



Company Registration No. 201311482K

## **KIM HENG LTD.**

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

*This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**").*

*This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**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. Tay Sim Yee (telephone (65) 62323212) at 1 Robinson Road #21-00 AIA Tower Singapore 048542.*

## Table of Contents

Description	Page No
A. Condensed consolidated statement of profit or loss and other comprehensive income.....	3
B. Condensed statements of financial position.....	4
C. Condensed consolidated statement of cash flows.....	5
D. Condensed statements of changes in equity.....	7
E. Notes to the condensed consolidated financial statements.....	10
F. Other information required by Listing Rule Appendix 7C.....	19

**A. Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the six months and full year ended 31 December 2023**

	Note	6 Months			12 Months		
		1 Jul 2023 to	1 Jul 2022 to	+ / (-)	1 Jan 2023 to	1 Jan 2022 to	+ / (-)
		31 Dec 2023 (Unaudited) ("2H 2023") S\$'000	31 Dec 2022 (Unaudited) ("2H 2022") S\$'000		31 Dec 2023 (Unaudited) ("FY 2023") S\$'000	31 Dec 2022 (Audited) ("FY 2022") S\$'000	
Revenue	4	57,730	44,806	29	102,028	79,841	28
Cost of sales		(39,404)	(29,565)	33	(69,089)	(52,115)	33
<b>Gross profit</b>		18,326	15,241	20	32,939	27,726	19
<b>Gross profit margin</b>		32%	34%		32%	35%	
Other income		1,758	6,301	(72)	2,786	8,376	(67)
Distribution expenses		(813)	(1,212)	(33)	(1,704)	(2,077)	(18)
Administrative expenses		(9,293)	(8,862)	5	(18,263)	(15,416)	18
Other operating expenses		(4,277)	(4,067)	5	(6,587)	(5,286)	25
Finance costs		(1,754)	(1,251)	40	(3,110)	(2,376)	31
Profit before tax	6	3,947	6,150	(36)	6,061	10,947	(45)
Tax expense	7	(3,532)	(1,644)	>100	(3,716)	(2,298)	62
<b>Profit for the period/year</b>		415	4,506	(91)	2,345	8,649	(73)
<b>Other comprehensive profit, net of tax</b>							
<b>Items that may be reclassified subsequently to profit or loss:</b>							
Foreign currency translation differences		(566)	(688)	(18)	(428)	(180)	>100
<b>Items that will not be reclassified subsequently to profit or loss:</b>							
Foreign currency translation differences		(169)	(240)	(30)	(207)	(166)	25
<b>Total comprehensive (loss)/profit for the period/year</b>		(320)	3,578	N.M.	1,710	8,303	(79)
<b>Net (loss)/profit attributable to:</b>							
Owners of the Company		(173)	2,299	N.M.	1,565	7,365	(79)
Non-Controlling Interests		588	2,207	(73)	780	1,284	(39)
		415	4,506		2,345	8,649	
<b>EBITDA</b>		10,166	11,590	(12)	17,902	21,741	(18)
<b>Earnings per Share (cents)</b>							
Basic	25	0.0*	0.3		0.2	1.0	
Diluted	25	0.0*	0.3		0.2	1.0	

N.M. – not meaningful  
\* Less than 0.1 cents

## B. Condensed Statement of Financial Position as at 31 December 2023

	Note	Group		Company	
		31 December 2023 (Unaudited) S\$'000	31 December 2022 (Audited) S\$'000	31 December 2023 (Unaudited) S\$'000	31 December 2022 (Audited) S\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	10	78,716	83,918	-	-
Right-of-use assets	11	21,893	17,077	-	-
Club memberships		63	63	-	-
Investment in subsidiaries		-	-	76,250	76,250
		100,672	101,058	76,250	76,250
<b>Current assets</b>					
Inventories		25,318	2,819	-	-
Trade and other receivables	14	29,868	30,787	7,265	2,285
Cash and cash equivalents		10,974	13,137	29	50
Assets held-for-sale		394	5,664	-	-
		66,554	52,407	7,294	2,335
<b>Total assets</b>		167,226	153,465	83,544	78,585
<b>EQUITY</b>					
Share capital	13	74,409	74,409	74,409	74,409
Treasury shares		(323)	(323)	(323)	(323)
Reserves		(33,600)	(33,172)	-	-
Accumulated profits		15,492	15,927	1,795	2,103
<b>Equity attributable to owners of the Company</b>		55,978	56,841	75,881	76,189
Non-controlling interests		7,285	6,712	-	-
<b>Total Equity</b>		63,263	63,553	75,881	76,189
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Loans and borrowings	12	20,909	20,834	3,055	1,257
Lease liabilities	12	12,746	10,328	-	-
Deferred tax liabilities		5,584	3,240	-	-
		39,239	34,402	3,055	1,257
<b>Current liabilities</b>					
Bank overdraft	12	1,054	1,422	-	-
Loans and borrowings	12	23,534	15,039	4,412	944
Lease liabilities	12	3,062	2,912	-	-
Trade and other payables	15	35,655	34,263	196	195
Current tax payable		1,419	922	-	-
Liabilities directly associated with assets held-for-sale		-	952	-	-
		64,724	55,510	4,608	1,139
<b>Total liabilities</b>		103,963	89,912	7,663	2,396
<b>Total equity and liabilities</b>		167,226	153,465	83,544	78,585

### C. Condensed Consolidated Statement of Cash Flows for the full year ended 31 December 2023

	Note	Group 12 Months Ended	
		31 December 2023 (Unaudited) S\$'000	31 December 2022 (Audited) S\$'000
<b>Cash flows from operating activities</b>			
Profit before income tax		6,061	10,947
Adjustments for:			
Depreciation of property, plant and equipment and right-of-use assets	6	8,731	8,418
Gain on disposal of property, plant and equipment and right-of-use assets	6	(911)	(7,581)
Impairment loss on property, plant and equipment	6	215	-
Impairment loss on trade and other receivables	6	117	29
Interest income	6	(10)	(3)
Interest expense	6	3,110	2,376
		<u>17,313</u>	<u>14,186</u>
<b>Changes in working capital:</b>			
Inventories		(9,763)	(742)
Trade and other receivables		563	(10,214)
Trade and other payables		2,611	16,307
Cash generated from operations		<u>10,724</u>	<u>19,537</u>
Income tax paid		(747)	(490)
<b>Net cash generated from operating activities</b>		<u>9,977</u>	<u>19,047</u>
<b>Cash flows from investing activities</b>			
Deposits for purchase of property, plant and equipment/ right-of-use assets		(237)	(5,231)
Acquisition of property, plant and equipment and right-of-use assets		(13,490)	(7,211)
Proceeds from disposal of property, plant and equipment and assets held-for-sale		6,748	12,119
Interest received		10	3
<b>Net cash used in investing activities</b>		<u>(6,969)</u>	<u>(320)</u>
<b>Cash flows from financing activities</b>			
Interest paid		(3,110)	(2,376)
Dividend paid		(2,000)	-
Purchase of treasury shares		-	(140)
Repayment of lease liabilities		(3,427)	(3,100)
Repayment of term loans		(10,852)	(9,299)
Proceeds from/(repayment of) trust receipts		3,257	(302)
Proceeds from term loans		11,285	1,080
Changes in deposits pledged		8	3
<b>Net cash used in financing activities</b>		<u>(4,839)</u>	<u>(14,134)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<u>(1,831)</u>	<u>4,593</u>
Cash and cash equivalents at beginning of the year		11,094	6,167
Effect of exchange rate fluctuations on cash and cash equivalents		44	334
<b>Cash and cash equivalents at end of the year</b>		<u>9,307</u>	<u>11,094</u>

**C. Condensed Consolidated Statement of Cash Flows for the full year ended 31 December 2023 (Cont'd)**

	Group	
	12 Months Ended 31 December 2023 (Unaudited) S\$'000	12 Months Ended 31 December 2022 (Audited) S\$'000
<b>Significant non-cash transactions during the period/year:</b>		
Acquisition of vessels	3,984	-
Acquisition of other plant and equipment	5,996	3,921
	9,980	3,921
<b>~Cash and cash equivalents consist of the following:</b>		
Cash at bank and in hand	10,361	12,516
Fixed deposits	613	621
Cash and cash equivalents	10,974	13,137
Bank overdraft	(1,054)	(1,422)
Deposits pledged	(613)	(621)
Cash and cash equivalents in the statements of cash flows	9,307	11,094

**D. Condensed Statements of Changes in Equity for the Financial Year ended 31 December 2023**

Group	Share capital S\$'000	Treasury shares S\$'000	Merger deficit S\$'000	Translation reserve S\$'000	Accumulated profits S\$'000	Total equity attributable to equity holders of the company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
<b>2022 (Audited)</b>								
<b>As at 1 January 2022</b>	74,409	(183)	(32,763)	(229)	8,562	49,796	5,594	55,390
<b>Total comprehensive income for the year</b>								
Profit for the year	-	-	-	-	7,365	7,365	1,284	8,649
<b>Other comprehensive income</b>								
Translation differences relating to financial statements of foreign operations	-	-	-	(180)	-	(180)	(166)	(346)
Total comprehensive (loss)/income for the year	-	-	-	(180)	7,365	7,185	1,118	8,303
<b>Transactions with owners, recognised directly in equity</b>								
Purchase of treasury shares	-	(140)	-	-	-	(140)	-	(140)
<b>Total transactions with owners</b>	-	(140)	-	-	-	(140)	-	(140)
<b>As at 31 December 2022</b>	74,409	(323)	(32,763)	(409)	15,927	56,841	6,712	63,553

**D. Condensed Statements of Changes in Equity for the Financial Year ended 31 December 2023 (Cont'd)**

Group	Share capital S\$'000	Treasury shares S\$'000	Merger deficit S\$'000	Currency translation reserve S\$'000	Accumulated profits S\$'000	Total equity attributable to equity holders of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
<b>2023 (Unaudited)</b>								
<b>As at 1 January 2023</b>	74,409	(323)	(32,763)	(409)	15,927	56,841	6,712	63,553
<b>Total comprehensive income for the year</b>								
Profit for the year	-	-	-	-	1,565	1,565	780	2,345
<b>Other comprehensive income</b>								
Translation differences relating to financial statements of foreign operations	-	-	-	(428)	-	(428)	(207)	(635)
Total comprehensive (loss)/income for the year	-	-	-	(428)	1,565	1,137	573	1,710
<b>Transactions with owners, recognised directly in equity</b>								
Purchase of treasury shares	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	(2,000)	(2,000)	-	(2,000)
<b>Total transactions with owners</b>	-	-	-	-	(2,000)	(2,000)	-	(2,000)
<b>As at 31 December 2023</b>	74,409	(323)	(32,763)	(837)	15,492	55,978	7,285	63,263



**D. Condensed Statements of Changes in Equity for the Financial Year ended 31 December 2023 (Cont'd)**

Company	Share capital S\$'000	Treasury shares S\$'000	Accumulated profits S\$'000	Total equity S\$'000
<b><u>2022 (Audited)</u></b>				
<b>As at 1 January 2022</b>	74,409	(183)	60	74,286
Total comprehensive income for the year	-	-	2,043	2,043
<b>Transactions with owners, recognised directly in equity</b>				
Purchase of treasury shares	-	(140)	-	(140)
<b>As at 31 December 2022</b>	74,409	(323)	2,103	76,189
<b><u>2023 (Unaudited)</u></b>				
<b>As at 1 January 2023</b>	74,409	(323)	2,103	76,189
Total comprehensive income for the year	-	-	1,692	1,692
<b>Transactions with owners, recognised directly in equity</b>				
Dividends	-	-	(2,000)	(2,000)
<b>As at 31 December 2023</b>	74,409	(323)	1,795	75,881

## E. NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. Corporate information

Kim Heng Ltd. (the “Company”) is incorporated as a limited liability company domiciled in Singapore and listed on the Catalist Exchange of Singapore.

The registered office of the Company is located at 9 Pandan Crescent, Singapore 128465.

These condensed consolidated financial statements comprise the Company and its subsidiaries (collectively, the “Group”).

The principal activities of the Company are that of an investment holding company. The principal activities of the subsidiaries include chartering of vessels, marine support services, equipment rental, material sales and trading of vessels.

### 2. Basis of Preparation

The condensed financial statements for the six months and full year ended 31 December 2023 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 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 interim financial statements for the period ended 30 June 2023.

The condensed financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The condensed financial statements are presented in Singapore Dollar which is the Company’s functional currency. All financial information is presented in Singapore Dollar have been rounded to the nearest thousand, unless otherwise stated.

#### 2.1 New and amended standards adopted by the Group

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial period and year, the Group has adopted all the amendments to SFRS(I)s that are effective for annual financial periods beginning on or after 1 January 2023. The adoption of these amendments did not have any material effect on the financial performance or position of the Group and the Company.

#### 2.2 Use of judgements and estimates

In preparing the condensed 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 expenses. Actual result may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements as at and for the financial year ended 31 December 2022.

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

## 2.2 Use of judgements and estimates (Cont'd)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities as at 31 December 2023 are included in the following notes:

- 2.2(a) - Impairment of Group's non-financial assets
- 2.2(b) - Provision for expected credit losses on trade receivables

### (a) Impairment of Group's non-financial assets

The current market uncertainties and sentiment have led to heightened uncertainty in estimating the recoverable amounts of the non-financial assets. Management has performed an impairment assessment on its property, plant and equipment and right-of-use assets based on the last valuation reports obtained from independent professional valuers as at 31 Dec 2023.

The recoverable amounts could change significantly as a result of changes in market conditions and the assumptions used in determining the market value. A 5% change in the fair value of the non-financial assets will not result in an impairment loss on the Group's non-financial assets.

### (b) Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate expected credit losses ("ECL") for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is based on the Group's historical observed default rates, adjusted for forecast economic conditions with forward-looking information. This assessment involves significant estimate. Additionally, the amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. A reasonable change in the estimates will not result in a significant impact to the Group's ECL.

## 3. Seasonal operations

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

#### 4. Segment information

The Group has 5 reportable segments as described below:

- Marine Offshore Support Services income: vessels repair, offshore rig & supply base services and crew management;
- Chartering and Towage income: chartering of ships, barges and boats with crew;
- Equipment Rental income: sale, rent and lease of industrial machinery & equipment and spare parts;
- Sale of Goods: value added logistic providers and supply chain.
- Vessels Sales and Newbuild: trading of vessels.

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

	Offshore Rig Services and Supply Chain Management				Vessel Sales and Newbuild	Adjustments and eliminations	Total
	Marine Offshore Support services income	Chartering and Towage Income	Equipment Rental income	Sales of goods			
6 Months ended 31 December 2023	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Total revenue from external customers	21,461	14,423	1,750	5,704	14,392	-	57,730
Inter-segment revenue	1,293	7,471	735	114	-	(9,613)	-
Total segment revenue	22,754	21,894	2,485	5,818	14,392	(9,613)	57,730
Other income							1,758
Finance costs							(1,754)
Segment results							3,947
Income tax expense							(3,532)
Profit for the period							415
<b>Other Information</b>							
Segment assets							167,226
Segment liabilities							103,963
Capital Expenditure							7,196
Other material non-cash items:							
- Depreciation of property, plant and equipment and right-of-use assets							4,465
- Gain on disposal of property, plant and equipment							(338)
- Reversal of Impairment loss on trade and other receivables							(55)
- Impairment loss on property, plant and equipment							215

#### 4. Segment information (Cont'd)

	Offshore Rig Services and Supply Chain Management				Vessel	Adjustments	Total
	Marine Offshore	Chartering	Equipment	Sales of	Sales and	and	
	Support services	and Towage	Rental	goods	Newbuild	eliminations	
<b>6 Months ended 31 December 2022</b>	<b>income</b>	<b>Income</b>	<b>income</b>	<b>\$S'000</b>	<b>\$S'000</b>	<b>\$S'000</b>	<b>\$S'000</b>
Total revenue from external customers	16,187	16,663	3,568	6,888	1,500	-	44,806
Inter-segment revenue	1,576	6,899	790	133	-	(9,398)	-
Total segment revenue	17,763	23,562	4,358	7,021	1,500	(9,398)	44,806

Other income							6,301
Finance costs							(1,251)

Segment results							6,150
Income tax expense							(1,644)
Profit for the period							4,506

#### Other Information

Segment assets							153,465
Segment liabilities							89,912
Capital Expenditure							3,998

#### Other material non-cash items:

- Depreciation on property, plant and equipment and right-of-use assets							4,189
- Gain on disposal of property, plant and equipment							(1,449)
- Reversal of impairment loss on trade and other receivables							(257)

	Offshore Rig Services and Supply Chain Management				Vessel	Adjustments	Total
	Marine Offshore	Chartering	Equipment	Sales of	Sales and	and	
	Support services	and Towage	Rental	goods	Newbuild	eliminations	
<b>12 Months ended 31 December 2023</b>	<b>income</b>	<b>Income</b>	<b>income</b>	<b>\$S'000</b>	<b>\$S'000</b>	<b>\$S'000</b>	<b>\$S'000</b>
Total revenue from external customers	44,110	25,920	4,140	11,247	16,611	-	102,028
Inter-segment revenue	9,514	13,450	1,592	792	-	(25,348)	-
Total segment revenue	53,624	39,370	5,732	12,039	16,611	(25,348)	102,028

Other income							2,786
Finance costs							(3,110)

Segment results							6,061
Income tax expense							(3,716)
Profit for the year							2,345

#### Other Information

Segment assets							167,226
Segment liabilities							103,963
Capital Expenditure							13,490

#### Other material non-cash items:

- Depreciation of property, plant and equipment and right-of-use assets							8,731
- Gain on disposal of property, plant and equipment							(911)
- Impairment recognized on trade and other receivables							117
- Impairment loss on property, plant and equipment							215

#### 4. Segment information (Cont'd)

	Offshore Rig Services and Supply Chain Management				Vessel	Adjustments	Total
	Marine Offshore Support services income	Chartering and Towage Income	Equipment Rental income	Sales of goods	Sales and Newbuild	and eliminations	
12 Months ended 31 December 2022	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Total revenue from external customers	31,043	28,553	7,632	11,113	1,500	-	79,841
Inter-segment revenue	2,969	13,935	1,174	213	-	(18,291)	-
Total segment revenue	34,012	42,488	8,806	11,326	1,500	(18,291)	79,841
Other income							8,376
Finance costs							(2,376)
Segment results							10,947
Income tax expense							(2,298)
Profit for the year							8,649
<b>Other Information</b>							
Segment assets							153,465
Segment liabilities							89,912
Capital Expenditure							6,863
Other material non-cash items:							
- Depreciation on property, plant and equipment and right-of-use assets							8,418
- Gain on disposal of property, plant and equipment							(7,580)
- Impairment recognized on trade and other receivables							29

The Group's operations are mainly in the region of Taiwan, Southeast Asia, Australasia (comprising mainly Australia, Marshall Islands and Papua New Guinea), Middle East, Europe and North America. In presenting information on geographical segments, segment revenue is based on the delivery order address of customers. Segment assets, based on the geographical location of the assets, is all in Singapore.

	Group			
	6 Months Ended		12 Months Ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Revenue</b>				
Australia	997	1,163	1,051	3,398
China	145	24	165	614
Japan	-	794	-	1,202
Malaysia	11,070	10,716	17,639	16,896
Myanmar	4	87	4	128
Singapore	23,108	9,063	33,654	25,290
Taiwan	16,744	8,211	32,690	14,325
United Arab Emirates	1,022	4,301	7,647	4,735
United States of America	512	250	1,494	292
Europe	1,320	7,516	4,606	9,222
Vietnam	1,890	2,383	1,890	2,383
Others	918	298	1,188	1,356
	57,730	44,806	102,028	79,841

## 5. Financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities in each category are as follows:

	Group		Company	
	As at 31 December 2023 S\$'000	As at 31 December 2022 S\$'000	As at 31 December 2023 S\$'000	As at 31 December 2022 S\$'000
<b>Financial assets at amortised cost</b>				
Cash and cash equivalents	10,974	13,137	29	50
Trade and other receivables	27,808	29,419	7,246	2,268
	<u>38,782</u>	<u>42,556</u>	<u>7,275</u>	<u>2,318</u>
<b>Financial liabilities at amortised cost</b>				
Bank overdraft	1,054	1,422	-	-
Loan and borrowings	44,443	35,873	7,467	2,201
Lease liabilities	15,808	13,240	-	-
Trade and other payables	34,624	34,244	196	195
	<u>95,929</u>	<u>84,779</u>	<u>7,663</u>	<u>2,396</u>

## 6. Profit before tax

6.1 Profit for the period is arrived at after charging/ (crediting) the following:

	6 Months Ended		Group		12 Months Ended	
	1 July 2023 To 31 December 2023 S\$'000	1 July 2022 To 31 December 2022 S\$'000	+ /(-) %	1 January 2023 To 31 December 2023 S\$'000	1 January 2022 To 31 December 2022 S\$'000	+ /(-) %
Interest income from bank deposits	(1)	(2)	(50)	(10)	(3)	>100
Miscellaneous income	(4)	(8)	(50)	(11)	(18)	39
Gain on extinguishment of liabilities *	(494)	-	N.M.	(494)	-	N.M.
Insurance compensation income	(889)	(183)	>100	(1,261)	(226)	>100
Government grant income	(32)	(110)	(71)	(99)	(548)	(82)
Gain on disposal of property, plant and equipment	(338)	(6,009)	(94)	(911)	(7,581)	(88)
Impairment loss on property, plant and equipment	215	-	N.M.	215	-	N.M.
Currency translation losses - net	936	639	46	1,223	628	95
Interest on loans & borrowings	1,754	1,251	40	3,110	2,376	31
Depreciation of property, plant and equipment & right-of-use assets	4,465	4,189	7	8,731	8,418	4
Impairment loss recognized /(reversal) on trade and other receivables	(55)	(257)	(79)	117	29	>100

*N.M. – not meaningful*

*\*The gain arises from the extinguishment of long outstanding liabilities*

## 6.2 Related party transactions

Please refer to paragraph 32 in this result announcement.

## 7. Tax expense

The major components of income tax expenses for the period/year ended 31 December 2023 and 31 December 2022 are:

	Group			
	6 Months Ended		12 Months Ended	
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Current tax expense</b>				
Under provision of current tax in respect of prior year	40	36	224	306
Current tax expense	1,026	582	1,026	614
<b>Deferred tax expenses</b>				
Movement in temporary differences	2,466	1,026	2,466	1,378
	<u>3,532</u>	<u>1,644</u>	<u>3,716</u>	<u>2,298</u>

## 8. Dividends

Group	2023 S\$'000	2022 S\$'000
Ordinary Dividend – Final*	1,500	2,000

\*The final dividend is recommended for shareholders' approval at the 2024 annual general meeting of the Company ("2024 AGM") to be convened. S\$1.5 million dividends have been declared or paid by the Group in respect of the financial year ended 31 December 2023. (FY2022: S\$2.0 million)

## 9. Net asset value

Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial year reported on; and (b) immediately preceding financial year:

	Group		Company	
	As at	As at	As at	As at
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
Net asset value per ordinary share (cents)	9.0	9.0	10.8	10.8
Number of ordinary shares used in calculating net asset value per ordinary share	705,442,100	705,442,100	705,442,100	705,442,100



## 10. Property, plant and equipment

During the financial year ended 31 December 2023, the Group acquired property, plant and equipment amounting to S\$6.6 million (FY2022: S\$7.7 million) and disposed of property, plant and equipment amounting to S\$1.0 million (FY2022: S\$3.4 million).

## 11. Right-of-use assets

During the financial year ended 31 December 2023, the Group acquired right-of-use assets amounting to S\$6.9 million (FY2022: S\$5.8 million). There was no disposal of property, plant and equipment for FY2023. (FY2022: S\$0.2 million).

## 12. Borrowings

Amount repayable in one (1) year or less, or on demand		
	As at 31 December 2023 Secured S\$'000	As at 31 December 2022 Secured S\$'000
Bank overdraft	1,054	1,422
Loans and borrowings	23,534*	15,039
Lease liabilities	3,062	2,912
Amount repayable after one (1) year		
	As at 31 December 2023 Secured S\$'000	As at 31 December 2022 Secured S\$'000
Loans and borrowings	20,909	20,834
Lease liabilities	12,746	10,328

\*Includes renewable revolving money market line of S\$5.0 million.

### Details of any collateral as at 31 December 2023

The loans and borrowings are secured as follows:

- Property, plant and equipment amounting to S\$75.6 million (FY2022: S\$62.5 million) are pledged as collaterals for secured term loans, trust receipts and bank overdraft;
- Fixed deposits of approximately S\$0.6 million (FY2022: S\$0.6 million) are pledged as security deposits for the operating lease of office premises and warehouse as well as to secure term loans and finance lease liabilities; and
- Corporate guarantees by the Company amounting to S\$45.0 million (FY2022: S\$36.4 million).

For the finance period ended 31 December 2023, the Group's 51% owned subsidiary, Bridgewater Offshore Pte Ltd had breached a loan covenant. On 27 December 2023, the Group had obtained an indulgence letter from the financial institution for the covenant breach.

### 13. Share capital

	The Group and the Company			
	31 December 2023		31 December 2022	
	Number of shares '000	Amount S\$'000	Number of shares '000	Amount S\$'000
1 January	705,442	74,409	707,142	74,409
Purchase of treasury shares	-	-	(1,700)	-
31 December	705,442	74,409	705,442	74,409

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2023 and 31 December 2022.

### 14. Trade and other receivables

	Group		Company	
	As at 31 December 2023 S\$'000	As at 31 December 2022 S\$'000	As at 31 December 2023 S\$'000	As at 31 December 2022 S\$'000
	Trade receivables	13,359	17,531	-
Allowance for impairment loss	(746)	(891)	-	-
Net trade receivables	12,613	16,640	-	-
Deposits	1,269	357	-	-
Deposits for purchase of property, plant & equipment	237	5,231	-	-
Amount due from subsidiaries	-	-	5,746	468
Dividend receivable from a subsidiary	-	-	1,500	1,800
Other receivables	1,248	2,908	-	-
Advance payments to suppliers	2,719	2,341	-	-
Contract assets	9,722	1,942	-	-
Financial assets at amortised cost	27,808	29,419	7,246	2,268
GST receivables	255	140	4	2
Withholding tax	394	352	-	-
Prepayment	1,411	876	15	15
	29,868	30,787	7,265	2,285

### 15. Trade and other payables

	Group		Company	
	As at 31 December 2023 S\$'000	As at 31 December 2022 S\$'000	As at 31 December 2023 S\$'000	As at 31 December 2022 S\$'000
	Trade payables	14,819	8,576	98
Accrued expenses	5,713	6,233	98	88
Other payables	273	55	-	-
Deposit received	13,819	19,380	-	-
Financial liabilities at amortised cost	34,624	34,244	196	195
Contract liabilities	1,031	19	-	-
	35,655	34,263	196	195

### 16. Subsequent events

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

**F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7C**

17. Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of Shares	Issued and paid-up share capital (S\$) (S\$'000)
<b>Issued and fully paid ordinary shares</b>		
Balance as at 31 December 2022	705,442,100	74,409
Balance as at 31 December 2023	705,442,100	74,409

During FY2023, there was no share buyback by the Company by way of market acquisition and are held as treasury shares.

Treasury shares

The number of treasury shares held by the Company as at 31 December 2023 is 4,557,900 representing 0.65% of the total number of issued shares outstanding as at 31 December 2023 (FY2022: 4,557,900 representing 0.65% of the total number of issued shares outstanding as at 31 December 2022).

There were no outstanding options, convertibles held by the Company as at 31 December 2023 and 31 December 2022.

18. To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 31 December 2023	As at 31 December 2022
<b>Total issued shares (excluding treasury shares)</b>	705,442,100	705,442,100

19. A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

During the financial year ended 31 December 2023, there were no sale, cancellation and/or use of treasury shares.

20. A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

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

The condensed statement of financial position of Kim Heng Ltd and its subsidiaries as at 31 December 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of change in equity and condensed consolidation of cash flows for the six months and 12 months then ended and certain explanatory notes have not been audited or reviewed.

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

Not applicable.

**22.1 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.**

Not applicable. The Company's latest audited financial statements for financial year ended 31 December 2022 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

**(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

Not applicable.

**23. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The financial information have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") including SFRS(I) 1-34 Interim Financial Reporting, and the same accounting policies and methods of computation adopted in the audited financial statements of the last financial year, except for those disclosed under paragraph 24 below.

**24. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group and the Company have adopted the new and revised SFRS(I)s, and Interpretations of SFRS(I) ("SFRS(I) INTs") that are effective for the annual period beginning on 1 January 2023. The adoption of these SFRS(I)s and SFRS(I) INTs did not have any significant effect on the financial statements of the Group and the Company.

**25. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:**

**Earnings per share based on the weighted average number of ordinary shares on issue:**

Earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial period/year.

25. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends: (Cont'd)

	6 Months Ended		12 Months Ended	
	1 July 2023 to 31 December 2023	1 July 2022 to 31 December 2022	1 January 2023 to 31 December 2023	1 January 2022 to 31 December 2022
Net (loss)/profit attributable to equity holders of the Company (S\$'000)	(173)	2,299	1,565	7,365
Weighted average number of ordinary shares outstanding	705,442,100	705,733,948	705,442,100	706,120,372
Basic and fully diluted profit per share (cents per share)	0.0*	0.3	0.2	1.0

The diluted and basic profit/(loss) per share are the same for each of 2H 2023, 2H 2022, FY 2023 and FY 2022 as the Company has no dilutive equity instruments as at 31 December 2023 and 31 December 2022.

\*N.M –not meaningful, less than 0.1 cents

26. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- 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; and
- any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

**GROUP FINANCIAL PERFORMANCE**

**Consolidated Statement of Comprehensive Income**

**2H 2023 vs 2H 2022 & FY 2023 vs FY 2022**

**Revenue**

**2H 2023 vs 2H 2022**

Revenue for 2H 2023 increased by S\$12.9 million or 28.8%, from S\$44.8 million in 2H 2022 to S\$57.7 million in 2H 2023 mainly due to following:

- increase in revenue of S\$12.9 million from trading of vessels;
- increase in revenue of S\$5.3 million from marine offshore support services; offset by
- decrease in revenue of S\$2.3 million from chartering of vessels;
- decrease in revenue of S\$1.8 million from equipment rental; and
- decrease in revenue of S\$1.2 million from material sales.

**FY 2023 vs FY 2022**

Revenue increased by S\$22.2 million or 27.8%, from S\$79.8 million in FY 2022 to S\$102.0 million in FY 2023. The increase is attributed to:

- increase in revenue of S\$15.1 million from trading of vessels; mainly due to completion in sale and delivery of vessels to customer;
- increase in revenue of S\$13.1 million from marine offshore support services; mainly due to new projects;
- increase in revenue of S\$0.1 million from material sales; offset by
- decrease in revenue of S\$3.5 million from equipment rental; and
- decrease in revenue of S\$2.6 million from chartering of vessels.

## **Consolidated Statement of Comprehensive Income (Cont'd)**

### **2H 2023 vs 2H 2022 & FY 2023 vs FY 2022 (Cont'd)**

#### **Renewable Energy**

##### **FY 2023 vs FY 2022**

Revenue from Renewable Energy as reported in the marine offshore support services segment increased by S\$7.9million from S\$9.8million in FY2022 to S\$17.7million in FY2023.

#### **Cost of sales, gross profit and gross profit margin**

##### **2H 2023 vs 2H 2022**

Cost of sales for 2H 2023 increased by S\$9.8 million or 33.3%, from S\$29.6 million in 2H 2022 to S\$39.4 million in 2H 2023 mainly due to the following:

- a) increase in cost of sales of S\$8.8 million from trading of vessels;
- b) increase in cost of sales of S\$2.2 million from marine offshore support services;
- c) increase in cost of sales of S\$0.3 million from material sales and S\$0.1 million from equipment rental respectively; offset by
- d) decrease in cost of sales of S\$1.6 million from chartering of vessels.

Gross profit increase by S\$3.1 million or 20.2%, from S\$15.2 million in 2H 2022 to S\$18.3 million in 2H 2023, in line with the increase in revenue.

Gross profit margin decreased from 34.0% in 2H 2022 to 31.7% in 2H 2023 mainly due to lower gross profits from equipment rental segment.

##### **FY 2023 vs FY 2022**

In line with the increase in revenue, cost of sales for FY 2023 increased by S\$17.0 million or 32.6%, from S\$52.1 million in FY 2022 to S\$69.1 million in FY 2023.

Gross profit increased by S\$5.2 million or 18.8%, from S\$27.7 million in FY 2022 to S\$32.9 million in FY 2023.

Gross profit margin decreased from 34.7% in FY 2022 to 32.3% in FY 2023. The decrease was mainly due to the lower profits from equipment rental segment.

#### **Other income**

##### **2H 2023 vs 2H 2022**

Other income decreased by S\$4.5 million, from S\$6.3 million in 2H 2022 to S\$1.8 million in 2H 2023, mainly due to lower gain on disposal of property, plant and equipment of S\$5.7 million recognized offset by higher insurance compensation of S\$0.7 million and gain on extinguishment of outstanding liabilities past the statutory time bar period of S\$0.5 million.

##### **FY 2023 vs FY 2022**

Other income decreased by S\$5.6 million, from S\$8.4 million in FY 2022 to S\$2.8 million in FY 2023, mainly due to the same reason as stated above.

## **Consolidated Statement of Comprehensive Income (Cont'd)**

### **2H 2023 vs 2H 2022 & FY 2023 vs FY 2022 (Cont'd)**

#### **Distribution expenses**

##### **2H 2023 vs 2H 2022**

Distribution expenses decreased by S\$0.4 million or 32.9%, from S\$1.2 million in 2H 2022 to S\$0.8 million in 2H 2023 mainly due to lower advertisement & promotion expenses in 2H 2023.

##### **FY 2023 vs FY 2022**

Distribution expenses decreased by S\$0.4 million or 18.0%, from S\$2.1 million in FY 2022 to S\$1.7 million in FY 2023 mainly due to lower advertisement & promotion expenses offset by higher travelling and accommodation expenses in FY2023.

#### **Administrative expenses**

##### **2H 2023 vs 2H 2022**

Administrative expenses increased by S\$0.4 million or 4.8%, from S\$8.9 million in 2H 2022 to S\$9.3 million in 2H 2023 mainly due to higher professional fees incurred as well as increase in utilities and telecommunication expenses.

##### **FY 2023 vs FY 2022**

Administrative expenses increased by S\$2.9 million or 18.5%, from S\$15.4 million in FY 2022 to S\$18.3 million in FY 2023 mainly due to higher staff costs incurred as well as increase in professional fees.

#### **Other operating expenses**

##### **2H 2023 vs 2H 2022**

Other operating expenses increase by S\$0.2 million or 5.2% from S\$4.1 million in 2H 2022 to S\$4.3 million in 2H 2023 mainly due to impairment loss for property, plant and equipment recognized in 2H2023.

##### **FY 2023 vs FY 2022**

Other operating expenses increased by S\$1.3 million or 24.6%, from S\$5.3 million in FY 2022 to S\$6.6 million in FY 2023 mainly due to forex translation loss, impairment loss for property, plant and equipment recognized, increase in insurance expense as well as provision for doubtful debts.

#### **Finance costs**

##### **2H 2023 vs 2H 2022**

Finance costs increased by S\$0.5 million or 40.2%, from S\$1.3 million in 2H 2022 to S\$1.8 million in 2H 2023, mainly due to increase in trust receipt interest and new term loan utilized.

##### **FY 2023 vs FY 2022**

Finance costs increased by S\$0.7 million or 30.9%, from S\$2.4 million in FY 2022 to S\$3.1 million in FY 2023 with the same reason as stated above.

## **Consolidated Statement of Comprehensive Income (Cont'd)**

### **2H 2023 vs 2H 2022 & FY 2023 vs FY 2022 (Cont'd)**

#### **Income tax expense**

##### **2H 2023 vs 2H 2022**

Income tax expenses increased S\$1.9 million, from S\$1.6 million in 2H 2022 to S\$3.5 million in 2H 2023 mainly due to higher provision of deferred tax liabilities as well as provision of current tax.

##### **FY 2023 vs FY 2022**

Income tax expense increased by S\$1.4 million or 61.7%, from S\$2.3 million in FY 2022 to S\$3.7 million in FY 2023 mainly due to the same reason as stated above.

#### **Net profit/(loss) after tax**

##### **2H 2023 vs 2H 2022**

As a result of the above, the Group recorded a profit of S\$0.4 million in 2H 2023 as compared to S\$4.5 million in 2H 2022.

##### **FY 2023 vs FY 2022**

As a result of the above, the Group recorded a profit of S\$2.3 million in FY 2023 as compared to S\$8.6 million in FY 2022.

#### **EBITDA**

The Group achieved EBITDA of S\$17.9 million in FY 2023 as compared to S\$21.7 million in FY 2022.

## **Consolidated Statement of Financial Position**

#### **Non-current assets**

Non-current assets decreased by S\$0.4 million from S\$101.1 million as at 31 December 2022 to S\$100.7 million as at 31 December 2023. The decrease was mainly due to depreciation expenses of property, plant and equipment as well as reclassification of vessels to inventories due to the change of use; partially offset by purchase of property, plant and equipment during the year.

#### **Current assets**

Current assets increased by S\$14.2 million from S\$52.4 million as at 31 December 2022 to S\$66.6 million as at 31 December 2023. This increase was mainly due to increase in inventories partially offset by decrease in assets held-for-sales, cash and cash equivalents as well as trade and other receivables.

Inventories increased by S\$22.5 million from S\$2.8 million as at 31 December 2022 to S\$25.3 million as at 31 December 2023 mainly due to reclassification of vessels to inventories due to the change of use; offset by utilization of bunker for vessels.

Cash and cash equivalents decreased by S\$2.1 million from S\$13.1 million as at 31 December 2022 to S\$11.0 million as at 31 December 2023 mainly due to cash used in investing and financing activities, offset by cash generated from operating activities.



## **Consolidated Statement of Financial Position (Cont'd)**

### **Current assets (Cont'd)**

Trade and other receivables decreased by S\$1.0 million from S\$30.8 million as at 31 December 2022 to S\$29.8 million as at 31 December 2023, mainly due to recognition of deposit paid for property, plant and equipment to property, plant and equipment upon delivery offset against lower in trade receivables.

Receivable turnover remains relatively unchanged as at 31 December 2023 as compared to 31 December 2022.

### **Shareholders' Equity**

Shareholders' equity amounted to S\$56.0 million and S\$56.8 million as at 31 December 2023 and 31 December 2022 respectively.

### **Non-Controlling interests**

Non-controlling interests increased by S\$0.6 million from S\$6.7 million as at 31 December 2022 to S\$7.3 million as at 31 December 2023 mainly due to share of profit for FY 2023 attributed to non-controlling interests.

### **Non-current liabilities**

Non-current liabilities increased by S\$4.8 million from S\$34.4 million as at 31 December 2022 to S\$39.2 million as at 31 December 2023, mainly due to additional loans and borrowings obtained for vessel and increase in deferred tax liabilities provision; partially offset by repayment for loans and borrowings.

### **Current liabilities**

Current liabilities increased by S\$9.2 million, from S\$55.5 million as at 31 December 2022 to S\$64.7 million as at 31 December 2023. This increase was mainly due to increase in loans and borrowings as well as trade and other payables.

Loans and borrowings increased mainly due to new loans and borrowings obtained, increase in trust receipt; partially offset by repayment for loans and borrowings.

Trade & other payables increased mainly due to increase in trade payables which is in line with the increase in business activities, partially offset by recognition of deposits received from customer to revenue due to completion of vessel sale.

Payable turnover day decreased from 101 days as at 31 December 2022 to 93 days as at 31 December 2023 as the Group was consistent to pay off trade suppliers on a timely basis to avoid business disruption.

## **Consolidated Statement of Cash flows**

### **FY 2023 vs FY 2022**

In FY 2023, net cash generated from operating activities before changes in working capital amounted to S\$17.3 million due to profit before income tax of S\$6.1 million, and adjustments mainly for depreciation of property, plant and equipment and right-of-use assets of S\$8.7 million, interest expense of S\$3.1 million, gain on disposal of property, plant and equipment of S\$0.9 million and impairment loss on property, plant and equipment of S\$0.2 million as well as impairment loss on trade receivable of S\$0.1 million. The overall net cash generated from operating activities after changes in working capital and income tax paid amounted to S\$10.0 million.

Net cash used in investing activities of S\$7.0 million in FY 2023 mainly due to purchase of property, plant and equipment and deposits pertaining to purchase of property, plant and equipment, partially offset by proceeds from disposal of property, plant and equipment.

## Consolidated Statement of Cash flows (Cont'd)

Net cash used in financing activities of S\$4.8 million in FY 2023 mainly due to repayment of term loans, lease liabilities, interest payment and dividend paid; partially offset by proceeds from term loans and trust receipts.

As a result of the above and after adjusting for the effect of exchange rate fluctuations, there was a net decrease of S\$1.8 million in cash and cash equivalents (as adjusted for deposits pledged) in FY 2023.

### 27. A breakdown of sales as follows:-

	Financial Year 2023 S\$'000	Financial Year 2022 S\$'000	% increase/ (decrease)
	Group	Group	Group
Sales reported for first half year	44,298	35,035	26
Operating profit after tax before deducting non-controlling interests reported for first half year	1,930	4,143	(53)
Sales reported for second half year	57,730	44,806	29
Operating profit after tax before deducting non-controlling interests reported for second half year	415	4,506	(91)

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

Not applicable. No forecast or prospect statement has been made.

### 29. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The group remains on track to extend its strategic footprint into renewables offshore market, especially in Asia. Demands for vessels chartering and horizontal directional drilling works are expected to remain strong. The group will however need to remain agile and respond to any shifts given the geopolitical and economic uncertainties ahead.

### 30. If a decision regarding dividend has been made:-

#### (a) Whether an interim (final) ordinary dividend has been declared (recommended)

The following final dividend is recommended for shareholders' approval at the 2024 annual general meeting of the Company ("2024 AGM") to be convened.

Name of dividend	Recommended final dividend for FY2023
Dividend type	Ordinary
Dividend rate	S\$0.2126 Singapore cents per ordinary share
Tax rate	Tax exempt (one-tier)

#### (b) Previous corresponding period

Name of dividend	Recommended final dividend for FY2022
Dividend type	Ordinary
Dividend rate	S\$0.2835 Singapore cents per ordinary share
Tax rate	Tax exempt (one-tier)

**30. If a decision regarding dividend has been made:- (Cont'd)**

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country whether the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)**

Refer to the above.

**(d) Date Payable**

The dividend payable date will be announced separately.

**(e) 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**

The record date will be announced separately.

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

Not applicable.

**32. 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 Group has not obtained a general mandate from shareholders for interested person transactions.

The aggregate value of the interested person transaction during the FY2023 was as follows:-

Name of Interested Person	Aggregate value of all interested person transactions 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)
	Total value of the transaction \$'000	Total value of the transaction \$'000
Interest expense to Mr Thomas Tan Keng Siong, who is the Executive Chairman, Chief Executive Officer and Controlling Shareholder of the Group*	143	-

\*Please refer to the announcement dated 18 September 2023 for more details.

**33. Disclosure on Acquisition and Realisation of Share pursuant to Rule 706(A) of the Catalist Rules**

Save as disclosed below, there were no acquisition or realization of shares thereby resulting (i) in a change in the shareholding percentage in any of the subsidiary or associated company of the Group or (ii) an entity becoming or ceasing to be (as the case may be) a subsidiary or associated company of the Group during FY 2023. Neither was there any incorporation of new subsidiary or associated company by the Group during FY 2023.

### 33. Disclosure on Acquisition and Realisation of Share pursuant to Rule 706(A) of the Catalist Rules (Cont'd)

During 2H 2023,

- (i) the Company's wholly-owned subsidiary, Kim Heng Shipbuilding & Engineering Pte Ltd ("KHSE") incorporated the following wholly-owned company as well as branch in Taiwan:-

Name of company	:	Bridgewater Discovery Pte Ltd (" <b>BDPL</b> ")
Incorporation date	:	21 September 2023
Issued and paid-up shares capital	:	USD100
Percentage of issued and paid-up share capital held by KHSE	:	100%
Principal activity	:	Shipping companies, including chartering of ships and boats with crew (freight)
Directors of BDPL	:	Mr Tan Keng Siong, Thomas (" <b>Mr Thomas Tan</b> "), the Executive Chairman, Chief Executive Officer and controlling shareholder of the Company, Mr Tan Wen Hao, Justin Anderson (" <b>Mr Justin Tan</b> "), who is the son of Mr Thomas Tan were appointed.

Name of branch	:	Kim Heng Shipbuilding & Engineering Pte. Ltd. Taiwan Branch (" <b>KHSE-TWN</b> ")
Incorporation date	:	24 November 2023
Issued and paid-up shares capital	:	NTD500,000
Percentage of issued and paid-up share capital held by KHSE	:	100%
Principal activity	:	Ship and part manufacturing industry
Directors of KHSE-TWN	:	Mr Thomas Tan, Mr Tan Keng Hoe Melvin, who is the brother of Mr Thomas Tan and Ms Yeo Seh Hong were appointed.

- (ii) the Company's wholly-owned subsidiary, Alpine Progress Shipping Pte Ltd ("**APS**") incorporated the following wholly-owned company:-

Name of company	:	Alpine Marine Furnishings Pte. Ltd. (" <b>AMF</b> ")
Incorporation date	:	5 December 2023
Issued and paid-up shares capital	:	SGD1
Percentage of issued and paid-up share capital held by APS	:	100%
Principal activity	:	Building and repairing of ships, tankers and other ocean-going vessels (including conversion of ships into off-shore structures)
Directors of AFM	:	Mr Thomas Tan and Justin Tan were appointed.

**33. Disclosure on Acquisition and Realisation of Share pursuant to Rule 706(A) of the Catalist Rules (Cont'd)**

- (iii) the Company's indirect joint venture company, RUHM Mazu Sdn Bhd ("RUHM MAZU") incorporated the following wholly-owned company:-

Name of company	:	Bridgewater 130 Sdn. Bhd. ("BW130 SB")
Incorporation date	:	24 October 2023
Issued and paid-up shares capital	:	MYR1
Percentage of issued and paid-up share capital held by RUHM MAZU	:	100%
Principal activity	:	Charter of vessel and marine support services
Directors of BW130 SB	:	Mr Justin Tan, Mr Mathiew Christophe Rajoo and Ms Rosnah Binte Mohamad were appointed.

The incorporation of BDPL, KHSE-TWN, AMF and BW130 SB was funded through internal resources and is not expected to have any material impact on the earnings per share or net tangible assets of the Company for the financial year ending 31 December 2023.

**34. Confirmation that the Issuer to has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).**

The Board of Directors confirms that they have procured undertakings from all its directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Listing Manual of the SGX-ST.

35. 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 issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Tan Keng Hoe Melvin	61	Brother of Mr. Thomas Tan, CEO & Chairman	Chief Technical Officer  To oversee the engineering division of the Group.	N.A.
Tan Peck Ling Jocelyn	41	Daughter of Mr. Thomas Tan, CEO & Chairman	Head of Corporate Services  Responsible for corporate services and strategic planning for the Group and overseeing the coordination and allocation of Group resources for the achievement of the Group's strategic objectives since September 2014.	N.A.
Tan Peck Ching Jeliane	39	Daughter of Mr. Thomas Tan, CEO & Chairman	Head of Supply Chain  Responsible for identifying and screening procurement suppliers, negotiating terms and conditions, standardizing business and procurement best practice processes since April 2006.	N.A.
Tan Wen Hao Justin Anderson	33	Son of Mr. Thomas Tan, CEO & Chairman	Group Deputy Chief Executive Officer  Responsible for overseeing the shipyard operations, its heavy equipment business, the marine and offshore vessel charter and operations and horizontal directional drilling.	N.A.

**On Behalf of the Board of Directors**

Thomas Tan Keng Siong  
Executive Chairman and CEO  
23 February 2024