaries did not hold any treasury shares as at 30 June 2021.

### Treasury shares

Treasury shares relate to ordinary shares of the Company that are held by the Company. During the financial years ended 30 June 2021 and 30 June 2020, 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 30-Jun-21	As at 30-Jun-20
Balance as at 1 July	567,130,713	567,130,713
Warrants exercised	(1,240,000)	-
Balance as at 30 June	<u>565,890,713</u>	<u>567,130,713</u>

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

### Other information

The percentage of the aggregate number of treasury shares held against the total number of shares outstanding that is listed as at 30 June 2021 and 30 June 2020 is 0.40% respectively.

Except for the warrants, there were no convertible securities as at 30 June 2021 and 30 June 2020. As at 30 June 2021, 1,240,000 warrants were exercised since the date of issuance of warrants on 25 July 2019 and the number of shares that may be issued on exercise of warrants were 565,890,713 (30 June 2020: 567,130,713). Subsequent to 30 June 2021, an additional of 120,000 warrants were exercised.

There were no outstanding share options granted under the ASL Employee Share Option Scheme 2012 as at 30 June 2021 and 30 June 2020.

The Company has no subsidiary holdings as at 30 June 2021.

## 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)

From 1 April 2021 to 30 June 2021	3 months ended 30 June					Consolidated \$'000
	Shipbuilding \$'000	Shiprepair, conversion and engineering services \$'000	Shipchartering and rental \$'000	Investment holding \$'000	Eliminations \$'000	
<b>Revenue</b>						
Revenue from external customers	1,513	21,319	24,062	-	-	46,894
Inter-segment revenue	3,869	11,132	6,592	-	(21,593)	-
Total revenue	<u>5,382</u>	<u>32,451</u>	<u>30,654</u>	<u>-</u>	<u>(21,593)</u>	<u>46,894</u>
<b>Results</b>						
Segment results	(1,106)	4,270	(6,534)	(304)	-	(3,674)
Interest income from finance lease receivables			164			164
Finance costs						(6,050)
Share of results of joint ventures and associates						(567)
Tax credit						3,504
Loss for the period						<u>(6,623)</u>
<b>Assets</b>						
Segment assets	91,017	166,815	343,781	4,783	-	606,396
Unallocated assets						2,083
Total assets						<u>608,479</u>
<b>Liabilities</b>						
Segment liabilities	28,328	76,115	59,041	3,918	-	167,402
Unallocated liabilities						343,706
Total liabilities						<u>511,108</u>
<b>From 1 April 2020 to 30 June 2020</b>						
	Shipbuilding \$'000	Shiprepair, conversion and engineering services \$'000	Shipchartering and rental \$'000	Investment holding \$'000	Eliminations \$'000	Consolidated \$'000
<b>Revenue</b>						
Revenue from external customers	6,485	17,551	20,183	-	-	44,219
Inter-segment revenue	2,734	16,983	4,360	-	(24,077)	-
Total revenue	<u>9,219</u>	<u>34,534</u>	<u>24,543</u>	<u>-</u>	<u>(24,077)</u>	<u>44,219</u>
<b>Results</b>						
Segment results	(7,706)	(7,125)	(10,042)	382	-	(24,491)
Interest income from finance lease receivables			147			147
Finance costs						(6,252)
Fair value adjustments arising from debt refinancing exercise						15,332
Share of results of joint ventures and associates						(450)
Tax expense						2,546
Loss for the period						<u>(13,168)</u>
<b>Assets</b>						
Segment assets	128,212	172,520	371,686	4,377	-	676,795
Unallocated assets						4,298
Total assets						<u>681,093</u>
<b>Liabilities</b>						
Segment liabilities	33,389	79,530	50,466	5,317	-	168,702
Unallocated liabilities						379,012
Total liabilities						<u>547,714</u>

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

From 1 July 2020 to 30 June 2021	12 months ended 30 June					Consolidated \$'000
	Shipbuilding \$'000	Shiprepair, conversion and engineering services \$'000	Shipchartering and rental \$'000	Investment holding \$'000	Eliminations \$'000	
<b>Revenue</b>						
Revenue from external customers	24,606	83,052	85,302	-	-	192,960
Inter-segment revenue	10,045	44,297	24,488	-	(78,830)	-
<b>Total revenue</b>	<b>34,651</b>	<b>127,349</b>	<b>109,790</b>	<b>-</b>	<b>(78,830)</b>	<b>192,960</b>
<b>Results</b>						
Segment results	(2,852)	6,404	(17,417)	(1,012)	-	(14,877)
Interest income from finance lease receivables			564			564
Finance costs						(24,519)
Share of results of joint ventures and associates						(1,777)
Tax credit						3,710
<b>Loss for the year</b>						<b>(36,899)</b>
<b>Assets</b>						
Segment assets	91,017	166,815	343,781	4,783	-	606,396
Unallocated assets						2,083
<b>Total assets</b>						<b>608,479</b>
<b>Liabilities</b>						
Segment liabilities	28,328	76,115	59,041	3,918	-	167,402
Unallocated liabilities						343,706
<b>Total liabilities</b>						<b>511,108</b>
<b>From 1 July 2019 to 30 June 2020</b>						
	<b>Shipbuilding \$'000</b>	<b>Shiprepair, conversion and engineering services \$'000</b>	<b>Shipchartering and rental \$'000</b>	<b>Investment holding \$'000</b>	<b>Eliminations \$'000</b>	<b>Consolidated \$'000</b>
<b>Revenue</b>						
Revenue from external customers	36,266	75,019	132,352	-	-	243,637
Inter-segment revenue	12,047	48,613	32,342	-	(93,002)	-
<b>Total revenue</b>	<b>48,313</b>	<b>123,632</b>	<b>164,694</b>	<b>-</b>	<b>(93,002)</b>	<b>243,637</b>
<b>Results</b>						
Segment results	(7,835)	(7,294)	9	4,865	-	(10,255)
Interest income from finance lease receivables			592			592
Finance costs						(25,707)
Fair value adjustments arising from debt refinancing exercise						15,233
Share of results of joint ventures and associates						(1,122)
Tax expense						2,876
<b>Loss for the year</b>						<b>(18,383)</b>
<b>Assets</b>						
Segment assets	128,212	172,520	371,686	4,377	-	676,795
Unallocated assets						4,298
<b>Total assets</b>						<b>681,093</b>
<b>Liabilities</b>						
Segment liabilities	33,389	79,530	50,466	5,317	-	168,702
Unallocated liabilities						379,012
<b>Total liabilities</b>						<b>547,714</b>

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

	3 months ended 30 June				
	Shipbuilding \$'000	Shiprepair, conversion and engineering services \$'000	Shipchartering and rental \$'000	Investment holding \$'000	Consolidated \$'000
<b>From 1 Apr 2021 to 30 June 2021</b>					
Capital expenditure	(17)	46	4,411	-	4,440
Depreciation and amortisation	966	3,470	9,922	-	14,358
Other non-cash (income)/ expenses	(21)	28	-	-	7
Impairment losses/ (reversal of impairment losses) on financial assets	73	(2,560)	(4,764)	(95)	(7,346)
Impairment loss on property, plant and equipment	21	55	2,074	-	2,150
Impairment loss on inventories	-	-	6,578	-	6,578
Finance cost	1,585	4,402	1,357	(1,294)	6,050
Interest income	-	(2)	(165)	(1)	(168)
<b>From 1 Apr 2020 to 30 June 2020</b>					
Capital expenditure	(408)	(502)	1,923	-	1,013
Depreciation and amortisation	931	3,434	11,045	-	15,410
Other non-cash expenses	132	314	-	-	446
Impairment losses on financial assets	98	602	991	75	1,766
Impairment loss on property, plant and equipment	244	460	904	-	1,608
Impairment loss on inventories	3,681	-	5,546	-	9,227
Impairment loss on intangible assets	-	3,063	-	-	3,063
Finance cost	671	2,095	1,268	2,218	6,252
Interest income	(1)	(4)	(150)	(1)	(156)
<b>12 months ended 30 June</b>					
<b>From 1 July 2020 to 30 June 2021</b>					
Capital expenditure	302	982	20,986	-	22,270
Depreciation and amortisation	4,865	12,445	41,660	-	58,970
Other non-cash expenses/ (income)	(21)	6	-	-	(15)
Impairment losses/ (reversal of impairment losses) on financial assets	269	(119)	(4,680)	(95)	(4,625)
Impairment loss on property, plant and equipment	21	55	2,074	-	2,150
Impairment loss on inventories	-	-	6,578	-	6,578
Finance cost	2,655	7,087	5,892	8,885	24,519
Interest income	(3)	(23)	(575)	(1)	(602)
<b>From 1 July 2019 to 30 June 2020</b>					
Capital expenditure	1,581	2,847	8,758	-	13,186
Depreciation and amortisation	4,267	12,056	43,785	-	60,108
Other non-cash (income)/ expenses	132	273	-	-	405
(Reversal of)/ impairment losses on financial assets	(17)	2,300	2,407	75	4,765
Impairment loss on property, plant and equipment	244	460	904	-	1,608
Impairment loss on inventories	3,681	-	5,813	-	9,494
Impairment loss on intangible assets	-	3,063	-	-	3,063
Finance cost	4,281	8,300	6,211	6,915	25,707
Interest income	(7)	(19)	(612)	(6)	(644)

## 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 entities.

3 months ended 30 June							
From 1 April 2021 to 30 June 2021	Singapore \$'000	Indonesia \$'000	Rest of Asia \$'000	Europe \$'000	Australia \$'000	Other Countries \$'000	Consolidated \$'000
Revenue from external customers	24,304	5,768	8,163	3,435	1,175	4,049	46,894
Non-current assets	231,044	138,641	43,349	3,884	-	-	416,918
From 1 April 2020 to 30 June 2020							
Revenue from external customers	20,076	12,085	4,335	1,983	3,174	2,566	44,219
Non-current assets	256,500	159,825	47,085	4,399	-	-	467,809
12 months ended 30 June							
From 1 July 2020 to 30 June 2021	Singapore \$'000	Indonesia \$'000	Rest of Asia \$'000	Europe \$'000	Australia \$'000	Other Countries \$'000	Consolidated \$'000
Revenue from external customers	94,710	32,438	39,163	7,875	12,418	6,356	192,960
Non-current assets	231,044	138,641	43,349	3,884	-	-	416,918
From 1 July 2019 to 30 June 2020							
Revenue from external customers	102,497	50,995	47,099	14,863	22,524	5,659	243,637
Non-current assets	256,500	159,825	47,085	4,399	-	-	467,809

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

## 11.2 Disaggregation of revenue

Group	3 months ended 30 June						12 months ended 30 June					
	2021			2020			2021			2020		
	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
<i>Shipbuilding segment</i>												
- Construction of tugs	-	-	-	-	2,795	2,795	9,318	7,123	16,441	-	18,857	18,857
- Construction of barges and others	140	1,373	1,513	3,690	-	3,690	6,714	1,451	8,165	17,409	-	17,409
	140	1,373	1,513	3,690	2,795	6,485	16,032	8,574	24,606	17,409	18,857	36,266
<i>Shiprepair, conversion and engineering services segment</i>												
- Provision of shiprepair and related services	-	19,140	19,140	-	17,407	17,407	-	75,230	75,230	-	69,977	69,977
- Provision of engineering service and sales of components	51	2,128	2,179	-	144	144	3,411	4,411	7,822	1,375	3,667	5,042
	51	21,268	21,319	-	17,551	17,551	3,411	79,641	83,052	1,375	73,644	75,019
<i>Shipchartering segment</i>												
- Leasing income	-	9,801	9,801	-	9,571	9,571	-	30,157	30,157	-	59,135	59,135
- Mobilisation and demobilisation income	-	7,182	7,182	-	117	117	-	9,675	9,675	-	1,958	1,958
- Freight income	-	2,365	2,365	-	659	659	-	9,610	9,610	-	27,797	27,797
- Other charter ancillary and marine related service income	1,576	2,650	4,226	1,407	7,972	9,379	9,994	23,824	33,818	5,596	29,916	35,512
- Ship management income	-	150	150	-	143	143	-	600	600	-	545	545
- Trade sales	297	41	338	314	-	314	1,274	168	1,442	7,405	-	7,405
	1,873	22,189	24,062	1,721	18,462	20,183	11,268	74,034	85,302	13,001	119,351	132,352
	2,064	44,830	46,894	5,411	38,808	44,219	30,711	162,249	192,960	31,785	211,852	243,637

## 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 30 June							
	2021	2020	2021	2020	2021	2020	2021	2020
	Shipbuilding		Shiprepair, conversion and engineering services		Shipchartering and rental		Total	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Singapore	881	-	9,441	8,850	13,982	11,226	24,304	20,076
Indonesia	139	3,690	3,746	2,790	1,883	5,605	5,768	12,085
Rest of Asia	-	-	1,773	2,276	6,390	2,059	8,163	4,335
Europe	-	-	2,927	1,967	508	16	3,435	1,983
Australia	-	2,795	683	18	492	361	1,175	3,174
Other Countries	493	-	2,749	1,650	807	916	4,049	2,566
	<u>1,513</u>	<u>6,485</u>	<u>21,319</u>	<u>17,551</u>	<u>24,062</u>	<u>20,183</u>	<u>46,894</u>	<u>44,219</u>

Group	12 months ended 30 June							
	2021	2020	2021	2020	2021	2020	2021	2020
	Shipbuilding		Shiprepair, conversion and engineering services		Shipchartering and rental		Total	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Singapore	959	194	46,659	30,759	47,092	71,544	94,710	102,497
Indonesia	6,714	17,215	12,219	11,658	13,505	22,122	32,438	50,995
Rest of Asia	9,318	-	9,820	12,800	20,025	34,299	39,163	47,099
Europe	-	-	7,305	13,134	570	1,729	7,875	14,863
Australia	7,122	18,857	2,838	1,925	2,458	1,742	12,418	22,524
Other Countries	493	-	4,211	4,743	1,652	916	6,356	5,659
	<u>24,606</u>	<u>36,266</u>	<u>83,052</u>	<u>75,019</u>	<u>85,302</u>	<u>132,352</u>	<u>192,960</u>	<u>243,637</u>



### 11.3 Seasonality of operations

The Group's shipyard and shipchartering businesses are not affected significantly by seasonal factors during the financial year.

### 12. Other operating income

	<b>Group</b>			
	<b>3 months ended 30 June</b>		<b>12 months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	\$'000	\$'000	\$'000	\$'000
Gain on disposal of assets classified as held for sale	237	-	981	605
Gain on disposal of a subsidiary	-	816	-	4,087
Gain on disposal of property, plant and equipment	1,292	392	5,291	1,859
Gain on dissolution of a subsidiary	89	-	89	-
Gain on foreign exchange (net)	304	-	-	2,661
Gain on modification and termination of leases	527	-	537	-
Government grants	668	1,870	2,848	1,870
Insurance claims	548	1	612	42
Interest income from debt instruments at amortised costs				
- deposits and bank balances	4	9	38	52
- finance lease receivables	164	147	564	592
Miscellaneous income	222	269	646	671
Rental income	113	86	496	514
	<b>4,168</b>	<b>3,590</b>	<b>12,102</b>	<b>12,953</b>

### 13. Other operating expenses

	<b>Group</b>			
	<b>3 months ended 30 June</b>		<b>12 months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	\$'000	\$'000	\$'000	\$'000
Impairment losses on non-financial assets:				
- intangible assets	-	3,063	-	3,063
- inventories	6,578	9,227	6,578	9,494
- property, plant and equipment	2,150	1,608	2,150	1,608
	8,728	13,898	8,728	14,165
Inventories written off	-	-	13	-
Loss on foreign exchange (net)	-	4,441	2,234	-
Property, plant and equipment written off	-	223	2	223
Contract-related settlements	1,818	-	1,818	-
	<b>10,546</b>	<b>18,562</b>	<b>12,795</b>	<b>14,388</b>

## 14. Finance costs

	<b>Group</b>			
	<b>3 months ended 30 June</b>		<b>12 months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	\$'000	\$'000	\$'000	\$'000
Interest expense on:				
- bank loans and notes	5,850	6,004	23,672	24,647
- finance lease	12	49	118	210
- lease liabilities	188	199	729	850
- trust receipts	39	180	422	478
	<u>6,089</u>	<u>6,432</u>	<u>24,941</u>	<u>26,185</u>
Less:				
Interest expense capitalised in contract assets				
- trust receipts	(2)	(37)	(8)	(112)
Interest expense charged to cost of sales				
- trust receipts	(37)	(143)	(414)	(366)
Finance costs	<u>6,050</u>	<u>6,252</u>	<u>24,519</u>	<u>25,707</u>
Fair value adjustments on debt securities arising from refinancing exercise, net	-	(15,332)	-	(15,233)

## 15. Loss before tax

	<b>Group</b>			
	<b>3 months ended 30 June</b>		<b>12 months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	\$'000	\$'000	\$'000	\$'000
<b>Loss before tax is stated after charging/(crediting):</b>				
Amortisation of intangible assets	78	145	308	570
Audit fees paid/payable:				
- auditor of the Company	61	74	264	359
- overseas affiliates of the auditors of the Company	21	33	87	93
- other auditors	17	19	18	55
Non-audit fees paid/payable to auditor of the Company	3	(9)	14	7
Depreciation of property, plant and equipment	13,601	14,497	55,450	56,226
Depreciation of right-of-use assets	679	768	3,212	3,312
Employee benefits expense	8,508	9,062	34,539	38,635
(Reversal of)/ impairment losses on financial assets (net):				
- amount due from:				
• joint ventures and associates	(4,119)	570	(5,354)	302
• companies related to directors	42	1	42	1
- contract assets	57	(557)	69	(157)
- other receivables	(76)	109	108	659
- trade receivables (third parties)	(3,250)	1,643	510	3,960

## 16. Income tax credit

The major components of income tax (expense)/credit are:

	<b>Group</b>			
	<b>3 months ended 30 June</b>		<b>12 months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	\$'000	\$'000	\$'000	\$'000
<b>Current income tax:</b>				
Current income tax	(2,400)	(1,406)	(2,400)	(1,549)
Over/(under)-provision in respect of prior years	2,335	(121)	1,895	439
	<u>(65)</u>	<u>(1,527)</u>	<u>(505)</u>	<u>(1,110)</u>
<b>Deferred tax:</b>				
Movements in temporary differences	3,499	2,339	3,556	2,445
Over provision in respect of prior years	70	1,734	659	1,541
	<u>3,569</u>	<u>4,073</u>	<u>4,215</u>	<u>3,986</u>
Total income tax credit	<u>3,504</u>	<u>2,546</u>	<u>3,710</u>	<u>2,876</u>

## 17. Loss per share

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

Diluted earnings per share are calculated by dividing loss, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year 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 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 30 June</b>		<b>12 months ended 30 June</b>	
	<b>4Q FY2021</b>	<b>4Q FY2020</b>	<b>FY2021</b>	<b>FY2020</b>
<b>Earnings per ordinary share:</b>				
(i) On weighted average no. of ordinary shares in issue	(1.02) cents	(2.08) cents	(5.56) cents	(3.76) cents
(ii) On a fully diluted basis	(1.02) cents	(2.08) cents	(5.56) cents	(3.76) cents
<b>Net loss attributable to shareholders:</b>				
	(\$6,415,000)	(\$13,116,000)	(\$35,015,000)	(\$23,633,000)
<b>Number of shares in issue:</b>				
(i) Weighted average no. of shares in issue	629,290,831	629,266,941	629,290,831	629,266,941
(ii) On a fully diluted basis	629,290,831	629,266,941	629,290,831	629,266,941

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.

## 18. Net asset value per share

	Group		Company	
	30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-20
Net Asset Value (NAV) per ordinary share	15.57 cents	21.04 cents	5.21 cents	7.80 cents
NAV computed based on no. of ordinary shares issued	630,506,941	629,266,941	630,506,941	629,266,941

The calculation of net asset value per share as at 30 June 2021 and 30 June 2020 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 period/ year:

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

	Group			
	3 months ended 30 June		12 months ended 30 June	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>Joint ventures and associates</b>				
Charter and trade expenses	(834)	(267)	(2,081)	(1,349)
Purchase of materials	-	-	-	(1,147)
Purchase of vessels	-	-	-	(479)
Rental of premises billed	-	-	-	949
Shipcharter income	-	501	(15)	1,802
Shiprepair income	-	-	64	398
Trade sales income	-	-	-	21
<b>Companies related to directors and founder</b>				
Charter and trade expenses	(13)	(84)	(2)	(690)
Consultancy fees	-	-	-	(15)
Engineering income	-	-	-	28
Miscellaneous income	-	-	39	-
Purchase of materials	-	(54)	(226)	(21)
Purchase of plant and machinery	-	(400)	-	(400)
Rental expense	-	(36)	-	(362)
Rental income	-	-	-	154
Shipcharter income	-	3	-	50
Shiprepair income	-	-	-	(1,390)
Trade sales income	-	1	-	118

<sup>1</sup> The credit balance arose from discounts granted.

	Company			
	3 months ended 30 June		12 months ended 30 June	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>Subsidiaries</b>				
Interest income	1,252	4,996	5,535	7,223

## 19. Related party transactions (Cont'd)

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

	<b>Group</b>			
	<b>3 months ended 30 June</b>		<b>12 months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	\$'000	\$'000	\$'000	\$'000
Joint ventures and associates	226	277	861	968
Joint ventures and associates	5	-	(939)	(1)
Companies related to directors and founder	-	37	-	972
Companies related to directors and founder	(1,381)	(301)	(1,381)	(2,801)

#### Companies related to directors and the founder:

Two of the Directors and the founder of the Company have a deemed equity interest of 53.76% (2020: 53.76%) in Koon Holdings Limited, a company (under proposed scheme of arrangements) listed on the Australian Securities Exchange Limited and the SGX-ST. Koon Holdings Limited and its subsidiaries ("Koon Group") are in the business of providing infrastructure and civil engineering services, specialising in reclamation and shore protection works. During last financial year, transactions entered by the Group with the Koon Group included provision of ship chartering services, trade sales income, rental income, charter and trade expenses, and consultancy fees.

Outstanding balances due from/to related parties at the end of the reporting period are disclosed in Note 7 and Note 8 to the financial statements.

## 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.

	<b>Group</b>		<b>Company</b>	
	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>30 June 2021</b>	<b>30 June 2020</b>	<b>30 June 2021</b>	<b>30 June 2020</b>
	\$'000	\$'000	\$'000	\$'000
<b><u>Financial assets not measured at fair value</u></b>				
Trade and other receivables	55,744	63,182	241,818	281,764
Accrued revenue	10,008	4,971	-	-
Finance lease receivables	8,642	5,697	-	-
Cash and bank balances	26,533	35,165	4,407	3,984
<b>At amortised cost</b>	<b>100,927</b>	<b>109,015</b>	<b>246,225</b>	<b>285,748</b>

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

### (i) Financial assets and financial liabilities (Cont'd)

	Group		Company	
	As at 30 June 2021 \$'000	As at 30 June 2020 \$'000	As at 30 June 2021 \$'000	As at 30 June 2020 \$'000
<b><u>Financial liabilities not measured at fair value</u></b>				
Trade and other payables*	120,314	143,831	82,044	108,233
Trust receipts	5,991	19,137	-	-
Interest bearing loans and borrowings	322,634	340,483	171,057	168,251
Lease liabilities	7,456	7,973	-	-
<b>At amortised cost</b>	<b>456,395</b>	<b>511,424</b>	<b>253,101</b>	<b>276,484</b>

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

### (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 years 30 June 2021 and 2020.

#### (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 of \$45,828,000 (2020: \$56,132,000) 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.

###### Inventories

The recoverable amounts of certain inventories of \$67,419,000 (2020: \$78,864,000) 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.

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

- (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	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Financial liabilities</b>				
Finance lease liabilities (Non-current) (Note 9)	457	1,711	434	1,669
Fixed rate loans (Non-current) (Note 9)	7,333	11,585	6,638	9,838

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 \$46.9 million for the 3 months ended 30 June 2021 ("4Q FY2021") was \$2.7 million (6.0%) higher compared to the corresponding quarter in FY2020 ("4Q FY2020"). For the 12 months ended 30 June 2021 ("FY2021"), the Group revenue of \$193.0 million was \$50.7 million (20.8%) lower compared to the corresponding year ended 30 June 2020 ("FY2020").

Details for revenue generated from each segment are as follows:

	Group					
	4Q		Increase/ (Decrease) %	4Q		Increase/ (Decrease) %
	FY2021	FY2020		FY2021	FY2020	
\$'000	\$'000	\$'000	\$'000	\$'000	%	
Shipbuilding	1,513	6,485	(76.7)	24,606	36,266	(32.2)
Shiprepair, conversion and engineering services	21,319	17,551	21.5	83,052	75,019	10.7
Shipchartering	24,062	20,183	19.2	85,302	132,352	(35.5)
	<b>46,894</b>	<b>44,219</b>	<b>6.0</b>	<b>192,960</b>	<b>243,637</b>	<b>(20.8)</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									
	4Q		Increase/ (Decrease) %	4Q		FY2021		FY2020		Increase/ (Decrease) %
	Units	\$'000		Units	\$'000	Units	\$'000	Units	\$'000	
Tugs	-	-	3	2,795	(100.0)	4	16,441	3	18,857	(12.8)
Barges and others	3	1,513	6	3,690	(59.0)	13	8,165	23	17,409	(53.1)
	<b>3</b>	<b>1,513</b>	<b>9</b>	<b>6,485</b>	<b>(76.7)</b>	<b>17</b>	<b>24,606</b>	<b>26</b>	<b>36,266</b>	<b>(32.2)</b>

Shipbuilding revenue of \$24.6 million decreased by \$5.0 million to \$1.5 million in 4Q FY2021 as compared to last corresponding quarter under review due to fewer projects undertaken.

Shipbuilding revenue in FY2021 was \$11.7 million (32.2%) lower as compared to last corresponding year mainly attributable to fewer units of barges delivered and recognised based on Completion method.



## Shiprepair, conversion and engineering services

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

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

	Group					
	4Q	4Q	Increase/	FY2021	FY2020	Increase/
	FY2021	FY2020	(Decrease)			
\$'000	\$'000	%	\$'000	\$'000	(Decrease)	
Shiprepair, conversion and engineering services	21,194	17,366	22.0	82,206	73,832	11.3
Other marine related services	125	185	(32.4)	846	1,187	(28.7)
	<b>21,319</b>	<b>17,551</b>	<b>21.5</b>	<b>83,052</b>	<b>75,019</b>	<b>10.7</b>

Shiprepair, conversion and engineering services revenue increased by \$3.8 million (22.0%) to \$21.0 million in 4Q FY2021 mainly due to more shiprepair jobs undertaken. In 4Q FY2020, there were delay/cancellation in confirmation of shiprepair job orders and suspension of ongoing projects as a result of travel restrictions imposed on owners' representatives and shipyard technicians.

The higher revenue of shiprepair, conversion and engineering services in FY2021 as compared to last corresponding year was mainly due to recognition of prior year projects from certain customers upon finalization.

## Shipchartering

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

	Group					
	4Q	4Q	Increase/	FY2021	FY2020	Increase/
	FY2021	FY2020	(Decrease)			
\$'000	\$'000	%	\$'000	\$'000	(Decrease)	
Offshore Support Vessels ("OSV")	3,286	4,288	(23.4)	13,756	19,510	(29.5)
Landing crafts	22	244	(91.0)	522	724	(27.9)
Tug Boats	8,738	6,461	35.2	28,013	52,645	(46.8)
Barges	8,129	6,581	23.5	24,010	40,961	(41.4)
<b>Total charter</b>	<b>20,175</b>	<b>17,574</b>	<b>14.8</b>	<b>66,301</b>	<b>113,840</b>	<b>(41.8)</b>
Trade sales and other services	3,887	2,609	49.0	19,001	18,512	2.6
	<b>24,062</b>	<b>20,183</b>	<b>19.2</b>	<b>85,302</b>	<b>132,352</b>	<b>(35.5)</b>

Charter revenue increased by \$2.6 million (14.8%) to \$20.2 million in 4Q FY2021 mainly due to revenue contribution from a new long term overseas charter contract which commenced in December 2020, partially offset by lower charter revenue from OSV.

Charter revenue decreased by \$47.5 million (41.8%) to \$66.3 million in FY2021 mainly due to:

- (i) Lower utilisation rate of OSV (4Q FY2021: 49%; 4Q FY2020: 64%; FY2021: 53%; FY2020: 78%) partly due to early termination of one OSV in 2Q FY2020 and two chemical tankers in 4Q FY2020;
- (ii) Certain of the major local infrastructure projects were being affected by COVID-19 pandemic in Singapore, resumed fully in February 2021; and
- (iii) Completion of two major overseas infrastructure projects in 3Q FY2020 and 1Q FY2021, partially offset by an additional long term overseas charter contract which commenced in December 2020.

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

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

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

	Group							
	4Q FY2021		4Q FY2020		FY2021		FY2020	
	\$'000	GPM	\$'000	GPM	\$'000	GPM	\$'000	GPM
Shipbuilding	49	3.2%	126	1.9%	814	3.3%	2,115	5.8%
Shiprepair, conversion and engineering services	3,183	14.9%	490	2.8%	12,920	15.6%	5,651	7.5%
Shipchartering	(3,351)	(13.9%)	(3,655)	(18.1%)	(14,948)	(17.5%)	4,902	3.7%
	<u>(119)</u>	<u>(0.3%)</u>	<u>(3,039)</u>	<u>(6.9%)</u>	<u>(1,214)</u>	<u>(0.6%)</u>	<u>12,668</u>	<u>5.2%</u>

### Shipbuilding

The lower gross profit and gross margins in FY2021 as compared to corresponding year were attributed to the construction of tugs which were completed and delivered with slight cost overruns.

### Shiprepair, conversion and engineering services

Gross profit increased by \$2.7 million to \$3.2 million (GPM 14.9%) in 4Q FY2021. The low gross profit and gross margin in 4Q FY2020 was mainly due to competitive pricing in weak market and absorption of manpower overheads over a lower revenue base.

Gross profit increased by \$7.3 million to \$12.9 million (GPM: 15.6%) in FY2021 as compared to the corresponding year mainly attributed to recognition of prior year projects from certain customers upon finalization during the financial year.

## Shipchartering

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

	Group							
	4Q FY2021		4Q FY2020		FY2021		FY2020	
	\$'000	GPM	\$'000	GPM	\$'000	GPM	\$'000	GPM
OSV	(2,994)	(91.1%)	673	15.7%	(6,836)	(49.7%)	2,717	13.9%
Landing crafts	(254)	Nm	(380)	(155.7%)	(688)	(131.8%)	(2,523)	(348.5%)
Tug boats and Barges	(722)	(4.3%)	(4,468)	(34.3%)	(13,698)	(26.3%)	(612)	(0.7%)
<b>Total charter</b>	<b>(3,970)</b>	<b>(19.7%)</b>	<b>(4,175)</b>	<b>(23.8%)</b>	<b>(21,222)</b>	<b>(32.0%)</b>	<b>(418)</b>	<b>(0.4%)</b>
Trade sales and other services	619	15.9%	520	19.9%	6,274	33.0%	5,320	28.7%
	<b>(3,351)</b>	<b>(13.9%)</b>	<b>(3,655)</b>	<b>(18.1%)</b>	<b>(14,948)</b>	<b>(17.5%)</b>	<b>4,902</b>	<b>3.7%</b>

Despite increase in revenue, gross loss in 4Q FY2021 was marginally lower as compared to 4Q FY2020 as the Group incurred demobilization expenses of \$0.9 million for taking re-delivery of one OSV from its charterer.

Higher gross loss and gross loss margin for charter in FY2021 were mainly due to lower revenue generated which were insufficient to cover the fixed operating costs of the chartering fleet which included depreciation charge of \$9.9 million and \$41.6 million in 4QFY2021 and FY2021 respectively.

### Other operating income

Refer to breakdown of other operating income in section (I) F, Note 12 of this report. The other operating income decreased by \$0.9 million to \$12.1 million in FY2021. The higher government grants, gain on disposal of property, plant and equipment and gain on modification and termination of leases in FY2021 were offset by the absence of gains on foreign exchange and disposal of a subsidiary in FY2020.

The government grants mainly pertained to COVID-19 relief measures provided by the Singapore Government for wages paid to local employees under the Jobs Support Scheme (“**JSS grant**”) and rebates for foreign workers levy.

The gain on modification and termination of leases recorded in 4Q FY2021 mainly resulted from re-measurement of the lease liability arising from the waiver of rental and extension of lease term of excavators utilised in shipchartering operations.

The gain of disposal of a subsidiary in FY2020 arose from the Group’s disposal of its entire equity interest in its 60% owned subsidiary, Jiangmen Hongda Shipyard Ltd in August 2019.

The net foreign exchange gain recorded in FY2020 mainly pertained to unrealised exchange gain due to the appreciation of USD against SGD on SGD denominated liabilities for certain subsidiaries whose accounts are maintained in USD, partially offset by the appreciation of IDR against SGD on IDR denominated liabilities.

	30 Jun 2021	31 Mar 2021	30 Jun 2020	31 Mar 2020	30 Jun 2019
USD against SGD	1.3445	1.3470	1.3932	1.4238	1.3537
IDR against SGD	10,781	10,818	10,265	11,495	10,446

## Other operating expenses

Refer to breakdown of other operating expenses in section (I) F, Note 13 of this report. The other operating expense decreased by \$1.6 million to \$12.8 million in FY2021. In FY2021, despite a decrease in impairment losses on non-financial assets, the Group however recorded a net loss on foreign exchange and incurred contract-related settlements.

The impairment losses on non-financial assets decreased by \$5.4 million to \$8.7 million in FY2021, comprised impairment on:

- i) Inventories (Finished goods) of \$6.6 million on three Platform Support Vessels (“PSVs”), which the Group holds as inventories, impaired based on fair market value assessed by independent professional valuers; and
- ii) Property, plant and equipment of \$2.2 million on the Group’s chartering fleet of vessels, impaired based on fair market value assessed by independent professional valuers.

The net foreign exchange loss in FY2021 was mainly due to depreciation of USD against SGD on SGD denominated liabilities for certain subsidiaries whose accounts are maintained in USD, partially offset by the depreciation of IDR against SGD on IDR denominated liabilities.

The net foreign exchange loss in 4Q FY2020 was mainly due to depreciation of USD against SGD on SGD denominated liabilities for certain subsidiaries whose accounts are maintained in USD, coupled with the appreciation of IDR against SGD on IDR denominated liabilities.

The contract-related settlements recorded in 4Q FY2021 pertained to the settlement of certain contractual claims without any admission of liability by the Group. The individual terms of all such settlements are required to be kept confidential.

## Finance costs

	Group			
	4Q FY2021 \$'000	4Q FY2020 \$'000	FY2021 \$'000	FY2020 \$'000
Interest expense on:				
Bank loans and bonds	2,728	3,373	11,370	15,395
Lease liabilities	200	248	847	1,060
Amortisation of bank loans and bonds	3,122	2,631	12,302	9,252
	6,050	6,252	24,519	25,707

There were higher amortisation of bank loans and bonds, partially offset by lower interest expense incurred on floating rate bank loans. The amortisation of bank loans and bond pertained to amortisation of fair value adjustments resulting from re-measurement of long term bank loans and bonds in prior years.

## Fair value adjustments arising from debt refinancing exercise

The fair value gain of \$15.2 million in FY2020 resulted from the re-measurement of fair value of certain long term loans that were subject to re-financing.

## Impairment losses on financial assets

	Group			
	4Q	4Q	FY2021	FY2020
	FY2021	FY2020		
<b>(Reversal of)/ impairment losses on financial assets, net</b>				
- amount due from:				
• joint ventures and associates	(4,119)	570	(5,354)	302
• companies related to directors	42	1	42	1
- contract assets	57	(557)	69	(157)
- other receivables	(76)	109	108	659
- trade receivables (third parties)	(3,250)	1,643	510	3,960
	<b>(7,346)</b>	<b>1,766</b>	<b>(4,625)</b>	<b>4,765</b>
<b>Impairment losses on non-financial assets (recorded under other operating expenses)</b>	8,728	13,898	8,728	14,165
<b>Total impairment losses</b>	<b>1,382</b>	<b>15,664</b>	<b>4,103</b>	<b>18,930</b>

The impairment losses on financial assets included allowances made on trade and other receivables, impaired based on expected credit loss model and specific impairment made on certain debts where recovery is uncertain.

The reversal of impairment loss on amount due from joint ventures and associates resulted from progressive settlement of the debts and reversal of prior year's impairment made in view of certainty of recoverability.

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

## Share of results of joint ventures and associates

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

	Group's effective interest	Group			
		4Q	4Q	FY2021	FY2020
		FY2021	FY2020		
<u>Joint ventures</u>					
Sindo-Econ group	50%	-	-	-	-
<u>Associates</u>					
PT. Hafar Capitol Nusantara ("PT Hafar")	36.75%	(622)	(505)	(1,998)	(1,343)
PT Capitol Nusantara Indonesia ("PT CNI")	27%	55	55	221	221
		<b>(567)</b>	<b>(450)</b>	<b>(1,777)</b>	<b>(1,122)</b>

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

The share of loss from PT Hafar of \$0.6 million in 4Q FY2021 was mainly due to absence of charter income and foreign exchange loss on IDR denominated liabilities recorded during the quarter under review.

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

### **Loss before tax**

The Group recorded a lower loss before tax of \$10.1 million in 4Q FY2021 (4Q FY2020: \$15.7 million) mainly due to lower gross loss, impairment losses on financial and non-financial assets, partially offset by absence of fair value adjustments arising from debt refinancing exercise recorded in 4Q FY2020.

The Group recorded a higher loss before tax of \$40.6 million in FY2021 (FY2020: \$21.3 million) mainly due to gross loss and absence of fair value adjustments arising from debt refinancing exercise recorded in FY2020, partially offset by lower impairment losses on financial and non-financial assets in FY2021.

### **Income tax credit**

The Group's income tax credit of \$3.7 million in FY2021 was mainly due to utilization of deferred tax assets previously not recognised and tax losses from certain subsidiaries had been utilized by other subsidiaries within the Group under group tax relief.

### **Non-controlling interests**

Non-controlling interests' share of loss of \$0.2 million for 4Q FY2021 and \$1.9 million for FY2021 mainly pertains to the portion of results of its non-wholly owned subsidiaries in Indonesia.

Non-controlling interests' share of profit of \$5.3 million in FY2020 mainly pertained to i) their share of profit on gain on disposal of the China Subsidiary of \$5.8 million, partially offset by ii) their share of loss of the Group's non-wholly owned subsidiaries in Indonesia of \$0.5 million.

### **Consolidated Statement of Cash Flows**

The Group recorded a higher net cash inflow from operating activities of \$45.8 million in FY2021 (FY2020: \$41.0 million) mainly due to lower construction work-in-progress incurred, partially offset by lower operating cash flows, receipts from customers and payment to suppliers.

The lower cash outflow from investing activities of \$1.4 million in FY2021 (FY2020: \$3.0 million) was mainly due to higher net proceeds from disposal of assets classified as held for sale and absence of payments made to non-controlling interests from the disposal of the China Subsidiary and return of capital on capital reduction exercise, partially offset by higher net purchase of property, plant and equipment and absence of proceeds from disposal of the China Subsidiary in FY2020.

The higher net cash outflow from financing activities of \$47.8 million in FY2021 (FY2020: \$27.6 million) was mainly due to higher net repayments on trust receipts, partially offset by lower interest paid, higher restricted cash being released upon completion of shipbuilding projects and absence of proceeds from temporary bridging loans received in last corresponding year.

## **Consolidated Statement of Financial Position**

### **Non-current assets**

#### **Property, plant and equipment (“PPE”)**

PPE decreased by \$48.3 million (10.9%) from \$443.9 million as at 30 June 2020 to \$395.6 million as at 30 June 2021. Refer movement in property, plant and equipment during the year in section I (F), Note 3 of this report.

The additions made during the year mainly comprised:

	<b>\$'000</b>
- vessels and modification works	10,059
- plant and equipment, office equipment and motor vehicles	2,638
- leasehold property and buildings, drydocks, quays and ancillary	244
- assets under construction	72
- drydocking expenditure on vessels capitalised	9,257
	<hr/> <b>22,270</b> <hr/>

The additions included assets of \$1.1 million swapped with the Koon Group (companies related to directors) pursuant to the deed of settlement entered as disclosed in Note 38 of the FY2020 Annual Report.

During the year under review, majority of vessels, plant and equipment were acquired to support long-term overseas charter contracts. These assets were financed with disposal proceeds from plant and equipment and assets classified as held for sale, settlement of debts owing to the Group in-kind and internal resources.

#### **Right-of-use assets (“ROU assets”)**

The ROU assets pertained to leases of plant and equipment, leasehold properties and buildings as well as land use rights over plots of land in Indonesia and Singapore where the shipyards of the Group operate. ROU assets decreased by \$1.6 million (12.9%) to \$10.8 million as at 30 June 2021 mainly due to depreciation charge of \$3.2 million, partially offset by additions of \$1.8 million.

### **Current assets**

Current assets decreased by \$21.7 million (10.2%) to \$191.6 million as at 30 June 2021 mainly due to lower cash and bank balances, trade and other receivables and inventories.

#### **Inventories**

Refer to breakdown of inventories in section (I) F, Note 5 of this report. Majority of the raw materials are inventories meant for ongoing shipbuilding and shiprepair projects. Finished goods comprised mainly three PSVs and dredge component parts. The decrease in inventories mainly due to impairment made on the PSVs, partially offset by more steel plates purchased during the year under review.

## Trade and other receivables

	<b>Group</b>			
	<b>30-Jun-21</b>	<b>30-Jun-20</b>	<b>Increase/ (Decrease)</b>	
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
Trade receivables	41,323	49,667	(8,344)	(16.8)
Other receivables and deposits	8,833	10,247	(1,414)	(13.8)
Amount due from related parties				
- joint ventures and associates	5,199	2,702	2,497	92.4
- companies related to directors	389	566	(177)	(31.3)
	<b>55,744</b>	<b>63,182</b>	<b>(7,438)</b>	<b>(11.8)</b>

The trade receivables decreased by \$8.3 million (16.8%) to \$41.3 million as at 30 June 2021 partly due to settlement-in-kind entered with certain customers. Trade receivables of \$18.9 million have been received subsequent to the financial year under review.

Other receivables and deposits comprised mainly receivables from sale of vessels, advances to suppliers and subcontractors and recoverable from customers. The reduction was mainly due to lower advances to suppliers and subcontractors and lower JSS grant receivable.

The increase in amount due from joint ventures and associates mainly due to reversal of prior year's impairment made in view of certainty of recoverability.

Assets classified as held for sale as at 30 June 2020 comprised two barges which were subsequently sold in 1Q FY2021.

## **Current liabilities**

Current liabilities decreased by \$18.3 million (8.7%) from \$210.4 million as at 30 June 2020 to \$192.2 million as at 30 June 2021. The decrease was mainly due to lower trade and other payables and trust receipts partially offset by higher contract liabilities and interest-bearing loans and borrowings.

## 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 and other payables was mainly due to progressive payments to suppliers and subcontractors during the year.

## Contracts assets and liabilities

Refer to breakdown of contracts assets and liabilities in section (I) F, Note 6 of this report. The accrued revenue primarily relates to the shiprepair and shipchartering services completed but not yet billed at the end of reporting period, of which \$4.8 million have been billed subsequent to the financial year under review.

Net construction work-in-progress in excess of progress billings for shipbuilding and shiprepair projects decreased by \$12.8 million (81.1%) to \$3.0 million as at 30 June 2021, mainly due to completion of shipbuilding projects during the current year under review.

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. The increase was mainly due to advance receipts from shipchartering customers on new long-term overseas charter contracts.



## Total borrowings

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

	Group (Carrying Value)				Group (Face Value)			
	30-Jun-21	30-Jun-20	Increase/ (Decrease)		30-Jun-21	30-Jun-20	Increase/ (Decrease)	
	\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000	%
<b>Current</b>								
<b>Bonds</b>	1,500	1,500	-	-	1,500	1,500	-	-
<b>Trust receipts</b>								
- shipbuilding related	-	10,492	(10,492)	(100.0)	-	10,492	(10,492)	(100.0)
- general	5,991	8,645	(2,654)	(30.7)	5,991	8,645	(2,654)	(30.7)
	5,991	19,137	(13,146)	(68.7)	5,991	19,137	(13,146)	(68.7)
<b>Term loans</b>								
- vessels loan	9,152	8,200	952	11.6	11,585	8,935	2,650	29.7
- assets financing	7,924	3,400	4,524	133.1	9,054	4,678	4,376	93.5
- working capital	18,682	12,167	6,515	53.5	19,244	12,837	6,407	49.9
	35,758	23,767	11,991	50.5	39,883	26,450	13,433	50.8
<b>Finance lease liabilities</b>	362	1,705	(1,343)	(78.8)	362	1,705	(1,343)	(78.8)
	<b>43,611</b>	<b>46,109</b>	<b>(2,498)</b>	<b>(5.4)</b>	<b>47,736</b>	<b>48,792</b>	<b>(1,056)</b>	<b>(2.2)</b>
<b>Non-current</b>								
<b>Bonds</b>	95,734	89,496	6,238	7.0	133,500	135,000	(1,500)	(1.1)
<b>Term loans</b>								
- vessels loan	59,412	66,767	(7,355)	(11.0)	67,227	78,967	(11,740)	(14.9)
- assets financing	57,164	70,934	(13,770)	(19.4)	60,506	75,746	(15,240)	(20.1)
- working capital	72,247	84,603	(12,356)	(14.6)	72,943	85,661	(12,718)	(14.8)
	188,823	222,304	(33,481)	(15.1)	200,676	240,374	(39,698)	(16.5)
<b>Finance lease liabilities</b>	457	1,711	(1,254)	(73.3)	457	1,711	(1,254)	(73.3)
	<b>285,014</b>	<b>313,511</b>	<b>(28,497)</b>	<b>(9.1)</b>	<b>334,633</b>	<b>377,085</b>	<b>(42,452)</b>	<b>(11.3)</b>
<b>Total borrowings</b>	<b>328,625</b>	<b>359,620</b>	<b>(30,995)</b>	<b>(8.6)</b>	<b>382,369</b>	<b>425,877</b>	<b>(43,508)</b>	<b>(10.2)</b>
<b>Total shareholders' funds</b>	<b>98,168</b>	<b>132,427</b>						
<b>Gearing ratio (times)</b>	<b>3.35</b>	<b>2.72</b>						
<b>Net gearing ratio (times)</b>	<b>3.08</b>	<b>2.45</b>						

The decrease in current portion of total borrowings (carrying value) by \$2.5 million (5.4%) to \$43.6 million as at 30 June 2021 was mainly due to repayment of trust receipts and finance lease liabilities, partially offset by increase in current portion of term loans.

The Group's current portion of term loans (carrying value) increased by \$12.0 million (50.5%) to \$35.8 million as at 30 June 2021 mainly due to the 8 months deferment of principal repayment from May 2020 to December 2020 granted by the lenders to the respective loans maturity dates. There were no deferment remaining as at 30 June 2021 as compared to 6 months of deferral as of 30 June 2020.

The Group's total borrowings (carrying value) decreased by \$31.0 million (8.6%) to \$328.6 million as at 30 June 2021 mainly due to net repayment of interest-bearing loans and borrowings and trust receipts, partially offset by the accretion of interests on bank loans and bonds measured at fair value.

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

### Non-current liabilities

Non-current liabilities decreased by \$18.4 million to \$318.9 million as at 30 June 2021 mainly due to decrease in the non-current portion of the Group's total borrowings, partially offset by higher contract liabilities due to advance receipts from shipchartering customers on long-term charter contracts.

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

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

Macro trends remain mixed and uncertain in near term in view of

- a. WTI crude oil price was trading at around US\$63 a barrel as of 20 August 2021. Recent oil prices came under pressure with concerns about a recovery in demand stoked by increasing coronavirus infections while the commodity was weighed by a climb in the US dollar's value against major currencies<sup>1</sup>.

Growth prospects depend on many factors, including the magnitude and duration of the COVID-19 pandemic, the degree to which current containment measures are maintained or reinforced, the time until an effective treatment or vaccine is effectively deployed, and the extent to which significant fiscal and monetary policy actions support revival of market demand.

- b. Global GDP is projected to rise by 5¾ per cent in 2021 and close to 4½ per cent in 2022. The world economy has now returned to pre-pandemic activity levels, but will remain short of what was expected prior to the crisis by end-2022<sup>2</sup>.
- c. Governments and public authorities may selectively proceed on infrastructure projects as soon as normality returns so as to reinvigorate the construction industry and the wider economy. This will spread across all areas of transport infrastructure and energy and utilities. The post COVID-19 long-term prospects for infrastructure investment in the Asia-Pacific region remain positive, reflecting the need to expand and modernise transport infrastructure and utilities to cope

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<sup>1</sup> Carla Mozée, "Oil prices drop to 3-month low with pressure building from demand concerns and a stronger US dollar" (19 August 2021)

<sup>2</sup> OECD Economic Outlook, Volume 2021 Issue 1

<sup>3</sup> Jenny Lescohier, "Asia-Pacific region poised for infrastructure investment" (11 June 2020) <https://www.khl.com/international-construction/asia-pacific-region-poised-for-infrastructure-investment/144532.article> (accessed 11 December 2020)

with the region's demand growth amid rising economic prosperity and urbanisation<sup>3</sup>.

While it is difficult to prognosticate when normality will return or when we will adjust to a new normal, the management, with the support of various stakeholders, will continue to navigate and manage foreseeable risks and long-run disruptions that the current political, social, and economic environment presents.

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

## **2. Business segments**

### Shipbuilding, Shiprepair, Conversion and Engineering Services

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

For shiprepair segment, the Group expanded its dry-docking capacity in Singapore yard with a floating dock to capture the local shiprepair market for bunkering vessels and cargo ships. The Group is actively expanding its marketing network and engaging international customers. Seaborne transport is essential for international trade and upswing of shipping activities which will spur the demand for maintenance and shiprepairs.

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

The Group will continue to improve its operational efficiency and tighten cost control to enhance its competitiveness.

### Shipchartering

The diversified vessel types in our fleet are expected to lend support to our chartering business. We expect continued inflow of business from customers in the marine infrastructure industry (such as land reclamation and dredging, port and bridge construction) and cargo transportation sectors (such as carriage of aggregates and nickel) in South Asia and South East Asia.

### Order Book

As at 30 June 2021, the Group had an outstanding shipbuilding order book from external customers of approximately \$28 million for 5 vessels with progressive deliveries up to 1Q FY2023.

The Group's shipchartering revenue consists of mainly short-term and ad-hoc contracts. Approximately 31% of shipchartering revenue in FY2021 was attributed to long-term chartering contracts (meaning contracts with a duration of more than one year). As at 30 June 2021, the Group had an outstanding ship chartering order book of approximately \$55 million with respect to long-term contracts.

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

### **3. Financing arrangements**

#### Continuing support from principal lenders

The project financing and trade line facilities activated in August 2019 provides a strong base in sustaining the businesses of the Group. The Group received an eight months deferment of principal repayment for the period from May 2020 to December 2020 on certain loans to its respective maturity dates.

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

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

The above have helped to alleviate and sustain the Group's operating cash flows amid this challenging period.

### **4. Update on the Group's Operations in relation to the COVID-19 Pandemic**

The Board wishes to update as follows:

- a. The Group has participated in the COVID-19 vaccination programme in Singapore.
- b. Our shipbuilding operations in Singapore will be progressively delivering its existing order books of tugs and barges within expected deliveries.
- c. Demand for ship repair services are still affected by COVID-19 related movement controls in Indonesia and Singapore, with more restrictive measures introduced since December 2020 for both countries. The Singapore authorities have put in place certain Mandatory Precautionary Measures that apply to all inbound vessels arriving in Singapore-based shipyards for repair calls. These measures impose obligations which must be complied with by both vessel owner and the yard before the yard is able to accept the vessel. During repair operations, there are also additional protocols implemented to minimize personnel contact. Similarly for Indonesia, additional COVID-19 measures for sign-off crew and even vaccination requirements are implemented.
- d. The Group expects continued pressure on charter rates due to market competition and COVID-19 pandemic situation. The management will continue to focus on increasing utilisation of its fleet, widening geographical coverage and raising operational efficiency.

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

## D. Dividend

No dividend has been declared or recommended for the three months and the year ended 30 June 2021 and, the previous corresponding periods after taking into consideration the operating requirement, cash flow position of the Group and the current market weakness, and to conserve cash for working capital usage.

## E. Interested Person Transactions

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

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

During FY2021, the following interested person transactions were entered into by the Group:

Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual)  \$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual (excluding transactions less than \$100,000)  \$'000
<u>Purchase of goods and services</u> Sintech Metal Industries Pte Ltd	Wholly owned by Mr. Ang Sin Liu  242	-

### Notes:

Mr. Ang Sin Liu is the father of Ang Kok Tian, Ang Ah Nui and Ang Kok Leong, all of whom are Directors and substantial shareholders of the Company. He is also the father of Ang Kok Eng and Ang Swee Kuan, both of whom are also the substantial shareholders of the Company. Each of them is deemed to have an interest in the shares held by the other.

## F. 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.

## G. Breakdown of Sales

	Group			
	FY2021 \$'000	FY2020 \$'000	Increase/ (Decrease) \$'000	%
Sales reported for first half year	81,569	119,764	(38,195)	(31.9)
Operating loss after tax before deducting non-controlling interests reported for first half year	(25,631)	(10,386)	(15,245)	146.8
Sales reported for second half year	111,391	123,873	(12,482)	(10.1)
Operating loss after tax before deducting non-controlling interests reported for second half year	(11,268)	(7,997)	(3,271)	40.9

## H. Disclosure pursuant to Rule 704(13)

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

Name	Age	Family relationship with any director, chief executive officer and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Ang Kok Tian	60	<p>Brother of Ang Ah Nui and Ang Kok Leong, both of whom are Directors and substantial shareholders of the Company.</p> <p>Son of Ang Sin Liu and brother of Ang Kok Eng and Ang Swee Kuan, all of whom are substantial shareholders of the Company.</p>	<p>Appointed in 2003 as Chairman and Managing Director and Chief Executive Officer of the Company. Also acting as Executive Director of certain principal subsidiaries of the Company.</p> <p>Responsible for the Group's business strategies and direction, corporate plans and policies as well as the overall management, development, operations, finance and treasury functions of the Group. Also in charge of the Group's shipbuilding division and dredge engineering business.</p>	No change
Ang Ah Nui	58	<p>Brother of Ang Kok Tian and Ang Kok Leong, both of whom are Directors and substantial shareholders of the Company.</p> <p>Son of Ang Sin Liu and brother of Ang Kok Eng and Ang Swee Kuan, all of whom are substantial shareholders of the Company.</p>	<p>Appointed in 2003 as Deputy Managing Director of the Company. Also acting as Executive Director of certain principal subsidiaries of the Company.</p> <p>Jointly responsible for the Group's business strategies and direction, corporate plans and policies. Also, in charge of the Group's shipchartering, shiprepair and conversion business.</p>	No change

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Ang Kok Eng	54	<p>Brother of Ang Kok Tian, Ang Ah Nui and Ang Kok Leong, all of whom are Directors and substantial shareholders of the Company.</p> <p>Son of Ang Sin Liu and brother of Ang Swee Kuan, both of whom are substantial shareholders of the Company.</p>	<p>Acting as Executive Director of certain principal subsidiaries of the Company since 2003.</p> <p>Responsible for the Group's marketing and business development function for Asia. Also in charge of the Group's management information systems.</p>	No change
Ang Kok Leong	53	<p>Brother of Ang Kok Tian and Ang Ah Nui, both of whom are Directors and substantial shareholders of the Company.</p> <p>Son of Ang Sin Liu and brother of Ang Kok Eng and Ang Swee Kuan, all of whom are substantial shareholders of ASL Marine.</p>	<p>Appointed in 2002 as Executive Director of ASL Marine. Also acting as Executive Director of certain principal subsidiaries of the Company.</p> <p>Responsible for the Group's marketing and business development function for Europe, Middle East and other regions. Also in charge of overseeing engineering and research development division of the Group.</p>	No change
Ang Sin Liu	86	<p>Father of Ang Kok Tian, Ang Ah Nui and Ang Kok Leong, all of whom are Directors and substantial shareholders of the Company.</p> <p>Father of Ang Kok Eng and Ang Swee Kuan, both of whom are substantial shareholders of the Company.</p>	<p>Appointed in 2003 as Advisor to the Company.</p> <p>Advising on the setting of Group's business strategy and direction.</p>	No change

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

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

## I. Use of Proceeds

Refer to breakdown of convertible securities in section (I) F, Note 10 of this report. As of to-date, the Group has not utilised proceeds of \$81,600 received from the warrant holders on their conversion of 1,360,000 warrants into shares.

## BY ORDER OF THE BOARD

Ang Kok Tian  
Chairman, Managing Director and CEO  
27 August 2021