



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 2022**

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.

The contact person for the Sponsor is Ms. Goh Mei Xian, Director, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.



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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 2022 S\$'000	Unaudited 6 months ended 31 Dec 2021 S\$'000	Increase/ (Decrease) %	Unaudited 12 months ended 31 Dec 2022 S\$'000	Audited 12 months ended 31 Dec 2021 S\$'000	
Revenue	4	16,260	12,536	29.7	32,460	20,949	54.9
Cost of services		(14,231)	(13,679)	4.0	(28,352)	(21,889)	29.5
Gross profit/(loss)		<u>2,029</u>	<u>(1,143)</u>	n/m	<u>4,108</u>	<u>(940)</u>	n/m
Other operating income		621	1,246	(50.2)	1,696	2,410	(29.6)
Administrative expenses		(2,749)	(2,758)	(0.3)	(5,586)	(5,839)	(4.3)
Other operating expenses		(1,107)	(869)	27.4	(2,031)	(1,785)	13.8
Finance costs		(64)	(82)	(22.0)	(138)	(163)	(15.3)
Loss before share of results of a joint venture	6	<u>(1,270)</u>	<u>(3,606)</u>	(64.8)	<u>(1,951)</u>	<u>(6,317)</u>	(69.1)
Share of results of a joint venture		(20)	(16)	25.0	114	(1)	n/m
Loss before income tax		<u>(1,290)</u>	<u>(3,622)</u>	(64.4)	<u>(1,837)</u>	<u>(6,318)</u>	(70.9)
Income tax expense	17	(272)	(34)	>100	(278)	(19)	>100
Loss for the period/year		<u>(1,562)</u>	<u>(3,656)</u>	(57.3)	<u>(2,115)</u>	<u>(6,337)</u>	(66.6)
Other comprehensive income:							
<i>Items that may be reclassified subsequently to profit or loss</i>							
Exchange differences on translation of foreign operation		27	(43)	n/m	31	(71)	n/m
Total comprehensive loss for the period/year		<u>(1,535)</u>	<u>(3,699)</u>	(58.5)	<u>(2,084)</u>	<u>(6,408)</u>	(67.5)
Loss attributable to:							
Owners of the Company		(1,496)	(3,590)	(58.3)	(1,963)	(6,019)	(67.4)
Non-controlling interests		(66)	(66)	-	(152)	(318)	(52.2)
		<u>(1,562)</u>	<u>(3,656)</u>	(57.3)	<u>(2,115)</u>	<u>(6,337)</u>	(66.6)
Total comprehensive loss attributable to:							
Owners of the Company		(1,478)	(3,622)	(59.2)	(1,942)	(6,059)	(67.9)
Non-controlling interests		(57)	(77)	(26.0)	(142)	(349)	(59.3)
		<u>(1,535)</u>	<u>(3,699)</u>	(58.5)	<u>(2,084)</u>	<u>(6,408)</u>	(67.5)
Loss per share¹ attributable to owners of the Company during the period/year:							
Basic ² (SGD in cent)		(1.06)	(2.54)		(1.39)	(4.26)	
Diluted ² (SGD in cent)		(1.06)	(2.54)		(1.39)	(4.26)	

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 31/12/2022 S\$'000	Audited 31/12/2021 S\$'000	Unaudited 31/12/2022 S\$'000	Audited 31/12/2021 S\$'000
ASSETS					
Current assets					
Cash and cash equivalents		6,104	8,496	75	39
Fixed deposit pledged		-	351	-	-
Trade receivables	12	6,357	6,375	-	-
Contract assets		2,868	3,137	-	-
Other receivables		465	670	25	49
Amount due from subsidiaries		-	-	11,659	12,769
Inventories		402	617	-	-
Total current assets		<u>16,196</u>	<u>19,646</u>	<u>11,759</u>	<u>12,857</u>
Non-current assets					
Deposits		231	97	-	-
Investments in subsidiaries		-	-	18,803	19,283
Investment in a joint venture	15	333	219	-	-
Club membership		49	49	-	-
Property, plant and equipment	9	<u>17,942</u>	<u>18,598</u>	-	-
Total non-current assets		<u>18,555</u>	<u>18,963</u>	<u>18,803</u>	<u>19,283</u>
Total assets		<u>34,751</u>	<u>38,609</u>	<u>30,562</u>	<u>32,140</u>
LIABILITIES AND EQUITY					
Current liabilities					
Bank loans	10	1,527	1,901	-	-
Trade payables	13	808	1,958	1	-
Contract liabilities		188	43	-	-
Other payables		4,387	3,286	85	46
Amount due to subsidiaries		-	-	12,469	12,248
Lease liabilities	16	190	170	-	-
Income tax payable		271	38	16	19
Total current liabilities		<u>7,371</u>	<u>7,396</u>	<u>12,571</u>	<u>12,313</u>
Non-current liabilities					
Bank loans	10	3,462	5,000	-	-
Lease liabilities	16	451	662	-	-
Deposits		40	40	-	-
Total non-current liabilities		<u>3,953</u>	<u>5,702</u>	<u>-</u>	<u>-</u>
Capital, reserves and non-controlling interests					
Share capital	11	23,698	23,698	23,698	23,698
Retained earnings		18,302	20,265	(5,707)	(3,871)
Statutory surplus reserve		442	442	-	-
Currency translation reserve		(218)	(239)	-	-
Merger reserve		(18,570)	(18,570)	-	-
Equity attributable to owners of the Company		<u>23,654</u>	<u>25,596</u>	<u>17,991</u>	<u>19,827</u>
Non-controlling interests		(227)	(85)	-	-
Total equity		<u>23,427</u>	<u>25,511</u>	<u>17,991</u>	<u>19,827</u>
Total liabilities and equity		<u>34,751</u>	<u>38,609</u>	<u>30,562</u>	<u>32,140</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 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	-	-	(1,963)	-	-	(1,963)	(152)	(2,115)
- Other comprehensive profit for the year	-	-	-	21	-	21	10	31
Total	-	-	(1,963)	21	-	(1,942)	(142)	(2,084)
Balance at 31 December 2022 (unaudited)	23,698	442	18,302	(218)	(18,570)	23,654	(227)	23,427
Balance at 1 January 2021 (audited)	23,698	442	26,637	(199)	(18,570)	32,008	264	32,272
<u>Total comprehensive loss for the year</u>								
- Loss for the year	-	-	(6,019)	-	-	(6,019)	(318)	(6,337)
- Other comprehensive loss for the year	-	-	-	(40)	-	(40)	(31)	(71)
Total	-	-	(6,019)	(40)	-	(6,059)	(349)	(6,408)
Transactions with owners, recognised directly in equity:								
- Dividends	-	-	(353)	-	-	(353)	-	(353)
Balance at 31 December 2021 (audited)	23,698	442	20,265	(239)	(18,570)	25,596	(85)	25,511

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Company

Balance at 1 January 2022 (audited)

Loss for the year, representing total comprehensive loss for the year

Dividends

Balance at 31 December 2022 (unaudited)

Balance at 1 January 2021 (audited)

Loss for the year, representing total comprehensive loss for the year

Dividends

Balance at 31 December 2021 (audited)

Note	Share capital S\$'000	Retained earnings S\$'000	Total S\$'000
	23,698	(3,871)	19,827
	-	(1,836)	(1,836)
14	-	-	-
	<u>23,698</u>	<u>(5,707)</u>	<u>17,991</u>
	23,698	2,878	26,576
	-	(6,396)	(6,396)
14	-	(353)	(353)
	<u>23,698</u>	<u>(3,871)</u>	<u>19,827</u>



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D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	Unaudited 12 months ended 31 Dec 2022 S\$'000	Audited 12 months ended 31 Dec 2021 S\$'000
Operating activities		
Loss before income tax	(1,837)	(6,318)
Adjustments for:		
Interest income	(21)	(6)
Interest expense	282	198
Share of results of a joint venture	(114)	1
Reversal of impairment of property, plant and equipment	-	(265)
Impairment on goodwill from joint venture	-	13
Loss allowance made for third party trade receivables	276	64
Recovery of doubtful debts	(55)	(100)
Depreciation of property, plant and equipment	1,749	1,262
Gain on disposal of property, plant and equipment	(116)	(83)
	164	(5,234)
<u>Changes in working capital</u>		
Trade receivables	(223)	(485)
Contract assets	267	(510)
Other receivables	30	56
Inventories	211	(184)
Trade payables	(1,133)	1,036
Contract liabilities	152	(31)
Other payables	1,789	(128)
Cash from/(used in) operations	1,257	(5,480)
Interest received	21	6
Income tax paid	(51)	(343)
Net cash generated from/(used in) operating activities	1,227	(5,817)
Investing activities		
Proceeds from disposal of property, plant and equipment	120	83
Purchases of property, plant and equipment	(1,268)	(6,713)
Net cash used in investing activities	(1,148)	(6,630)
Financing activities		
Interest paid	(282)	(197)
Dividend paid	-	(353)
Proceeds from:		
Term loans	-	2,742
Repayments of:		
Term loans	(1,912)	(803)
Principal portion of lease liabilities	(190)	(172)
Net cash (used in)/generated from financing activities	(2,384)	1,217



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	Group	
	Unaudited 12 months ended 31 Dec 2022 S\$'000	Audited 12 months ended 31 Dec 2021 S\$'000
Net decrease in cash and cash equivalents	(2,305)	(11,230)
Cash and cash equivalents at the beginning of the year	8,496	19,807
Effects of exchange rate changes on the balance of cash held in foreign currencies	(87)	(81)
Cash and cash equivalents at the end of the year	<u>6,104</u>	<u>8,496</u>



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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 2022 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 2022 (“**FY2022**”, and for the previous corresponding full year ended 31 December 2021, “**FY2021**”) 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 2022.

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 2021, 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 2022. 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.



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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 2021.

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 2022 were S\$17,941,950 (31 December 2021: S\$18,597,600). During FY2022, there was no reversal of impairment loss on property, plant and equipment (FY2021: reversal of impairment loss of S\$264,707).



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b) Revenue recognition

Revenue from rendering of services is recognised over time by reference to engineers' estimates of project recovery rates and the Group's progress towards complete satisfaction of each performance obligation.

In deriving an estimated project recovery rate for each project, management has performed the cost studies, the actual rates for other contracts and taking into account engineers' estimate. The recovery rate is regularly reviewed and revised, as appropriate.

Where the actual project recovery rate is different from the original estimate, such difference will impact revenue in the period in which such estimate has been changed.

c) Loss allowance for trade receivables

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

d) Impairment of investments in subsidiaries

Management has carried out a review of the recoverable amount of the investments in subsidiaries, having regard to the existing performance of the relevant subsidiaries and the carrying value of the net assets in these subsidiaries.

Management has estimated the recoverable amount based on fair value less costs of disposal. The fair value less costs of disposal is determined by reference to the net book value which approximates the fair value of the subsidiaries. The assessment has led to the recognition of impairment loss of S\$480,514 during FY2022 (FY2021: reversal of impairment loss of S\$129,536).

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\$1,383,777 during FY2022 (FY2021: net impairment loss of S\$6,479,235).

3 **Seasonal operations**

The Group's businesses are not affected significantly by seasonal or cyclical factors during FY2022.



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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.

4.1 Reportable segments

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			10,491
Total assets			34,751
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 July 2021 to 31 December 2021</u>			
Revenue			
Segment revenue	7,754	4,782	12,536
Gross profit/(loss)	1,113	(2,256)	(1,143)
Other operating income			1,246
Administrative expenses			(2,758)
Other operating expenses			(869)
Finance costs			(82)
Loss before share of results of a joint venture			(3,606)
Share of results of a joint venture			(16)
Loss before income tax			(3,622)
Income tax expense			(34)
Loss for the period			(3,656)
Other information			
Additions to property, plant and equipment			819
Depreciation of property, plant and equipment	-	(a)272	619
Assets and Liabilities			
Segment assets	13,184	11,529	24,713
Unallocated corporate assets			13,896
Total assets			38,609
Segment liabilities	1,867	4,073	5,940
Unallocated corporate liabilities			7,158
Total liabilities			13,098



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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)	7,183	(3,075)	4,108
Other operating income			1,696
Administrative expenses			(5,586)
Other operating expenses			(2,031)
Finance costs			(138)
Loss before share of results of a joint venture			(1,951)
Share of results of a joint venture			114
Loss before income tax			(1,837)
Income tax expense			(278)
Loss for the year			(2,115)
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			10,491
Total assets			34,751
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
From 1 January 2021 to 31 December 2021			
Revenue			
Segment revenue	13,767	7,182	20,949
Results			
Gross profit/(loss)	2,317	(3,257)	(940)
Other operating income			2,410
Administrative expenses			(5,839)
Other operating expenses			(1,785)
Finance costs			(163)
Loss before share of results of a joint venture			(6,317)
Share of results of a joint venture			(1)
Loss before income tax			(6,318)
Income tax expense			(19)
Loss for the year			(6,337)
Other information			
Additions to property, plant and equipment			6,793
Depreciation of property, plant and equipment	-	(a)525	1,262
Assets and Liabilities			
Segment assets	13,184	11,529	24,713
Unallocated corporate assets			13,896
Total assets			38,609
Segment liabilities	1,867	4,073	5,940
Unallocated corporate liabilities			7,158
Total liabilities			13,098

(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 2022		
	New building and repair	Shipping	Total
	S\$'000	S\$'000	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>

	Group		
	6 months ended 31 December 2021		
	New building and repair	Shipping	Total
	S\$'000	S\$'000	S\$'000
<u>Type of goods and services</u>			
Service Revenue	7,754	-	7,754
Marine Supplies	-	548	548
Ship Charter	-	4,234	4,234
Total Revenue	<u>7,754</u>	<u>4,782</u>	<u>12,536</u>
<u>Timing of transfer of goods and services</u>			
At a point in time	437	4,782	5,219
Over time	7,317	-	7,317
Total Revenue	<u>7,754</u>	<u>4,782</u>	<u>12,536</u>
<u>Geographical information</u>			
Singapore	7,117	4,782	11,899
The People's Republic of China	142	-	142
Malaysia	55	-	55
Myanmar	440	-	440
Total Revenue	<u>7,754</u>	<u>4,782</u>	<u>12,536</u>



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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	<u>20,799</u>	<u>11,661</u>	<u>32,460</u>
<u>Timing of transfer of goods and services</u>			
At a point in time	13	11,661	11,674
Over time	20,786	-	20,786
Total Revenue	<u>20,799</u>	<u>11,661</u>	<u>32,460</u>
<u>Geographical information</u>			
Singapore	19,919	11,661	31,580
The People's Republic of China	358	-	358
Malaysia	437	-	437
Myanmar	23	-	23
Thailand	62	-	62
Total Revenue	<u>20,799</u>	<u>11,661</u>	<u>32,460</u>

Group 12 months ended 31 December 2021

	New building and repair	Shipping	Total
	S\$'000	S\$'000	S\$'000
<u>Type of goods and services</u>			
Service Revenue	13,767	-	13,767
Marine Supplies	-	1,087	1,087
Ship Charter	-	6,095	6,095
Total Revenue	<u>13,767</u>	<u>7,182</u>	<u>20,949</u>
<u>Timing of transfer of goods and services</u>			
At a point in time	437	7,182	7,619
Over time	13,330	-	13,330
Total Revenue	<u>13,767</u>	<u>7,182</u>	<u>20,949</u>
<u>Geographical information</u>			
Singapore	12,895	7,182	20,077
The People's Republic of China	324	-	324
Malaysia	96	-	96
Myanmar	452	-	452
Total Revenue	<u>13,767</u>	<u>7,182</u>	<u>20,949</u>



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4.3 Breakdown of sales

<u>Group</u>	FY2022 S\$'000	FY2021 S\$'000	Increase / (Decrease) %
(a) Sales reported for first half year	16,200	8,413	92.6
(b) Operating loss after tax before deducting non-controlling interests reported for first half year	(553)	(2,681)	(79.4)
(c) Sales reported for second half year	16,260	12,536	29.7
(d) Operating loss after tax before deducting non-controlling interests reported for second half year	(1,562)	(3,656)	(57.3)

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 2022 and 31 December 2021:

	Group		Company	
	31/12/2022 S\$'000	31/12/2021 S\$'000	31/12/2022 S\$'000	31/12/2021 S\$'000
Financial assets				
Financial assets carried at amortised cost (Note 12)	13,048	15,769	11,734	12,809
Financial liabilities				
Financial liabilities carried at amortised cost (Note 13)	10,865	13,017	12,555	12,294



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6 Loss before share of results of a joint venture

6.1 Significant items

	Group					
	6 months ended 31 December 2022	6 months ended 31 December 2021	Increase/ (Decrease)	12 months ended 31 December 2022	12 months ended 31 December 2021	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Depreciation of property, plant and equipment ^(a) :						
- cost of services	820	514	59.5	1,549	1,053	47.1
- administrative expenses	38	40	(5.0)	76	78	(2.6)
- other operating expenses	61	65	(6.2)	124	131	(5.3)
	919	619	48.5	1,749	1,262	38.6
Audit fee:						
- paid/payable to auditors of the Company	77	57	35.1	124	97	27.8
- paid/payable to other auditors	4	4	-	7	9	(22.2)
Employee benefits expense (including directors' remuneration)	5,693	5,776	(1.4)	12,420	11,123	11.7
Costs of defined contribution plans (included in employee benefits expense)	205	227	(9.7)	437	475	(8.0)
Cost of inventories recognised as expense	1,440	2,412	(40.3)	2,930	3,377	(13.2)
Loss allowance made for third party trade receivables ^(b)	244	64	>100	276	64	>100
Recovery of doubtful debts ^(c)	(11)	(100)	(89.0)	(55)	(100)	(45.0)
Interest expense ^(d)	64	82	(22.0)	138	163	(15.3)
Interest expense (included in COGS) ^(e)	82	20	>100	144	35	>100
Gain on disposal of property, plant and equipment ^(f)	(70)	(63)	11.1	(116)	(83)	39.8
Reversal of impairment of property, plant and equipment ^(g)	-	(265)	n/m	-	(265)	n/m
Impairment on goodwill from joint venture	-	13	n/m	-	13	n/m
Rental income	(140)	(107)	30.8	(258)	(207)	24.6
Interest income ^(h)	(11)	(2)	>100	(21)	(6)	>100
Government grants ⁽ⁱ⁾						
- Job Support Scheme	-	(119)	n/m	-	(669)	n/m
- Foreign Worker Levy Rebate	(61)	(411)	(85.2)	(508)	(620)	(18.1)
- Others	(41)	(102)	(59.8)	(124)	(149)	(16.8)
	(102)	(632)	(83.9)	(632)	(1,438)	(56.1)
Net foreign exchange loss ⁽ⁱ⁾	190	80	>100	267	148	80.4

n/m: not meaningful



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Notes:-

- a) The increase in depreciation of property, plant and equipment was mainly due to the commencement of depreciation charges for the Group's vessels, namely ES Jewel and ES Aspire, in FY2022 as docking expenses incurred for ES Jewel and ES Aspire were previously capitalised.
- b) Loss allowance made for third party trade receivables in FY2022 and FY2021 was provided mainly for customers from the Group's new building and repair segment where the management has assessed that the probability of collection of the outstanding trade receivables is low. 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. Loss allowance made for third party trade receivables increased in FY2022 mainly due to a specific loss allowance provided for one of the trade receivables from the new building and repair segment in view of the slow payment.
- c) Recovery of doubtful debts pertains to outstanding trade receivables recovered from customers from the Group's new building and repair segment.
- d) The decrease in interest expense in FY2022 was due to lower interest incurred against reduced principal after repayments were made during the financial year.
- e) Interest expense (included in COGS) in FY2022 relates mainly to the interest expense incurred for the Group's vessel loan, which commenced from December 2021.
- f) The increase in gain on disposal of property, plant and equipment in FY2022 was due to the disposal of tools and equipment by the Company's Thailand subsidiary, ES Offshore and Marine Engineering (Thailand) Co. Ltd..
- g) The reversal of impairment of property, plant and equipment in FY2021 pertains to a reversal of impairment on the Group's vessel, ES Aspire, provided in prior year as the vessel is valued at a higher amount as at 31 December 2021. No reversal of impairment required in FY2022.
- h) The increase in interest income in FY2022 was due to the additional fixed deposit placed by ES Offshore and Engineering (Myanmar) Co., Ltd. (a subsidiary of the Company) since January 2022.
- i) The decrease in government grants was mainly due to the cessation of Jobs Support Scheme and foreign worker levy rebate that were introduced by the Singapore government to support companies affected by the COVID-19 pandemic.
- j) Net foreign exchange gain or loss relates to changes in the relative value of assets denominated in foreign currencies. Net foreign exchange loss increased in FY2022, as compared to FY2021, mainly due to the continued weakening of Thai Baht (THB), Malaysia Ringgit (MYR) and Myanmar Kyat (MMK) against SGD in FY2022, resulting in unrealised net foreign exchange loss.

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

	As at 31 December 2022	As at 31 December 2021
THB/SGD	25.68	24.64
MYR/SGD	3.2819	3.0893
MMK/SGD	1,565.00	1,313.00



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6.2 Related party transactions

During the second half of FY2022 and during FY2022, in addition to the information disclosed elsewhere in these condensed interim consolidated financial statements, the Group 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 2022 S\$'000	6 months ended 31 December 2021 S\$'000	12 months ended 31 December 2022 S\$'000	12 months ended 31 December 2021 S\$'000
Professional fee paid to immediate family member of directors/shareholders	78	100	156	202

7 Net asset value

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Net asset value per ordinary share based on the number of issued ordinary shares	16.75 cents ^(a)	18.13 cents ^(b)	12.74 cents ^(a)	14.04 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 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.
- b) Net asset value per ordinary share as at 31 December 2021 have been computed based on equity attributable to owners of the Company as at 31 December 2021 divided by the number of issued ordinary shares as at 31 December 2021.



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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 FY2022.

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 FY2022.

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. The fair values of non-current financial assets and liabilities are disclosed in Note 5 to the condensed interim consolidated financial statements.

9 Property, plant and equipment

During the six months ended 31 December 2022, the Group acquired assets amounting to S\$10,908 (six months ended 31 December 2021: S\$589,996) and disposed of assets amounting to S\$690,397 (six months ended 31 December 2021: S\$1,182,517). No property, plant and equipment was acquired under lease arrangement during the six months ended 31 December 2022 and 31 December 2021.

During FY2022, the Group acquired assets amounting to S\$1,267,894 (FY2021: S\$6,792,892) and disposed of assets amounting to S\$1,010,205 (FY2021: S\$1,328,311). During FY2022, there was no property, plant and equipment acquired under lease arrangement (FY2021: S\$80,000).



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10 Bank loans

	Group	
	31/12/2022	31/12/2021
	S\$'000	S\$'000
Bank loans (secured)		
- Term loan 1	-	400
- Term loan 2	2,882	3,843
- Term loan 3	2,107	2,658
Total bank loans	4,989	6,901
Less: Amount due for settlement within 12 months (shown under current liabilities)	(1,527)	(1,901)
Amount due for settlement after 12 months (shown under non-current liabilities)	3,462	5,000

At the end of FY2022, 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; and
- (v) a pledge over 100% shares of a subsidiary of the Company.

11 Share capital

	Group and Company			
	31/12/2022	31/12/2022	31/12/2021	31/12/2021
	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 FY2022.

As at 31 December 2022, 30 June 2022 and 31 December 2021, the Company has no outstanding options, convertibles, treasury shares and subsidiary holdings.



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12 Trade receivables

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	S\$'000	S\$'000	S\$'000	S\$'000
Third parties	7,425	7,225	-	-
Less: Loss allowance for trade receivables	(1,068)	(850)	-	-
Net trade receivables	6,357	6,375	-	-
Add: Cash and cash equivalents	6,104	8,847	75	39
Add: Other receivables	696	767	25	49
Add: Amount due from subsidiaries	-	-	11,659	12,769
Less: Prepayments *	(99)	(209)	(25)	(48)
Less: Value-added tax receivables *	(10)	(11)	-	-
Total financial assets carried at amortised cost	13,048	15,769	11,734	12,809

* These are part of other receivables.

13 Trade payables

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	S\$'000	S\$'000	S\$'000	S\$'000
Third parties	808	1,958	1	-
Total trade payables	808	1,958	1	-
Less: Goods and service tax payable	-	-	-	-
Add: Bank loans	4,989	6,901	-	-
Add: Other payables	4,387	3,286	85	46
Add: Amount due to subsidiaries	-	-	12,469	12,248
Add: Lease liabilities	641	832	-	-
Add: Deposits	40	40	-	-
Total financial liabilities carried at amortised cost	10,865	13,017	12,555	12,294



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14 Dividends

	Group	
	FY2022 S\$'000	FY2021 S\$'000
Final tax-exempt (one-tier) dividend paid subsequently in respect of the previous financial year of nil Singapore cents (FY2021: 0.25 Singapore cents in respect of FY2020) per share	-	353

15 Investment in a joint venture

	Group	
	31/12/2022 S\$'000	31/12/2021 S\$'000
Unquoted equity investment, at cost	219	233
Impairment on goodwill	-	(13)
Share of post-acquisition results	114	(1)
	<u>333</u>	<u>219</u>

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	
			31/12/2022 %	31/12/2021 %
Proxess Engineering Pte. Ltd.	Singapore	Provides wholesale trade of variety of goods and manufacture and repair of valves	<u>51</u>	<u>51</u>

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



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16 Lease liabilities

	Minimum lease payments		Present value of minimum lease payments	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	S\$'000	S\$'000	S\$'000	S\$'000
Group				
Contractual undiscounted cash flows:				
- Within one year	216	204	190	170
- In the second to fifth years inclusive	491	562	451	501
- After five years	-	167	-	161
	<u>707</u>	<u>933</u>	<u>641</u>	<u>832</u>
Less: Future interest expense	(66)	(101)	-	-
Present value of lease liabilities	<u>641</u>	<u>832</u>	<u>641</u>	<u>832</u>
Presented in consolidated statement of financial position				
- Current			190	170
- Non-current			451	662
			<u>641</u>	<u>832</u>

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

17 Income tax expense

	Group			
	6 months ended 31 December 2022	6 months ended 31 December 2021	12 months ended 31 December 2022	12 months ended 31 December 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Income tax:				
- Current year	272	-	272	-
- Underprovision in respect of prior years	-	34	6	19
	<u>272</u>	<u>34</u>	<u>278</u>	<u>19</u>

Domestic income tax is calculated at 17% (FY2021: 17%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.



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18 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\$5,125,411 (31 December 2021: S\$7,135,023). The earliest period that the guarantee could be called is within 1 year (31 December 2021: 1 year) from the end of the reporting period.

19 Impact of COVID-19

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The Group's operations in Singapore and overseas have been affected by the spread of COVID-19 since 2020. The Group's performance was greatly impacted by movement control and several restrictions imposed by Singapore government to control the spread of COVID-19.

Since second half of 2020, the COVID-19 pandemic is gradually under control in Singapore and the Group has since started to operate close to as normal thereon. With further easing of border control in 2022, the Group successfully brought back more workers. However, shortage of skilled workers remains a concern across the industry, due to global labour shortage coupled with more orders as the economy starts picking up after the lifting of COVID-19 restrictions.

Despite the challenging business environment, the Group continues to explore opportunities to diversify and mitigate risk, both locally and overseas. The Group also continues to remain cautious by monitoring the global economic situation, conserving cash and being prudent with on-going cost management efforts as well as seizing opportunities in order to recover and rebound from the COVID-19 pandemic.

20 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”)



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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 2022 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 2022 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 2021 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 increased by S\$11.6 million or 54.9%, from S\$20.9 million in FY2021 to S\$32.5 million in FY2022 as a result of the increase in revenue contributed by the two business segments of the Group.

Revenue from the Group's new building and repair segment increased by S\$7.0 million, from S\$13.8 million in FY2021 to S\$20.8 million in FY2022. The increase in revenue was attributed to (i) the increase in orders as the industry gradually recovers from the COVID-19 pandemic; (ii) the Group being able to successfully bring back more workers from overseas to cope with and complete the increased orders; and (iii) the penetration to other smaller shipyards, which allowed the Group to work on more jobs from such shipyards during the year.

Revenue from the Group's shipping segment increased by S\$4.5 million, from S\$7.2 million in FY2021 to S\$11.7 million in FY2022 as a result of (i) higher voyage revenue to pass on rising bunker cost to the charterer; and (ii) higher vessel utilisation and more voyages run in FY2022, as compared to FY2021.

Revenue contribution from Singapore amounted to 97.3% and 95.8% of the Group's total revenue in FY2022 and FY2021, respectively, with the balance contributed by revenue from the People's Republic of China (FY2022: 1.1% and FY2021: 1.5%), Myanmar (FY2022: 0.1% and FY2021: 2.2%), Malaysia (FY2022: 1.3% and FY2021: 0.5%) and Thailand (FY2022: 0.2% and FY2021: nil). The Group's two business segments, namely new building and repair segment and shipping segment, made up majority of the revenue contribution from Singapore in both FY2022 and FY2021. Please refer to the reasons set out above for the increase in revenue contribution from Singapore in FY2022, as



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compared to FY2021. Revenue contribution from the People's Republic of China remains stable for both years. Revenue contribution from Myanmar decreased in FY2022 as no project is running amid the coup situation in the country. Revenue contribution from Malaysia increased in FY2022 as the team started to take on electrical jobs and delivered more jobs during the year as the COVID-19 situation in Malaysia gradually stabilizes. Revenue contribution from Thailand in FY2022 was from an ad-hoc project that delivered in the year, and there was no project secured and completed in Thailand in FY2021.

Gross profit increased by S\$5.0 million, from a gross loss of S\$0.9 million in FY2021 to a gross profit of S\$4.1 million in FY2022. Gross profit margin increased by 17.2 percentage points, from negative 4.5% in FY2021 to 12.7% in FY2022. The increase in gross profit and gross profit margin were mainly due to:

- (i) the improvement in gross profit and gross profit margin from the new building and repair segment as a result of lesser down time, increased worker utilisation rate and the penetration to smaller shipyards that generated higher margin projects; and
- (ii) partially offset by the higher gross loss and gross loss margin from the shipping segment as the Group's vessel, ES Jewel, suffered unexpected breakdown in the second half of FY2022, which resulted in significant repair and maintenance expense.

Other operating income decreased by S\$0.7 million or 29.6%, from S\$2.4 million in FY2021 to S\$1.7 million in FY2022, mainly due to the decrease in government grants from Jobs Support Scheme and foreign worker levy rebate of S\$0.8 million in FY2022. The decrease was partially offset by increased rental income of S\$0.1 million collected from workers staying in dormitories due to (i) the rise in number of workers; and (ii) higher rental being back charged to workers.

Administrative expenses decreased by S\$0.2 million or 4.3%, from S\$5.8 million in FY2021 to S\$5.6 million in FY2022, due to the gradual cost cutting on salary and manpower.

Other operating expenses increased by S\$0.2 million or 13.8%, from S\$1.8 million in FY2021 to S\$2.0 million in FY2022, as the Group suffered unrealised foreign exchange loss from the weakening of THB, MMK and MYR against SGD in FY2022, for amounts owing from the foreign subsidiaries of the Group.

Finance costs remained largely stable at S\$0.1 million for both FY2022 and FY2021.

The joint venture company recorded a share of profit of S\$0.1 million in FY2022, as compared to a share of loss of approximately S\$1,000 in FY2021, as the joint venture company completed and delivered higher value and better margin projects during the year.

As a result of the above, the Group recorded a net loss of S\$2.1 million in FY2022, as compared to a net loss of S\$6.3 million in FY2021. Net loss attributable to owners of the Company was S\$2.0 million in FY2022, as compared to a net loss attributable to owners of the Company of S\$6.0 million in FY2021.

(b) Review of Financial Position of the Group

The Group recorded positive working capital (current assets less current liabilities) of S\$8.8 million as at 31 December 2022, as compared to S\$12.3 million as at 31 December 2021.

Assets

Current assets

The Group's current assets decreased by S\$3.4 million, to S\$16.2 million as at 31 December 2022 from S\$19.6 million as at 31 December 2021, mainly due to:

- a) a decline in cash and cash equivalents of S\$2.4 million mainly as a result of the repayments of term loans and lease liabilities;
- b) the absence of fixed deposit pledged of S\$0.4 million as it was no longer required after the vessel loan was fully repaid in August 2022;
- c) a decline in contract assets of S\$0.3 million as there were lesser work-in-progress projects towards the end of the year;
- d) a decline in other receivables of S\$0.2 million due to reclassification of a security deposit paid to bank to non-current assets; and
- e) a decline in inventories of S\$0.2 million as lesser stock were kept.

Non-current assets

Non-current assets decreased by S\$0.4 million, to S\$18.6 million as at 31 December 2022 from S\$19.0 million as at 31 December 2021, due mainly to the depreciation charges for property, plant and equipment of S\$1.7 million during the year, partially offset by capitalisation of docking cost for the Group's vessel, ES Aspire, of S\$1.2 million.

Liabilities

Current liabilities

Current liabilities remained largely stable at S\$7.4 million as at 31 December 2022 and 31 December 2021. Significant movements of items included in current liabilities were as follows:

- a) a decrease in trade payables of S\$1.2 million. Trade payables as at 31 December 2021 was higher due to the increase in (i) invoices for repair and maintenance cost for the Group's vessel, ES Jewel, after its exit docking in September 2021; and (ii) orders for ship chandling job that came in towards the end of FY2021;
- b) a decrease in bank loans of S\$0.4 million due to repayments made in the year; and
- c) an increase in other payables of S\$1.1 million for accruals made for repair costs for the Group's vessel, ES Jewel, due to unexpected breakdown during the year.

Non-current liabilities

Non-current liabilities decreased by S\$1.7 million, to S\$4.0 million as at 31 December 2022 from S\$5.7 million as at 31 December 2021, mainly due to repayments of bank loans and lease liabilities made during the year.

Equity

As a result of the above, total equity of the Group decreased by S\$2.1 million, to S\$23.4 million as at 31 December 2022 from S\$25.5 million as at 31 December 2021. The Group's equity attributable to owners of the Company decreased by S\$1.9 million, to S\$23.7 million as at 31 December 2022 from S\$25.6 million as at 31 December 2021.

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

In FY2022, net cash generated from operating activities amounted to S\$1.2 million, due to (i) operating cash inflows before changes in working capital of S\$0.2 million; (ii) net cash generated from operations of S\$1.1 million; and (iii) income tax paid of S\$0.1 million.

The net cash generated from operations of S\$1.2 million in FY2022 was mainly pertaining to:

- (a) the increase in other payables of S\$1.8 million; and
- (b) the decrease in contract assets of S\$0.3 million, partially offset by the reduction in trade payables of S\$1.1 million.



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Net cash used in investing activities of S\$1.1 million in FY2022 was related to docking expenses of the Group's vessel, ES Aspire, of S\$1.2 million, which was capitalised, partially offset by the proceeds from disposal of property, plant and equipment of S\$0.1 million.

Net cash used in financing activities of S\$2.4 million in FY2022 was due to repayments of term loans and finance leases of an aggregate of S\$2.1 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\$6.1 million as at 31 December 2022 from S\$8.5 million as at 1 January 2022.

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 FY2022 as set out in this announcement, are in line with the profit guidance announcement for FY2022 released by the Company on 3 February 2023.

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.

As travel restrictions progressively lifted, the Group manages to bring in more foreign workers, allowing the Group to catch up on delayed projects due to labour shortage from border control restrictions as a result of the COVID-19 pandemic, which has resulted in a significant increase in revenue in FY2022.

The overall industry outlook across the oil and gas and offshore renewables sectors continues to improve. Nonetheless, the global market is expected to remain volatile and challenging amid elevated interest rate and inflationary pressures. The evolving situation will continue to affect the Group's business and operations.

The management remains cautious with regards to the current market condition. The management will continue to monitor the situation, minimise cost and conserve cash for the Group's business in order to mitigate any negative financial impact.

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 FY2022.

(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 FY2022 in view of the net loss position of the Group for FY2022.

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 FY2022 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 consultant, is the father of Mr Low Chee Wee (Executive Director, Chief Executive Officer ("CEO") cum Chief Operating Officer ("COO") of the Company).	156	-
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 2022.

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	51	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	65	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	46	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



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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

ON BEHALF OF THE BOARD OF DIRECTORS

Low Chee Wee
Executive Director and Chief Executive Officer

Eddy Neo Chiang Swee
Executive Director

28 February 2023