



**Ezion Holdings Limited  
and its subsidiaries  
Registration Number: 199904364E**

**Condensed Interim Financial Statements  
For the second quarter three months ended and half  
year six months ended 30 June 2021**

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**Condensed Interim Consolidated Income Statement**

	Note	3 months ended 30 June		Change	6 months ended 30 June		Change
		2021	2020	%	2021	2020	%
		US\$'000	US\$'000		US\$'000	US\$'000	
<b><u>Continuing operations</u></b>							
Revenue	5.2	4,065	6,585	(38)	6,760	14,573	(54)
Cost of sales		(1,956)	(10,355)	(81)	(6,246)	(21,304)	(71)
<b>Gross profit/(loss)</b>		<u>2,109</u>	<u>(3,770)</u>	NM	<u>514</u>	<u>(6,731)</u>	NM
Other income		(1,518)	(6,052)	(75)	5,544	9,622	(42)
Administrative expenses		(2,134)	(1,977)	8	(3,574)	(4,220)	(15)
Other expenses		8,471	(22,347)	NM	5,226	(201,925)	NM
<b>Results from operating activities</b>		<u>6,928</u>	<u>(34,146)</u>	NM	<u>7,710</u>	<u>(203,254)</u>	NM
Finance income		3	(63)	NM	9	(29)	NM
Finance costs		(3,977)	(2,866)	39	(5,694)	(7,707)	(26)
<b>Net finance costs</b>		<u>(3,974)</u>	<u>(2,929)</u>	36	<u>(5,685)</u>	<u>(7,736)</u>	(27)
Share of results of joint ventures and associates, net of tax		970	340	NM	2,273	189	NM
<b>Profit/(Loss) before tax</b>	7	<u>3,924</u>	<u>(36,735)</u>	NM	<u>4,298</u>	<u>(210,801)</u>	NM
Tax expense	8	(202)	(175)	15	(220)	(305)	(28)
<b>Profit/(Loss) from continuing operations</b>		<u>3,722</u>	<u>(36,910)</u>	NM	<u>4,078</u>	<u>(211,106)</u>	NM
<b><u>Discontinued operations</u></b>							
Profit/(Loss) from discontinued operations, net of tax	9	4,680	10,060	(53)	2,296	(27,038)	NM
<b>Profit/(Loss) for the period, attributable to owners of the Company</b>		<u>8,402</u>	<u>(26,850)</u>	NM	<u>6,374</u>	<u>(238,144)</u>	NM
<b>Profit/(Loss) per share</b>							
Basic profit/(loss) per share (cents)	11	<u>0.22</u>	<u>(0.72)</u>	NM	<u>0.17</u>	<u>(6.37)</u>	NM
Diluted profit/(loss) per share (cents)	11	<u>0.15</u>	<u>(0.72)</u>	NM	<u>0.11</u>	<u>(6.37)</u>	NM
<b>Profit/(Loss) per share – Continuing operations</b>							
Basic profit/(loss) per share (cents)	11	<u>0.10</u>	<u>(0.98)</u>	NM	<u>0.11</u>	<u>(5.64)</u>	NM
Diluted profit/(loss) per share (cents)	11	<u>0.07</u>	<u>(0.98)</u>	NM	<u>0.07</u>	<u>(5.64)</u>	NM

NM – Not meaningful

**Condensed Interim Consolidated Statement of Comprehensive Income**

	Note	3 months ended 30 June		Change %	6 months ended 30 June		Change %
		2021	2020		2021	2020	
		US\$'000	US\$'000		US\$'000	US\$'000	
Profit/(Loss) for the period		<u>8,402</u>	<u>(26,850)</u>	NM	<u>6,374</u>	<u>(238,144)</u>	NM
<b>Other comprehensive income</b>							
<b>Item that will not be reclassified to profit or loss:</b>							
Net change in fair value of equity investments at FVOCI		<u>19</u>	<u>1,893</u>	(99)	<u>2,632</u>	<u>(4,513)</u>	NM
<b>Items that are or may be reclassified subsequently to profit or loss:</b>							
Foreign currency translation differences relating to financial statements of foreign operations		<u>(60)</u>	<u>(86)</u>	(30)	<u>(137)</u>	<u>1,477</u>	NM
<b>Other comprehensive income for the period, net of tax</b>		<u>(41)</u>	<u>1,807</u>	NM	<u>2,495</u>	<u>(3,036)</u>	NM
<b>Total comprehensive income for the period, attributable to owners of the Company</b>		<u><u>8,361</u></u>	<u><u>(25,043)</u></u>	NM	<u><u>8,869</u></u>	<u><u>(241,180)</u></u>	NM

NM – Not meaningful

**Condensed Interim Statements of Financial Position**

	Note	Group		Company	
		30 June 2021 US\$'000	31 December 2020 US\$'000	30 June 2021 US\$'000	31 December 2020 US\$'000
<b>Non-current assets</b>					
Property, plant and equipment	13	64,976	68,351	1,138	1,519
Subsidiaries		–	–	30,496	30,496
Loans to subsidiaries		–	–	–	187,104
Joint ventures		6,957	4,746	–	–
Loans to joint ventures		4,493	4,870	–	25
Associates		–	–	–	–
Loans to associates		–	–	–	–
Other assets		23,366	20,412	23,366	20,412
Finance lease receivables		–	278	–	–
		<u>99,792</u>	<u>98,657</u>	<u>55,000</u>	<u>239,556</u>
<b>Current assets</b>					
Trade receivables		12,384	12,871	16,484	14,866
Other assets		8,971	23,061	53,989	58,004
Finance lease receivables		1,211	3,178	–	–
Assets held for sale	14	38,700	105,250	–	–
Cash and cash equivalents		51,586	57,961	7,846	28,942
		<u>112,852</u>	<u>202,321</u>	<u>78,319</u>	<u>101,812</u>
<b>Total assets</b>		<u>212,644</u>	<u>300,978</u>	<u>133,319</u>	<u>341,368</u>
<b>Equity</b>					
Share capital	17	958,497	958,497	958,497	958,497
Perpetual securities		14,748	14,748	14,748	14,748
Reserves		(3,439)	(5,934)	(4,591)	(7,223)
Accumulated losses		(2,342,223)	(2,348,648)	(2,347,041)	(2,404,617)
<b>Total deficit</b>		<u>(1,372,417)</u>	<u>(1,381,337)</u>	<u>(1,378,387)</u>	<u>(1,438,595)</u>
<b>Non-current liabilities</b>					
Other payables		8,655	8,655	–	–
		<u>8,655</u>	<u>8,655</u>	<u>–</u>	<u>–</u>
<b>Current liabilities</b>					
Trade payables		18,954	32,417	–	50
Other payables		78,635	77,750	148,376	410,967
Debt securities	15	177,960	180,962	177,960	180,962
Financial liabilities	16	1,290,034	1,371,631	1,185,370	1,187,984
Current tax payable		10,823	10,900	–	–
		<u>1,576,406</u>	<u>1,673,660</u>	<u>1,511,706</u>	<u>1,779,963</u>
<b>Total liabilities</b>		<u>1,585,061</u>	<u>1,682,315</u>	<u>1,511,706</u>	<u>1,779,963</u>
<b>Total equity and liabilities</b>		<u>212,644</u>	<u>300,978</u>	<u>133,319</u>	<u>341,368</u>

**Ezion Holdings Limited and its subsidiaries**  
**Registration Number: 199904364E**

**Condensed Interim Statements of Changes in Equity**

<b>Group</b>	<b>Share capital US\$'000</b>	<b>Perpetual securities US\$'000</b>	<b>Treasury shares US\$'000</b>	<b>Foreign currency translation reserve US\$'000</b>	<b>Fair value reserve US\$'000</b>	<b>Accumulated losses US\$'000</b>	<b>Total equity US\$'000</b>
At 1 January 2021	958,497	14,748	(1,480)	1,289	(5,743)	(2,348,648)	(1,381,337)
<b>Total comprehensive income for the period</b>							
Profit for the period	–	–	–	–	–	6,374	6,374
<b>Other comprehensive income</b>							
Net change in fair value of equity investments at FVOCI	–	–	–	–	2,632	–	2,632
Foreign currency translation differences relating to financial statements of foreign operations	–	–	–	(137)	–	–	(137)
Total comprehensive income for the period	–	–	–	(137)	2,632	6,374	8,869
<b>Transactions with owners, recognised directly in equity</b>							
<b>Contributions by and distributions to owners</b>							
Share-based payment transactions	–	–	–	–	–	51	51
Total transactions with owners	–	–	–	–	–	51	51
<b>At 30 June 2021</b>	<b>958,497</b>	<b>14,748</b>	<b>(1,480)</b>	<b>1,152</b>	<b>(3,111)</b>	<b>(2,342,223)</b>	<b>(1,372,417)</b>

**Condensed Interim Statements of Changes in Equity (cont'd)**

	<b>Share capital</b>	<b>Perpetual securities</b>	<b>Redeemable exchangeable preference shares</b>	<b>Treasury shares</b>	<b>Foreign currency translation reserve</b>	<b>Fair value reserve</b>	<b>Accumulated losses</b>	<b>Total equity</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Group</b>								
At 1 January 2020	934,656	14,938	23,464	(1,480)	2,379	(93)	(1,841,308)	(867,444)
<b>Total comprehensive income for the period</b>								
Loss for the period	-	-	-	-	-	-	(238,144)	(238,144)
<b>Other comprehensive income</b>								
Net change in fair value of equity investments at FVOCI	-	-	-	-	-	(4,513)	-	(4,513)
Foreign currency translation differences relating to financial statements of foreign operations	-	-	-	-	1,477	-	-	1,477
Total comprehensive income for the period	-	-	-	-	1,477	(4,513)	(238,144)	(241,180)
<b>Transactions with owners, recognised directly in equity</b>								
<b>Contributions by and distributions to owners</b>								
Issue of shares	23,658	(190)	(23,464)	-	-	-	-	4
Share-based payment transactions	-	-	-	-	-	-	102	102
Total transactions with owners	23,658	(190)	(23,464)	-	-	-	102	106
<b>At 30 June 2020</b>	<b>958,314</b>	<b>14,748</b>	<b>-</b>	<b>(1,480)</b>	<b>3,856</b>	<b>(4,606)</b>	<b>(2,079,350)</b>	<b>(1,108,518)</b>

**Condensed Interim Statements of Changes in Equity (cont'd)**

<b>Company</b>	<b>Share capital US\$'000</b>	<b>Perpetual securities US\$'000</b>	<b>Treasury shares US\$'000</b>	<b>Fair value reserve US\$'000</b>	<b>Accumulated losses US\$'000</b>	<b>Total equity US\$'000</b>
At 1 January 2021	958,497	14,748	(1,480)	(5,743)	(2,404,617)	(1,438,595)
<b>Total comprehensive income for the period</b>						
Profit for the period	–	–	–	–	57,525	57,525
<b>Other comprehensive income</b>						
Net change in fair value of equity investments at FVOCI	–	–	–	2,632	–	2,632
Total comprehensive income for the period	–	–	–	2,632	57,525	60,157
<b>Transactions with owners, recognised directly in equity</b>						
<b>Contributions by and distributions to owners</b>						
Share-based payment transactions	–	–	–	–	51	51
Total transactions with owners	–	–	–	–	51	51
<b>At 30 June 2021</b>	<b>958,497</b>	<b>14,748</b>	<b>(1,480)</b>	<b>(3,111)</b>	<b>(2,347,041)</b>	<b>(1,378,387)</b>
At 1 January 2020	934,656	14,938	(1,480)	(93)	(2,142,357)	(1,194,336)
<b>Total comprehensive income for the period</b>						
Loss for the period	–	–	–	–	(30,138)	(30,138)
<b>Other comprehensive income</b>						
Net change in fair value of equity investments at FVOCI	–	–	–	(4,513)	–	(4,513)
Total comprehensive income for the period	–	–	–	(4,513)	(30,138)	(34,651)
<b>Transactions with owners, recognised directly in equity</b>						
<b>Contributions by and distributions to owners</b>						
Issue of shares	23,658	(190)	–	–	–	23,468
Share-based payment transactions	–	–	–	–	102	102
Total transactions with owners	23,658	(190)	–	–	102	23,570
<b>At 30 June 2020</b>	<b>958,314</b>	<b>14,748</b>	<b>(1,480)</b>	<b>(4,606)</b>	<b>(2,172,393)</b>	<b>(1,205,417)</b>

**Condensed Interim Consolidated Statement of Cash Flows**

	<b>6 months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Cash flows from operating activities</b>		
Profit/(Loss) for the period	6,374	(238,144)
<b>Adjustments for:</b>		
Tax expense	220	305
Depreciation	3,296	15,557
Gain on disposal of:		
- property, plant and equipment	-	(2,563)
- assets held for sale	(764)	-
Foreign exchange gain, net	(5,228)	(8,630)
Finance income	(1,383)	(995)
Finance costs	7,565	10,263
Net impairment losses on:		
- property, plant and equipment	-	181,565
- trade receivables	1,816	865
(Write-back)/Impairment of loans to joint venture	(2,252)	37,967
(Write-back)/Impairment of other assets	(2,726)	3,826
Write-off of trade and other payables obligations	(7,713)	-
Equity-settled share-based payment transactions	51	102
Share of results of joint ventures and associates, net of tax	(2,273)	(189)
	<u>(3,017)</u>	<u>(71)</u>
<b>Changes in:</b>		
Trade receivables and other assets	4,083	9,487
Trade and other payables	6,939	5,029
Cash generated from operating activities	<u>8,005</u>	<u>14,445</u>
Tax paid	(297)	(920)
<b>Net cash from operating activities</b>	<u>7,708</u>	<u>13,525</u>
<b>Cash flows from investing activities</b>		
Interest received	340	34
Investment in joint ventures	-	9,535
Proceeds from disposal of property, plant and equipment	-	9,827
Proceeds from disposal of assets held for sale	67,314	-
Purchase of property, plant and equipment	-	(5,272)
<b>Net cash from investing activities</b>	<u>67,654</u>	<u>14,124</u>
<b>Cash flows from financing activities</b>		
Interest paid	(2,198)	(2,414)
Net proceeds from issuance of ordinary shares	-	4
Proceeds from borrowings	-	20,000
Repayment of borrowings	(79,312)	(27,837)
Repayment of lease liabilities	(285)	-
<b>Net cash used in financing activities</b>	<u>(81,795)</u>	<u>(10,247)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(6,433)	17,402
Cash and cash equivalents at 1 January	57,961	43,201
Effect of exchange rate fluctuations on cash held	58	838
<b>Cash and cash equivalents at 30 June</b>	<u>51,586</u>	<u>61,441</u>



## **Notes to the Condensed Interim Financial Statements**

### **1 Corporate Information**

Ezion Holdings Limited (the “Company”) is incorporated in Singapore. The address of the Company’s registered office is 438B Alexandra Road, #05-08/09 Alexandra Technopark, Singapore 119968.

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

The principal activities of the Company are those of investment holding company and the provision of management services to its subsidiaries. The principal activities of the Group are those relating to shipping agent, ship owner and provision of ship chartering services, ship management services and engineering works.

### **2 Going concern**

As at 30 June 2021, the Group and the Company had net current liabilities of US\$1,463,554,000 and US\$1,433,387,000 respectively; and net liabilities of US\$1,372,417,000 and US\$1,378,387,000 respectively. Of the total liabilities recorded, loans and borrowings of US\$1,467,994,000 were classified as “current liabilities” due to breaches on certain financial covenants, which make such debt obligations immediately callable on demand. During the period, the contractual interest obligations from the outstanding loans and borrowings amounting to US\$33,392,000 were not settled. As at the date of this report, a notice of payment default from an unsecured lender for an outstanding obligation of US\$8,766,000 has been served onto the Company, but not from secured lenders.

The Group forecasts that the cash flows from continuing businesses are sufficient to meet working capital needs in the next 12 months, but not to meet the loan and interest obligations.

In order to support the continuing use of the going concern assumption, the directors and management of the Company remain committed to seek third party investors to re-capitalise the Company, and to negotiate a debt restructuring plan with existing lenders. The financial statements of the Group and Company have therefore been prepared on a going concern basis assuming that such corporate and debt restructuring plans remain feasible to be undertaken to enable the Group and Company to operate as a going concern.

Notwithstanding the on-going restructuring plans being contemplated, there is uncertainty over the re-capitalisation of equity and debt restructuring plans, as these plans are subject to investment evaluation by prospective investors and agreement by individual and collective lenders to undertake a debt restructuring plan, and also voting by shareholders at general meetings to approve any scheme of arrangement.

## **Notes to the Condensed Interim Financial Statements (cont'd)**

### **2 Going concern (cont'd)**

If the financial statements were presented on a realisation basis, the carrying value of its assets and liabilities may be materially different. If the Group and the Company were unable to continue in operational existence for the foreseeable future, the Group and Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statement of financial positions. In addition, the Group and Company may have to reclassify its non-current assets as current assets. No such adjustments have been made to these financial statements.

### **3 Basis of preparation**

The condensed interim financial statements for the three months and six months 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. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 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 3.1.

The condensed interim financial statements are presented in United States dollars ("US\$"), which is the Company's functional currency. All financial information presented in US\$ have been rounded to the nearest thousand, unless otherwise stated.

#### **3.1 New and amended standards adopted by the Group**

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

#### **3.2 Use of estimates and judgements**

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

**Notes to the Condensed Interim Financial Statements (cont'd)**

**3.2 Use of estimates and judgements (cont'd)**

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 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 interim period are included in Note 18.

**4 Seasonal operations**

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

**5 Segment and revenue information**

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's key management reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- (a) Liftboats: engaged in the owning, chartering and management of self-propelled rigs involved in the production and maintenance phase of the oil and gas industry as well as the offshore windfarm industry.
- (b) Jack-up rigs: engaged in the owning, chartering and management of non self-propelled rigs involved in the production, maintenance and exploration phase of the oil and gas industry as well as offshore windfarm accommodation market.
- (c) Offshore support logistics services: engaged in the owning, chartering and management of energy related offshore logistics support vessels.
- (d) Others: assets or investments involved in energy related industry.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

"Jack-up rigs" and "Offshore support logistics services" were classified as discontinued operations.

Notes to the Condensed Interim Financial Statements (cont'd)

5.1 Reportable segments

Segment performance

	Liftboats US\$'000	Jack-up rigs (Discontinued) US\$'000	Offshore support logistics services (Discontinued) US\$'000	Total operations US\$'000
<b>3 months ended 30 June 2021</b>				
Revenue	4,065	–	–	4,065
Reportable segment results from operating activities	9	(324)	(830)	(1,145)
Depreciation expense	(868)	(26)	–	(894)
Write-back/(Impairment loss) of trade receivables, other assets, and loans to joint ventures	7,921	(3,368)	1,237	5,790
Write-off of trade and other payable obligations	3,135	3,327	1,251	7,713
Other income	(1,518)	–	–	(1,518)
Share of results of joint ventures and associates, net of tax	970	–	–	970
Finance income	3	–	659	662
Finance costs	(3,977)	(548)	(556)	(5,081)
Unallocated income				2,107
Profit before tax				8,604
Tax expense				(202)
Profit for the period				8,402
<b>3 months ended 30 June 2020</b>				
Revenue	6,585	1,491	571	8,647
Reportable segment results from operating activities	4,520	(5,133)	(104)	(717)
Depreciation expense	(6,756)	(552)	(521)	(7,829)
Impairment loss on property, plant and equipment (Impairment loss)/Write-back of trade receivables, other assets, finance lease receivables and loans to joint ventures	(19,678)	(575)	–	(20,253)
Other income	(2,302)	9,535	987	8,220
Share of results of joint ventures and associates, net of tax	(6,052)	–	2,563	(3,489)
Finance income	340	–	–	340
Finance costs	(63)	–	513	450
Unallocated income	(2,866)	(303)	(404)	(3,573)
Loss before tax				176
Tax expense				(26,675)
Loss for the period				(175)
				(26,850)

Notes to the Condensed Interim Financial Statements (cont'd)

5.1 Reportable segments (cont'd)

Segment performance (cont'd)

	Liftboats US\$'000	Jack-up rigs (Discontinued) US\$'000	Offshore support logistics services (Discontinued) US\$'000	Total operations US\$'000
<b>6 months ended 30 June 2021</b>				
Revenue	6,760	–	380	7,140
Reportable segment results from operating activities	(965)	(1,703)	(1,208)	(3,876)
Depreciation expense	(3,243)	(53)	–	(3,296)
Write-back/(Impairment loss) of trade receivables, other assets, and loans to joint ventures	5,903	(3,368)	627	3,162
Write-off of trade and other payable obligations	3,135	3,327	1,251	7,713
Other income	5,544	–	–	5,544
Share of results of joint ventures and associates, net of tax	2,273	–	–	2,273
Finance income	9	–	1,374	1,383
Finance costs	(5,694)	(1,150)	(721)	(7,565)
Unallocated income				1,256
Profit before tax				6,594
Tax expense				(220)
Profit for the period				6,374
<b>6 months ended 30 June 2020</b>				
Revenue	14,573	2,576	1,785	18,934
Reportable segment results from operating activities	4,663	(5,405)	(763)	(1,505)
Depreciation expense	(13,350)	(1,081)	(1,126)	(15,557)
Impairment loss on property, plant and equipment (Impairment loss)/Write-back of trade receivables, other assets, finance lease receivables and loans to joint ventures	(149,044)	(32,521)	–	(181,565)
Other income	(52,245)	9,535	52	(42,658)
Share of results of joint ventures and associates, net of tax	9,622	–	2,563	12,185
Finance income	189	–	–	189
Finance costs	(29)	–	1,024	995
Unallocated income	(7,707)	(1,097)	(1,459)	(10,263)
Loss before tax				340
Tax expense				(237,839)
Loss for the period				(305)
				(238,144)

**Notes to the Condensed Interim Financial Statements (cont'd)**

**5.1 Reportable segments (cont'd)**

**Segment assets and liabilities**

	<b>Liftboats</b> <b>US\$'000</b>	<b>Jack-up rigs</b> <b>(Discontinued)</b> <b>US\$'000</b>	<b>Offshore</b> <b>support</b> <b>logistics</b> <b>services</b> <b>(Discontinued)</b> <b>US\$'000</b>	<b>Total</b> <b>operations</b> <b>US\$'000</b>
<b>As at 30 June 2021</b>				
Reportable segment assets	156,585	2,021	25,828	184,434
Investment in joint ventures and associates	11,450	–	–	11,450
Unallocated assets				16,760
Total assets				<u>212,644</u>
Reportable segment liabilities	433,487	209,702	34,536	677,725
Unallocated liabilities				907,336
Total liabilities				<u>1,585,061</u>
<b>As at 30 June 2020</b>				
Reportable segment assets	452,246	21,283	60,486	534,015
Investment in joint ventures and associates	32,508	–	–	32,508
Unallocated assets				52,197
Total assets				<u>618,720</u>
Reportable segment liabilities	500,505	223,883	56,618	781,006
Unallocated liabilities				946,232
Total liabilities				<u>1,727,238</u>
Capital expenditure	3,689	1,583	–	<u>5,272</u>

**Geographical segments**

	<b>Non-current assets<sup>(1)</sup></b>	
	<b>30 June</b> <b>2021</b> <b>US\$'000</b>	<b>30 June</b> <b>2020</b> <b>US\$'000</b>
Singapore	59,283	328,582
Other countries	5,145	74,203
	<u>64,428</u>	<u>402,785</u>

(1) Non-current assets consist of property, plant and equipment, excluding right-of-use assets.

Notes to the Condensed Interim Financial Statements (cont'd)

5.2 Disaggregation of revenue

In the following table, revenue from contracts with customers is disaggregated by primary geographical markets, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments.

	Liftboat		Jack-up rigs (Discontinued)		Offshore support logistics services (Discontinued)	
	3 months ended 30 June		3 months ended 30 June		3 months ended 30 June	
	2021	2020	2021	2020	2020	2020
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Primary geographical markets</b>						
Singapore	349	–	–	–	–	537
China	1,720	1,740	–	–	–	–
Malaysia	–	1,414	–	–	–	–
Middle East	1,000	2,503	–	–	–	–
India	–	–	–	1,491	–	–
Indonesia	996	928	–	–	–	34
	<u>4,065</u>	<u>6,585</u>	<u>–</u>	<u>1,491</u>	<u>–</u>	<u>571</u>
<b>Major products/service line</b>						
Chartering revenue	2,685	6,518	–	1,491	–	391
Project management, offshore support and marine services income	1,380	67	–	–	–	180
	<u>4,065</u>	<u>6,585</u>	<u>–</u>	<u>1,491</u>	<u>–</u>	<u>571</u>
<b>Timing of revenue recognition</b>						
Services transferred over time	4,065	6,585	–	1,491	–	571

	Liftboat		Jack-up rigs (Discontinued)		Offshore support logistics services (Discontinued)	
	6 months ended 30 June		6 months ended 30 June		6 months ended 30 June	
	2021	2020	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Primary geographical markets</b>						
Singapore	381	–	–	–	380	1,717
China	3,280	3,300	–	–	–	–
Malaysia	30	4,586	–	–	–	–
Middle East	1,000	5,006	–	–	–	–
India	–	–	–	1,491	–	–
Indonesia	2,069	1,681	–	1,085	–	68
	<u>6,760</u>	<u>14,573</u>	<u>–</u>	<u>2,576</u>	<u>380</u>	<u>1,785</u>

Notes to the Condensed Interim Financial Statements (cont'd)

5.2 Disaggregation of revenue (cont'd)

Major products/service line	Liftboat		Jack-up rigs (Discontinued)		Offshore support logistics services (Discontinued)	
	6 months ended 30 June		6 months ended 30 June		6 months ended 30 June	
	2021	2020	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Chartering revenue	5,284	14,325	–	2,576	–	865
Project management, offshore support and marine services income	1,476	248	–	–	380	920
	<u>6,760</u>	<u>14,573</u>	<u>–</u>	<u>2,576</u>	<u>380</u>	<u>1,785</u>
<b>Timing of revenue recognition</b>						
Services transferred over time	<u>6,760</u>	<u>14,573</u>	<u>–</u>	<u>2,576</u>	<u>380</u>	<u>1,785</u>

6 Financial assets and liabilities

	Amortised cost	FVOCI – equity instruments	Financial liabilities at FVTPL	Other financial liabilities	Total carrying amount
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Group</b>					
<b>30 June 2021</b>					
<b>Financial assets not measured at fair value</b>					
Other assets <sup>(1)</sup>	21,593	–	–	–	21,593
Trade receivables	12,384	–	–	–	12,384
Cash and cash equivalents	51,586	–	–	–	51,586
<b>Financial assets measured at fair value</b>					
Equity investments – at FVOCI	–	9,133	–	–	9,133
<b>Financial liabilities not measured at fair value</b>					
Other payables <sup>(2)</sup>	–	–	–	(51,422)	(51,422)
Trade payables	–	–	–	(18,954)	(18,954)
Financial liabilities <sup>(3)</sup>	–	–	–	(1,289,455)	(1,289,455)
Lease liabilities	–	–	–	(579)	(579)
Debt securities <sup>(4)</sup>	–	–	–	(91,118)	(91,118)
<b>Financial liability measured at fair value</b>					
Debt securities	–	–	(86,842)	–	(86,842)

(1) Excludes advances to suppliers, prepayments and equity investments.

(2) Excludes downpayments and advances from customers and deferred revenue.

(3) Excludes lease liabilities.

(4) Excludes Series B debt securities.



Notes to the Condensed Interim Financial Statements (cont'd)

6 Financial assets and liabilities (cont'd)

	Amortised cost US\$'000	FVOCI – equity instruments US\$'000	Financial liabilities at FVTPL US\$'000	Other financial liabilities US\$'000	Total carrying amount US\$'000
<b>Group</b>					
<b>31 December 2020</b>					
<b>Financial assets not measured at fair value</b>					
Other assets <sup>(1)</sup>	35,551	–	–	–	35,551
Trade receivables	12,871	–	–	–	12,871
Cash and cash equivalents	57,961	–	–	–	57,961
<b>Financial assets measured at fair value</b>					
Equity investments – at FVOCI	–	6,501	–	–	6,501
<b>Financial liabilities not measured at fair value</b>					
Other payables <sup>(2)</sup>	–	–	–	(72,012)	(72,012)
Trade payables	–	–	–	(32,417)	(32,417)
Financial liabilities <sup>(3)</sup>	–	–	–	(1,370,758)	(1,370,758)
Lease liabilities	–	–	–	(873)	(873)
Debt securities <sup>(4)</sup>	–	–	–	(92,655)	(92,655)
<b>Financial liability measured at fair value</b>					
Debt securities	–	–	(88,307)	–	(88,307)

(1) Excludes advances to suppliers, prepayments and equity investments.

(2) Excludes downpayments and advances from customers and deferred revenue.

(3) Excludes lease liabilities.

(4) Excludes Series B debt securities.

**Fair values versus carrying amounts**

*Non-derivative financial assets and liabilities*

As at 30 June 2021 and 31 December 2020, the carrying amounts of the Group's and the Company's financial instruments, other than equity investment at FVOCI and debt securities, carried at cost or amortised cost are not materially different from their fair values due to their short-term nature and immaterial effects of discounting.

**Fair value measurement**

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3*: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the Condensed Interim Financial Statements (cont'd)

6 Financial assets and liabilities (cont'd)

*Financial assets and financial liabilities measured at fair value*

	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
<b>Group and Company</b>				
<b>30 June 2021</b>				
<b>Asset</b>				
Equity investments – at FVOCI	9,133	–	–	9,133
<b>Liability</b>				
Debt securities	–	–	(86,842)	(86,842)
<b>31 December 2020</b>				
<b>Asset</b>				
Equity investments – at FVOCI	6,501	–	–	6,501
<b>Liability</b>				
Debt securities	–	–	(88,307)	(88,307)

*Financial assets and financial liabilities not measured at fair value but for which fair values are disclosed\**

	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
<b>Group and Company</b>				
<b>30 June 2021</b>				
<b>Liability</b>				
Debt securities	–	–	(86,842)	(86,842)
<b>31 December 2020</b>				
<b>Liability</b>				
Debt securities	–	–	(88,307)	(88,307)

\* Excludes financial assets and financial liabilities whose carrying amounts measured on the amortised cost basis approximate their fair value due to their short-term nature and where the effect of discounting is immaterial.

**Notes to the Condensed Interim Financial Statements (cont'd)**

**7 Profit/(Loss) before tax from continuing operations**

The following items have been included in arriving at profit/(loss) before tax from continuing operations:

	<b>3 months ended 30 June</b>		<b>6 months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Included in other income:</b>				
Foreign exchange loss/(gain), net	1,572	6,544	(5,228)	(8,630)
<b>Included in cost of sales and other expense:</b>				
Loss on disposal of assets held for sale	1,552	–	2,777	–
Depreciation expense on property, plant and equipment	868	6,756	3,243	13,350
Net impairment losses on:				
- property, plant and equipment	–	19,678	–	149,044
- trade receivables	1,480	865	738	865
(Write-back)/Impairment of loans to joint venture	(2,527)	17	(2,276)	37,967
(Write-back)/Impairment of other assets	(6,874)	1,420	(4,365)	13,413
Write-off of trade and other payables obligations	(3,135)	–	(3,135)	–

**8 Taxation**

	<b>3 months ended 30 June</b>		<b>6 months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Current tax expense</b>				
Current period	188	–	188	–
Under/(Over)provision in prior periods	–	1	–	(111)
Foreign tax expense	14	174	32	416
	<b>202</b>	<b>175</b>	<b>220</b>	<b>305</b>

**Notes to the Condensed Interim Financial Statements (cont'd)**

**9 Discontinued operations**

	<b>3 months ended 30 June</b>		<b>6 months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Results of discontinued operations</b>				
Revenue	–	2,062	380	4,361
Cost of sales	(959)	(3,488)	(2,052)	(7,344)
<b>Gross loss</b>	<b>(959)</b>	<b>(1,426)</b>	<b>(1,672)</b>	<b>(2,983)</b>
Other income	–	2,563	–	2,563
Administrative expenses	(68)	(690)	(712)	(1,870)
Other expenses	6,152	9,807	5,177	(23,216)
<b>Results from discontinued activities</b>	<b>5,125</b>	<b>10,254</b>	<b>2,793</b>	<b>(25,506)</b>
Finance income	659	513	1,374	1,024
Finance costs	(1,104)	(707)	(1,871)	(2,556)
<b>Net finance costs</b>	<b>(445)</b>	<b>(194)</b>	<b>(497)</b>	<b>(1,532)</b>
<b>Profit/(Loss) before tax</b>	<b>4,680</b>	<b>10,060</b>	<b>2,296</b>	<b>(27,038)</b>
Tax expense	–	–	–	–
<b>Profit/(Loss) from discontinued operations, net of tax, attributable to owners of the Company</b>	<b>4,680</b>	<b>10,060</b>	<b>2,296</b>	<b>(27,038)</b>
Basic profit/(loss) per share (cents)	0.12	0.27	0.06	(0.72)
Diluted profit/(loss) per share (cents)	0.08	0.27	0.04	(0.72)

The following items have been included in arriving at profit/(loss) before tax from discontinued operations:

	<b>3 months ended 30 June</b>		<b>6 months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Gain on disposal of:				
- property, plant and equipment	–	(2,563)	–	(2,563)
- assets held for sale	(3,541)	–	(3,541)	–
Depreciation expense on property, plant and equipment	26	1,073	53	2,207
Net impairment losses/(reversal of impairment losses) on:				
- property, plant and equipment	–	575	–	32,521
- trade receivables	1,078	(1,607)	1,078	–
Impairment of loans to joint venture	24	–	24	–
Impairment/(Write-back) of other assets	1,029	(8,915)	1,639	(9,587)
Write-off of trade and other payables obligations	(4,578)	–	(4,578)	–

**Notes to the Condensed Interim Financial Statements (cont'd)**

**10 Significant related party transactions**

For the six months ended 30 June 2021, the Group had no significant related party transactions.

**11 Profit/(Loss) per share**

The calculation of basic and diluted loss per share for the interim periods was based on:

	<b>3 months ended 30 June</b>		<b>6 months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Continuing operations</b>				
Profit/(Loss) attributable to owners of the Company	3,722	(36,910)	4,078	(211,106)
<b>Discontinued operations</b>				
Profit/(Loss) attributable to owners of the Company	4,680	10,060	2,296	(27,038)
<b>Total</b>				
Profit/(Loss) attributable to owners of the Company	8,402	(26,850)	6,374	(238,144)
Weighted average number of ordinary shares for calculation of:	<b>Number of shares '000</b>	<b>Number of shares '000</b>	<b>Number of shares '000</b>	<b>Number of shares '000</b>
<u>Continuing operations</u>				
Basic profit/(loss) per share	3,751,097	3,750,030	3,751,097	3,741,041
Diluted profit/(loss) per share	5,683,330	3,750,030	5,683,330	3,741,041
<u>Discontinued operations</u>				
Basic profit/(loss) per share	3,751,097	3,750,030	3,751,097	3,741,041
Diluted profit/(loss) per share	5,683,330	6,037,337	5,683,330	3,741,041
<u>Total</u>				
Basic profit/(loss) per share	3,751,097	3,750,030	3,751,097	3,741,041
Diluted profit/(loss) per share	5,683,330	3,750,030	5,683,330	3,741,041

**12 Net liabilities value**

	<b>Group</b>		<b>Company</b>	
	<b>30 June 2021</b>	<b>31 December 2020</b>	<b>30 June 2021</b>	<b>31 December 2020</b>
(in US\$ cents)				
Net liabilities value per ordinary share based on existing issued share capital excluding treasury shares as at the end of the period/year reported on	(36.59)	(36.82)	(36.75)	(38.35)

**13 Property, plant and equipment**

During the six months ended 30 June 2021, the Group did not acquire any assets (30 June 2020: US\$5,272,000) and disposed of assets amounting to US\$5,000 (30 June 2020: US\$5,014,000).

**Notes to the Condensed Interim Financial Statements (cont'd)**

**14 Assets held for sale**

As at 30 June 2021, assets held for sale comprised one offshore support logistics vessel and four liftboats (31 December 2020: two jack-up rigs, seven offshore support logistics vessels and seven liftboats).

The sale of two jack-up rig, six offshore support logistics vessels and three liftboats previously classified as held for sale in 2020 were completed during the six months ended 30 June 2021.

At 30 June 2021, assets held for sale with carrying amount of US\$38,700,000 (31 December 2020: US\$105,250,000) were pledged as security to secure the term loans facilities.

**15 Debt securities**

	Maturity	Group and Company	
		30 June 2021 US\$'000	31 December 2020 US\$'000
Series A	November 2024	68,432	69,586
Series B	November 2023	86,842	88,307
Series C	November 2027	22,686	23,069
<b>Total debt securities</b>		<b>177,960</b>	<b>180,962</b>

The above debt securities are listed on the Main Board of the Singapore Exchange Securities Trading Limited.

**Default of debt securities**

As at 30 June 2021 and 31 December 2020, the Group breached its loan covenant requirements for bank loans (see Note 16) resulting in a cross-default of its debt securities. As a result, the debt securities of US\$177,960,000 (31 December 2020: US\$180,962,000) were classified as current liabilities. The Group plans to address default of its debt securities through a corporate and debt restructuring plan.

**16 Financial liabilities**

	Group		Company	
	30 June 2021 US\$'000	31 December 2020 US\$'000	30 June 2021 US\$'000	31 December 2020 US\$'000
Secured bank loans	1,146,155	1,227,310	172,208	174,380
Unsecured bank loans	8,766	8,914	8,766	8,914
Lease liabilities	579	873	579	873
Financial guarantees	134,534	134,534	1,003,817	1,003,817
<b>Total financial liabilities</b>	<b>1,290,034</b>	<b>1,371,631</b>	<b>1,185,370</b>	<b>1,187,984</b>

## Notes to the Condensed Interim Financial Statements (cont'd)

### 16 Financial liabilities (cont'd)

#### Breach of financial covenants

As at 30 June 2021 and 31 December 2020, the Group breached the following loan covenant requirements:

- the maintenance of net debt (defined as borrowings owing to banks, financial institutions and debt securities holders, net of cash balances) to equity ratio of not more than 8:1; and
- the maintenance of EBITDA (defined as profits before interest expenses, tax expenses, depreciation expenses and amortisation expenses) to interest expense ratio of at least 1:1.

The affected bank loans and financial guarantees can be called for repayment upon notification by the banks. As a result, the bank loans and financial guarantees of US\$1,280,689,000 (31 December 2020: US\$1,361,844,000) were classified as current liabilities as at 30 June 2021. Except for a notice of payment default served by an unsecured lender for an amount of US\$8,766,000 (31 December 2020: US\$8,914,000) during the period, there were no statutory demands served by secured lenders, as at the date of this report. The Group plans to address the default of its bank loans through a corporate and debt restructuring plan.

### 17 Share capital

	Group and Company			
	30 June 2021		31 December 2020	
	Number of shares '000	Amount US\$'000	Number of shares '000	Amount US\$'000
<b>Beginning of interim period</b>	3,754,281	958,497	3,730,386	934,656
Conversion of redeemable exchangeable preference shares	–	–	22,073	23,464
Conversion of perpetual securities	–	–	905	191
Exercise of warrants	–	–	12	4
Conversion of Series B convertible bonds	–	–	905	182
<b>End of interim period</b>	<b>3,754,281</b>	<b>958,497</b>	<b>3,754,281</b>	<b>958,497</b>

As at 30 June 2021 and as at 31 December 2020, the Company had S\$137.3 million of outstanding convertible bonds and perpetual securities available for conversion into 497,828,448 ordinary shares of the Company (the conversion price is reset every six months).

#### Treasury shares

As at 30 June 2021, the Group held 3,184,000 (31 December 2020: 3,184,000) of the Company's shares. All rights attached to the Company's shares held by the Group are suspended until those shares are reissued.

#### Subsidiary holdings

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2021 and 31 December 2020.

**Notes to the Condensed Interim Financial Statements (cont'd)**

**18 Accounting estimates and judgments**

Estimates and judgment are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is discussed as follows:

**Impairment of property, plant and equipment**

The Group assesses the impairment of property, plant and equipment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could trigger an impairment review include the following:

- Extended periods of idle time;
- Inability to contract specific assets or groups of assets; and
- Significant adverse industry or economic trends.

The complexity of the estimation process and issues related to the assumptions, risks and uncertainties inherent in the application of the Group's accounting estimates in relation to property, plant and equipment affect the amounts reported in the financial statements, especially the estimates of the expected useful economic lives and the carrying values of those assets. If business conditions were different, or if different assumptions were used in the application of this and other accounting estimates, it is likely that materially different amounts could be reported in the Group's financial statements.

In 2020, the recoverable amounts of vessels and rigs were determined primarily based on their fair value less costs of disposal. The fair value less costs of disposal was estimated based on offer quotes from interested buyers or valuation amounts. Valuation amounts were determined by an external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the category of assets being valued. The fair value was derived using the market approach based on comparable prices of vessels and rigs that were based on existing market conditions as at 31 December 2020, adjusted for asset specific characteristics. The fair values are based on highest-and-best-use basis.

For the 6 months ended 30 June 2021, there were no significant updates to the estimates and assumptions applied since the audited financial statements as at 31 December 2020.



**Notes to the Condensed Interim Financial Statements (cont'd)**

**18 Accounting estimates and judgments (cont'd)**

**Impairment of trade receivables**

Trade receivables are recorded at the invoiced amount and do not bear interest.

The loss allowances for trade receivables are based on assumptions about risk of default and expected loss rates to be applied for the respective category of the trade receivables. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation including evaluation of the Group's past history of loss rate, existing market conditions as well as forward-looking estimates at the end of each reporting period. In assessing the segmentation of the customers for the loss allowance, judgement is involved in determining the credit-worthiness and financial health of its customers. Where their conditions change, this may require changes in the customers' segmentation, which in turn may affect the level of loss allowance in future periods.

If the Group is satisfied that no recovery of the amount owing is possible, at that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset. Actual results could differ from estimates.

**Impairment of investments in and loans to subsidiaries and joint ventures**

The carrying values of investments in and loans to subsidiaries and joint ventures are tested for impairment whenever there is any objective evidence or indication that the investments and loans may be impaired. This determination requires significant judgement. In estimating the recoverable amount of the investments and loans, the Group and the Company evaluate, amongst other factors, the future profitability of the subsidiaries and joint ventures, their financial health and near-term business outlook, including factors such as industry and sector performance, changes in technology, and operational and financing cash flows.

**19 Subsequent events**

Subsequent to 30 June 2021, the Group entered into:

- i. two memoranda of agreement (the "MOAs") with ZhongXie (HK) Industrial Company., Limited (the "Purchaser") for the sale of two towing tugs "Teras Darius" and "Teras Eden" (collectively, the "Tugs") for a cash consideration of US\$1,730,000 each, totalling US\$3,460,000 for the Tugs; and;
- ii. a share purchase agreement (the "SPA", and together with the MOAs, the "Agreements") with the Purchaser to dispose its 100% effective interest in Teras Sunrise Pte. Ltd. ("TSPL") (the "Sale Shares", and collectively with the Tugs, the "Disposal Assets") at a consideration of US\$80,200,000. TSPL is a wholly owned subsidiary of the Company incorporated in Singapore which owns the liftboat "Teras Sunrise" (collectively with the Tugs, the "Vessels").

(collectively, the "Disposals")

The Agreements were executed respectively by United Overseas Bank Limited ("UOB") as attorney-in-fact of MMPL and DBS Bank Limited ("DBS") as attorney-in-fact of the Company, pursuant to powers of attorney granted to UOB and DBS respectively as mortgagees and/or chargees under certain financing agreements in respect of the Vessels.

**Other Information Required by Listing Rule Appendix 7.2**

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

The condensed interim statements of financial position of Ezion Holdings Limited and its subsidiaries as at 30 June 2021 and the related condensed interim consolidated statement of profit or loss and other comprehensive income for the three-month and six-month period then ended, the condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

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

Not applicable.

**3 Review of performance of the Group**

**Income statement review**

**Second quarter 30 June 2021 (2Q21) and 30 June 2020 (2Q20)**

The Group's revenue for the 2Q21 decreased by US\$2.5 million (38%) to US\$4.1 million as compared to 2Q20. The decrease was mainly due to the loss in revenue from divestment of 2 liftboats.

The cost of sales and servicing for 2Q21 decreased by US\$8.4 million (81%) to US\$2.0 million as compared to 2Q20, mainly due to lower depreciation expense and lower operating costs due to divestment of liftboats and lower activities from the Group's liftboats.

As a result of the above, the Group recorded a gross profit of US\$2.1 million in 2Q21 compared with a gross loss of US\$3.8 million in 2Q20.

Other income for 2Q21 and 2Q20 was negative because in 2Q21 and 2Q20 the Group recorded foreign exchange loss of US\$1.6 million and 6.5 million respectively, while 1Q21 and 1Q20 the Group recorded a foreign exchange gain of US\$6.8 million and US\$15.2 million respectively.

The increase in administrative expenses in 2Q21 as compared to 2Q20 was mainly due to higher allocation of administrative expenses for continuing operations because the activities of the Group's discontinued operations decreased.

## Other Information Required by Listing Rule Appendix 7.2

### 3 Review of performance of the Group (cont'd)

#### Income statement review (cont'd)

#### Second quarter 30 June 2021 (2Q21) and 30 June 2020 (2Q20) (cont'd)

The other expense for 2Q21 has resulted in credit balance, mainly due to the following:

	2Q21 US\$'000	2Q20 US\$'000
Loss on disposal of assets held for sale	1,552	–
Net impairment losses on:		
- property, plant and equipment	–	19,678
- trade receivables	1,480	865
(Write-back)/Impairment of loans to joint venture	(2,527)	17
(Write-back)/Impairment of other assets	(6,874)	1,420
Write-off of trade and other payables obligations	(3,135)	–
	<u>(9,504)</u>	<u>21,980</u>

Finance income has increased in 2Q21 as there was a reversal of over-recognition of finance income made in 2Q20.

Finance costs have increased in 2Q21 due to under provision of finance cost from secured bank loans in prior periods.

The share of profits of associates and jointly controlled entities in 2Q21 was contributed by the operating profit generated by the Group's joint venture, which operates in the windfarm industry in China.

The Group generated profit before income tax from continuing operations of US\$3.9 million in 2Q21 as a result of all the above.

Charter income derived from Singapore flagged vessels are exempted from tax under Section 13A of the Income Tax Act of Singapore. Current period income tax expense of US\$202,000 relates to the corporate tax expense and withholding tax expense incurred by vessels operating in certain overseas waters.

**Other Information Required by Listing Rule Appendix 7.2**

**3 Review of performance of the Group (cont'd)**

**Income statement review (cont'd)**

**Second quarter 30 June 2021 (2Q21) and 30 June 2020 (2Q20) (cont'd)**

Results from discontinued operations was a profit of US\$4.7 million in 2Q21 mainly due to the following:

	<b>2Q21</b> <b>US\$'000</b>	<b>2Q20</b> <b>US\$'000</b>
Gain on disposal of:		
- property, plant and equipment	-	(2,563)
- assets held for sale	(3,541)	-
Depreciation expense on property, plant and equipment	26	1,073
Net impairment losses/(reversal of impairment losses) on:		
- property, plant and equipment	-	575
- trade receivables	1,078	(1,607)
Impairment of loans to joint venture	24	-
Impairment/(Write-back) of other assets	1,029	(8,915)
Write-off of trade and other payables obligations	(4,578)	-
	<u>(5,962)</u>	<u>(11,437)</u>

**First half 30 June 2021 (1H21) and 30 June 2020 (1H20)**

The Group's revenue for the 1H21 decreased by US\$7.8 million (54%) to US\$6.8 million as compared to 1H20. The decrease was mainly due to the loss in revenue from divestment of 2 liftboats in 1H21.

The cost of sales and servicing for 1H21 decreased by US\$15.1 million (71%) to US\$6.2 million as compared to 1H20, mainly due to lower depreciation expense and lower operating costs due to divestment of liftboats and lower activities from the Group's liftboats.

As a result of the above, the Group recorded a gross profit of US\$0.5 million in 1H21 compared with a gross loss of US\$6.7 million in 1H20.

The decrease in other income for 1H21 was due to lower foreign exchange gain recorded during the period as compared to 1H20.

The decrease in administrative expenses in 1H21 as compared to 1H20 was mainly due to lower staff costs as staff headcount has reduced.

**Other Information Required by Listing Rule Appendix 7.2**

**3 Review of performance of the Group (cont'd)**

**Income statement review (cont'd)**

**First half 30 June 2021 (1H21) and 30 June 2020 (1H20) (cont'd)**

The other expense for 1H21 has resulted in credit balance, mainly due to the following:

	<b>1H21</b> <b>US\$'000</b>	<b>1H20</b> <b>US\$'000</b>
Loss on disposal of assets held for sale	2,777	–
Net impairment losses on:		
- property, plant and equipment	–	149,044
- trade receivables	738	865
(Write-back)/Impairment of loans to joint venture	(2,276)	37,967
(Write-back)/Impairment of other assets	(4,365)	13,413
Write-off of trade and other payables obligations	(3,135)	–
	<hr/> <b>(6,261)</b>	<hr/> <b>201,289</b>

Finance income has increased in 1H21 as there was a reversal of over-recognition of finance income made in 1H20.

Finance costs have decreased in 1H21 due to mainly due to the higher principal repayment made for the Group's borrowings during the period and lower interest rates charged.

The share of profits of associates and jointly controlled entities in 1H21 was contributed by the operating profit generated by the Group's joint venture, which operates in the windfarm industry in China.

The Group generated profit before income tax from continuing operations of US\$4.3 million in 1H21 as a result of all the above.

Charter income derived from Singapore flagged vessels are exempted from tax under Section 13A of the Income Tax Act of Singapore. Current period income tax expense of US\$220,000 relates to the corporate tax expense and withholding tax expense incurred by vessels operating in certain overseas waters.

## Other Information Required by Listing Rule Appendix 7.2

### 3 Review of performance of the Group (cont'd)

#### Income statement review (cont'd)

#### First half 30 June 2021 (1H21) and 30 June 2020 (1H20) (cont'd)

Results from discontinued operations was a profit of US\$2.3 million in 1H21 mainly due to the following:

	1H21 US\$'000	1H20 US\$'000
Gain on disposal of:		
- property, plant and equipment	-	(2,563)
- assets held for sale	(3,541)	-
Depreciation expense on property, plant and equipment	53	2,207
Net impairment losses on:		
- property, plant and equipment	-	32,521
- trade receivables	1,078	-
Impairment of loans to joint venture	24	-
Impairment/(Write-back) of other assets	1,639	(9,587)
Write-off of trade and other payables obligations	(4,578)	-
	<u>(5,325)</u>	<u>22,578</u>

#### Statement of financial position review

##### **Non-current Assets**

The Group's Non-current Assets amounted to US\$99.8 million as at 30 June 2021. The increase in Non-current Assets was mainly due to the increase in fair value of the Group's shareholdings in AusGroup and the share of profit from the Group's joint venture during the period.

##### **Current Assets**

The Group's Current Assets amounted to US\$112.9 million as at 30 June 2021. The decrease was mainly due to the disposal of Assets held for sale during the quarter, which amounted to US\$66.6 million. The remaining decrease was due to offset of receivables against payables between the Group and its joint ventures.

##### **Total liabilities**

The Group's Total Liabilities amounted to US\$1,585.1 million as at 30 June 2021. The decrease in Total Liabilities was mainly due to partial repayment of bank loans during the period.

##### **Total equity**

The decrease in Shareholders Deficit was attributable mainly due to net profit generated during the period and the increase in fair value reserve for the period, which was due to the increase in fair value of the Group's shareholdings in AusGroup.

**Other Information Required by Listing Rule Appendix 7.2 (cont'd)**

**3 Review of performance of the Group (cont'd)**

**Statement of cash flows review**

**Cash Flow from Operating Activities**

The Group's net cash from operating activities was US\$7.7 million. This was mainly due to the net cash generated from the operations of the Group.

**Cash Flow from Investing Activities**

The Group's net cash from investing activities was US\$67.7 million. This was mainly due to proceeds from sale of asset held for sale.

**Cash Flow from Financing Activities**

The Group's net cash used in financing activities was US\$81.8 million. This was mainly due to the repayment of bank loans and payment of interest during the period.

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

In line with the prospect statement made in 1Q21.

**5 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.**

The Group had announced on 13 July 2021 that it has disposed of its entire interest in one of its wholly owned subsidiaries at the instructions of one of its secured lenders pursuant to powers of attorney granted to the said lender under the relevant financing documents. Prior to the disposal, this subsidiary owned the Group's remaining wind turbine installation vessel.

In response to the above disposal, the Group will focus on projects that do not require the provision of a wind turbine installation vessel. It will continue to leverage on its existing experience and operational track record to access and explore new opportunities in the renewable energy sector in asset-light capacities, including project management, technical and engineering consultancy or procurement.

As announced by the Company in its update on the restructuring plans on 20 June 2021 and the Company's response to the queries from the Securities Investors Association of Singapore ("SIAS") on 28 July 2021, the Group is still in discussions with TRS (as defined in the announcement dated 20 June 2021) on the scope of work, fee structure and payment terms. To date, these discussions have not been finalised, and TRS has not commenced making any advance payments.

The Group continues to be of the view that all costs related to the project, including the relevant headcount, should be fully funded from the project revenue from TRS, and not from Group's existing resources, to preserve maximum value for the Group's stakeholders until there is better visibility and certainty on the project. As the discussions with TRS had not materialised into concrete developments, the Group has commenced a further cost reduction exercise to reduce its existing headcount and resources in 4Q FY2021.

**Other Information Required by Listing Rule Appendix 7.2 (cont'd)**

**5 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. (cont'd)**

The Group has received 3 letters from external third parties expressing interest towards investing in the Company (the "EOIs"). To date, the EOIs received are mainly based on realising / leveraging on the value of the listed status of the Company, and the operational track record of its wholly-owned subsidiary Teras Offshore Pte Ltd. The Group is currently in discussions with these potential investors to seek clarity on the proposals as well as explore avenues to improve the terms of the various proposals.

The Group will evaluate these proposals to assess whether these proposals can add value to the Group and enhance recoveries for all its stakeholders. If there is a feasible proposal, the Group will seek feedback from its secured lenders as well as other stakeholders, including medium-term noteholders, perpetual securityholders and shareholders on the terms of the proposal in due course. In the event the Group is unable to obtain the support of the relevant groups of stakeholders, the Group would then explore liquidation as a viable option.

**6 Dividend**

**(a) Current Financial Period Reported on**

Any dividend declared for the current financial period reported on?

None.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

None.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

No dividend has been declared/recommendeded for the current financial reporting period due to the net liabilities position of the Group and the Company.



**Other Information Required by Listing Rule Appendix 7.2 (cont'd)**

- 8 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.**

There was no interested person transaction during the period under review. The Company has not obtained a general mandate from shareholders for interested person transaction.

- 9 Confirmation of undertakings from Directors and Executive Officers**

The Company has procured undertakings from all its directors and executive officers in compliance with Listing Rule 720(1).

- 10 Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual**

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the three-months and six-months period ended 30 June 2021 to be false or misleading in any material aspects.

**On behalf of the Board of Directors**

**Dr Wang Kai Yuen**  
**Chairman & Non-executive Director**

**Chew Thiam Keng**  
**Executive Director & CEO**

**BY ORDER OF THE BOARD**

**Tan Wee Sin**  
**Company Secretary**  
**28 September 2021**