

PENGUIN INTERNATIONAL LIMITED

Condensed interim financial statements
for the six months ended 30 June 2024

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A. CONDENSED INTERIM CONSOLIDATED INCOME
STATEMENT FOR THE PERIOD ENDED 30 JUNE 2024

	Note	Group		+ / (-) %
		6 months ended 30 June 2024 \$'000	6 months ended 30 June 2023 \$'000	
Revenue		59,898	Reclassification 90,250	(33.6)
Cost of sales		(32,959)	(67,603)	(51.2)
Gross profit		26,939	22,647	19.0
Other income	6.1	2,794	1,923	(45.3)
Marketing and distribution costs		(339)	(305)	11.1
Administrative expenses		(14,564)	(11,674)	24.8
Other operating expenses		(6,271)	(7,776)	(19.4)
Trade receivable written off		(1,362)	-	100.0
Provision for expected credit loss		(1,088)	-	100.0
Results from operating activities		6,109	4,815	26.9
Finance costs		(1,323)	(909)	45.5
Finance income		863	689	25.3
Profit before tax	6	5,649	4,595	22.9
Income tax expense	7	(2,757)	(2,176)	26.7
Profit for the period		2,892	2,419	19.6
Attributable to:				
Owners of the Company		2,892	2,419	19.6
Non-controlling interests		-	-	NM
Profit for the period		2,892	2,419	19.6
Earnings per share (cents per share)				
- Basic	8	1.31	1.10	
- Diluted	8	1.31	1.10	

The comparative figures for the Group's revenue, cost of sales and other income for first half year ended 30 June 2023 have been reclassified. The sale of spares of \$1,283,000 and related costs of \$968,000 for the first half year ended 30 June 2023 that was previously classified as other income has been reclassified to revenue and cost of sales to provide a more meaningful comparison of the nature of service.

**B. CONDENSED INTERIM CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30
JUNE 2024**

	Group		+ / (-) %
	6 months ended 30 June 2024	6 months ended 30 June 2023	
	\$'000	\$'000	
Profit for the period	2,892	2,419	19.6
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Net effect of exchange differences arising from quasi capital loan to subsidiaries	1,687	135	1,149.6
Foreign currency translation	(195)	358	NM
	1,492	493	202.6
Items that will not be reclassified subsequently to profit or loss			
Changes in fair value of equity investment at FVOCI	2,672	3,157	(15.0)
	2,672	3,157	(15.0)
Other comprehensive income for the period, net of tax	4,164	3,650	14.0
Total comprehensive income for the period, net of tax	7,056	6,069	16.3
Attributable to:			
Owners of the Company	7,056	6,069	16.3
Non-controlling interests	-	-	NM
Total comprehensive income for the period	7,056	6,069	16.3

C. CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

Note	Group			+ / (-) %	Company		
	30 June 31 December				30 June 31 December		
	2024	2023			2024	2023	
	\$'000	\$'000		\$'000	\$'000		
			reclassification			reclassification	
Non-current assets							
Property, plant and equipment	13	172,659	163,267	5.8	1,243	311	299.7
Right-of-use assets		8,474	8,516	(0.5)	–	–	NM
Investment in subsidiaries		–	–	NM	99,858	99,858	0.0
Other investments	11	15,057	12,385	21.6	15,057	12,385	21.6
Intangible asset	12	78	78	0.0	–	–	NM
Trade receivables		10,590	12,815	(17.4)	–	–	NM
Other receivables	14	2,011	2,718	(26.0)	–	–	NM
		208,869	199,779	4.6	116,158	112,554	3.2
Current assets							
Inventories		84,401	61,433	37.4	–	–	NM
Trade receivables		41,601	41,358	0.6	3,053	8,206	(62.8)
Other receivables and deposits	14	22,698	36,101	(37.1)	6	997	(99.4)
Contract assets		8,146	5,188	57.0	–	–	NM
Prepayments		5,117	2,351	117.7	303	147	106.1
Loans to subsidiaries		–	–	NM	79,793	112,423	(29.0)
Derivatives		90	286	(68.5)	90	286	(68.5)
Fixed deposits		6,936	6,741	2.9	3,617	3,475	4.1
Cash and bank balances		17,833	20,020	(10.9)	2,744	2,482	10.6
		186,822	173,478	7.7	89,606	128,016	(30.0)
Current liabilities							
Trade payables		16,667	9,135	82.5	235	5	4,600.0
Other payables and accruals	15	32,163	34,855	(7.7)	2,396	2,883	(16.9)
Provisions		2,132	1,347	58.3	–	–	NM
Contract liabilities		69,238	51,535	34.4	1,781	19,009	(90.6)
Derivatives		62	160	(61.3)	62	160	(61.3)
Provision for income tax		3,105	3,191	(2.7)	1,025	1,020	0.5
Lease liabilities		1,207	899	34.3	–	–	NM
Term loans	16	15,451	12,758	21.1	9,110	9,114	(0.0)
Deposits from subsidiaries		–	–	NM	29,535	43,529	(32.1)
		140,025	113,880	23.0	44,144	75,720	(41.7)
Net current assets		46,797	59,598	(21.5)	45,462	52,296	(13.1)

C. CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024 (cont'd)

Note	Group			Company		
	30 June	31 December	+/(-) %	30 June	31 December	+/(-) %
	2024	2023		2024	2023	
	\$'000	\$'000		\$'000	\$'000	
Non-current liabilities						
Deferred tax liabilities	7,404	6,190	19.6	370	213	73.7
Provisions	2,178	2,181	(0.1)	–	–	NM
Lease liabilities	7,665	7,948	(3.6)	–	–	NM
Term loans	16 27,490	31,655	(13.2)	15,014	16,797	(10.6)
	<u>44,737</u>	<u>47,974</u>	(6.7)	<u>15,384</u>	<u>17,010</u>	(9.6)
Net assets	<u>210,929</u>	<u>211,403</u>	(0.2)	<u>146,236</u>	<u>147,840</u>	(1.1)
Share capital	17 94,943	94,943	0.0	94,943	94,943	0.0
Reserves	115,993	116,467	(0.4)	51,293	52,897	(3.0)
Non-controlling interests	(7)	(7)	0.0	–	–	NM
Total equity	<u>210,929</u>	<u>211,403</u>	(0.2)	<u>146,236</u>	<u>147,840</u>	(1.1)

The comparative figures for the Group's other payables and accruals and contract liabilities for the year ended 31 December 2023 has been reclassified. The advance billing and advance payment and deposits received (non-refundable) related to performing services under contracts of \$6,666,000 that was previously classified as other payables and accruals has been reclassified to contract liabilities to provide a more meaningful comparison.

The comparative figures for the Company's other payables and accruals and contract liabilities for the year ended 31 December 2023 has been reclassified. The advance billing and advance payments and deposits received (non-refundable) related to performing services under contract of \$360,000 that was previously classified as other payables and accruals has been reclassified to contract liabilities to provide a more meaningful comparison.

**D. CONDENSED INTERIM STATEMENT OF CHANGE IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2024**

	<u>Attributable to owners of the Company</u>			Sub-total \$'000	Non- controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Other reserves \$'000	Retained earnings \$'000			
The Group						
Opening balance at 1 January 2024	94,943	(5,778)	122,245	211,410	(7)	211,403
Profit for the period	–	–	2,892	2,892	–	2,892
<u>Other comprehensive income</u>						
Net effect of exchange differences arising from quasi capital loan to subsidiaries	–	1,687	–	1,687	–	1,687
Foreign currency translation	–	(195)	–	(195)	–	(195)
Change in fair value of equity investment at FVOCI	–	2,672	–	2,672	–	2,672
Other comprehensive income for the period, net of tax	–	4,164	–	4,164	–	4,164
Total comprehensive income for the period	–	4,164	2,892	7,056	–	7,056
<u>Contributions by and distributions to owners</u>						
Dividends paid	–	–	(7,530)	(7,530)	–	(7,530)
Total contributions by and distributions to owners	–	–	(7,530)	(7,530)	–	(7,530)
Closing balance at 30 June 2024	94,943	(1,614)	117,607	210,936	(7)	210,929

D. CONDENSED INTERIM STATEMENT OF CHANGE IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2024 (cont'd)

	<u>Attributable to owners of the Company</u>			Sub-total \$'000	Non- controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Other reserves \$'000	Retained earnings \$'000			
The Group						
Opening balance at 1 January 2023	94,943	(7,292)	110,458	198,109	(6)	198,103
Profit for the period	–	–	2,419	2,419	–	2,419
<u>Other comprehensive income</u>						
Net effect of exchange differences arising from quasi capital loan to subsidiaries	–	135	–	135	–	135
Foreign currency translation	–	358	–	358	–	358
Change in fair value of equity investment at FVOCI	–	3,157	–	3,157	–	3,157
Other comprehensive income for the period, net of tax	–	3,650	–	3,650	–	3,650
Total comprehensive income for the period	–	3,650	2,419	6,069	–	6,069
<u>Contributions by and distributions to owners</u>						
Dividends paid	–	–	(4,954)	(4,954)	–	(4,954)
Total contributions by and distributions to owners	–	–	(4,954)	(4,954)	–	(4,954)
Closing balance at 30 June 2023	94,943	(3,642)	107,923	199,224	(6)	199,218

**D. CONDENSED INTERIM STATEMENT OF CHANGE IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2024 (cont'd)**

	Share capital \$'000	Other reserve \$'000	Retained earnings \$'000	Total equity \$'000
Company				
Opening balance at 1 January 2024	94,943	4,385	48,512	147,840
Profit for the period	–	–	3,254	3,254
<u>Other comprehensive income</u>				
Change in fair value of equity investment at FVOCI	–	2,672	–	2,672
Total comprehensive income for the period	–	2,672	3,254	5,926
<u>Contributions by and distributions to owners</u>				
Dividends paid	–	–	(7,530)	(7,530)
Total contributions by and distributions to owners	–	–	(7,530)	(7,530)
Closing balance at 30 June 2024	94,943	7,057	44,236	146,236

	Share capital \$'000	Other reserve \$'000	Retained earnings \$'000	Total equity \$'000
Company				
Opening balance at 1 January 2023	94,943	1,957	42,505	139,405
Profit for the period	–	–	1,489	1,489
<u>Other comprehensive income</u>				
Change in fair value of equity investment at FVOCI	–	3,157	–	3,157
Total comprehensive income for the period	–	3,157	1,489	4,646
<u>Contributions by and distributions to owners</u>				
Dividends paid	–	–	(4,954)	(4,954)
Total contributions by and distributions to owners	–	–	(4,954)	(4,954)
Closing balance at 30 June 2023	94,943	5,114	39,040	139,097

E. CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 JUNE 2024

Note	Group	
	6 months ended 30 June 2024	6 months ended 30 June 2023
	\$'000	\$'000
Operating activities		
Profit before tax	5,649	4,595
Adjustments for:		
Depreciation of property, plant and equipment and right-of-use assets	8,621	6,861
Gain on disposal of property, plant and equipment and assets classified as held for sale	-	(1,570)
Property, plant and equipment cost transfer to modification work	306	-
Interest expense	1,212	774
Interest income	(863)	(689)
Provision for employee retirement benefits	(69)	-
Net fair value gain on derivatives	98	872
Provision for warranty claims on shipbuilding contracts, net	987	765
Trade receivable written off	1,362	-
Provision for expected credit loss	1,088	-
Currency alignment	(105)	(224)
	18,286	11,384
Operating cash flows before changes in working capital		
Inventories	(36,433)	11,190
Trade receivables	(467)	(22,373)
Other receivables, deposits and prepayments	11,747	(1,226)
Contract assets	(2,958)	(5,268)
Trade payables	7,532	(4,966)
Other payables and accruals	(2,692)	(283)
Provisions	(202)	(650)
Contract liabilities	17,703	30,980
	12,516	18,788
Cash flows from operations		
Interest paid	(1,212)	(774)
Interest received	863	689
Income taxes paid, net	(2,040)	(1,657)
	10,127	17,046
Net cash flows from operating activities		

E. CONDENSED INTERIM CONSOLIDATED CASH FLOW
STATEMENT FOR THE PERIOD ENDED 30 JUNE 2024 (cont'd)

	Group	
	6 months ended 30 June 2024 \$'000	6 months ended 30 June 2023 \$'000
Investing activities		
Proceeds from disposal of property, plant and equipment and assets classified as held for sale	-	5,109
Additions to property, plant and equipment	(2,826)	(24,105)
Net cash flows used in investing activities	(2,826)	(18,996)
Financing activities		
Proceed from bank loans	5,260	22,640
Repayment of bank loans	(6,461)	(2,115)
Dividends paid	(7,530)	(4,954)
Payment of principal portion of lease liabilities	(697)	(572)
Increase in pledged deposits with licensed banks	(74)	(3,689)
Net cash flows (used in) / from financing activities	(9,502)	11,310
Net (decrease) / increase in cash and cash equivalents	(2,201)	9,360
Effect of exchange rate changes on cash and cash equivalents	135	94
Cash and cash equivalents at beginning of period	19,787	12,525
Cash and cash equivalents at end of period	17,721	21,979

F. Notes to the condensed interim consolidated financial statements

1. Corporate information

Penguin International Limited (the Company) is a limited company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST).

These condensed interim consolidated financial statements for the six months ended 30 June 2024 comprise the Company and its subsidiaries (collectively, the Group).

The principal activities of the Company are to act as: (i) owners and operators of workboats and passenger boats, (ii) designers and builders of aluminium high-speed vessels and (iii) investment holding.

2. Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements have been prepared on the historical cost basis except as otherwise described in the note below.

The condensed interim financial statements are presented in Singapore dollar, which is the Company's functional currency.

2.1 New and amended standards adopted by the Group

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

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgement, estimates and assumptions that effect the application of accounting policies and the reporting amounts of assets and liabilities, income and expenses. 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 estimations uncertainty were the same as those that applied to the consolidated financial statement as at end of the year ended 31 December 2023.

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.

Management is of the opinion that there are no critical judgements made in applying the Group's accounting policies and no assumptions and estimation of uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

3. Seasonal operations

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

4. Segment and revenue information

4.1 Reportable segments

For management purposes, the Group is organised into business units based on their products and services, and has two reportable operating segments as follows:

- (a) The vessel chartering segment charters out workboats and passenger boats as an owner and operator.
- (b) The shipbuilding, ship repair and maintenance segment act as a builder of high speed aluminium commercial vessels and contractor for ship repairs and maintenance services.

Except as indicated above, no operating results have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

4.1 Reportable segments (cont'd)

	Vessel chartering		Shipbuilding, ship repair and maintenance		Adjustments and eliminations		Notes	Total	
	6 months ended 30 June 2024	6 months ended 30 June 2023	6 months ended 30 June 2024	6 months ended 30 June 2023	6 months ended 30 June 2024	6 months ended 30 June 2023		6 months ended 30 June 2024	6 months ended 30 June 2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000	\$'000
Revenue									
Sales to external customers	22,282	16,503	37,616	73,747	–	–		59,898	90,250
Inter-segment sales	177	263	20,712	22,892	(20,889)	(23,155)	A	–	–
Total revenue	22,459	16,766	58,328	95,356	(20,889)	(23,155)		59,898	90,250
Results									
Finance income	922	25	763	1,037	(822)	(373)	B	863	689
Dividend income	(243)	–	–	–	–	–		(243)	–
Depreciation	(7,363)	(5,539)	(2,462)	(2,307)	1,204	985	B	(8,621)	(6,861)
Financial costs	(1,069)	(760)	(1,076)	(522)	823	373	B	(1,323)	(909)
Trade receivable written off	–	–	(1,362)	–	–	–		(1,362)	–
Provision for expected credit loss	–	–	(1,088)	–	–	–		(1,088)	–
Segment profit before tax	3,325	(1,479)	1,494	4,586	830	1,488	C	5,649	4,595
Taxation								(2,757)	(2,176)
Profit for the interim period								2,892	2,419

4.1 Reportable segments (cont'd)

The following table presents assets, liabilities and other segment information regarding the Group's business segments for the period ended 30 June 2024 and 2023:

	Vessel chartering		Shipbuilding, ship repair and maintenance		Discontinued operation		Adjustments and eliminations		Notes	Total	
	6 month ended 30 June 2024	6 month ended 30 June 2023	6 month ended 30 June 2024	6 month ended 30 June 2023	6 month ended 30 June 2024	6 month ended 30 June 2023	6 month ended 30 June 2024	6 month ended 30 June 2023		6 month ended 30 June 2024	6 month ended 30 June 2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000	\$'000
Assets and liabilities											
Additions to non-current assets	19,426	21,191	1,121	1,273	–	–	(4,256)	6,818	D	16,291	29,282
Goodwill	–	–	78	78	–	–	–	–		78	78
Segment assets	244,144	212,551	233,577	191,454	–	367	(82,030)	(35,281)	E	395,691	369,091
Segment liabilities	77,260	44,733	148,640	124,1307	–	–	(41,138)	833	F	184,762	169,873

4.1 Reportable segments (cont'd)

Note: Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

- A. Inter-segment revenues are eliminated on consolidation.
- B. Inter-segment interest income and finance expenses are eliminated on consolidation. Depreciation on mark-up arising from inter-segment sale of vessels are also eliminated on consolidation.
- C. The following items are added to segment profit before tax to arrive at "profit before tax" presented in the consolidated income statement:

	30 June 2024 \$'000	30 June 2023 \$'000
From inter-segment transactions	830	1,488

- D. The adjustments and eliminations relate to additions to leasehold building which cannot be allocated to each segment and inter-segment sales of vessels.
- E. The following items are deducted from segment assets to arrive at total assets reported in the consolidated balance sheet:

	30 June 2024 \$'000	30 June 2023 \$'000
Inter-segment assets	(82,030)	(35,281)

- F. The following items are (deducted from) / added to segment liabilities to arrive at total liabilities reported in the consolidated balance sheet:

	30 June 2024 \$'000	30 June 2023 \$'000
Inter-segment liabilities	(51,647)	(7,643)
Deferred tax liabilities	3,105	5,976
Current tax liabilities	7,404	2,500
	<u>(41,138)</u>	<u>833</u>

4.1 Reportable segments (cont'd)
Geographical information

The following is revenue information based on the geographical location of the Group's customers:

	Group 6 months ended					
	Vessel chartering		Shipbuilding, ship repair and maintenance		Total	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Singapore	4,098	2,597	9,343	8,839	13,441	11,436
Rest of Southeast Asia	11,220	11,054	156	6,428	11,376	17,482
East Asia	–	–	88	6,505	88	6,505
Africa	2,979	1,176	–	14,669	2,979	15,845
Europe	–	–	13,689	36,003	13,689	36,003
Middle East	3,807	1,676	14,211	1,270	18,018	2,946
Others	178	–	129	33	307	33
	22,282	16,503	37,616	73,747	59,898	90,250

Management does not monitor non-current assets and capital expenditure by geographical segment because the Group's non-current assets comprise mainly of vessels, which cannot be meaningfully allocated by geographic location as vessels can be deployed at any location at various points in time.

4.2 Disaggregation of revenue

	Group 6 months ended					
	Vessel chartering		Shipbuilding, ship repair and maintenance		Total	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Types of goods or service:						
Sale of goods	-	-	1,008	70,671	1,008	70,671
Rendering of services	22,282	16,503	36,608	3,076	58,890	19,579
	22,282	16,503	37,616	73,747	59,898	90,250

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2024 and 31 December 2023:

	Group		Company	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Financial assets at fair value through other comprehensive income (FVOCI)	15,057	12,385	15,057	12,385
Cash and bank balances, fixed deposits, contract assets, trade receivables, other receivables and deposits and loans to subsidiaries (Amortised cost)	84,558	104,228	89,213	126,587
Financial assets at fair value through profit or loss	90	286	90	286
	99,705	116,899	104,360	139,258
Financial liabilities				
Trade payables, other payables and accruals, lease liabilities, deposit from subsidiary and bank loans (Amortised cost)	100,643	92,496	56,116	71,820
Financial liabilities at fair value through profit or loss	62	160	62	160
	100,705	92,656	56,178	71,980

6. Profit before tax

6.1 Significant items

	Group	
	6 months ended 30 June 2024	6 months ended 30 June 2023
	\$'000	\$'000
Gain on disposal of property, plant and equipment	-	1,570
Interest income	863	689
Interest expense	(1,212)	(774)
Depreciation of property, plant and equipment and right-of-use assets	(8,621)	(6,861)
Foreign exchange gain / (loss), net	1,516	(1,448)
Trade receivable written off	(1,362)	-
Provision for expected credit loss	(1,088)	-

6.2 Interested person transactions

The Company does not have a shareholders' mandate for interested person transactions.

There were no significant interested persons transactions of or over S\$100,000 in value entered into during the financial period ended 30 June 2024.

7. Income tax expense

The Group calculates the period's income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated income are:

	6 months ended 30 June 2024	6 months ended 30 June 2023
	\$'000	\$'000
Current tax		
Current income tax expense	1,494	1,038
Under provision in respect of previous years	53	-
Deferred tax		
Movement in temporary differences	1,201	1,113
Under provision in respect of previous years	9	25
	<u>2,757</u>	<u>2,176</u>

8. Earnings per share

	Group	
	6 months ended	
	30 June 2024	30 June 2023
Profit attributable to equity holders of the Company (\$)	<u>2,892,000</u>	<u>2,419,000</u>
Weighted average number of ordinary shares in issue for calculation of basic and diluted earnings per share	<u>220,169,774</u>	<u>220,169,774</u>
Basic earnings per share (cents)	<u>1.31</u>	<u>1.10</u>

The calculation of basic earnings per share at 30 June was based on profit attributable to owners of the Company and the weighted average number of ordinary shares outstanding.

The Group has no dilution in its earnings per share at 30 June 2024 and 30 June 2023.

9. Dividends

No interim dividend for the half year ended 30 June 2024 (30 June 2023: Nil) is recommended as the Group intends to conserve cash for its fleet and shipyard expansion projects.

10. Net asset value

	Group		Company	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Net asset value per ordinary share based on the issued share capital at the end of period (cents)	95.80	96.02	66.42	67.15

Net asset value per share for both periods is computed based on the number of shares in issue of 220,169,774.

11. Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income comprise the following:

	Group	
	30 June 2024	31 December 2023
	\$'000	\$'000
Singapore listed equity securities		
- Marco Polo Marine Limited	15,057	12,385

11.1 Fair value measurement

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1– Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at measurement date,

Level 2– Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3– Unobservable inputs for the asset or liability.

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

As at 30 June 2024, the Group has investment in quoted equity security representing Level 1 financial asset which is carried at fair value amount of \$15,057,000 (31 December 2023: \$12,385,000). The quoted equity security is listed on the SGX-ST in Singapore.

12. Intangible assets

	Goodwill
	\$'000
Group	
Cost	
At 31 December 2023 and 30 June 2024	291
Accumulated impairment loss	
At 31 December 2023 and 30 June 2024	(213)
Net carrying amount	
At 31 December 2023 and 30 June 2024	78

Goodwill on consolidation arose from the acquisition of PT Kim Seah Shipyard Indonesia during the financial year ended 31 December 2006. The goodwill amount was determined based on the fair value of the net assets acquired less the purchase consideration paid on the date of purchase. The goodwill has been allocated to PT Kim Seah Shipyard Indonesia as a cash generating unit ("CGU") for impairment testing.

No impairment loss for goodwill was required for the financial year / period ended 31 December 2023 and 30 June 2024.

13. Property, plant and equipment

During the six months ended 30 June 2024, the Group acquired assets amounting to \$16,291,000 (30 June 2023: \$28,450,000) and disposed of assets amounting to NIL (30 June 2023: \$3,584,000).

14. Other receivables and deposits

	Group		Company	
	30 June 2024 \$'000	31 December 2023 \$'000	30 June 2024 \$'000	31 December 2023 \$'000
Current:				
<i>Financial assets</i>				
Other receivables	4,343	18,857	6	1
Deposits	524	929	–	–
Insurance claims	720	790	–	–
	<hr/>	<hr/>	<hr/>	<hr/>
	5,587	20,576	6	1
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Non-financial assets</i>				
Advance payment to suppliers	16,867	15,068	–	996
Other receivables	244	457	–	–
	<hr/>	<hr/>	<hr/>	<hr/>
	17,111	15,525	–	996
	<hr/>	<hr/>	<hr/>	<hr/>
Total current other receivables and deposits	22,698	36,101	6	997
	<hr/>	<hr/>	<hr/>	<hr/>
Non-current:				
<i>Financial assets</i>				
Other receivables	2,011	2,718	–	–
	<hr/>	<hr/>	<hr/>	<hr/>
Total other receivables and deposits	24,709	38,819	6	997
	<hr/>	<hr/>	<hr/>	<hr/>

Included in the Group's current other receivables and non-current other receivables is an amount of \$1,171,000 (31 December 2023: \$1,135,000) and \$2,011,000 (31 December 2023: \$2,718,000) respectively which pertains to sale of vessels (under property, plant and equipment) under deferred payment arrangements.

15. Other payables and accruals

	Group		Company	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	\$'000	\$'000	\$'000	\$'000
<i>Financial liabilities</i>				
Accrued operating expenses	29,711	33,819	1,954	2,092
Advance payment and deposit received (refundable)	371	105	104	-
Advance billings	-	123	-	123
Other payables	2,081	808	164	160
	32,163	34,855	2,222	2,375
<i>Non-financial liabilities</i>				
Other payables	-	-	174	508
Total other payables and accruals	32,163	34,855	2,396	2,883

16. Term loans

	Group		Company	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	\$'000	\$'000	\$'000	\$'000
<u>Amount repayable within one year or on demand</u>				
Secured	14,454	11,699	8,114	8,055
Unsecured	997	1,059	996	1,059
	15,451	12,758	9,110	9,114
<u>Amount repayable after one year</u>				
Secured	27,490	31,279	15,014	16,421
Unsecured	-	376	-	376
	27,490	31,655	15,014	16,797
Total term loans	42,941	44,413	24,124	25,911

The Group's bank borrowings are secured by way of mortgages over subsidiaries' vessels and properties, including assignment of insurance policies, charter earnings and contracts.

17. Share capital

	Group and Company			
	30 June 2024		31 December 2023	
	Number of shares	Amount	Number of shares	Amount
	'000	\$'000	'000	\$'000
Ordinary shares issued and fully paid				
Beginning of interim period	220,170	94,943	220,170	94,943

The Company did not hold any treasury shares as at 30 June 2024 and 31 December 2023.

The Company's subsidiaries did not hold any shares in the Company as at 30 June 2024 and 31 December 2023.

18. Subsequent events

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

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1. **Review**

The statement of financial position as at 30 June 2024 and the related consolidated income, consolidated statement of comprehensive income, statement of changes in equity and consolidated of cash flow statement for the half year period then ended and the selected explanatory notes (the “Condensed Interim financial Statement”) have not been audited or reviewed by the Company’s auditors.

2. **Review of performance of the Group**

Overview

Penguin’s core shipbuilding and crewboat chartering activities are gradually picking up, but remain under pressure from supply chain disruptions and rising costs.

Review of the Group's performance **For the half year ended 30 June 2024 (1H2024)**

Revenue	1H2024	1H2023	+ / (-)
	\$'000	\$'000	%
Shipbuilding, ship repair and maintenance	37,616	73,747	(49.0%)
Vessel chartering	22,282	16,503	35.0%
Total	59,898	90,250	(33.6%)

Group revenue in 1H2024 was \$59.9 million, a decrease of 33.6% from 1H2023. The decrease in revenue and cost of sales was due mainly to decrease in the number of stock vessels sold, which was partially offset by higher vessel chartering activity.

Notwithstanding the decrease in group revenue, the increase in gross profit and gross profit margin in 1H2024 compared with 1H2023 was due mainly to improved margins from shipbuilding, ship repair and vessel chartering activities, and write back of costs accrued in FY2023.

The increase in other income in 1H2024 compared with 1H2023 arose mainly from modification works on vessels sold out of the Group’s operating fleet.

The increase in administrative expenses was due mainly to higher personnel cost arising from an increase in headcount and wages, which was in line with an increase in shipbuilding, ship repair and vessel chartering activities.

The decrease in other operating expenses was due mainly to a net foreign exchange gain of \$1.5 million in 1H2024, compared to a net foreign exchange loss of \$1.4 million in 1H2023. This was partially offset by higher marine insurance cost and sundry cost arising from more vessels being added to the Group’s operating fleet.

The trade receivable written off of \$1.4 million arose from the termination of a shipbuilding contract. The provision for expected credit loss of \$1.1 million is a general provision arising from an impairment assessment on trade receivables.

As a result of the above, the Group posted a higher net profit of \$2.9 million in 1H2024, versus a net profit of \$2.4 million in 1H2023.

Changes in Balance Sheet

As of the date of this announcement, the Group's core businesses in shipbuilding and vessel chartering remain unchanged.

The increase in inventories was due mainly to more build-to-stock vessels under construction.

The net decrease in trade receivables (non-current) and trade receivables (current) was due mainly to differences in the timing of billings and collections during the period, as well as provision for expected credit loss and trade receivable written off.

The decrease in other receivables (non-current) and other receivables (current) and deposits was due mainly to payment received from disposal of property, plant and equipment (namely fleet vessels).

The increase in trade payables and other payables and accruals was due mainly to differences in the timing of payment made during the period.

Review of Group Cashflow

The net cash of \$10.1 million from operating activities was generated mostly by vessel chartering activities.

The net cash of \$2.8 million used in investing activities arose from the addition of new vessels to the Group's fleet.

The net cash of \$9.5 million used in financing activities arose mostly by net repayment of bank loans and dividend payment.

As a result of the above cash movements, the Group's cash and cash equivalents decreased to \$17.7 million as at 30 June 2024, from \$19.8 million as at 31 December 2023.

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

Not applicable.

4. 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 operating period and the next 12 months.

Global demand for Penguin's multi-role Flex crewboats and WindFlex Crew Transfer Vessels (CTV) remains strong, buoyed by a steady rise in offshore petroleum and offshore wind activities. The outlook for these two energy segments appears positive in the short-to-medium term, barring unforeseen shocks to the global economy.

Against this positive outlook, the company is facing headwinds in the form of supply chain disruptions and rising logistical and material costs. For now, the impact on deliveries and margins is small. Management is actively engaging affected suppliers and assessing the situation regularly. These supply side risks are expected to linger on for the foreseeable future.

Meanwhile in the Middle East, where Penguin both operates and sells its crewboats, management is keeping a close watch on escalating geopolitical tensions, which may potentially affect its charters and sales in the region. The situation for now remains stable for the company.

5. Dividend Information

5a. Current Financial Period Reported on

Any dividend recommended for the current financial period reported on?

No interim dividend for the half year ended 30 June 2024 is recommended as the Group intends to conserve cash for its fleet and shipyard expansion projects.

5b. Corresponding Period of the Immediate Preceding Financial Year

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

No interim dividend for the half year ended 30 June 2024 is recommended as the Group intends to conserve cash for its fleet and shipyard expansion projects

6. If the group has obtained a general mandate from shareholders for IPT's, the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If not IPT mandate has been obtained, a statement to that effect.

The Company does not have a shareholders' mandate for interested person transactions.

There were no significant interested persons transactions of or over S\$100,000 in value entered into during the financial period ended 30 June 2024.

7. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

Confirmation by the Board

On behalf of the Board of Directors of the Company, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six-month period ended 30 June 2024 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Tung May Fong
Finance & Administration Director

Singapore
8 August 2024