

Nexia TS

Listening, Thinking, Growing, Asia.

DEEP DRILLING 5 PTE. LTD.

(Incorporated in Singapore. Registration Number: 200502024W)

FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

Nexia TS Public Accounting Corporation

UEN: 200507237N / Incorporated with limited liability

Singapore • China • Malaysia • Myanmar

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DEEP DRILLING 5 PTE. LTD.

(Incorporated in Singapore)

FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

Contents

	Page
Directors' Statement	1
Independent Auditor's Report	3
Statement of Comprehensive Income	6
Balance Sheet	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	11

DEEP DRILLING 5 PTE. LTD.

DIRECTORS' STATEMENT

For the financial year ended 31 March 2022

The directors present their statement to the shareholder together with the audited financial statements of the Company for the financial year ended 31 March 2022.

In the opinion of the directors,

- (a) the financial statements of the Company as set out on pages 6 to 30 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2022 and the financial performance, changes in equity and cash flows of the Company for the financial year covered by the financial statements; and
- (b) at the date of this statement, after considering the matters as described in Note 2.1 to the financial statements with respect to the Company's ability to continue as a going concern, there are reasonable grounds to believe that the Company will be able to pay its debt as and when they fall due, as the penultimate holding corporation, Aban Holdings Pte. Ltd. ("AHPL") and its subsidiary corporations ("AHPL Group") is in discussions with its lenders to obtain approval for and implementation of an appropriate debt resolution plan.

Directors

The directors of the Company in office at the date of this statement are as follows:

Mr. Chakkungal Pathayapura Gopalakrishnan
Mr. Venkataramaiyer Sivaramakrishnan
Mr. Rout Ashok Kumar

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

Holdings registered in name of director		Holdings in which director is deemed to have an interest	
At 31.03.2022	At 01.04.2021	At 31.03.2022	At 01.04.2021

Ultimate holding corporation

- Aban Offshore Limited

(No. of ordinary shares of Rs2 each)

Mr. Chakkungal Pathayapura Gopalakrishnan	43,200	43,200	10,750	10,750
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DEEP DRILLING 5 PTE. LTD.

DIRECTORS' STATEMENT

For the financial year ended 31 March 2022

Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

Independent auditor

The independent auditor, Nexia TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the directors



Chakkungal Pathayapura Gopalakrishnan
Director



Rout Ashok Kumar
Director

2 September 2022

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF DEEP DRILLING 5 PTE. LTD.

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the accompanying financial statements of Deep Drilling 5 Pte. Ltd. (the "Company") which comprise the balance sheet as at 31 March 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 30.

We do not express an opinion on the accompanying financial statements of the Company. Because of the significance of the matters described in the *Bases for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Bases for Disclaimer of Opinion

1. *Going concern*

As disclosed in Note 2.1 to the financial statements, in preparing the financial statements, the Board of Directors have considered the operations of the Company as a going concern notwithstanding that the Company incurred a net loss of US\$37,293,000 (2021: US\$6,166,000) for the financial year ended 31 March 2022.

As disclosed in Note 15 and 17 to the financial statements, the rig of the Company classified as asset held-for-sale with carrying amount of US\$25,248,000 (2021: the rig of the Company classified as property, plant and equipment with carrying amount of US\$46,701,000) has been pledged as securities for the borrowings of the penultimate holding corporation, Aban Holdings Pte. Ltd. ("AHPL") and its subsidiary corporations ("AHPL Group") amounting to US\$1,788,591,000 (2021: US\$1,829,791,000) and US\$1,923,661,000 (2021: US\$1,974,174,000) respectively. In addition, an impairment loss on the rig and inventory write-down amounting to US\$18,180,000 and US\$1,261,000 respectively was made during the financial year ended 31 March 2022.

In addition, AHPL Group had defaulted on payment of their borrowings which have fallen due and have breached the covenants of their borrowings which give the lenders the right to demand the related borrowings be due and payable immediately. The lenders had issued recall notices to AHPL Group. Management had reclassified the borrowings of AHPL Group, with original repayment terms beyond 12 months from the balance sheet date as current liabilities.

The above conditions indicate the existence of material uncertainties which may cast significant doubt on the Company's ability to continue as going concern. Nevertheless, the Board of Directors believe that the use of the going concern assumption on the preparation of the financial statements of the Company for the financial year ended 31 March 2022 is still appropriate after taking into consideration that, as at the date of this report, AHPL Group has entered into binding sale and purchase agreements for the sale of 7 rigs owned by the Group and are in discussions with its lenders to obtain approval for and implementation of an appropriate debt resolution plan.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF DEEP DRILLING 5 PTE. LTD. (continued)

Bases for Disclaimer of Opinion (continued)

1. *Going concern (continued)*

The ability of the Company to continue in operational existence in the foreseeable future and to meet its financial obligations as and when they fall due are dependent on the actions and measures undertaken as disclosed above and it is uncertain whether AHPL will raise further funds through any fund-raising exercises. Therefore, we are unable to obtain sufficient audit evidence to be able to form an opinion as to whether the going concern basis of preparation of the accompanying financial statements of the Company is appropriate.

If the Company is unable to continue in operational existence in the foreseeable future, the 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, in particularly the rig of the Company, 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 balance sheets. In addition, the Company may have to reclassify non-current assets and liabilities to current assets and liabilities respectively. The financial statements do not include any adjustment which may arise from these uncertainties.

2. *Amounts due from immediate holding corporation*

As disclosed in Note 16 to the financial statements, the amounts due from the immediate holding corporation amounting to US\$72,720,000 (2021: US\$72,712,000). Management has determined that no impairment is required as there was no significant increase in credit risk.

Based on the latest financial performance and position of the immediate holding corporation as well as other information made available to us, we are unable to obtain sufficient appropriate audit evidence in respect of the management's assessment of the expected credit losses associated with the amounts due from the intermediate holding corporation as at 31 March 2022. Consequently, we are unable to determine whether any adjustments in respect of the carrying amounts of the amounts due from the immediate holding corporation as at 31 March 2022 are necessary.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Financial Reporting Standards in Singapore ("FRSs"), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF DEEP DRILLING 5 PTE. LTD. (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Company's financial statements in accordance with Singapore Standards of Auditing and to issue an auditor's report. However, because of the matters described in the *Bases for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Report on Other Legal and Regulatory Requirements

In our opinion, in view of the significance of the matters described in the *Bases for Disclaimer of Opinion* section of our report, we do not express an opinion on whether the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.



**Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants**

Singapore
2 September 2022

DEEP DRILLING 5 PTE. LTD.**STATEMENT OF COMPREHENSIVE INCOME***For the financial year ended 31 March 2022*

	Note	2022 US\$'000	2021 US\$'000
Revenue	4	-	11,550
Other gains - net	5	655	539
Expenses			
- Consumables and spare parts	13	(247)	(29)
- Rig operating expenses	6	(1,290)	(144)
- Depreciation of property, plant and equipment	17	(3,282)	(3,299)
- Employee compensation	7	(231)	(52)
- Finance expense	8	(12,864)	(12,957)
- Impairment loss on property, plant and equipment	17	(18,180)	-
- Inventory write-down	13	(1,261)	-
- Other operating expenses	9	(593)	(619)
Total expenses		<u>(37,948)</u>	<u>(17,100)</u>
Loss before income tax		(37,293)	(5,011)
Income tax expense	10	*	(1,155)
Total comprehensive loss, representing net loss		<u>(37,293)</u>	<u>(6,166)</u>

* Amount is less than US\$1,000

The accompanying notes form an integral part of these financial statements.

DEEP DRILLING 5 PTE. LTD.**BALANCE SHEET***As at 31 March 2022*

	Note	2022 US\$'000	2021 US\$'000
ASSETS			
Current assets			
Cash and cash equivalents	11	15	23
Trade and other receivables	12	-	4,209
Inventories	13	-	3,229
Other current assets	14	12	14
		<u>27</u>	<u>7,475</u>
Non-current assets held-for-sale	15	27,000	-
		<u>27,027</u>	<u>7,475</u>
Non-current assets			
Amount due from immediate holding corporation (non-trade)	16	72,720	72,712
Property, plant and equipment	17	-	46,710
		<u>72,720</u>	<u>119,422</u>
Total assets		<u>99,747</u>	<u>126,897</u>
LIABILITIES			
Current liabilities			
Trade and other payables	18	58	147
Non-current liabilities			
Amount due to intermediate holding corporation (non-trade)	16	10,622	390
Total liabilities		<u>10,680</u>	<u>537</u>
NET ASSETS		<u>89,067</u>	<u>126,360</u>
EQUITY			
Share capital	19	68,146	68,146
Retained profits		20,921	58,214
Total equity		<u>89,067</u>	<u>126,360</u>

The accompanying notes form an integral part of these financial statements.

DEEP DRILLING 5 PTE. LTD.

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2022

	Share capital US\$'000	Distributable retained profits US\$'000	Total equity US\$'000
Balance as at 1 April 2021	68,146	58,214	126,360
Total comprehensive loss for the financial year	-	(37,293)	(37,293)
Balance as at 31 March 2022	68,146	20,921	89,067
Balance as at 1 April 2020	68,146	64,380	132,526
Total comprehensive loss for the financial year	-	(6,166)	(6,166)
Balance as 31 March 2021	68,146	58,214	126,360

The accompanying notes form an integral part of these financial statements.

DEEP DRILLING 5 PTE. LTD.**STATEMENT OF CASH FLOWS***For the financial year ended 31 March 2022*

	Note	2022 US\$'000	2021 US\$'000
Cash flows from operating activities			
Net loss		(37,293)	(6,166)
Adjustments for:			
- Amortisation of amount due from immediate holding corporation (non-trade)	5	*	*
- Amortisation of amount due from intermediate holding corporation (non-trade)	5	(655)	(541)
- Interest expense	8	12,864	12,957
- Income tax expense	10	*	1,155
- Inventory write-down	13	1,261	-
- Impairment loss on property, plant and equipment	17	18,180	-
- Depreciation of property, plant and equipment	17	3,282	3,299
		<u>(2,361)</u>	<u>10,704</u>
Change in working capital:			
- Trade receivables		4,209	(2,161)
- Inventories		216	(3,229)
- Other current assets		2	43
- Trade and other payables		(89)	(222)
Cash generated from operations		<u>1,977</u>	<u>5,135</u>
- Income tax paid		(*)	(1,155)
Net cash provided by operating activities		<u>1,977</u>	<u>3,980</u>
Cash flows from investing activity			
Advances to immediate holding corporation (non-trade)		<u>(8)</u>	<u>(1)</u>
Net cash used in investing activity		<u>(8)</u>	<u>(1)</u>
Cash flows from financing activity			
Repayment to intermediate holding corporation (non-trade)		<u>(1,977)</u>	<u>(3,976)</u>
Net cash used in financing activity		<u>(1,977)</u>	<u>(3,976)</u>
Net (decrease)/increase in cash and cash equivalents		(8)	3
Cash and cash equivalents			
Beginning of financial year		<u>23</u>	<u>20</u>
End of financial year	11	<u>15</u>	<u>23</u>

The accompanying notes form an integral part of these financial statements.

DEEP DRILLING 5 PTE. LTD.**STATEMENT OF CASH FLOWS***For the financial year ended 31 March 2022***Reconciliation of liabilities arising from financing activity**

			Non-cash changes		
	1 April 2021	Repayments made	Amortisation	Interest expense	31 March 2022
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Amount due to intermediate holding corporation (non-trade)	390	(1,977)	(655)	12,864	10,622

			Non-cash changes		
	1 April 2020	Repayments made	Amortisation	Interest expense	31 March 2021
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Amount due (from)/to intermediate holding corporation (non-trade)	(8,050)	(3,976)	(541)	12,957	390

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

Deep Drilling 5 Pte. Ltd. (the "Company") is incorporated and domiciled in Singapore. The address of its registered office is at 9 Temasek Boulevard, #19-02, Suntec Tower Two, Singapore 038989.

The principal activities of the Company are that of ownership and operations of offshore jack-up drilling rigs.

The Company's immediate holding corporation is Deep Drilling Invest Pte. Ltd., incorporated in Singapore. The intermediate holding corporation is Aban Singapore Pte. Ltd., incorporated in Singapore. The penultimate holding corporation is Aban Holdings Pte. Ltd., incorporated in Singapore. The ultimate holding corporation is Aban Offshore Limited, incorporated in India.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

Coronavirus (COVID-19) Impact

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The Company's significant operations are in Singapore and Brunei which have been affected by the spread of COVID-19 in 2022.

Set out below is the impact of COVID-19 on the Company's financial performance reflected in this set of financial statements for the financial year ended 31 March 2022:

- (i) The Company has assessed that the going concern basis of preparation for this set of financial statements remains appropriate after the Board of Director taking into consideration of the actions and measures in respect to AHPL Group is in discussions with its lenders to obtain approval for and implementation of an appropriate debt resolution plan (Note 2.1 – Going concern).
- (ii) The Company has considered the market conditions (including the impact of COVID-19) as at the balance sheet date, in making estimates and judgements on the recoverability of assets as at 31 March 2022.

The Company will continue to keep a vigilant watch on the challenges that may arise from the ongoing COVID-19 pandemic and uncertainties in the wider macro environment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

Interpretations and amendments to published standards effective in 2021

On 1 April 2021, the Company adopted the new or amended FRSs and Interpretations of FRS ("INT FRSs") that are mandatory for application for the financial year. Changes to the accounting policies of the Company have been made as required, in accordance with the transitional provisions in the respective FRSs and INT FRSs.

The adoption of these new or amended FRSs and INT FRSs did not result in substantial changes to the accounting policies of the Company and had no material effect on the amounts reported for the current or prior financial years.

Going concern

In preparing the financial statements, the Board of Directors have considered the operations of the Company as a going concern notwithstanding that the Company incurred a net loss of US\$37,293,000 (2021: US\$6,166,000) for the financial year ended 31 March 2022.

In addition, as disclosed in Notes 15 and 17 to the financial statements, the rig of the Company classified as asset held-for-sale with carrying amount of US\$25,248,000 (2021: the rig of the Company classified as property, plant and equipment with carrying amount of US\$46,701,000) has been pledged as securities for the borrowings of the penultimate holding corporation, Aban Holdings Pte. Ltd. ("AHPL") and its subsidiary corporations ("AHPL Group") amounting to US\$1,788,591,000 (2021: US\$1,829,791,000) and US\$1,923,661,000 (2021: US\$1,974,174,000) respectively. In addition, an impairment loss on the rig and inventory write-down amounting to US\$18,180,000 and US\$1,261,000 respectively was made during the financial year ended 31 March 2022.

In addition, AHPL Group had defaulted on payment of their borrowings which have fallen due and have breached the covenants of their borrowings which give the lenders the right to demand the related borrowings be due and payable immediately. The lenders had issued recall notices to AHPL Group. Management had reclassified the borrowings of AHPL Group, with original repayment terms beyond 12 months from the balance sheet date as current liabilities.

The above conditions indicate the existence of material uncertainties which may cast significant doubt on the Company's ability to continue as going concern. Nevertheless, the Board of Directors believe that the use of the going concern assumption on the preparation of the financial statements of the Company for the financial year ended 31 March 2022 is still appropriate after taking into consideration that, as at the date of this report, AHPL Group has entered into binding sale and purchase agreements for the sale of 7 rigs owned by the Group and are in discussions with its lenders to obtain approval for and implementation of an appropriate debt resolution plan.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. Significant accounting policies (continued)

2.2 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Company's activities. Revenue is presented, net of value-added tax ("VAT"), returns, rebates, and discounts.

The Company recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivable is reasonably assured and when specific criteria for each of the Company's activities are met as follows:

(a) Drilling and drilling related contracts

Revenue is derived mainly from drilling and drilling related contracts at rates established in the relevant contracts. For each contract, the Company will assess if the contract is a multiple element arrangement. Where the arrangement is determined to contain a lease, revenue relating to the lease component is recognised on a straight-line basis over the period of the lease contract and revenue relating to the service component is recognised over the period during which the services are rendered, which is typically on a straight-line basis.

Certain contracts may include fees payable at the start of the contract whereby:

- In cases where the fee covers a general upgrade of a rig or equipment which increases the value of the rig or equipment beyond the contract period, the fee is recognised as revenue over the period of the lease contract whereas the investment is depreciated over the remaining lifetime of the asset; or
- In cases where the fee covers specific upgrades or equipment specific to the contract, the fees are recognised as revenue and related cost are capitalised as contract assets.

(b) Other incidental services

Other incidental services relate to supplies, equipment, personnel services and other services provided. Revenue from other incidental services is recognised when related services have been rendered over time since customer simultaneously receives and consumes the benefit provided by the Company.

(c) Interest income from bank deposits

Interest income is recognised on a time-proportion basis using the effective interest method.

2.3 Property, plant and equipment

(a) Measurement

(i) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses (Note 2.5).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. Significant accounting policies (continued)

2.3 Property, plant and equipment (continued)

(a) *Measurement* (continued)

(ii) Component of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) *Depreciation*

Depreciation is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Rig (includes machinery and equipment installed on the rig)	40 years
Loose drilling equipment (included on the rig)	5 years
Office equipment	3 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated property, plant and equipment still in use are retained in the financial statements.

(c) *Subsequent expenditure*

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) *Disposal*

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

2.4 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest rate method.

2.5 Impairment of non-financial assets

Property, plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. Significant accounting policies (continued)

2.5 Impairment of non-financial assets (continued)

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

For an asset other than goodwill, management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss .

2.6 Financial assets

(a) Classification and measurement

The Company classifies its financial assets as amortised cost.

The classification of debt instruments depends on the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

At subsequent measurement

Debt instruments mainly comprise of cash equivalents, trade and other receivables and amounts due from immediate and intermediate holding corporations.

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset.

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is de-recognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

(b) Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. Significant accounting policies (continued)

2.6 Financial assets (continued)

(b) Impairment (continued)

For trade receivables, the Company applies the simplified approach permitted by the FRS 109 - *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(c) Recognition and de-recognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Company commits to purchase or sell the asset.

Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss.

2.7 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.8 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.9 Lease

When the Company is the lessor

The Company leases its rig under operating leases to intermediate holding corporation.

Leases of property, plant and equipment where the Company retains substantially all risks and rewards incidental to ownership are classified as operating leases.

Rental income from operating leases (net of any incentives given to lessees) is recognised in the profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Company in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense in the profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. Significant accounting policies (continued)

2.10 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

2.11 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences except where the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date; and
- (ii) based on the tax consequence that would follow from the manner in which the Company expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expenses in profit or loss, except to the extent that the tax arises from a transaction which is recognised directly in equity.

2.12 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. Significant accounting policies (continued)

2.13 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The Company's contributions are recognised as employee compensation expense when they are due.

(b) Termination benefits

Termination benefits are those benefits which are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

(c) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

2.14 Currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operated ("functional currency"). The financial statements are presented in United States Dollar (US\$), which is the functional currency of the Company and have been rounded to the nearest thousand (US\$'000).

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. Monetary items include primarily financial assets and financial liabilities.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "Finance expense". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "Other gains or losses - net".

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. Significant accounting policies (continued)

2.15 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash at bank with financial institutions which are subject to an insignificant risk of change in value.

2.16 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.17 Non-current assets held-for-sale

Non-current assets are classified as assets held-for-sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements 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. The resulting accounting estimates will, by definition, seldom equal the related actual results.

(a) Income taxes

The Company is subject to income taxes in numerous jurisdictions comprising foreign withholding taxes or taxes on net profits attributable to a permanent establishment in accordance with the tax jurisdictions of the respective countries where drilling operations are conducted. Significant judgement by management is required in determining the global provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business or as a result of new tax laws or revised interpretations of existing tax laws and precedents. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due; and for uncertain tax positions of the Company, based on the single best estimate of the most likely outcomes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such as due to changes in tax rules in different jurisdictions or revised interpretations of existing tax laws and precedents, such differences will impact the income tax provisions in the corresponding periods.

Current income tax liabilities

In arriving at the current income tax charge for the financial year, management exercised significant judgement of the availability at certain tax depreciation allowances. In the remote event that these allowances are not being available, there may be additional tax exposure to the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

3. Critical accounting estimates, assumptions and judgements (continued)

(a) Income taxes (continued)

Deferred income tax liabilities

- (i) Deferred income tax has not been recognised on certain temporary difference arising between the tax base of assets and liabilities and their carrying amounts.
- (ii) The assumptions resulting in the non-recognition of deferred income tax are that:
- the Company will continue to use its rig to generate income and will not be in the business of trading its rig such that any gain on disposal can be viewed as capital in nature by the tax authorities, and to the extent applicable, the Company will rely on the current automatic tax concession in the event of the disposal of the rig; and/or
 - the Company will continue to satisfy the necessary conditions for the Approved International Shipping Enterprise ("AIS") status awarded by the Maritime and Port Authority of Singapore ("MPA") (Note 10).

If the Company disposes its rig and in the unlikely event that above assumptions do not hold, the Company will be subjected to income tax at the prevailing tax rate, which at the balance sheet date is 17%.

(b) Impairment of property, plant and equipment

Property, plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

The recoverable amounts of these assets and, where applicable CGU, have been determined based on higher of the fair value less cost to sell and value-in-use ("VIU"). The carrying amount of property, plant and equipment at the balance sheet date are disclosed in Note 17 to the financial statements.

An impairment charge of US\$18,180,000 was recognised for property, plant and equipment for the financial year ended 31 March 2022 based on estimated recoverable amount determined by fair value less cost to sell. The estimated recoverable amount determined by management is lower than the carrying amount of certain property, plant and equipment has resulted in a reduction in the carrying amount from US\$43,428,000 to US\$25,248,000 as at 31 March 2022.

No impairment charge was recognised for the financial year ended 31 March 2021 as management has assessed that the estimated recoverable amount of property, plant and equipment is higher than its carrying amount.

If the fair value less cost to sell determined by management had been lower by 10%, the Company would have reduced the carrying amount of property, plant and equipment by US\$2,525,000 (2021: If the operating days and day rate determined by management had been lower by 10%, the Company would have reduced the carrying amount of property, plant and equipment by US\$5,980,000 and US\$9,671,000 respectively).

DEEP DRILLING 5 PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***4. Revenue**

	2022 US\$'000	2021 US\$'000
Revenue from drilling and drilling related contracts - South East Asia	<u>-</u>	<u>11,550</u>

5. Other gains – net

	2022 US\$'000	2021 US\$'000
Amortisation of amount due to immediate holding corporation (non-trade)	*	*
Amortisation of amount due to intermediate holding corporation (non-trade)	655	541
Currency exchange loss - net	*	(2)
	<u>655</u>	<u>539</u>

* Amount is less than US\$1,000

6. Rig operating expenses

	2022 US\$'000	2021 US\$'000
Catering	91	4
Clearing and forwarding	16	3
Communication	4	*
Insurance	76	135
Port fee	331	-
Repair and maintenance	439	-
Rig fuel	298	2
Other	35	*
Total rig operating expenses	<u>1,290</u>	<u>144</u>

* Amount is less than US\$1,000

7. Employee compensation

	2022 US\$'000	2021 US\$'000
Wages and salaries	<u>231</u>	<u>52</u>

DEEP DRILLING 5 PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***8. Finance expense**

	2022	2021
	US\$'000	US\$'000
Interest expense		
- Intermediate holding corporation	<u>12,864</u>	<u>12,957</u>

Finance expenses of US\$12,864,000 (2021: US\$12,957,000) charged by the intermediate holding corporation to the Company has been allocated based on the assets offered as security by the Company for the facility availed by the penultimate holding corporation (Note 17).

9. Other operating expenses

	2022	2021
	US\$'000	US\$'000
Consultancy and advisory fees	30	28
Management fees	552	534
Rig move	6	53
Other	5	4
Total other operating expenses	<u>593</u>	<u>619</u>

10. Income tax

	2022	2021
	US\$'000	US\$'000
Tax expense attributable to loss is made up of:		
Current income tax		
- Foreign	-	1,155
Over provision in prior financial years		
Current income tax		
- Foreign	*	-
	<u>*</u>	<u>1,155</u>

The Maritime and Port Authority of Singapore (“MPA”) awarded the “Approved International Shipping Enterprise” (“AIS”) status to the Company with effect from 1 June 2016 for a period of 10 years. As the Company owns a Singapore-registered rig, it is also exempted from Singapore income tax on qualifying income under section 13A of the Income Tax Act.

NOTES TO THE FINANCIAL STATEMENTS*For the financial year ended 31 March 2022***10. Income tax (continued)**

The income tax expense on loss before income tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	2022 US\$'000	2021 US\$'000
Loss before income tax	<u>(37,293)</u>	<u>(5,011)</u>
Tax calculated at a tax rate of 17% (2021: 17%)	(6,340)	(852)
Effects of:		
- Different tax rate in other countries	-	809
- Expenses not deductible for tax purposes	6,340	5,073
- Over provision in prior year	*	-
- Income not subjected to tax	-	(3,875)
Tax charge	<u>*</u>	<u>1,155</u>

11. Cash and cash equivalents

	2022 US\$'000	2021 US\$'000
Cash at bank	<u>15</u>	<u>23</u>

12. Trade receivables

	2022 US\$'000	2021 US\$'000
Trade receivables		
- Intermediate holding corporation*	-	4,208
VAT receivables	<u>-</u>	<u>1</u>
	<u>-</u>	<u>4,209</u>

* *The Company has contracted its rig through its intermediate holding corporation as contracting party to a third party operator.*

13. Inventories

	2022 US\$'000	2021 US\$'000
Consumables and spare parts	<u>-</u>	<u>3,229</u>

The cost of inventories recognised as expense and included in statement of comprehensive income amounted to US\$247,000 (2021: US\$29,000). In addition, the Company recognised inventory write-down amounted to US\$1,261,000 (2021: US\$Nil).

NOTES TO THE FINANCIAL STATEMENTS*For the financial year ended 31 March 2022***14. Other current assets**

	2022 US\$'000	2021 US\$'000
Deposits	2	2
Prepayments	10	12
	<u>12</u>	<u>14</u>

15. Non-current assets held-for-sale

	2022 US\$'000
Details of the assets classified as held-for-sale were as follows:	
Property, plant and equipment	25,248
Inventories	1,752
	<u>27,000</u>

During financial year ended 31 March 2022, the Company has received instructions from the lenders to sell its rig to repay the debts. The sale is highly probable and expected to be completed within one year. Accordingly, the Company classified its rig as held-for-sale and are presented separately in the balance sheet. As at 31 March 2022, the assets held-for-sale was stated at fair value less costs to sell. Consequently, the Company recognised an impairment loss on the rig and inventory write-down amounting to US\$18,180,000 and US\$1,261,000 respectively.

16. Amounts due from/(to) immediate and intermediate holding corporations (non-trade)

The non-trade amounts due from/(to) immediate and intermediate holding corporations are unsecured, interest-free and have no fixed repayment date. These amounts are not expected to be repaid/(settled) within the next 12 months from the balance sheet date.

Management is of the opinion that the fair value of non-trade amounts due from/(to) immediate and intermediate holding corporations approximates its carrying amount.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

17. Property, plant and equipment

	<u>Rig*</u> US\$'000	<u>Office equipment</u> US\$'000	<u>Total</u> US\$'000
2022			
<i>Cost</i>			
Beginning of financial year	163,675	256	163,931
Reclassified to assets held-for-sale	(163,675)	-	(163,675)
End of financial year	<u>-</u>	<u>256</u>	<u>256</u>
<i>Accumulated depreciation</i>			
Beginning of financial year	116,974	247	117,221
Depreciation charge	3,273	9	3,282
Impairment charge	18,180	-	18,180
Reclassified to assets held-for-sale	(138,427)	-	(138,427)
End of financial year	<u>-</u>	<u>256</u>	<u>256</u>
Net book value			
End of financial year	<u>-</u>	<u>-</u>	<u>-</u>
2021			
<i>Cost</i>			
Beginning and end of financial year	<u>163,675</u>	<u>256</u>	<u>163,931</u>
<i>Accumulated depreciation</i>			
Beginning of financial year	113,675	247	113,922
Depreciation charge	3,299	-	3,299
End of financial year	<u>116,974</u>	<u>247</u>	<u>117,221</u>
Net book value			
End of financial year	<u>46,701</u>	<u>9</u>	<u>46,710</u>

* Includes machinery and equipment installed on the rig and loose drilling equipment.

An impairment charge of US\$18,180,000 was recognised for the financial year ended 31 March 2022 as the carrying amount of the rig exceeded its estimated recoverable amount which was mainly due to the current slump in the oil and gas industry.

No impairment charge was recognised for the financial year ended 31 March 2021 as management has assessed that the estimated recoverable amount of property, plant and equipment is higher than its carrying amount.

The rig of the Company with carrying amount of US\$46,701,000 has been pledged as securities for the borrowings of the penultimate holding corporation, Aban Holdings Pte. Ltd. ("AHPL") and its subsidiary corporations ("AHPL Group") amounting to US\$1,829,791,000 and US\$1,974,174,000 respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

18. Trade and other payables

	2022 US\$'000	2021 US\$'000
Trade payables		
- Non-related parties	-	32
Accruals for operating expenses	58	115
	<u>58</u>	<u>147</u>

19. Share capital

The Company's share capital comprises issued and fully paid-up 68,146,000 (2021: 68,146,000) ordinary shares with no par value amounting to a total of US\$68,146,000 (2021: US\$68,146,000).

The holder of ordinary share is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

20. Financial risk management

Financial risk factors

The Company's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management strategy seeks to minimise adverse effect from the unpredictability of financial markets on the Company's financial performance. The financial risk management of the Company is handled by the intermediate holding corporation as part of the operations of the Group.

(a) Market risk(i) *Currency risk*

The Company transacts mainly in United States Dollar (US\$), which is the functional currency of the Company. Accordingly, the Company does not have significant exposure to currency risk.

(ii) *Cash flow and fair value Interest rate risk*

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Company has no direct exposure to interest rate risk as it has no significant interest-bearing financial assets or liabilities. The Company's interest expense is allocated from the intermediate holding corporation (Note 8) who manages the interest rate risk. Changes in interest rate may affect the interest expense allocated to the Company which is at the discretion of the intermediate holding corporation.

(iii) *Price risk*

The Company has no significant exposure to price risk as its revenue is based on contractual rates and the Company does not hold equity securities as at 31 March 2022 and 2021 respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

20. Financial risk management (continued)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The major classes of financial assets of the Company are bank balances, trade and other receivables and amounts due from immediate and intermediate holding corporations. For bank deposits, the Company maintain its cash deposits primarily with financial institutions with high credit quality to minimise their exposure to the banks.

Due to the nature of the Company's operations, revenue and receivable are typically concentrated amongst a relatively small customer base of oil and gas companies. The Company has policies in place to ensure that drilling contracts are with customers of adequate financial standing and appropriate credit history, and where necessary, certain guarantees either in form of bank or parent company may be requested. Additionally, the customer's payment profile and credit exposure are continuously monitored at the entity level by the management. The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial assets on the balance sheet.

The trade receivables of the Company comprise of 1 debtor that represent 100% of trade receivables as at 31 March 2021.

The Company uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables.

In measuring the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and days past due.

In calculating the expected credit loss rates, the Company purely considers historical loss rates which management is of the view that the historical conditions are representative of the conditions prevailing at the balance sheet date.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company considers a financial asset as in default if the counterparty fails to make contractual payments within 180 days when they fall due, and writes off the financial asset after attempted all enforcement activity to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

As at 31 March 2021, the receivables are all current and considered to have low risk of default, therefore no expected credit loss allowance was recognised. There are no trade receivables as at 31 March 2022.

Cash and cash equivalents and amounts due from immediate and intermediate holding corporations are considered to have low risk of default. The balances are measured on a 12-months expected credit losses. The credit loss is immaterial.

(c) Liquidity risk

The drilling operations of the Company require substantial investment and are dependent on its ability to finance its capital and operating requirements and commitments. The Company ensures that arrangements have been made to obtain adequate funds and financial support from intermediate holding corporation to meet all its operating and capital obligations to enable the Company to meet its liabilities and obligations as and when they fall due for at least 12 months from the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS*For the financial year ended 31 March 2022***20. Financial risk management** (continued)(c) Liquidity risk (continued)

The table below analyses the maturity profile of the Company's financial liabilities based on contractual undiscounted cash flow (including interest payable in the future) at the balance sheet date.

	Within 1 year US\$
2022	
Trade and other payables	<u>58</u>
2021	
Trade and other payables	<u>147</u>

(d) Capital management

The Company's objectives when managing capital are to ensure the Company's ability to continue as a going concern and to maintain an optimal capital structure by issuing or redeeming additional equity, borrowings and other instruments when necessary.

The Board of Director's monitors its capital based on net debt and total capital. Net debt is calculated as trade and other payables less cash and cash equivalents. Total capital is calculated as equity plus net debt.

	2022 US\$'000	2021 US\$'000
Net debt	10,665	514
Total equity	<u>89,067</u>	<u>126,360</u>
Total capital	<u>99,732</u>	<u>126,874</u>

The Company is not subject to any externally imposed capital requirements for the financial years ended 31 March 2022 and 2021 respectively.

(e) Fair value measurements

The carrying amounts less impairment provision of trade receivables and payables are assumed to approximate their fair values.

(f) Financial instrument by category

The carrying amount of the different categories of financial instruments is as follows:

	2022 US\$'000	2021 US\$'000
Financial assets at amortised cost	72,737	76,946
Financial liabilities at amortised cost	<u>10,680</u>	<u>537</u>

NOTES TO THE FINANCIAL STATEMENTS*For the financial year ended 31 March 2022***21. Related party transactions**

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

(a) Sales and purchases of services

	2022	2021
	US\$'000	US\$'000
Management fees paid/payable to intermediate holding corporation	552	534
Drilling income charged to intermediate holding corporation*	-	11,550
Interest charged by intermediate holding corporation	<u>12,864</u>	<u>12,957</u>

**The Company has contracted its rig through its intermediate holding corporation as contracting party to a third party operator.*

Outstanding balances as at 31 March 2022 and 2021 are unsecured and not repayable within the next 12 months from the balance sheet date and are disclosed in Notes 12 and 16 to the financial statements.

(a) Key management personnel compensation

There are no key management personnel compensation incurred for the financial years ended 31 March 2022 and 2021 respectively.

22. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Company's accounting periods beginning on or after 31 March 2022 and which the Company has not early adopted.

Effective for annual periods beginning on or after 1 January 2022

- Amendments to FRS 103 Reference to Conceptual Framework
- Amendments to FRS 16 Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to FRS 37 Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements to FRSs 2018-2020

Effective for annual periods beginning on or after 1 January 2023

- FRS 117 Insurance Contracts
- Amendments to FRS 117
- Amendments to FRS 1 Classification of Liabilities as Current or Non-current
- Amendments to FRS 1 and FRS Practice Statement 2 Disclosure of Accounting Policies
- Amendments to FRS 8 Definition of Accounting Estimates
- Amendments to FRS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

22. New or revised accounting standards and interpretations (continued)

Effective date: to be determined*

- Amendments to FRS 110 and FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

* *The mandatory effective date of this Amendment had been revised from 1 January 2016 to a date to be determined by the Accounting Standards Council Singapore ("ASC") in December 2015 via Amendments to Effective Date of Amendments to FRS 110 and FRS 28.*

23. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Deep Drilling 5 Pte. Ltd. on 2 September 2022.