



ES GROUP (HOLDINGS) LIMITED
(Company Registration No. 200410497Z)
(Incorporated in the Republic of Singapore)

ES GROUP (HOLDINGS) LIMITED

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023**

This announcement has been prepared by ES Group (Holdings) Limited (the "Company") and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "Sponsor"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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ES GROUP (HOLDINGS) LIMITED

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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A. CONDENSED INTRIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Group					Increase (Decrease) %
		Unaudited 6 months ended 31 Dec 2023	Unaudited 6 months ended 31 Dec 2022	Increase (Decrease) %	Unaudited 12 months ended 31 Dec 2023	Audited 12 months ended 31 Dec 2022	
		S\$'000	S\$'000	%	S\$'000	S\$'000	
Revenue	4	13,087	16,260	(19.5)	26,762	32,460	(17.6)
Cost of services		(11,871)	(14,231)	(16.6)	(24,984)	(28,355)	(11.9)
Gross profit		<u>1,216</u>	<u>2,029</u>	(40.1)	<u>1,778</u>	<u>4,105</u>	(56.7)
Other operating income		552	621	(11.1)	1,508	1,696	(11.1)
Administrative expenses		(2,482)	(2,749)	(9.7)	(5,056)	(5,585)	(9.5)
Other operating expenses		(1,104)	(1,107)	(0.3)	(2,318)	(2,031)	14.1
Finance costs		(107)	(64)	67.2	(183)	(138)	32.6
Loss before share of results of a joint venture	6	<u>(1,925)</u>	<u>(1,270)</u>	51.6	<u>(4,271)</u>	<u>(1,953)</u>	>100
Share of results of a joint venture		(4)	(20)	(80.0)	(3)	114	n/m
Loss before income tax		<u>(1,929)</u>	<u>(1,290)</u>	49.5	<u>(4,274)</u>	<u>(1,839)</u>	>100
Income tax expense	15	-	(272)	n/m	43	(278)	n/m
Loss for the period/year		<u>(1,929)</u>	<u>(1,562)</u>	23.5	<u>(4,231)</u>	<u>(2,117)</u>	99.9
Other comprehensive income:							
<i>Items that may be reclassified subsequently to profit or loss</i>							
Exchange differences on translation of foreign operation	7	27	(74.1)	33	31	6.5	
Total comprehensive loss for the period/year		<u>(1,922)</u>	<u>(1,535)</u>	25.2	<u>(4,198)</u>	<u>(2,086)</u>	>100
Loss attributable to:							
Owners of the Company		(1,830)	(1,496)	22.3	(4,038)	(1,965)	>100
Non-controlling interests		(99)	(66)	50.0	(193)	(152)	27.0
		<u>(1,929)</u>	<u>(1,562)</u>	23.5	<u>(4,231)</u>	<u>(2,117)</u>	99.9
Total comprehensive loss attributable to:							
Owners of the Company		(1,832)	(1,478)	24.0	(4,029)	(1,944)	>100
Non-controlling interests		(90)	(57)	57.9	(169)	(142)	19.0
		<u>(1,922)</u>	<u>(1,535)</u>	25.2	<u>(4,198)</u>	<u>(2,086)</u>	>100
Loss per share¹ attributable to owners of the Company during the period/year:							
Basic ² (SGD in cent)		(1.30)	(1.06)		(2.86)	(1.39)	
Diluted ² (SGD in cent)		(1.30)	(1.06)		(2.86)	(1.39)	

n/m: not meaningful

¹ Computed based on loss attributable to owners of the Company for the respective financial periods/years divided by the weighted average number of ordinary shares in issue during the respective financial periods/years.

² As there are no dilutive potential ordinary shares that were outstanding during the respective financial periods/years, the diluted loss per share is the same as the basic loss per share.



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B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		Unaudited 31/12/2023 S\$'000	Audited 31/12/2022 S\$'000	Unaudited 31/12/2023 S\$'000	Audited 31/12/2022 S\$'000
ASSETS					
Current assets					
Cash and cash equivalents		3,651	6,101	21	75
Trade receivables	12	4,462	6,357	1	-
Contract assets		2,383	2,868	-	-
Other receivables		503	465	35	25
Amount due from subsidiaries		-	-	12,441	11,659
Inventories		431	402	-	-
Total current assets		<u>11,430</u>	<u>16,193</u>	<u>12,498</u>	<u>11,759</u>
Non-current assets					
Deposits		297	231	-	-
Investments in subsidiaries		-	-	17,239	18,803
Investment in a joint venture	14	248	333	-	-
Investment in joint operation		16	-	-	-
Club membership		31	50	-	-
Property, plant and equipment	9	18,905	17,942	-	-
Total non-current assets		<u>19,481</u>	<u>18,556</u>	<u>17,239</u>	<u>18,803</u>
Total assets		<u>30,911</u>	<u>34,749</u>	<u>29,737</u>	<u>30,562</u>
LIABILITIES AND EQUITY					
Current liabilities					
Bank loans	10	2,637	1,527	-	-
Trade payables	13	1,789	808	2	1
Contract liabilities		35	188	-	-
Other payables		3,764	4,387	96	85
Amount due to subsidiaries		-	-	15,381	12,469
Lease liabilities	16	136	190	-	-
Income tax payable		26	271	-	16
Total current liabilities		<u>8,387</u>	<u>7,371</u>	<u>15,479</u>	<u>12,571</u>
Non-current liabilities					
Bank loans	10	2,929	3,462	-	-
Lease liabilities	16	326	451	-	-
Deposits		42	40	-	-
Total non-current liabilities		<u>3,297</u>	<u>3,953</u>	<u>-</u>	<u>-</u>
Capital, reserves and non-controlling interests					
Share capital	11	23,698	23,698	23,698	23,698
Retained earnings		14,262	18,300	(9,440)	(5,707)
Statutory surplus reserve		442	442	-	-
Currency translation reserve		(209)	(218)	-	-
Merger reserve		(18,570)	(18,570)	-	-
Equity attributable to owners of the Company		<u>19,623</u>	<u>23,652</u>	<u>14,258</u>	<u>17,991</u>
Non-controlling interests		(396)	(227)	-	-
Total equity		<u>19,227</u>	<u>23,425</u>	<u>14,258</u>	<u>17,991</u>
Total liabilities and equity		<u>30,911</u>	<u>34,749</u>	<u>29,737</u>	<u>30,562</u>



C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	Share capital	Statutory surplus reserve	Retained earnings	Currency translation reserve	Merger reserve	Attributable to owners of the Company	Non-controlling interests	Total
Note	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group								
Balance at 1 January 2023 (audited)	23,698	442	18,300	(218)	(18,570)	23,652	(227)	23,425
<u>Total comprehensive loss for the year</u>								
- Loss for the year	-	-	(4,038)	-	-	(4,038)	(193)	(4,231)
- Other comprehensive profit for the year	-	-	-	9	-	9	24	33
Total	-	-	(4,038)	9	-	(4,029)	(169)	(4,198)
Balance at 31 December 2023 (unaudited)	23,698	442	14,262	(209)	(18,570)	19,623	(396)	19,227
Balance at 1 January 2022 (audited)	23,698	442	20,265	(239)	(18,570)	25,596	(85)	25,511
<u>Total comprehensive loss for the year</u>								
- Loss for the year	-	-	(1,965)	-	-	(1,965)	(152)	(2,117)
- Other comprehensive profit for the year	-	-	-	21	-	21	10	31
Total	-	-	(1,965)	21	-	(1,944)	(142)	(2,086)
Balance at 31 December 2022 (audited)	23,698	442	18,300	(218)	(18,570)	23,652	(227)	23,425



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Note	Share capital S\$'000	Retained earnings S\$'000	Total S\$'000
<u>Company</u>			
Balance at 1 January 2023 (audited)	23,698	(5,707)	17,991
Loss for the year, representing total comprehensive loss for the year	-	(3,733)	(3,733)
Balance at 31 December 2023 (unaudited)	<u>23,698</u>	<u>(9,440)</u>	<u>14,258</u>
Balance at 1 January 2022 (audited)	23,698	(3,871)	19,827
Loss for the year, representing total comprehensive loss for the year	-	(1,836)	(1,836)
Balance at 31 December 2022 (audited)	<u>23,698</u>	<u>(5,707)</u>	<u>17,991</u>



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D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	Unaudited 12 months ended 31 Dec 2023 S\$'000	Audited 12 months ended 31 Dec 2022 S\$'000
Operating activities		
Loss before income tax	(4,274)	(1,839)
Adjustments for:		
Interest income	(22)	(21)
Interest expense	353	282
Share of results of a joint venture	3	(114)
Property, plant and equipment written off	3	-
Impairment loss on club membership	19	-
(Reversal of loss allowance) / loss allowance made for third party trade receivables	(8)	276
Recovery of doubtful debts	(241)	(55)
Depreciation of property, plant and equipment	2,082	1,749
Gain on disposal of property, plant and equipment	(190)	(116)
	(2,275)	162
Changes in working capital		
Trade receivables	2,162	(222)
Contract assets	480	267
Other receivables	(129)	30
Inventories	(30)	211
Trade payables	961	(1,133)
Contract liabilities	(152)	152
Other payables	(480)	1,436
Cash from operations	537	903
Interest received	22	21
Income tax paid	(202)	(51)
Net cash generated from operating activities	357	873
Investing activities		
Proceeds from disposal of property, plant and equipment	217	120
Proceeds from disposal of investment in subsidiary	3	-
Purchases of property, plant and equipment	(3,127)	(1,268)
Dividend received from joint venture	82	-
Net cash used in investing activities	(2,825)	(1,148)
Financing activities		
Interest paid	(353)	(280)
Proceeds from:		
Term loans	2,200	-
Repayments of:		
Term loans	(1,623)	(1,912)
Principal portion of lease liabilities	(179)	(190)
Decrease in pledge fixed deposit	-	352
Net cash generated from/(used in) financing activities	45	(2,030)



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	Group	
	Unaudited 12 months ended 31 Dec 2023 S\$'000	Audited 12 months ended 31 Dec 2022 S\$'000
Net decrease in cash and cash equivalents	(2,423)	(2,305)
Cash and cash equivalents at the beginning of the year	6,101	8,495
Effects of exchange rate changes on the balance of cash held in foreign currencies	(27)	(89)
Cash and cash equivalents at the end of the year	3,651	6,101



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E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1 Corporate information

ES Group (Holdings) Limited (the “**Company**”) is a public company limited by shares, incorporated and domiciled in the Republic of Singapore with its registered office at 8 Ubi Road 2 #06-26 Zervex Singapore 408538. The Company’s registration number is 200410497Z.

The Company is listed on the Catalist board of the Singapore Exchange Securities Trading Limited.

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

The principal activities of the Company are those of an investment holding company and provider of management and technical services.

The principal activities of the Company’s subsidiaries are:

- (a) New building and repair of vessel; and
- (b) Shipping, which includes ship chartering and ship chandling.

2 Basis of Preparation

The condensed interim consolidated financial statements for the six months and full year ended 31 December 2023 (“**FY2023**”, and for the previous corresponding full year ended 31 December 2022, “**FY2022**”) have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statement. 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 since the last condensed interim consolidated financial statements for the six months ended 30 June 2023.

The accounting policies and methods of computations adopted are consistent with those adopted by the Company in the Group’s most recently audited consolidated financial statements for the full year ended 31 December 2022, which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1 of the condensed interim consolidated financial statements.

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

2.1 New and amended standards adopted by the Group

The Group and the Company have adopted all the new and revised SFRS(I)s and SFRS(I) Interpretations that are relevant to its operations and effective for the annual period beginning on 1 January 2023. The adoption of these new and revised SFRS(I)s and SFRS(I) Interpretations has no material effect on the performance and financial position of the Group and of the Company for the current financial period reported on. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these new and revised standards and interpretations.

2.2 Use of judgements and estimates

In preparing the condensed interim consolidated 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 annual audited consolidated financial statements as at and for the full year ended 31 December 2022.

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

Information about critical judgements made in applying accounting policies that have a significant effect on the amounts recognised in the consolidated financial statements are as follows:

a) Control over ES Offshore and Marine Engineering (Thailand) Co., Ltd.

ES Offshore and Marine Engineering (Thailand) Co., Ltd. is a subsidiary of the Group, although the Group only owns 50% ownership interest in ES Offshore and Marine Engineering (Thailand) Co., Ltd.. Based on the contractual arrangements between the Group and other investors, the Group holds 51% of voting power that gives it the ability to direct the relevant activities of ES Offshore and Marine Engineering (Thailand) Co., Ltd. based on simple majority votes. Hence, the directors of the Company assessed and determined that the Group has control over ES Offshore and Marine Engineering (Thailand) Co., Ltd..

b) Joint control over Proxess Engineering Pte. Ltd

The Group and a third-party partner hold 51% and 49% of the equity interest in Proxess Engineering Pte. Ltd ("**Proxess**") respectively. The management has carried out an assessment to determine whether the Group has control over Proxess. Based on the shareholders' agreement entered with the third-party partner, unanimous consent is required for major decisions over the relevant activities of Proxess. Accordingly, the directors of the Company assessed and determined that joint control exists and Proxess is classified as a joint venture of the Group.

Information about key 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 as follows:

a) 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 are determined by the management based on their highest and best use using its fair value less costs of disposal.

In current and prior years, the recoverable amounts of these assets are determined by the management based on fair value less costs of disposal. The fair value of the vessel is determined by an independent professional valuer.

The carrying amounts of property, plant and equipment of the Group as at 31 December 2023 were S\$18,905,079 (31 December 2022: S\$17,941,950). There was no impairment loss on property, plant and equipment for FY2023 and FY2022.

b) Revenue recognition

Revenue from rendering of services is recognised over time, using the input method to measure progress towards complete satisfaction of each performance obligation, as the customer simultaneously receives and consumes the benefits provided by the Group. The measure of progress is determined based on percentage of completion, which is measured by reference to the proportion of costs incurred to date to the estimated total costs for the contract. Consideration with customers is subject to negotiation when performance obligation is satisfied. The Group estimates the amount of variable consideration using the expected value method based on the historical profit margin earned in similar contracts and cumulative revenue is recognised to the extent that it is highly probable a significant reversal will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

In deriving the expected value method for each contract, management has performed the cost studies, the actual rates for other contracts and taking into account historical profit margin earned in similar contracts. The budget is regularly reviewed and revised, as appropriate.

Where the actual contract costs is different from the original budget, such difference will impact revenue, contract assets and contract liabilities in the period in which such budget has been changed.

c) Loss allowance for trade receivables and contract assets

The Group determines expected credit losses on trade receivables and contract assets from third parties by making individual assessment of expected credit loss for long overdue trade receivables and contract assets using a provision matrix for remaining trade receivables and contract assets that is based on its historical credit loss experience, past due status of the trade receivables and contract assets and adjusted with forward looking assumptions, as appropriate. Management takes into account historical provision trend and other relevant factors.

The carrying amounts of trade receivables and contract assets as at 31 December 2023 were S\$4,462,106 and S\$2,382,588 respectively (31 December 2022: S\$6,357,171 and S\$2,867,694 respectively).

d) Impairment of investments in subsidiaries and joint venture

At the end of each financial year, an assessment is made on whether there are indicators that the Group's and the Company's investments are impaired. Where applicable, the Group's and the Company's assessments are based on the estimation of the value-in-use of the assets defined in SFRS(I) 1-36 Impairment of Assets by forecasting the expected future cash flows for a period of up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flows. The Company's carrying amount of investments in subsidiaries as at 31 December 2023 was S\$17,238,784 (31 December 2022: S\$18,802,614). The Group's carrying amount of investments in joint venture as at 31 December 2023 was S\$248,600 (31 December 2022: S\$332,973).



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e) Loss allowance for amount due from subsidiaries

The Company is required to assess and recognise a loss allowance for expected credit losses on amount due from subsidiaries in accordance with three-stage impairment model. Management has made the assessment based on whether there has been a significant increase in the credit risk of the amount due from subsidiaries since its initial recognition. Subsequently, determine the amount of allowance to be recognised either based on 12-month expected credit loss or lifetime expected credit loss as well as the amount of interest revenue, if any, to be recognised in future periods.

The assessment has led to the recognition of net impairment loss of S\$2,255,074 during FY2023 (FY2022: net impairment loss of S\$1,383,777).

f) Inventory valuation method

Inventory is valued at the lower of cost and net realisable value. Management reviews the Group's inventory levels in order to identify slow-moving and obsolete inventory and identifies items of inventory which have a market price, being the selling price quoted from the market of similar items, that is lower than its carrying amount. Management then estimates the amount of inventory loss as an allowance on inventory. Changes in demand levels, technological developments and pricing competition could affect the saleability and values of the inventory which could then consequentially impact the Group's results, cash flows and financial position. The carrying amount of the Groups' inventories as at 31 December 2023 was S\$430,891 (31 December 2022: S\$402,145). There was no allowance made on inventory for FY2023 and FY2022.

3 **Seasonal operations**

The Group's businesses are not affected significantly by seasonal or cyclical factors during FY2023.

4 **Segment and revenue information**

The Group is organised into the following main operating segments:

<u>Segments</u>	<u>Principal activities</u>
New building and repair	New building, conversion and repair of offshore and marine structures and vessels, and labour supply
Shipping	Ship chartering, marine supplies and related activities

These operating segments are reported in a manner consistent with internal reporting provided to management for allocating resources and assessing performance of the operating segments.



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4.1 Reportable segments

Segments	New building and repair S\$'000	Shipping S\$'000	Total S\$'000
From 1 July 2023 to 31 December 2023			
Revenue			
Segment revenue	7,392	5,695	13,087
Gross profit/(loss)	1,342	(126)	1,216
Other operating income			552
Administrative expenses			(2,482)
Other operating expenses			(1,104)
Finance costs			(107)
Loss before share of results of a joint venture			(1,925)
Share of results of a joint venture			(4)
Loss before income tax			(1,929)
Income tax expense			-
Loss for the period			(1,929)
Other information			
Additions to property, plant and equipment			2,028
Depreciation of property, plant and equipment	-	(a)872	1,138
Assets and Liabilities			
Segment assets	9,805	13,370	23,175
Unallocated corporate assets			7,736
Total assets			30,911
Segment liabilities	1,884	2,797	4,681
Unallocated corporate liabilities			7,003
Total liabilities			11,684



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Segments	New building and repair S\$'000	Shipping S\$'000	Total S\$'000
<u>From 1 July 2022 to 31 December 2022</u>			
Revenue			
Segment revenue	9,603	6,657	16,260
Gross profit/(loss)	3,019	(990)	2,029
Other operating income			621
Administrative expenses			(2,749)
Other operating expenses			(1,107)
Finance costs			(64)
Loss before share of results of a joint venture			(1,270)
Share of results of a joint venture			(20)
Loss before income tax			(1,290)
Income tax expense			(272)
Loss for the period			(1,562)
Other information			
Additions to property, plant and equipment			11
Depreciation of property, plant and equipment	-	(a)640	919
Assets and Liabilities			
Segment assets	11,875	12,385	24,260
Unallocated corporate assets			10,489
Total assets			34,749
Segment liabilities	1,687	2,577	4,264
Unallocated corporate liabilities			7,060
Total liabilities			11,324



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Segments	New building and repair S\$'000	Shipping S\$'000	Total S\$'000
<u>From 1 January 2023 to 31 December 2023</u>			
Revenue			
Segment revenue	16,985	9,777	26,762
Results			
Gross profit/(loss)	3,740	(1,962)	1,778
Other operating income			1,508
Administrative expenses			(5,056)
Other operating expenses			(2,318)
Finance costs			(183)
Loss before share of results of a joint venture			(4,271)
Share of results of a joint venture			(3)
Loss before income tax			(4,274)
Income tax expense			43
Loss for the year			(4,231)
Other information			
Additions to property, plant and equipment			3,127
Depreciation of property, plant and equipment	-	(a)1,538	2,082
Assets and Liabilities			
Segment assets	9,805	13,370	23,175
Unallocated corporate assets			7,736
Total assets			30,911
Segment liabilities	1,884	2,797	4,681
Unallocated corporate liabilities			7,003
Total liabilities			11,684



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Segments	New building and repair S\$'000	Shipping S\$'000	Total S\$'000
From 1 January 2022 to 31 December 2022			
Revenue			
Segment revenue	20,799	11,661	32,460
Results			
Gross profit/(loss)	7,180	(3,075)	4,105
Other operating income			1,696
Administrative expenses			(5,585)
Other operating expenses			(2,031)
Finance costs			(138)
Loss before share of results of a joint venture			(1,953)
Share of results of a joint venture			114
Loss before income tax			(1,839)
Income tax expense			(278)
Loss for the year			(2,117)
Other information			
Additions to property, plant and equipment			1,268
Depreciation of property, plant and equipment	-	(a)1,173	1,749
Assets and Liabilities			
Segment assets	11,875	12,385	24,260
Unallocated corporate assets			10,489
Total assets			34,749
Segment liabilities	1,687	2,577	4,264
Unallocated corporate liabilities			7,060
Total liabilities			11,324

(a) The difference between the depreciation of shipping segment and the total depreciation of property, plant and equipment is attributable to property, plant and equipment for general purpose that are used for all segments.



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4.2 Disaggregation of Revenue

	Group		
	6 months ended 31 December 2023		
	New building and repair S\$'000	Shipping S\$'000	Total S\$'000
<u>Type of goods and services</u>			
Service Revenue	7,392	-	7,392
Marine Supplies	-	373	373
Ship Charter	-	5,322	5,322
Total Revenue	<u>7,392</u>	<u>5,695</u>	<u>13,087</u>
<u>Timing of transfer of goods and services</u>			
At a point in time	-	5,695	5,695
Over time	7,392	-	7,392
Total Revenue	<u>7,392</u>	<u>5,695</u>	<u>13,087</u>
<u>Geographical information</u>			
Singapore	7,332	5,695	13,027
The People's Republic of China	4	-	4
Malaysia	56	-	56
Myanmar	-	-	-
Thailand	-	-	-
Total Revenue	<u>7,392</u>	<u>5,695</u>	<u>13,087</u>

	Group		
	6 months ended 31 December 2022		
	New building and repair S\$'000	Shipping S\$'000	Total S\$'000
<u>Type of goods and services</u>			
Service Revenue	9,603	-	9,603
Marine Supplies	-	473	473
Ship Charter	-	6,184	6,184
Total Revenue	<u>9,603</u>	<u>6,657</u>	<u>16,260</u>
<u>Timing of transfer of goods and services</u>			
At a point in time	-	6,657	6,657
Over time	9,603	-	9,603
Total Revenue	<u>9,603</u>	<u>6,657</u>	<u>16,260</u>
<u>Geographical information</u>			
Singapore	9,138	6,657	15,795
The People's Republic of China	198	-	198
Malaysia	256	-	256
Myanmar	7	-	7
Thailand	4	-	4
Total Revenue	<u>9,603</u>	<u>6,657</u>	<u>16,260</u>



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Group 12 months ended 31 December 2023

	New building and repair	Shipping	Total
	S\$'000	S\$'000	S\$'000
<u>Type of goods and services</u>			
Service Revenue	16,985	-	16,985
Marine Supplies	-	908	908
Ship Charter	-	8,869	8,869
Total Revenue	16,985	9,777	26,762
<u>Timing of transfer of goods and services</u>			
At a point in time	2	9,777	9,779
Over time	16,983	-	16,983
Total Revenue	16,985	9,777	26,762
<u>Geographical information</u>			
Singapore	16,798	9,777	26,575
The People's Republic of China	4	-	4
Malaysia	180	-	180
Myanmar	3	-	3
Total Revenue	16,985	9,777	26,762

Group 12 months ended 31 December 2022

	New building and repair	Shipping	Total
	S\$'000	S\$'000	S\$'000
<u>Type of goods and services</u>			
Service Revenue	20,799	-	20,799
Marine Supplies	-	854	854
Ship Charter	-	10,807	10,807
Total Revenue	20,799	11,661	32,460
<u>Timing of transfer of goods and services</u>			
At a point in time	10	11,661	11,671
Over time	20,789	-	20,789
Total Revenue	20,799	11,661	32,460
<u>Geographical information</u>			
Singapore	19,923	11,658	31,581
The People's Republic of China	358	-	358
Malaysia	433	3	436
Myanmar	23	-	23
Thailand	62	-	62
Total Revenue	20,799	11,661	32,460



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4.3 Breakdown of sales

<u>Group</u>	FY2023 S\$'000	FY2022 S\$'000	Increase / (Decrease) %
(a) Sales reported for first half year	13,675	16,200	(15.59)
(b) Operating loss after tax before deducting non-controlling interests reported for first half year	(2,302)	(553)	>100
(c) Sales reported for second half year	13,087	16,260	(19.51)
(d) Operating loss after tax before deducting non-controlling interests reported for second half year	(1,929)	(1,562)	23.50

5 Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2023 and 31 December 2022:

	Group		Company	
	31/12/2023 S\$'000	31/12/2022 S\$'000	31/12/2023 S\$'000	31/12/2022 S\$'000
Financial assets				
Financial assets carried at amortised cost (Note 12)	8,735	13,045	12,463	11,734
Financial liabilities				
Financial liabilities carried at amortised cost (Note 13)	11,537	10,865	15,479	12,555



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6 Loss before share of results of a joint venture

6.1 Significant items

	Group					
	6 months ended 31 December 2023	6 months ended 31 December 2022	Increase/ (Decrease)	12 months ended 31 December 2023	12 months ended 31 December 2022	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Depreciation of property, plant and equipment ^(a) :						
- cost of services	1,049	820	27.9	1,910	1,549	23.3
- administrative expenses	38	38	-	79	76	3.9
- other operating expenses	51	61	(16.4)	93	124	(25.0)
	1,138	919	23.8	2,082	1,749	19.0
Audit fee:						
- paid/payable to auditors of the Company	57	77	(26.0)	104	124	(16.1)
- paid/payable to other auditors	3	4	(25.0)	7	7	-
Employee benefits expense (including directors' remuneration)	5,263	5,693	(7.6)	11,325	12,420	(8.8)
Costs of defined contribution plans (included in employee benefits expense)	204	205	(0.5)	443	437	1.4
Cost of inventories recognised as expense ^(b)	1,950	1,440	35.4	3,976	2,930	35.7
(Reversal of loss allowance) / Loss allowance made for third party trade receivables ^(c)	(15)	244	n/m	(8)	276	n/m
Recovery of doubtful debts ^(d)	(27)	(11)	>100	(241)	(55)	>100
Interest expense ^(e)	106	64	65.6	183	138	32.6
Interest expense (included in COGS) ^(f)	83	87	(4.6)	170	144	18.1
Gain on disposal of property, plant and equipment ^(g)	(109)	(70)	55.7	(190)	(116)	63.8
Property, plant and equipment written off	3	-	n/m	3	-	n/m
Interest income	(11)	(11)	-	(22)	(21)	4.8
Net foreign exchange loss ^(h)	44	190	(76.8)	156	267	(41.6)

n/m: not meaningful



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Notes:-

- a) The increase in depreciation of property, plant and equipment was mainly due to increase in depreciation charges for the Group's vessel, namely ES Jewel, for docking expenses incurred and capitalised during the year under review.
- b) The increase in cost of inventories recognised as expense was related to material consumed for jobs in other yards as well as rig building and engineering projects.
- c) Loss allowance made for third party trade receivables in FY2022 was provided for customers from the Group's new building and repair segment, where the management has assessed based on the probability of collection of the outstanding trade receivables. Management categorises trade receivables based on potential risk of default and adjusts the loss allowance made for third party trade receivables based on a given percentage. During FY2023, there is a reversal of loss allowance made for third party trade receivables provided in prior year mainly due to probability of default is low as most of the debts were newly past due.
- d) Recovery of doubtful debts in FY2023 pertained to outstanding trade receivables recovered from customers from the Group's new building and repair segment and shipping segment. While in FY2022, the recovery of doubtful debts pertained to outstanding trade receivables recovered from customers from the Group's new building and repair segment.
- e) Increase in interest expense was due to additional loan drawdown during the year under review.
- f) Interest expense (included in COGS) increased as a result of the rise in interest rate charged to the Group's vessel loan during the year under review.
- g) Gain on disposal of property, plant and equipment in FY2023 and FY2022 arose mainly from the sale of machinery and equipment from one of the Company's subsidiaries, namely, ES Offshore and Marine Engineering (Thailand) Co., Ltd..
- h) Net foreign exchange gain or loss relates to changes in the relative value of assets denominated in foreign currencies. The net foreign exchange losses recorded in FY2023 was mainly due to weakening of Thai Baht (THB), Malaysia Ringgit (MYR) and Myanmar Kyat (MMK) against SGD during the year under review, resulting in unrealised net foreign exchange loss.

The closing exchange rates for all currencies are as summarised below:

	As at 31 December 2023	As at 31 December 2022
THB/SGD	26.03	25.68
MYR/SGD	3.4819	3.2819
MMK/SGD	1,590.00	1,565.00

6.2 Related party transactions

During the second half of FY2023 and during FY2023, in addition to the information disclosed elsewhere in these condensed interim consolidated financial statements, the Group's entities and the Company entered into the following transaction with a related party at rates and terms agreed between the parties:

	Group			
	6 months ended 31 December 2023 S\$'000	6 months ended 31 December 2022 S\$'000	12 months ended 31 December 2023 S\$'000	12 months ended 31 December 2022 S\$'000
Professional fee paid to immediate family member of directors/shareholders	78	78	156	156

7 Net asset value

	Group		Company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Net asset value per ordinary share based on the number of issued ordinary shares	13.90 cents ^(a)	16.75 cents ^(b)	10.10 cents ^(a)	12.74 cents ^(b)
Number of issued ordinary shares	141,200,000	141,200,000	141,200,000	141,200,000

Notes:-

- a) Net asset value per ordinary share as at 31 December 2023 have been computed based on equity attributable to owners of the Company as at 31 December 2023 divided by the number of issued ordinary shares as at 31 December 2023.
- b) Net asset value per ordinary share as at 31 December 2022 have been computed based on equity attributable to owners of the Company as at 31 December 2022 divided by the number of issued ordinary shares as at 31 December 2022.

8 Fair value of financial assets and financial liabilities

The Group categorised fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used in making the measurements as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – unobservable inputs for the asset or liability.

The classification of an item into above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. There were no transfers between Levels 1 and 2 during FY2023.

Fair value of financial instruments that are not carried at fair value

The Group has no financial assets and financial liabilities carried at fair value as at the end of FY2023.

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of financial assets and financial liabilities, classified as current assets and current liabilities on the statements of financial position, approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

9 Property, plant and equipment

During the six months ended 31 December 2023, the Group acquired assets amounting to S\$2,028,089 (six months ended 31 December 2022: S\$10,908) and disposed of assets amounting to S\$1,190,953 (six months ended 31 December 2022: S\$690,397). No property, plant and equipment was acquired under lease arrangement during the six months ended 31 December 2023 and 31 December 2022.

During FY2023, the Group acquired assets amounting to S\$3,127,046 (FY2022: S\$1,267,894) and disposed of assets amounting to S\$1,600,803 (FY2022: S\$1,010,205). There was no property, plant and equipment acquired under lease arrangement for FY2023 and FY2022.



10 Bank loans

	Group	
	31/12/2023	31/12/2022
	S\$'000	S\$'000
Bank loans (secured)		
- Term loan 1	1,538	2,107
- Term loan 3	1,893	2,882
- Term loan 4	1,135	-
- Money Market Loan	1,000	-
Total bank loans	5,566	4,989
Less: Amount due for settlement within 12 months (shown under current liabilities)	(2,637)	(1,527)
Amount due for settlement after 12 months (shown under non-current liabilities)	2,929	3,462

At the end of FY2023, the Group's bank loans are secured by:

- (i) legal mortgage over the Group's leasehold land and property;
- (ii) a pledge over one of the Group's vessels;
- (iii) corporate guarantees by the Company for all the monies owing;
- (iv) a first priority pledge over the earnings account maintained with a financial institution;
- (v) a pledge over a deposit; and
- (vi) a pledge over 100% shares of a subsidiary of the Company.

11 Share capital

	Group and Company			
	31/12/2023	31/12/2023	31/12/2022	31/12/2022
	Number of Ordinary Shares ('000)	S\$'000	Number of Ordinary Shares ('000)	S\$'000
Issued and paid-up (excluding treasury shares):				
At beginning and at end of period/year	141,200	23,698	141,200	23,698

The Company has one class of ordinary shares which carry one vote per share, has no par value and carries a right to dividend as and when declared by the Company.

There were no changes in the Company's issued and paid-up share capital during FY2023.

As at 31 December 2023, 30 June 2023 and 31 December 2022, the Company has no outstanding options, convertibles, treasury shares and subsidiary holdings.



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12 Trade receivables

	Group		Company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	S\$'000	S\$'000	S\$'000	S\$'000
Third parties	5,230	7,425	1	-
Less: Loss allowance for trade receivables	(768)	(1,068)	-	-
Net trade receivables	4,462	6,357	1	-
Add: Cash and cash equivalents	3,651	6,101	21	75
Add: Other receivables	800	696	35	25
Add: Amount due from subsidiaries	-	-	12,441	11,659
Less: Prepayments *	(161)	(99)	(35)	(25)
Less: Value-added tax receivables *	(17)	(10)	-	-
Total financial assets carried at amortised cost	8,735	13,045	12,463	11,734

* These are part of other receivables.

13 Trade payables

	Group		Company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	S\$'000	S\$'000	S\$'000	S\$'000
Third parties	1,789	808	2	1
Total trade payables	1,789	808	2	1
Less: Goods and service tax payable	(86)	-	-	-
Add: Bank loans	5,566	4,989	-	-
Add: Other payables	3,764	4,387	96	85
Add: Amount due to subsidiaries	-	-	15,381	12,469
Add: Lease liabilities	462	641	-	-
Add: Deposits	42	40	-	-
Total financial liabilities carried at amortised cost	11,537	10,865	15,479	12,555



14 Investment in a joint venture

	Group	
	31/12/2023	31/12/2022
	S\$'000	S\$'000
Unquoted equity investment, at cost	250	250
Impairment loss	(12)	(12)
Dividend received	(82)	-
Share of post-acquisition results	92	95
	248	333

Details of the Group's joint venture are as follows:

Name of joint venture	Country of incorporation and principal place of business	Principal activities	Proportion of equity interest	
			31/12/2023	31/12/2022
			%	%
Proxess Engineering Pte. Ltd.	Singapore	Provides wholesale trade of variety of goods and manufacture and repair of valves	51	51

There are no commitments to provide funding or contingent liabilities relating to the Group's interest in the joint venture.

15 Income tax expense

	Group		Group	
	6 months ended 31 December 2023	6 months ended 31 December 2022	12 months ended 31 December 2023	12 months ended 31 December 2022
	S\$'000	S\$'000	S\$'000	S\$'000
Income tax:				
- Current year	-	272	-	272
- (Over)/Underprovision in respect of prior years	-	-	(43)	6
	-	272	(43)	278

Domestic income tax is calculated at 17% of the estimated assessable profit for FY2023 (FY2022: 17%). Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.



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16 Lease liabilities

	Minimum lease payments		Present value of minimum lease payments	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	S\$'000	S\$'000	S\$'000	S\$'000
Group				
Contractual undiscounted cash flows:				
- Within one year	153	216	136	190
- In the second to fifth years inclusive	350	491	326	451
	<u>503</u>	<u>707</u>	<u>462</u>	<u>641</u>
Less: Future interest expense	(41)	(66)	-	-
Present value of lease liabilities	<u>462</u>	<u>641</u>	<u>462</u>	<u>641</u>
Presented in consolidated statement of financial position				
- Current			136	190
- Non-current			326	451
			<u>462</u>	<u>641</u>

The Group's obligations under lease liabilities are secured by the leased assets and corporate guarantees by the Company.

17 Contingent liabilities

The Company has given corporate guarantees to certain banks and insurers in respect of banking facilities and foreign worker bonds granted to certain subsidiaries. The maximum amount the Company could be forced to settle under the financial guarantee contract, if the full guaranteed amount is claimed by the counterparty to the guarantee is S\$5,609,807 (31 December 2022: S\$5,125,411). The earliest period that the guarantee could be called is within 1 year (31 December 2022: 1 year) from the end of the reporting period.

The Company has evaluated the fair value of the corporate guarantee. Consequently, the Company is of the view that fair value of the guarantee to the financial institution with regard to the subsidiaries is not significant. The Company has not recognised any liability in respect of the guarantee given to the financial institution for credit facilities granted to the subsidiary as the Company's directors have assessed that the likelihood of the subsidiary defaulting on repayment is remote.

18 Subsequent events

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



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OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7C OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED LISTING MANUAL SECTION B: RULES OF CATALIST (“CATALIST RULES”)

F. OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7C OF THE CATALIST RULES

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

The condensed interim consolidated statement of financial position of ES Group (Holdings) Limited and its subsidiaries as at 31 December 2023 and the related condensed interim consolidated profit of loss and other comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the six months and full year ended 31 December 2023 and the explanatory notes have not been audited or reviewed by the Company's auditors.

2 Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

- (a) Updates on the efforts taken to resolve each outstanding audit issue.**
 - (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**
- This is not required for any audit issue that is a material uncertainty relating to going concern.**

Not applicable. The Group's latest audited consolidated financial statements for the financial year ended 31 December 2022 was not subject to an adverse opinion, qualified opinion or disclaimer of opinion issued by the Company's auditors.

3 A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

(a) Review of Financial Performance of the Group

Revenue decreased by S\$5.7 million or 17.6%, from S\$32.5 million in FY2022 to S\$26.8 million in FY2023 as a result of a decline in revenue from the two business segments of the Group.

Revenue from the Group's new building and repair segment decreased by S\$3.8 million, from S\$20.8 million in FY2022 to S\$17.0 million in FY2023. The decrease in revenue was attributed to (i) lesser vessels that came to the shipyard resulting in lesser jobs; and (ii) absence in surge of orders from wind farm projects, which resulted in significant drop in revenue from the project engineering division.

Revenue from the Group's shipping segment decreased by S\$1.9 million, from S\$11.7 million in FY2022 to S\$9.8 million in FY2023 as a result of the Group's vessel, ES Jewel, which suffered an unexpected breakdown during the end of 2022. The vessel had to undergo various repairs as well as scheduled docking during FY2023. This resulted in a decrease in revenue as the said vessel was not able to operate and generate revenue from January to August 2023.

Revenue contribution from Singapore amounted to 99.3% and 97.3% of the Group's total revenue in FY2023 and FY2022 respectively, with the balance contributed by revenue from the People's Republic of China (FY2023: 0% and FY2022: 1.1%), Malaysia (FY2023: 0.7% and FY2022: 1.3%), Myanmar (FY2023: 0% and FY2022: 0.1%) and Thailand (FY2023: nil and FY2022: 0.2%). The Group's two business segments, namely new building and repair segment and shipping segment, made up majority of the revenue contribution from Singapore for both FY2023 and FY2022. Although there was a decline in total revenue, revenue contribution (in percentage terms) from Singapore in FY2023

had increased, in view of the drop in revenue from all other geographical segments. Please refer to the reasons set out above for the decline in revenue contribution (in dollar amounts) from Singapore in FY2023, as compared to FY2022. Revenue contribution from the People's Republic of China decreased in FY2023 as major customers reduce their projects in the People's Republic of China due to weakening Japanese Yen, as these customers usually transact in Japanese Yen. Revenue contribution from Malaysia decreased in FY2023 as there were lesser vessels that came to the shipyard which resulted in lesser jobs. Revenue contribution from Myanmar decreased in FY2023 as no project is running amid the coup situation in the country. Revenue contribution from Thailand in FY2022 was from an ad-hoc project that delivered in that year, and there was no project secured and completed in Thailand in FY2023.

Gross profit decreased by S\$2.3 million, from S\$4.1 million in FY2022 to S\$1.8 million in FY2023. Gross profit margin decreased by 6.0 percentage points, from 12.6% in FY2022 to 6.6% in FY2023. The decreases in gross profit and gross profit margin were mainly due to:

- (i) the drop in gross profit and gross profit margin from the new building and repair segment as lesser vessels came to the shipyards for repair jobs, which resulted in stiff competition among subcontractors to lower their price tremendously to secure the limited jobs available. The shipyards were also forcing contractors to cut down quoted price, which resulted in depressing pricing; and
- (ii) a temporarily gross loss from the shipping segment. As mentioned earlier, the Group's vessel, ES Jewel, had to undergo various repairs as well as scheduled docking during FY2023. As such, the gross loss was attributable to a significant repair and maintenance expenses and holding cost, and lost of revenue due to the said vessel not being able to operate and generate revenue from January to August 2023.

Other operating income decreased by S\$0.2 million or 11.1%, from S\$1.7 million in FY2022 to S\$1.5 million in FY2023 as a result of absence of government grant for foreign worker levy of S\$0.5 million. The decrease was partially offset by (i) recovery of doubtful debt of S\$0.2 million from one of the customers from new building and repair segment; and (ii) increase in gain on disposal of property, plant and equipment mainly from the sales of machinery and equipment from one of the Company's subsidiaries, namely, ES Offshore and Marine Engineering (Thailand) Co., Ltd..

Administrative expenses decreased by S\$0.5 million or 9.5%, from S\$5.6 million in FY2022 to S\$5.1 million in FY2023 due to (i) gradual cost cutting on salary and manpower; and (ii) reversal of loss allowance made for third party trade receivables provided in prior years as a result of better collections during the year under review.

Other operating expenses increased by S\$0.3 million or 14.1%, from S\$2.0 million in FY2022 to S\$2.3 million in FY2023 mainly due to increase in rental for worker dormitory.

Finance costs remained largely stable at S\$0.1 million for both FY2023 and FY2022.

The joint venture company recorded a share of loss of approximately S\$3,000 in FY2023, as compared to a share of profit of S\$0.1 million in FY2022 due to slight decline in gross profit margin coupled with higher operating costs as the joint venture company hired new staff for marketing.

As a result of the above, the Group recorded a net loss of S\$4.2 million in FY2023, as compared to a net loss of S\$2.1 million in FY2022. Net loss attributable to owners of the Company was S\$4.0 million in FY2023, as compared to a net loss attributable to owners of the Company of S\$2.0 million in FY2022.

(b) Review of Financial Position of the Group

The Group recorded positive working capital (current assets less current liabilities) of S\$3.0 million as at 31 December 2023, as compared to S\$8.8 million as at 31 December 2022.

Assets

Current assets

The Group's current assets decreased by S\$4.8 million, to S\$11.4 million as at 31 December 2023 from S\$16.2 million as at 31 December 2022, mainly due to:

- a) a decline in cash and cash equivalents of S\$2.4 million mainly as a result of:
 - S\$3.0 million incurred for purchases of property, plant and equipment, of which S\$2.6 million was pertaining to capitalisation of docking cost for the Group's vessels; and
 - S\$1.6 million for repayment of term loans, partially offset by proceeds from term loans of S\$2.2 million;
- b) a decline in trade receivables of S\$1.9 million as a result of better collection during the year under review; and
- c) a decrease in contract assets of S\$0.5 million due to reduction of uncompleted projects in FY2023.

Non-current assets

Non-current assets increased by S\$0.9 million, to S\$19.5 million as at 31 December 2023 from S\$18.6 million as at 31 December 2022, mainly due to capitalisation of vessel docking cost of S\$2.6 million, partially offset by depreciation charges for property, plant and equipment.

Liabilities

Current liabilities

Current liabilities increased by S\$1.0 million, to S\$8.4 million as at 31 December 2023 from S\$7.4 million as at 31 December 2022. This was mainly attributable to:

- a) an increase in bank loans of S\$1.1 million due to new loans drawdown during the year under review; and
- b) an increase in trade payables of S\$1.0 million from delay in payment for ship management fee,
partially offset by:
 - a) a decrease in other payables of S\$0.6 million due to absence of accruals made for repair costs for the Group's vessel, ES Jewel, due to unexpected breakdown during the end of 2022;
 - b) a decrease in contract liabilities of S\$0.2 million; and
 - c) a decrease in income tax payable of S\$0.3 million.



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(Incorporated in the Republic of Singapore)

Non-current liabilities

Non-current liabilities decreased by S\$0.7 million, to S\$3.3 million as at 31 December 2023 from S\$4.0 million as at 31 December 2022, mainly due to repayments of bank loans and lease liabilities during the year under review.

Equity

As a result of the above, total equity of the Group decreased by S\$4.2 million, to S\$19.2 million as at 31 December 2023 from S\$23.4 million as at 31 December 2022. The Group's equity attributable to owners of the Company decreased by S\$4.1 million, to S\$19.6 million as at 31 December 2023 from S\$23.7 million as at 31 December 2022.

(c) Review of Statement of Cash Flows of the Group

In FY2023, net cash generated from operating activities amounted to S\$0.4 million, mainly due to (i) operating cash outflows before changes in working capital of S\$2.3 million; (ii) net cash generated from operations of S\$2.8 million; and (iii) income tax paid of S\$0.2 million.

The operating cash outflows before changes in working capital of S\$2.3 million in FY2023 was mainly due to operating loss incurred for the year under review. The net cash generated from operations of S\$2.8 million in FY2023 was mainly due to better collections from trade receivables during the year under review.

Net cash used in investing activities of S\$2.8 million in FY2023 was mainly due to docking expenses of the Group's vessel, ES Jewel, of S\$2.6 million, which was capitalised.

Net cash generated from financing activities of S\$0.1 million in FY2023 was due to proceeds from term loans of S\$2.2 million, partially offset by repayments of term loans and finance leases of an aggregate of S\$1.8 million, and interest paid of S\$0.3 million.

As a result of the above and after the effects of exchange rate changes on the balance of cash held in foreign currencies, there was a net decrease in the Group's cash and cash equivalents of S\$2.4 million, to S\$3.7 million as at 31 December 2023 from S\$6.1 million as at 1 January 2023.

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

The unaudited consolidated financial results of the Group for FY2023 as set out in this announcement, are in line with the profit guidance announcement for FY2023 released by the Company on 1 February 2024.

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 year and the next 12 months.

While global market remains volatile and challenging amid elevated interest rate and inflationary pressures, the Group remains cautiously optimistic about offshore oil and gas activities as we tap into new opportunities.

Looking forward, 2024 will continue to be a busy year for the Group as the team actively explores for new business opportunities, while continuing to ensure the projects are completed on schedule, within budget and without compromising quality.

The Group will also continue to carry out its efforts on lean cost management in order to maintain competitiveness in the challenging operating conditions.

6 Dividend
(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

No dividend has been declared or recommended for FY2023.

(b) Corresponding Period of the Immediately Preceding Financial Year

None.

(c) Date payable

Not applicable.

(d) The date on which Registrable Transfers received by the Company (up to 5.00 pm) will be registered before entitlements to the dividend are determined

Not applicable.

(e) Total Annual Dividends

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/recommended for FY2023 in view of the net loss position of the Group for FY2023.

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.

The Company has not obtained a general mandate from shareholders in respect of interested person transactions.

The aggregate value of interested person transactions entered into during FY2023 are as follows:

Name of interested person	Nature of Relationship	Aggregate value of all interested person transaction during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
		S\$'000	S\$'000
Mr Low Chye Hin - Professional fee	Mr Low Chye Hin, the Group's	156	-

Name of interested person	Nature of Relationship	Aggregate value of all interested person transaction during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	consultant, is the father of Mr Low Chee Wee (Executive Director, Chief Executive Officer ("CEO") cum Chief Operating Officer ("COO") of the Company).		
Total		156	-

9 Disclosure of acquisitions (including incorporations) and realisations of shares since the end of the previous reporting period pursuant to Rule 706A of the Catalist Rules.

The Group does not have any acquisitions (including incorporations) and realisations of shares since the end of the previous reporting period, up to 31 December 2023.

10 Negative confirmation pursuant to Rule 705(5) of the Catalist Rules.

Not applicable for announcement of full year financial statements.

11 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules.

The Company confirms that it has procured the required undertakings under Rule 720(1) of the Catalist Rules from all its directors and executive officers in the format set out in Appendix 7H of the Catalist Rules.

12. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issue pursuant to Rule 704(10) in the format below. If there are no such persons, the issue must make an appropriate negative statement.

Name	Age	Family relationship with any director, chief executive officer and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of any change in duties and position held, if any during the year
Mr Christopher Low Chee Leng	52	Brother of Mr Low Chee Wee (Executive Director, CEO and COO of the Company), son of Mdm Neo Peck Keow (Substantial Shareholder of the Company) and cousin of Mr Eddy Neo Chiang Swee (Executive Director of the Company)	Business Development Manager of the Company since 27 April 2016. (Responsible for overseeing the Group's overseas business developments)	Nil
Mr Low Chye Huek	66	Uncle of Mr Low Chee Wee (Executive Director, CEO and COO of the Company) and Mr Christopher Low Chee Leng (Substantial Shareholder of the Company) and Mr Eddy Neo Chiang Swee (Executive Director of the Company)	Manager – Human Resources of the Company since 1 April 2002. (Responsible for human resource which includes recruitment, performance management and staff welfare and training)	Nil
Mr Leow Yuen Chuan	47	Brother-in-law of Mr Christopher Low Chee Leng (Substantial Shareholder of the Company)	Manager – Operations of the Company since 6 June 2012. (Responsible for project co-ordination between clients and project team)	Nil

ON BEHALF OF THE BOARD OF DIRECTORS
Low Chee Wee
 Executive Director and Chief Executive Officer

Eddy Neo Chiang Swee
 Executive Director

28 February 2024