

Company Registration No. 200609894C

## Pacific Radiance Ltd. and its Subsidiaries

Condensed interim financial statements  
For the six months ended 30 June 2024 (6M 2024)

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## Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	Group		Increase/ (Decrease) %
		6M 2024 US\$'000	6M 2023 US\$'000	
<b>Revenue</b>	5	19,055	16,284	17
Cost of sales		(12,712)	(11,094)	15
<b>Gross profit</b>		6,343	5,190	22
Other operating income		17,106	4,843	253
General and administrative expenses		(6,516)	(5,482)	19
Other operating expenses		(791)	(713)	11
Finance costs		(265)	(501)	(47)
Share of results of joint ventures		154	169	(9)
<b>Profit before taxation</b>	6	16,031	3,506	357
Taxation	7	351	(42)	NM
<b>Profit for the period</b>		16,382	3,464	373
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Foreign currency translation		(537)	244	NM
<b>Other comprehensive income for the period, net of tax</b>		(537)	244	NM
<b>Total comprehensive income for the period</b>		15,845	3,708	327
Equity holders of the Company		16,376	3,499	323
Non-controlling interests		6	(35)	NM
		16,382	3,464	373
Equity holders of the Company		15,839	3,743	323
Non-controlling interests		6	(35)	NM
		15,845	3,708	327
Basic (US cents per share)		1.13	0.8	
Diluted (US cents per share)		1.08	0.8	

NM: Not Meaningful

## Condensed interim statements of financial position

	Note	Group		Company	
		30 June 2024	31 December 2023	30 June 2024	31 December 2023
		US\$'000	US\$'000	US\$'000	US\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	12	56,869	46,219	–	–
Investment in subsidiaries		–	–	100	100
Investment in associates		–	–	–	–
Investment in joint ventures		1,767	1,612	–	–
Investment securities		–	–	–	–
Club memberships		140	140	–	–
Amounts due from related companies		408	408	–	–
		59,184	48,379	100	100
<b>Current assets</b>					
Inventories		100	117	–	–
Trade receivables	9	8,343	6,714	–	–
Other receivables		6,588	8,799	8	59
Amounts due from related companies	10	13,193	17,395	32,998	24,258
Investment securities		61	45	–	–
Cash and bank balances		23,394	26,676	1,676	3,030
		51,679	59,746	34,682	27,347
<b>Total assets</b>		<b>110,863</b>	<b>108,125</b>	<b>34,782</b>	<b>27,447</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Current liabilities</b>					
Trade payables		4,530	3,074	–	–
Other liabilities		21,100	14,390	204	118
Amounts due to related companies		2,747	5,306	4	316
Bank loans	13	–	2,021	–	–
Provision for taxation		1,569	2,007	36	36
Lease liabilities		400	1,046	–	–
		30,346	27,844	244	470
<b>Net current assets</b>		<b>21,333</b>	<b>31,902</b>	<b>34,438</b>	<b>26,877</b>

## Condensed interim statements of financial position

	Note	Group		Company	
		30 June 2024	31 December 2023	30 June 2024	31 December 2023
		US\$'000	US\$'000	US\$'000	US\$'000
<b>Non-current liabilities</b>					
Other liabilities		–	3,817	–	–
Provisions		251	256	–	–
Bank loans	13	–	28,298	–	–
Lease liabilities		6,595	6,920	–	–
Deferred tax liabilities		2,345	2,474	–	–
Derivative warrant liabilities	15	74	68	74	68
Perpetual securities	16	737	744	737	744
		10,002	42,577	811	812
<b>Total liabilities</b>		40,348	70,421	1,055	1,282
<b>Net assets</b>		70,515	37,704	33,727	26,165
<b>Equity attributable to equity holders of the Company</b>					
Share capital	14	205,844	188,878	205,844	188,878
Treasury shares	14	(2,135)	(2,135)	(2,135)	(2,135)
Accumulated losses		(126,916)	(143,292)	(169,919)	(160,515)
Other reserves		(6,119)	(5,582)	(63)	(63)
		70,674	37,869	33,727	26,165
Non-controlling interests		(159)	(165)	–	–
<b>Total equity</b>		70,515	37,704	33,727	26,165

## Condensed interim statements of changes in equity

	Share capital	Treasury shares	Accumulated losses	Total other reserves	Foreign currency translation reserve	Employee share-based payments reserve	Hedging reserve	Defined benefit plans	Capital reserve	Total	Non-controlling interests	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>The Group</b>												
Balance at 1 January 2024	188,878	(2,135)	(143,292)	(5,582)	(2,340)	–	–	–	(3,242)	37,869	(165)	37,704
Profit for the period	–	–	16,376	–	–	–	–	–	–	16,376	6	16,382
<u>Other comprehensive income</u>												
Foreign currency translation	–	–	–	(537)	(537)	–	–	–	–	(537)	–	(537)
Total comprehensive income for the period	–	–	16,376	(537)	(537)	–	–	–	–	15,839	6	15,845
Issue of share capital	16,966	–	–	–	–	–	–	–	–	16,966	–	16,966
Balance at 30 June 2024	205,844	(2,135)	(126,916)	(6,119)	(2,877)	–	–	–	(3,242)	70,674	(159)	70,515
Balance at 1 January 2023	188,878	(2,135)	(154,473)	(8,442)	(1,798)	–	–	–	(6,644)	23,828	(98)	23,730
Profit for the period	–	–	3,499	–	–	–	–	–	–	3,499	(35)	3,464
<u>Other comprehensive income</u>												
Foreign currency translation	–	–	–	244	244	–	–	–	–	244	–	244
Total comprehensive income for the period	–	–	3,499	244	244	–	–	–	–	3,743	(35)	3,708
Transfers within equity	–	–	(3,343)	3,402	–	–	–	–	3,402	59	(59)	–
Balance at 30 June 2023	188,878	(2,135)	(154,317)	(4,796)	(1,554)	–	–	–	(3,242)	27,630	(192)	27,438

## Condensed interim statements of changes in equity

	Share capital	Treasury shares	Accumulated losses	Total other reserves	Employee share-based payments reserve	Capital reserve	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>The Company</b>							
Balance at 1 January 2024	188,878	(2,135)	(160,515)	(63)	–	(63)	26,165
Loss for the period	–	–	(9,404)	–	–	–	(9,404)
Total comprehensive income for the period	–	–	(9,404)	–	–	–	(9,404)
Issue of share capital	16,966	–	–	–	–	–	16,966
Balance at 30 June 2024	205,844	(2,135)	(169,919)	(63)	–	(63)	33,727
Balance at 1 January 2023	188,878	(2,135)	(166,081)	(63)	–	(63)	20,599
Profit for the period	–	–	5,712	–	–	–	5,712
Total comprehensive income for the period	–	–	5,712	–	–	–	5,712
Balance at 30 June 2023	188,878	(2,135)	(160,369)	(63)	–	(63)	26,311

## Condensed interim consolidated statement of cash flows

	Note	6M 2024 US\$'000	6M 2023 US\$'000
<b>Cash flows from operating activities:</b>			
Profit before taxation		16,031	3,506
Adjustments for:			
Depreciation of property, plant and equipment		2,153	1,516
Finance costs		265	501
Interest income		(59)	(146)
Share of results of joint ventures		(154)	(169)
Gain on recognition of deferred gain on vessels		(4,282)	–
Impairment loss on property, plant and equipment		481	–
Write-back of doubtful receivables, net	9	–	(3,063)
Impairment of amounts due from related companies	10	(1)	109
Gain on debt forgiveness of bank loans	6	(10,800)	–
Gain on debt forgiveness of amounts due to related companies	6	(1,805)	–
Net fair value gain on held for trading investment securities		(16)	(4)
Net fair value loss on derivative warrant liabilities		10	163
Exchange differences		656	313
<b>Operating cash flows before changes in working capital</b>		<b>2,479</b>	<b>2,726</b>
Decrease in trade and other receivables		565	3,267
Decrease in amounts due from/to related companies, net		3,449	2,950
Decrease/(Increase) in inventories		17	(77)
Increase/(Decrease) in trade payables and other liabilities		7,984	(7,069)
<b>Cash generated from operations</b>		<b>14,494</b>	<b>1,797</b>
Taxes paid		(208)	(137)
Interest paid		(265)	(149)
Interest received		59	137
<b>Net cash flows generated from operating activities</b>		<b>14,080</b>	<b>1,648</b>

## Condensed interim consolidated statement of cash flows

	<b>6M 2024</b>	<b>6M 2023</b>
	US\$'000	US\$'000
<b>Cash flows from investing activity:</b>		
Purchase of property, plant and equipment	(14,434)	(35)
<b>Net cash flows used in investing activity</b>	<u>(14,434)</u>	<u>(35)</u>
<b>Cash flows from financing activities:</b>		
Payment of principal portion of lease liabilities	(193)	(236)
Repayment of bank loans	(19,519)	–
Proceeds from issuance of shares	16,965	–
<b>Net cash flows used in financing activities</b>	<u>(2,747)</u>	<u>(236)</u>
Net (decrease)/increase in cash and bank balances	(3,101)	1,377
Effect of exchange rate changes on cash and bank balances	(181)	(52)
Cash and bank balances at beginning of the period	26,676	25,596
<b>Cash and bank balances at end of the period</b>	<u>23,394</u>	<u>26,921</u>
<b>Breakdown of cash and bank balances at end of the period:</b>		
Cash and bank balances as per statement of financial position	23,394	26,691
Restricted cash and bank balance	–	(1,966)
	<u>23,394</u>	<u>24,955</u>

## Notes to the condensed interim consolidated financial statements

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### 1. Corporate information

Pacific Radiance Ltd. ("PRL" or the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). These condensed interim consolidated financial statements for the six months ended 30 June 2024 comprise the Company and its subsidiaries (collectively, the "Group"). The principal activity of the Company is investment holding.

The principal activities of the Group are:

- (a) owning, managing, chartering and operating of offshore support vessels and dive support vessels; and
- (b) ship repair.

### 2. Basis of preparation

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

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

The financial statements are presented in United States Dollars (US\$) which is the Company's functional currency and all values in the tables are rounded to the nearest thousand (US\$'000), except when otherwise indicated.

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

A number of amendments to SFRS(I)s have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those amendments.

#### 2.2 Use of judgements and estimates

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

The significant judgements made by management in applying the Groups accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2023.

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

### 3. Seasonal operations

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

### 4. Segment Information

For management purposes, the Group's operation is organised into two main operating business divisions based on their services and products:

- (a) the Ship Management Business is engaged in managing, chartering and operating of offshore support vessels and dive support vessels; and
- (b) the Shipyard Business is engaged in ship repair activities.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit from operations. Income taxes are managed on a group basis and are not allocated to operating segments.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

	<b>Ship Management</b> US\$'000	<b>Shipyard</b> US\$'000	<b>Total</b> US\$'000
<b>6M 2024</b>			
<b>Revenue:</b>			
Sales	9,840	9,216	19,056
Inter-segment sales (Note A)	(1)	–	(1)
Sales to external customers	9,839	9,216	19,055
<b>Results:</b>			
Interest income	59	–	59
Finance costs	(20)	(245)	(265)
Depreciation and amortisation	(783)	(1,370)	(2,153)
Share of results of joint ventures	154	–	154
Impairment of property, plant and equipment	(481)	–	(481)
Segment profit	4,374	11,657	16,031

	<b>Ship Management</b> US\$'000	<b>Shipyard</b> US\$'000	<b>Total</b> US\$'000
<b>As at 31 December 2024</b>			
<b>Segment assets:</b>			
Investment in joint ventures	1,767	–	1,767
Additions to non-current assets (Note B)	13,494	940	14,434
Segment assets	68,211	42,652	110,863
<b>Segment liabilities</b>	50,731	19,690	70,421

**4 Segment Information (cont'd)**

	<b>Ship Management</b> US\$'000	<b>Shipyard</b> US\$'000	<b>Total</b> US\$'000
<b>6M 2023</b>			
<b>Revenue:</b>			
Sales	8,719	7,581	16,856
Inter-segment sales (Note A)	(16)	–	(16)
	<hr/>	<hr/>	<hr/>
Sales to external customers	8,703	7,581	16,284
	<hr/>	<hr/>	<hr/>
<b>Results:</b>			
Interest income	146	–	146
Finance costs	(19)	(482)	(501)
Depreciation and amortisation	(116)	(1,400)	(1,516)
Share of results of joint ventures	169	–	169
Write-back/(Impairment) of doubtful receivables, net	3,078	(15)	3,063
Impairment of amounts due from related companies	(109)	–	(109)
Segment profit	3,496	10	3,506
	<hr/>	<hr/>	<hr/>

	<b>Ship Management</b> US\$'000	<b>Shipyard</b> US\$'000	<b>Total</b> US\$'000
<b>As at 31 December 2023</b>			
<b>Segment assets:</b>			
Investment in joint ventures	1,612	–	1,612
Additions to non-current assets (Note B)	4,753	77	4,830
Segment assets	63,436	44,689	108,125
	<hr/>	<hr/>	<hr/>
<b>Segment liabilities</b>	27,099	43,322	70,421
	<hr/>	<hr/>	<hr/>

Note A: Inter-segment sales are eliminated on consolidation.

Note B: Additions to non-current assets consist of additions to property, plant and equipment.

## 5. Disaggregation of revenue

Segments	Ship Management US\$'000	Shipyard US\$'000	Total US\$'000
<b>6M 2024</b>			
<b>Type of services</b>			
Lease revenue	3,485	–	3,485
Other ancillary time charter revenue	3,137	–	3,137
Ship repair income	–	9,176	9,176
Ship management fee income	3,217	–	3,217
Others	–	40	40
	<hr/> 9,839	<hr/> 9,216	<hr/> 19,055
<b>Timing of transfer of services</b>			
At a point in time	–	9,216	9,216
Over time	9,839	–	9,839
	<hr/> 9,839	<hr/> 9,216	<hr/> 19,055
<b>6M 2023</b>			
<b>Type of services</b>			
Lease revenue	2,046	–	2,046
Other ancillary time charter revenue	3,343	–	3,343
Ship repair income	–	7,572	7,572
Ship management fee income	3,314	–	3,314
Others	–	9	9
	<hr/> 8,703	<hr/> 7,581	<hr/> 16,284
<b>Timing of transfer of services</b>			
At a point in time	–	7,581	7,581
Over time	8,703	–	8,703
	<hr/> 8,703	<hr/> 7,581	<hr/> 16,284

5. Disaggregation of revenue (cont'd)

Intercompany revenue

	Ship Management US\$'000	Shipyard US\$'000	Total US\$'000
6M 2024	1	–	1
6M 2023	16	–	16

**Geographical information**

Revenue is based on the geographical location in which the services are performed.

	Group	
	6M 2024 US\$'000	6M2023 US\$'000
Asia <sup>(1)</sup>	5,986	4,034
Singapore	10,317	11,715
Middle East	2,752	535
	19,055	16,284

<sup>(1)</sup> Asia includes Brunei, India, Indonesia, Malaysia, Taiwan and Thailand.

## 6. Profit before taxation

### 6.1 Significant items

	Group	
	6M 2024 US\$'000	6M 2023 US\$'000
<b>Income</b>		
Gain on debt forgiveness of bank loans	10,800	–
Gain on recognition of deferred gain on vessels	4,282	–
Gain on debt forgiveness of amounts due to related companies	1,805	–
Interest income	59	146
Net fair value gain on derivative warrant liabilities	10	–
<b>Expenses</b>		
Depreciation of property, plant and equipment (included in cost of sales)	1,640	1,077
Depreciation of property, plant and equipment (included in general and administrative expenses)	513	439
Impairment loss on property, plant and equipment	481	–
Write-back of doubtful receivables, net	–	(3,063)
(Write-back)/Impairment of amounts due from related companies, net	(1)	109
Interest expense on bank loans carried at amortised cost	97	299
Net fair value loss on derivative warrant liabilities	10	168
Foreign exchange losses, net	143	408

## 6.2 Related party transactions

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

	<b>Group</b>	
	<b>6M 2024</b>	<b>6M 2023</b>
	US\$'000	US\$'000
<i>Income</i>		
Charter hire income:		
- Joint ventures	1,756	535
Ship repair income:		
- Associates	–	864
- Related parties	–	697
Management fee income from:		
- Joint ventures	21	158
Ship management fee income from:		
- Joint ventures	–	–
- Related parties	195	3,194
Interest income from:		
- Joint ventures	38	–
Miscellaneous income from:		
- Joint ventures	16	–
<i>Expense</i>		
Charter hire expense and other cost of sales to:		
- Joint ventures	936	6
- Related parties	–	2,268

## 7. Taxation

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

	<b>Group</b>	
	<b>6M 2024</b>	<b>6M 2023</b>
	US\$'000	US\$'000
Current income tax expense	216	(1)
Deferred tax expense	129	–
Withholding tax expense	6	(41)
	<u>351</u>	<u>(42)</u>

## 8. Net asset value

	Group		Company	
	As at 30 June 2024	As at 31 December 2023	As at 30 June 2024	As at 31 December 2023
Net asset value (US\$'000)	70,674	37,869	33,727	26,165
Total number of ordinary shares issued ('000)	1,447,993	450,709	1,447,993	450,709
Net asset value per ordinary share (US cents)	4.88	8.40	2.33	5.81

## 9. Trade receivables

The movement in allowance for expected credit losses of trade receivables computed based on lifetime expected credit losses is as follows:

	Group	
	As at 30 June 2024 US\$'000	As at 31 December 2023 US\$'000
Movement in allowance accounts:		
At 1 January	1,503	18,440
Write-back of allowance	–	(7,132)
Written off during the period	–	(9,805)
At end of financial period/year	<u>1,503</u>	<u>1,503</u>

## 10. Amounts due from related companies

The Group provides for lifetime expected credit losses for trade amounts due from related companies based on a provision matrix similar to allowance for trade receivables. The Group compute expected credit loss for non-trade amounts and loans due from related companies using the probability of default approach.

The movement in allowance accounts is as follows:

	Group		Company	
	As at 30 June 2024 US\$'000	As at 31 December 2023 US\$'000	As at 30 June 2024 US\$'000	As at 31 December 2023 US\$'000
Movement in allowance accounts:				
At 1 January	90,630	131,104	8,122	9,207
Write-back for the period	(1)	(2,944)	–	(1,085)
ECL adjustment to interest income and management fee income	625	1,057	–	–
Written off during the period	–	(38,747)	–	–
Exchange differences	(206)	160	–	–
At end of financial period/year	91,048	90,630	8,122	8,122

## 11. Fair values of financial instruments

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

### (i) Fair value hierarchy

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

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

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

11. Fair values of financial instruments (cont'd)

(ii) Fair value of financial instruments that are carried at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	30 June 2024 US\$'000			
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identifiable instruments (Level 1)	Inputs other than quoted prices that are observable (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Group</b>				
<i>Assets measured at fair value</i>				
Financial assets:				
<u>Equity securities at fair value through profit or loss</u>				
Quoted equity securities	61	–	–	61
<u>Equity securities at FVOCI</u>				
Unquoted equity securities	–	–	–	–
Financial assets as at 30 June 2024	61	–	–	61
<b>Group and Company</b>				
<i>Liabilities measured at fair value</i>				
Financial liabilities:				
<u>Derivative financial liabilities</u>				
Quoted warrant liabilities	74	–	–	74
Financial liabilities as at 30 June 2024	74	–	–	74

11. Fair values of financial instruments (cont'd)

(ii) Fair value of financial instruments that are carried at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the financial period:

	31 December 2023			
	US\$'000			
	Fair value measurements			
	at the end of the financial period using			
	Quoted prices in active markets for identifiable instruments (Level 1)	Inputs other than quoted prices that are observable (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Group</b>				
<i>Assets measured at fair value</i>				
Financial assets:				
<u>Equity securities at fair value through profit or loss</u>				
Quoted equity securities	45	–	–	45
<u>Equity securities at FVOCI</u>				
Unquoted equity securities	–	–	–	–
Financial assets as at 31 December 2023	45	–	–	45
<b>Group and Company</b>				
<i>Liabilities measured at fair value</i>				
Financial liabilities:				
<u>Derivative financial liabilities</u>				
Quoted warrant liabilities	68	–	–	68
Financial liabilities as at 31 December 2023	68	–	–	68

## 11. Fair values of financial instruments (cont'd)

### (iii) *Financial instruments whose carrying amounts are reasonable approximation of fair value*

- (a) Trade and other receivables, trade payables and other liabilities, amounts due from/(to) related companies, cash and bank balances and cash pledged.

The carrying amounts of these balances approximate fair values due to their short-term nature.

- (b) Bank loans at floating rate, amounts due from related companies and lease liabilities.

The carrying amounts of lease liabilities and amounts due from related companies approximate fair value as the current lending rates for similar types of lending arrangements are not materially different from the rates obtained by the Group.

#### *Financial instruments by category*

Set below is a comparison by category of the carrying amount of all the Group and Company's financial instruments that were carried in the financial statements.

	<b>Financial assets at amortised cost</b>	<b>Financial assets at fair value through profit or loss</b>
	US\$'000	US\$'000
<b>Group</b>		
<b>30 June 2024</b>		
<b>Assets</b>		
Trade receivables	8,343	–
Other receivables	6,346	–
Amounts due from related companies	13,601	–
Investment securities	–	61
Cash and bank balances	23,394	–
	51,684	61
<b>31 December 2023</b>		
<b>Assets</b>		
Trade receivables	6,714	–
Other receivables	8,325	–
Amounts due from related companies	17,803	–
Investment securities	–	45
Cash and bank balances	26,676	–
	59,518	45

11. Fair values of financial instruments (cont'd)

(iii) *Financial instruments whose carrying amounts are reasonable approximation of fair value (cont'd)*

*Financial instruments by category (cont'd)*

	Financial liabilities at amortised cost US\$'000	Financial liabilities at fair value through profit or loss US\$'000
<b>Group</b>		
<b>30 June 2024</b>		
<b>Liabilities</b>		
Trade payables	4,530	–
Other liabilities	13,658	–
Amounts due to related companies	2,747	–
Derivative warrant liabilities	–	74
Perpetual securities	737	–
Lease liabilities	6,995	–
	28,667	74
	28,667	74

**31 December 2023**

**Liabilities**

Trade payables	3,074	–
Other liabilities	10,286	–
Amounts due to related companies	5,306	–
Bank loans	30,319	–
Derivative warrant liabilities	–	68
Perpetual securities	744	–
Lease liabilities	7,966	–
	57,695	68
	57,695	68

	Financial assets at amortised cost US\$'000	Financial liabilities at fair value through profit or loss US\$'000
<b>Company</b>		
<b>30 June 2024</b>		
<b>Assets</b>		
Amounts due from related companies	32,998	–
Cash and bank balances	1,676	–
	34,674	–
	34,674	–
<b>31 December 2023</b>		
<b>Assets</b>		
Amounts due from related companies	24,258	–
Cash and bank balances	3,030	–
	27,288	–
	27,288	–

## 11. Fair values of financial instruments (cont'd)

### (iii) *Financial instruments whose carrying amounts are reasonable approximation of fair value (cont'd)*

#### *Financial instruments by category (cont'd)*

<b>Company</b>	<b>Financial liabilities at amortised cost</b>	<b>Financial liabilities at fair value through profit or loss</b>
<b>30 June 2024</b>	US\$'000	US\$'000
<b>Liabilities</b>		
Other liabilities	204	–
Amounts due to related companies	4	–
Derivative warrant liabilities	–	74
Perpetual securities	737	–
	945	74
<b>31 December 2023</b>		
<b>Liabilities</b>		
Other liabilities	118	–
Amounts due to related companies	316	–
Derivative warrant liabilities	–	68
Perpetual securities	744	–
	1,178	68

## 12. Property, plant and equipment

During the financial period ended 30 June 2024, acquisition of property, plant and equipment amounted to US\$17,306,798. There was an impairment loss made for a vessel of US\$480,942 during the period.

The Group assesses the impairment of its property, plant and equipment whenever events or changes in circumstances indicate that the carrying value exceeds its recoverable amount, which is the higher of its fair value less costs to dispose and its value in use.

For the purposes of impairment assessment of property, plant and equipment, the fair value less costs to dispose is determined mainly based on valuation reports issued by independent professional valuers.

As at 30 June 2024, the Group has considered both external and internal sources of information and assessed that there is no indication that its vessels, property and buildings may be impaired.

### 13. Bank loans

	<b>Group</b>			
	<b>Secured</b>		<b>Unsecured</b>	
	<b>As at 30 June 2024</b>	<b>As at 31 December 2023</b>	<b>As at 30 June 2024</b>	<b>As at 31 December 2023</b>
	US\$'000	US\$'000	US\$'000	US\$'000
Amount repayable within one year or on demand	–	2,021	–	–
Amount repayable after one year	–	28,298	–	–

Bank loans relate to the property loan which is denominated in Singapore Dollars and secured by property and building and certain equipment (the “Property”) (the “Property Loan”). The liability under the Property Loan is dependent on the value of the Property. The lender has the option to sell the Property directly or through the purchase of CrestSA Marine & Offshore Pte. Ltd. (“CrestSA”), a subsidiary of the Company, (by first acquiring the whole issued and paid-up capital of CrestSA for a purchase consideration of US\$1.00) and apply the net sale proceeds towards settlement of all outstanding amounts under the Property Loan, if the net sale proceeds is insufficient to fully repay the Property Loan, all unpaid sum shall be deemed written off and discharged in full by the lender.

During the reporting period, CrestSA has fully settled its outstanding bank loans totalling US\$30.3 million (as at 31 December 2023). It has repaid US\$19.5 million of the Property Loan and the remaining balance of US\$10.8 million of the Property Loan has been written off to the statement of comprehensive income as gain on debt forgiveness, thereby discharging in full the Property Loan and all securities and guarantee provided by the Company in relation thereto.

## 14. Share capital and treasury shares

### (i) Share capital

	Group and Company			
	30 June 2024		31 December 2023	
	No. of shares '000	US\$'000	No. of shares '000	US\$'000
<i>Issued and fully paid ordinary shares:</i>				
Balance at the beginning of the year	451,742	188,878	451,742	188,878
Issue of shares	997,284	16,966	–	–
Balance at the end of the period/year	1,449,026	205,844	451,742	188,878

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

### (ii) Treasury shares

	Group and Company			
	30 June 2024		31 December 2023	
	No. of shares '000	US\$'000	No. of shares '000	US\$'000
Balance at the beginning of the period/ year	(1,033)	(2,135)	(1,033)	(2,135)

The Company did not acquire any treasury shares during the financial period.

On 1 February 2024, the Company issued an aggregate of 997,283,445 new ordinary shares pursuant to a rights issue. Following the issuance, the number of ordinary shares (excluding treasury shares and subsidiary holdings, if any) in the Company increased from 450,709,457 to 1,447,992,902.

## 15. Derivative warrant liabilities

	Group and Company				
	30 June 2024		31 December 2023		Exercise price S\$
	No. of warrants '000	US\$'000	No. of warrants '000	US\$'000	
Balance at the beginning of the year	45,488	68	45,488	184	
Quoted Shareholder Warrants	11,021	16	–	–	0.025
Fair value adjustment on Shareholder Warrants	–	(10)	–	(116)	
Unquoted Management Warrants	11,307	–	–	–	0.045
Balance at the end of the period/year	67,816	74	45,488	68	

## 15. Derivative warrant liabilities (cont'd)

Both the Shareholder Warrants and Management Warrants (collectively the "Warrants") may only be exercised on the date falling on the third anniversary of the issuance of the Warrants or earlier, if all Perpetual Securities have been redeemed by the Company. The Warrants will expire in five years from the date of issuance of the Warrants.

On 5 February 2024, pursuant to the rights issue (Note 14) which constitutes an event that gives rise to an adjustment to the exercise price and the number of Warrants held by each holder of the Warrants, the Company issued (a) an aggregate of 11,021,494 additional Shareholder Warrants to the holders of Shareholder Warrants; and (b) an aggregate of 11,307,109 additional Management Warrants to the holders of Management Warrants. Accordingly, (a) the number of Shareholder Warrants increased from 22,454,446 to 33,475,940 with an adjusted exercise price of S\$0.025; and (b) the number of Management Warrants increased from 23,033,431 to 34,340,540 with an adjusted exercise price of S\$0.045.

Except for the Warrants, there were no convertible securities as at 30 June 2024. As at 30 June 2024, the number of shares that may be issued on exercise of Warrants were 67,816,480 (31 December 2023: 45,487,877).

The outstanding Warrants are recognised as a warrant liability on the balance sheet. and are measured at fair value at their inception date and subsequently re-measured at each reporting period with changes being recorded in the statement of profit or loss.

Shareholder Warrant liabilities are considered as Level 1 liabilities on the fair value hierarchy, as they are listed. As at 30 June 2024, the fair value of the Shareholder Warrant liabilities is US\$74,000 (31 December 2023: US\$68,000), based on the listed warrant price of S\$0.003 (31 December 2023: S\$0.004).

Management Warrant liabilities are considered as Level 2 liabilities on the fair value hierarchy, as they are unlisted. Based on listed price of listed Shareholder Warrants and adjustment for the different exercise price, management has determined that the fair value of the unlisted management warrants is US\$ Nil as at 30 June 2024 (31 December 2023: US\$ Nil).

## 16. Perpetual Securities

	<b>Group and Company</b>	
	<b>30 June 2024</b>	<b>31 December 2023</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Balance at the beginning of the year	744	1,492
Redemption during the year	–	(748)
Exchange differences	(7)	–
Balance at the end of the period/year	<u>737</u>	<u>744</u>

The Perpetual Securities have no maturity date and have a distribution rate of 2.5% per annum, which is payable annually in arrears. In accordance with the terms of the Perpetual Securities, any distribution is subject to positive EBITDA and minimum cash balances of S\$5 million, any distribution not paid pursuant to the terms of the Perpetual Securities is non-cumulative and will not accrue interest.

## **16. Perpetual Securities (cont'd)**

The Perpetual Securities may be redeemed at the option of the Company, in whole or in part, at any time on or after the issue date, on giving not less than 30 but not more than 60 days' irrevocable notice to the holder of the Perpetual Securities. In accordance with the terms of the Perpetual Securities, the redemption is subject to positive EBITDA and minimum cash balances of S\$5 million.

Until the Perpetual Securities have been fully redeemed, the Company shall not declare nor pay any dividends or distributions to shareholders.

On 4 September 2023, the Company partially redeemed S\$1 million out of the S\$2 million in principal amount of the Perpetual Securities, based on satisfaction of the terms of positive EBITDA and minimum cash balances of S\$5 million.

The Perpetual Securities have been classified as financial liabilities instead of equity, as the Company has certain contractual obligation in relation to the distribution under the terms of the Perpetual Securities and the Company does not have unconditional right to avoid (i) delivering cash or (ii) settling in such a way that it would be a financial liability.

## **17. Contingent Liabilities**

On 26 March 2024, Pacific Offshore Pte. Ltd. ("POPL"), a wholly-owned subsidiary of Alstonia Offshore Pte. Ltd. ("ALO"), acquired 1,313,058,200 shares in PT Logindo Samudramakmur Tbk ("PT Logindo" or the "Borrower") for a consideration of US\$1 from ALO. ALO is in turn a wholly-owned subsidiary of PRL.

Consequently on 2 May 2024, it was announced by PRL that PT Logindo, an associated company, has entered into a facility agreement and other related agreements (the "Agreements") to restructure its existing secured loan facilities with certain financiers into new loans with a principal amount of US\$95,239,135 (the "Restructured Loans").

PRL and its wholly-owned subsidiaries, ALO and POPL, have entered into the Agreements as guarantors and chargors (in the case of ALO and POPL) for the Restructured Loans. Under the terms of the Restructured Loans, PRL, ALO and POPL have provided a joint and several guarantee for up to US\$5,000,000 (the "Guarantee"), and each of ALO and POPL has provided security over the respective shares it holds in POPL and the Borrower to the new lenders (the "Share Charges"). The Guarantee is part of the security for the payment obligations of the Borrower, and the performance of associated obligations under the Agreements. The terms of the Restructured Loans also contain a restriction on the change in key management of PRL, a breach of which will result in the Guarantee being called on.

## **Other information required by Listing Rule Appendix 7.2**

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This announcement is pursuant to Rule 705(2) of the SGX Listing Manual.

### **1. Review**

The condensed consolidated statement of financial position of the Group as at 30 June 2024 and the condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months ended 30 June 2024 and related explanatory notes have not been audited or reviewed.

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

#### **Comparison of statement of profit or loss and other comprehensive income between 6M 2024 and 6M 2023**

Total revenue from operations of US\$19.1 million for 6M 2024 was US\$2.8 million or 17% higher as compared to the same period in 2023. The growth was driven primarily by a US\$1.1 million or 13% rise in ship management revenue to US\$9.8 million due to increased ship management activities. In addition, shipyard revenue grew by \$1.6 million or 22% for 6M 2024 as compared to 6M 2023, mainly due to higher average value of ship repair contracts. As a result, gross profit from operations increased by approximately US\$1.1 million or 22% to US\$6.3 million for 6M 2024.

Other operating income for 6M 2024 increased by approximately US\$12.2 million to US\$17.1 million mainly due to debt forgiveness of bank loans and gain on deferred gain on vessels.

General and administrative expenses for 6M 2024 remained stable as compared to prior period. It comprised mainly of staff costs, property tax and property related expenses, and general corporate expenses.

Finance costs for 6M 2024 decreased by approximately US\$0.2 million or 47% due to repayment of bank loans (refer to Note 13).

Share of results of joint venture for 6M 2024 was related to joint venture, Mainprize Asia Ventures Pte. Ltd.

## 2. Review of performance of the Group (cont'd)

### **Comparison of statement of financial position**

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

The Group's non-current assets amounted to US\$59.2 million as at 30 June 2024 as compared to US\$48.4 million as at 31 December 2023. The increase of US\$10.8 million was due to additions of property, plant and equipment and share of profit from joint venture for 6M 2024.

#### ***Current assets***

The Group's current assets decreased by US\$8.0 million to US\$51.7 million as at 30 June 2024 from US\$59.7 million as at 31 December 2023. This was mainly due to the decrease in:

- (i) other receivables by US\$2.2 million;
- (ii) cash and bank balances by US\$3.2 million; and
- (iii) amounts due from related companies by US\$4.2 million.

This was partially offset by:

- (iv) the increase in trade receivables by US\$1.6 million.

#### ***Current liabilities***

The Group's current liabilities amounted to US\$30.3 million as at 30 June 2024. The increase of US\$2.5 million in current liabilities from US\$27.9 million as at 31 December 2023 was attributed mainly to the increase in:

- (i) trade payables by US\$1.5 million; and
- (ii) other liabilities by US\$6.7 million.

This was partially offset by:

- (iii) the decrease in amounts due to related companies by US\$2.6 million;
- (iv) the decrease in bank loans by US\$2.0 million; and
- (v) the decrease in provision for taxation and lease liabilities totalling US\$1.1 million.

#### ***Non-current liabilities***

The Group's non-current liabilities amounted to US\$10.0 million as at 30 June 2024. Non-current liabilities decreased by US\$ 32.6 million from US\$42.6 million as at 31 December 2023 primarily due to:

- (i) repayment of property loan in full of US\$28.3 million;
- (ii) repayment of lease liabilities of US\$0.3 million; and
- (iii) repayment of other liabilities of US\$4.0 million.

### **Statement of Cash Flows**

For 6M 2024, the Group registered a net cash outflow of US\$3.1 million.

Net cash inflow from operating activities was US\$14.1 million. This was due to cash generated from operations before working capital changes of US\$4.3 million, which was offset by the increase in working capital as well as tax and net interest paid totalling US\$9.8 million.

Net cash outflow from investing activity was US\$14.4 million due to additions of property, plant and equipment.

Net cash outflow from financing activities was US\$2.7 million mainly due to repayment of bank loans and lease payments totalling US\$19.7 million, which was offset by proceeds from issuance of new ordinary shares of US\$17.0 million.

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

Not applicable

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

The offshore oil and gas market faced considerable challenges posed by the complex interplay of geopolitical tensions, regional conflicts, and macroeconomic pressures during the first half of 2024. Despite these headwinds, the demand for offshore support vessels is expected to remain strong. This resilience is primarily driven by supply constraints following years of tonnage removal and underinvestment during the prolonged downturn.

Parallel to developments in the traditional oil and gas industry, the offshore wind market is witnessing significant momentum fuelled by increased capital commitments in energy transition and a focus on energy security. Consequently, the demand for vessels supporting wind farm construction, installation and maintenance is expected to grow.

Amid the ongoing energy transition and the uncertainties posed by geopolitical and economic factors, the Group will carefully navigate these opportunities, aiming to achieve revenue growth while managing risks in these evolving markets.

**5. Dividend information**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

No.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

No.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

Under the terms of the Perpetual Securities, the Company shall not declare nor pay any dividends or distributions to shareholders until the Perpetual Securities are fully redeemed.

**6. Interested person transactions**

The Group has not obtained a general mandate from shareholders for Interested Party Transactions.

**7. In the review of performance, the factors leading to any material change in contributions to turnover and earnings by the business or geographical segments**

Refer to part 2 and 4.

**8. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

Not applicable.

**9. Confirmation of Directors and Executive Officers' undertakings pursuant to Listing Rule 720(1)**

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the SGX Listing Manual.

**10. Confirmation by the Board pursuant to SGX Listing Rule 705(5)**

The Board hereby confirms to the best of its knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six months ended 30 June 2022 to be false or misleading in any material respect.

**On behalf of the Board of Directors**

**Pang Yoke Min**  
**Executive Chairman**

**Pang Wei Meng**  
**Executive Director**

13 August 2024