

Company Registration No. 200609894C

## Pacific Radiance Ltd. and its Subsidiaries

Condensed interim financial statements  
For the six months ended 30 June 2023 (2Q 2023) (6M 2023)

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

		2Q 2023			2Q 2022			
		<i>Continuing</i>	<i>Discontinued</i>	<i>Total</i>	<i>Continuing</i>	<i>Discontinued</i>	<i>Total</i>	
Note		Operations	Operations	Operations	Operations	Operations	Operations	%
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
	<b>Revenue</b>	8,065	–	8,065	10,604	–	10,604	(24)
	Cost of sales	(5,970)	–	(5,970)	(5,859)	–	(5,859)	2
	<b>Gross profit</b>	2,095	–	2,095	4,745	–	4,745	(56)
	Other operating income	1,691	–	1,691	2,429	–	2,429	(30)
	General and administrative expenses	(2,815)	–	(2,815)	(2,815)	–	(2,815)	0
	Other operating expenses	(515)	–	(515)	(26)	–	(26)	NM
	Finance costs	(250)	–	(250)	(3,158)	–	(3,158)	(92)
	Share of results of joint ventures	143	–	143	–	–	–	NM
	Share of results of associates	–	–	–	–	–	–	NM
	<b>Profit/(loss) before taxation</b>	349	–	349	1,175	–	1,175	(70)
	Taxation	311	–	311	(284)	–	(284)	NM
	<b>Profit/(loss) for the period</b>	660	–	660	891	–	891	(26)
	<b>Other comprehensive income:</b>							
	<u>Items that may be reclassified subsequently to profit or loss:</u>							
	Foreign currency translation	513	–	513	780	–	780	(34)
	<b>Other comprehensive income for the period, net of tax</b>	513	–	513	780	–	780	(34)
	<b>Total comprehensive income for the period</b>	1,173	–	1,173	1,671	–	1,671	(30)
	<b>Profit/(loss) for the period attributable to:</b>							
	Equity holders of the Company	647	–	647	909	–	909	(29)
	Non-controlling interests	13	–	13	(18)	–	(18)	NM
		660	–	660	891	–	891	(26)
	<b>Total comprehensive income for the period attributable to:</b>							
	Equity holders of the Company	1,160	–	1,160	1,689	–	1,689	(31)
	Non-controlling interests	13	–	13	(18)	–	(18)	NM
		1,173	–	1,173	1,671	–	1,671	(30)
	<b>Profit/(loss) per share attributable to equity holders of the Company</b>							
	Basic (US cents per share)	0.1	–	0.1	0.1	–	0.1	
	Diluted (US cents per share)	0.1	–	0.1	0.1	–	0.1	

NM: Not Meaningful

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

		Group						
		6M 2023			6M 2022			
Note		Continuing	Discontinued	Total	Continuing	Discontinued	Total	%
		Operations	Operations		Operations	Operations		
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
	<b>Revenue</b>	16,284	–	16,284	15,201	8,740	23,941	(32)
	Cost of sales	(11,094)	–	(11,094)	(9,328)	(8,897)	(18,225)	(39)
	<b>Gross profit</b>	5,190	–	5,190	5,873	(157)	5,716	(9)
	Other operating income	4,843	–	4,843	26,103	19,937	46,040	(89)
	General and administrative expenses	(5,482)	–	(5,482)	(7,105)	(1,432)	(8,537)	(36)
	Other operating expenses	(713)	–	(713)	–	(13,511)	(13,511)	(95)
	Finance costs	(501)	–	(501)	(3,569)	(4,085)	(7,654)	(93)
	Share of results of joint ventures	169	–	169	–	1,509	1,509	(89)
	Share of results of associates	–	–	–	–	4,603	4,603	(100)
	<b>Profit/(loss) before taxation</b>	3,506	–	3,506	21,302	6,864	28,166	(88)
	Taxation	(42)	–	(42)	(322)	(251)	(573)	(93)
	<b>Profit/(loss) for the period</b>	3,464	–	3,464	20,980	6,613	27,593	(87)
	<b>Other comprehensive income:</b>							
	<u>Items that may be reclassified subsequently to profit or loss:</u>							
	Foreign currency translation	244	–	244	879	–	879	(72)
	<b>Other comprehensive income for the period, net of tax</b>	244	–	244	879	–	879	(72)
	<b>Total comprehensive income for the period</b>	3,708	–	3,708	21,859	6,613	28,472	(87)
	<b>Profit/(loss) for the period attributable to:</b>							
	Equity holders of the Company	3,499	–	3,499	21,030	6,683	27,713	(87)
	Non-controlling interests	(35)	–	(35)	(50)	(70)	(120)	(71)
		3,464	–	3,464	20,980	6,613	27,593	(87)
	<b>Total comprehensive income for the period attributable to:</b>							
	Equity holders of the Company	3,743	–	3,743	21,909	6,683	28,592	(87)
	Non-controlling interests	(35)	–	(35)	(50)	(70)	(120)	(71)
		3,708	–	3,708	21,859	6,613	28,472	(87)
	<b>Earnings/(loss) per share attributable to equity holders of the Company</b>							
	Basic (US cents per share)	0.8	–	0.8	2.9	0.9	3.8	
	Diluted (US cents per share)	0.8	–	0.8	2.9	0.9	3.8	
	NM: Not Meaningful							

## Condensed interim statements of financial position

		Group		Company	
	Note	30 June 2023	31 December 2022	30 June 2023	31 December 2022
		US\$'000	US\$'000	US\$'000	US\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	12	38,806	40,629	–	–
Investment in subsidiaries		–	–	–	–
Investment in associates		–	–	–	–
Investment in joint ventures		1,456	1,287	–	–
Investment securities		–	–	–	–
Club memberships		140	140	–	–
Amounts due from related companies		408	408	–	–
		40,810	42,464	–	–
<b>Current assets</b>					
Inventories		238	160	–	–
Trade receivables	9	12,173	14,571	–	–
Other receivables		9,775	7,572	57	136
Amounts due from related companies	10	20,932	20,156	22,129	20,082
Investment securities		27	23	–	–
Cash and bank balances		26,921	25,596	6,538	2,545
		70,066	68,078	28,724	22,763
<b>Total assets</b>		<b>110,876</b>	<b>110,542</b>	<b>28,724</b>	<b>22,763</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Current liabilities</b>					
Trade payables		7,333	12,091	–	–
Other liabilities		13,537	15,587	259	180
Amounts due to related companies		15,636	11,801	330	308
Provision for taxation		1,094	1,108	–	–
Lease liabilities		1,011	1,012	–	–
		38,611	41,599	589	488
<b>Net current assets</b>		<b>31,455</b>	<b>26,479</b>	<b>28,135</b>	<b>22,275</b>

## Condensed interim statements of financial position

	Note	Group		Company	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
		US\$'000	US\$'000	US\$'000	US\$'000
<b>Non-current liabilities</b>					
Other liabilities		3,817	3,817	–	–
Provisions		249	252	–	–
Bank loans	14	29,527	29,839	–	–
Deferred tax liabilities		2,474	2,474	–	–
Lease liabilities		6,936	7,155	–	–
Derivative warrant liabilities	15	347	184	347	184
Perpetual securities	16	1,477	1,492	1,477	1,492
		44,827	45,213	1,824	1,676
<b>Total liabilities</b>		83,438	86,912	2,413	2,164
<b>Net assets</b>		27,438	23,730	26,311	20,599
<b>Equity attributable to equity holders of the Company</b>					
Share capital	16	188,878	188,878	188,878	188,878
Treasury shares	16	(2,135)	(2,135)	(2,135)	(2,135)
Accumulated losses		(154,317)	(154,473)	(160,369)	(166,081)
Other reserves		(4,796)	(8,442)	(63)	(63)
		27,630	23,828	26,311	20,599
Non-controlling interests		(192)	(98)	–	–
<b>Total equity</b>		27,438	23,730	26,311	20,599

## 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><u>The Group</u></b>												
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
Balance at 1 January 2022	162,854	(2,135)	(485,863)	(8,113)	(1,669)	170	114	86	(6,814)	(333,257)	(11,811)	(345,068)
Profit for the period	–	–	27,713	–	–	–	–	–	–	27,713	(120)	27,593
<u>Other comprehensive income</u>												
- Foreign currency translation	–	–	–	879	879	–	–	–	–	879	–	879
Total comprehensive income for the period	–	–	27,713	879	879	–	–	–	–	28,592	(120)	28,472
Balance at 30 June 2022	162,854	(2,135)	(458,150)	(7,234)	(790)	170	114	86	(6,814)	(304,665)	(11,931)	(316,596)

## 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><u>The Company</u></b>							
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
Balance at 1 January 2022	162,854	(2,135)	(417,049)	(63)	170	(233)	(256,393)
Profit for the period	–	–	48,482	–	–	–	48,482
Total comprehensive income for the period	–	–	48,482	–	–	–	48,482
Balance at 30 June 2022	162,854	(2,135)	(368,567)	(63)	170	(233)	(207,911)



## Condensed interim consolidated statement of cash flows

	Note	6M 2023 US\$'000	6M 2022 US\$'000
<b>Cash flows from operating activities:</b>			
Profit/(loss) before taxation		3,506	28,166
Adjustments for:			
Depreciation of property, plant and equipment		1,516	1,507
Finance costs		501	7,654
Interest income		(146)	(3)
Share of results of associates		–	(4,603)
Share of results of joint ventures		(169)	(1,509)
Gain on disposal of assets held for sale		–	(17,022)
(Write-back)/Impairment of doubtful receivables, net	9	(3,063)	146
Impairment of amounts due from related companies	10	109	11,905
Derecognition of financial guarantee liabilities		–	(2,977)
Net gain on debt forgiveness of bank loans and interests	6	–	(22,258)
Net fair value gain on held for trading investment securities		(4)	(5)
Net fair loss on derivative warrant liabilities		163	–
Exchange differences		313	(2,224)
<hr/>			
<b>Operating cash flows before changes in working capital</b>		2,726	(1,223)
(Increase)/Decrease in trade and other receivables		3,267	(16,327)
(Increase)/Decrease in amounts due from related companies, net		2,950	2,561
(Increase)/Decrease in inventories		(77)	42
Increase in trade payables and other liabilities		(7,069)	8,282
<hr/>			
<b>Cash (used in)/generated from operations</b>		1,797	(6,665)
Taxes paid		(137)	(550)
Interest paid		(149)	(149)
Interest received		137	–
<hr/>			
<b>Net cash flows (used in)/generated from operating activities</b>		1,648	(7,364)
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## Condensed interim consolidated statement of cash flows

	Note	6M 2023 US\$'000	6M 2022 US\$'000
<b>Cash flows from investing activities:</b>			
Purchase of property, plant and equipment		(35)	(1,368)
Loans repaid by/(to) related companies, net		–	5,000
<b>Net cash flows generated from/(used in) investing activities</b>		(35)	3,632
<b>Cash flows from financing activities:</b>			
Payment of principal portion of lease liabilities		(236)	(169)
Cash and bank balances released as securities		–	2
<b>Net cash flows used in financing activities</b>		(236)	(167)
Net (decrease)/increase in cash and bank balances		1,377	(3,899)
Effect of exchange rate changes on cash and bank balances		(52)	(45)
Cash and bank balances at beginning of the period		25,596	21,589
<b>Cash and bank balances at end of the period</b>		26,921	17,645
<b>Breakdown of cash and bank balances at end of the period:</b>			
Cash and bank balances as per balance sheet		26,921	17,645
Restricted cash and bank balance		(1,966)	–
		24,955	17,645

## Notes to the condensed interim consolidated financial statements

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### 1. Corporate information

Pacific Radiance Ltd. (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 2023 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 2023 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However selected explanatory notes are included to explain events and transactions that are significant to 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 2022.

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 (USD or 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 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.

### 3. Seasonal operations

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

#### 4. Segment Information for continuing operations

For management purposes, the Group's continuing 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
- (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.

	Ship Management US\$'000	Shipyard US\$'000	Total US\$'000
<b>2Q 2023</b>			
<b>Revenue:</b>			
Sales	5,051	3,027	8,078
Inter-segment sales (Note A)	(13)	–	(13)
Sales to external customers	5,038	3,027	8,065
<b>Results:</b>			
Interest Income	90	–	90
Finance costs	(10)	(240)	(250)
Depreciation and amortisation	(57)	(698)	(755)
Share of results of associates	143	–	143
Write-back/(Impairment) of doubtful receivables, net	718	(1)	717
Write-back of amounts due from related companies	77	–	77
Segment profit/(loss)	1,169	(820)	349
<b>2Q 2022</b>			
<b>Revenue:</b>			
Sales	5,228	5,483	10,711
Inter-segment sales (Note A)	(5)	(102)	(107)
Sales to external customers	5,223	5,381	10,604
<b>Results:</b>			
Finance costs	(3,052)	(106)	(3,158)
Depreciation and amortisation	(48)	(707)	(755)
Share of results of associates	–	–	–
Other non-cash expenses (Note B)	(555)	–	(555)
Segment profit/(loss)	(144)	1,319	1,175

**4 Segment Information for continuing operations (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	16,300
Inter-segment sales (Note A)	(16)	–	(16)
Sales to external customers	8,703	7,581	16,284
<b>Results:</b>			
Interest income	146	–	146
Finance costs	(19)	(482)	(501)
Depreciation and amortisation	(116)	(1,400)	(1,516)
Share of results of associates	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/(loss)	3,496	10	3,506
<b>As at 30 June 2023</b>			
<b>Segment assets:</b>			
Investment in joint ventures	1,456	–	1,456
Additions to non-current assets (Note C)	27	8	35
Segment assets	65,038	45,838	110,876
<b>Segment liabilities</b>	<b>40,121</b>	<b>43,317</b>	<b>83,438</b>

**4 Segment Information for continuing operations (cont'd)**

	<b>Ship Management</b> US\$'000	<b>Shipyards</b> US\$'000	<b>Total</b> US\$'000
<b>6M 2022</b>			
<b>Revenue:</b>			
Sales	6,738	9,367	16,105
Inter-segment sales (Note A)	(35)	(869)	(904)
	<hr/>	<hr/>	<hr/>
Sales to external customers	6,703	8,498	15,201
	<hr/>	<hr/>	<hr/>
<b>Results:</b>			
Interest income	–	–	–
Finance costs	(3,150)	(419)	(3,569)
Depreciation and amortisation	(74)	(1,422)	(1,496)
Share of results of associates	–	–	–
Impairment of property, plant and equipment	–	–	–
Other non-cash expenses (Note B)	(1,485)	4	(1,481)
Segment profit/(loss)	(1,454)	22,756	21,302
	<hr/>	<hr/>	<hr/>

	<b>Ship Management</b> US\$'000	<b>Shipyards</b> US\$'000	<b>Total</b> US\$'000
<b>As at 31 December 2022</b>			
<b>Segment assets:</b>			
Investment in associates	–	–	–
Investment in joint ventures	1,287	–	1,287
Additions to non-current assets (Note C)	1,385	15	1,400
Segment assets	62,618	47,924	110,542
	<hr/>	<hr/>	<hr/>
<b>Segment liabilities</b>	42,330	44,482	86,812
	<hr/>	<hr/>	<hr/>

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

Note B: Other non-cash expenses consist of impairment of joint ventures and associates, financial assets and club membership as presented in the respective notes to financial statements.

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

5. **Disaggregation of revenue for continuing operations**

<b>Segments</b>	<b>Ship Management</b> US\$'000	<b>Shipyard</b> US\$'000	<b>Total</b> US\$'000
<b>2Q 2023</b>			
<b>Type of services</b>			
Lease revenue	1,243	–	1,243
Other ancillary time charter revenue	2,061	–	2,061
Ship repair income	–	3,025	3,025
Ship management fee income	1,734	–	1,734
Others	–	2	2
	<hr/>	<hr/>	<hr/>
	5,038	3,027	8,065
<hr/>			
<b>Timing of transfer of services</b>			
At a point in time	–	3,027	3,027
Over time	5,038	–	5,038
	<hr/>	<hr/>	<hr/>
	5,038	3,027	8,065
<hr/>			
<b>2Q 2022</b>			
<b>Type of services</b>			
Lease revenue	1,096	–	1,096
Other ancillary time charter revenue	1,464	–	1,464
Ship repair income	–	5,375	5,375
Ship management fee income	2,663	–	2,663
Others	–	6	6
	<hr/>	<hr/>	<hr/>
	5,223	5,381	10,604
<hr/>			
<b>Timing of transfer of services</b>			
At a point in time	–	5,381	5,381
Over time	5,223	–	5,223
	<hr/>	<hr/>	<hr/>
	5,223	5,381	10,604
<hr/>			

5. **Disaggregation of revenue for continuing operations (cont'd)**

<b>Segments</b>	<b>Ship Management</b> US\$'000	<b>Shipyard</b> US\$'000	<b>Total</b> US\$'000
<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
	<b>8,703</b>	<b>7,581</b>	<b>16,284</b>
<b>Timing of transfer of services</b>			
At a point in time	–	7,581	7,581
Over time	8,703	–	8,703
	<b>8,703</b>	<b>7,581</b>	<b>16,284</b>
<b>6M 2022</b>			
<b>Type of services</b>			
Lease revenue	1,259	–	1,259
Other ancillary time charter revenue	2,763	–	2,763
Ship repair income	–	8,487	8,487
Ship management fee income	2,681	–	2,681
Others	–	11	11
	<b>6,703</b>	<b>8,498</b>	<b>15,201</b>
<b>Timing of transfer of services</b>			
At a point in time	–	8,498	8,498
Over time	6,703	–	6,703
	<b>6,703</b>	<b>8,498</b>	<b>15,201</b>



5. Disaggregation of revenue for continuing operations (cont'd)

Intercompany revenue

	Ship Management US\$'000	Shipyard US\$'000	Total US\$'000
6M 2023	16	–	16
6M 2022	35	869	904

Apart from chartering of its owned vessels, the Group also charters vessels owned by its joint venture and associate companies to third party customers. The gross profit/(loss) from chartering of the vessels not owned by its subsidiaries are as follow:

	US\$'000
6M 2023	–
6M 2022	772

**Geographical information**

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

	Group		Group	
	2Q 2023 US\$'000	2Q 2022 US\$'000	6M 2023 US\$'000	6M 2022 US\$'000
Asia <sup>(1)</sup>	2,602	2,686	4,034	3,123
Singapore	5,090	7,884	11,715	11,767
Middle East	373	31	535	308
Latin America	–	3	–	3
	8,065	10,604	16,284	15,201

<sup>(1)</sup> Asia includes Brunei, Indonesia, Thailand and United Arab Emirates.

## 6. Profit before taxation for continuing operations

### 6.1 Significant items

	Group		Group	
	2Q 2023	2Q 2022	6M 2023	6M 2022
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Income</b>				
Gain on debt forgiveness of bank loan	–	–	–	22,258
Foreign exchange gains, net	–	1,698	–	2,094
Interest income	90	–	146	–
<b>Expenses</b>				
Depreciation of property, plant and equipment (included in cost of sales)	537	535	1,077	1,076
Depreciation of property, plant and equipment (included in general and administrative expenses)	218	220	439	420
(Writeback)/Impairment of doubtful receivables, net	(717)	24	(3,063)	11
(Write-back)/Impairment of amounts due from related companies, net	(77)	(579)	109	(1,470)
Interest expense on bank loans carried at amortised cost	149	2,968	299	3,209
Net fair value loss on derivative warrant liabilities	185	–	168	–
Foreign exchange losses, net	840	–	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 year:

	Group		Group	
	2Q 2023	2Q 2022	6M 2023	6M 2022
	US\$'000	US\$'000	US\$'000	US\$'000
<i>Income</i>				
Charter hire income:				
- Joint ventures	433	30	535	308
Ship repair income:				
- Associates	(162)	(4)	864	79
- Related parties	–	–	697	122
Management fee income from:				
- Joint ventures	37	77	158	124
Ship management fee income from:				
- Joint ventures	(18)	18	–	36
- Related parties	2,140	2,194	3,194	2,844
Miscellaneous income from:				
- Joint ventures	(60)	1	–	1
<i>Expense</i>				
Charter hire expense and other cost of sales to:				
- Joint ventures	64	92	6	92
- Related parties	1,474	1,474	2,268	2,034
Interest expense to:				
- A shareholder of a subsidiary	–	98	–	175

## 7. Taxation

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

	Group			Group		
	2Q 2023		Total US\$'000	2Q 2022		Total US\$'000
	Continuing Operations US\$'000	Discontinued Operations US\$'000		Continuing Operations US\$'000	Discontinued Operations US\$'000	
Current income tax expense	(336)	–	(336)	493	–	493
Deferred tax expense	–	–	–	(171)	–	(171)
Withholding tax expense	25	–	25	(38)	–	(38)
	(311)	–	(311)	284	–	284

## 7. Taxation (Continued)

	Group					
	6M 2023			6M 2022		
	<i>Continuing Operations</i>	<i>Discontinued Operations</i>	<i>Total</i>	<i>Continuing Operations</i>	<i>Discontinued Operations</i>	<i>Total</i>
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
Current income tax expense	1	–	1	517	4	521
Deferred tax expense	–	–	–	(171)	–	(171)
Withholding tax expense	41	–	41	(24)	247	223
	42	–	42	322	251	573

## 8. Net asset value

	Group		Company	
	As at 30 June 2023	As at 31 December 2022	As at 30 June 2023	As at 31 December 2022
Net asset value (US\$'000)	27,630	23,828	26,311	20,599
Total number of ordinary shares issued ('000)	450,709	450,709	450,709	450,709
Net asset value per ordinary share (US cents)	6.13	5.29	5.84	4.57

## 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 2023 US\$'000	As at 31 December 2022 US\$'000
Movement in allowance accounts:		
At 1 January	18,440	13,971
Charge for the period	20	4,484
Write back of allowance	(3,083)	(15)
Written off during the period	(12,726)	–
At end of financial period	2,651	18,440

## 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 2023 US\$'000	As at 31 December 2022 US\$'000	As at 30 June 2023 US\$'000	As at 31 December 2022 US\$'000
Movement in allowance accounts:				
At 1 January	131,104	114,931	9,207	360,614
Charge/(writeback) for the period	109	16,901	(1,087)	(69,587)
ECL adjustment to interest income	542	1,090	–	–
Written off during the period	–	(1,850)	–	(278,775)
Exchange differences	9	32	2	(3,045)
At end of financial period	131,764	131,104	8,122	9,207

## 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:

	<b>30 June 2023</b>		
	US\$'000		
	Fair value measurements at the end of the reporting period using		
	Quoted prices in active markets for identifiable instruments (Level 1)	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	27	–	27
<u>Equity securities at FVOCI</u>			
Unquoted equity securities	–	–	–
Financial assets as at 30 June 2023	27	–	27
<b>Group and Company</b>			
<i>Liabilities measured at fair value</i>			
Financial liabilities:			
<u>Derivative financial liabilities</u>			
Warrant liabilities (quoted)	347	–	347

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:

	<b>31 December 2022</b>		
	US\$'000		
	Fair value measurements at the end of the reporting period using		
	Quoted prices in active markets for identifiable instruments (Level 1)	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	23	–	23
<u>Equity securities at FVOCI</u>			
Unquoted equity securities	–	–	–
Financial assets as at 31 December 2022	23	–	23
<b>Group and Company</b>			
<i>Liabilities measured at fair value</i>			
Financial liabilities:			
<u>Derivative financial liabilities</u>			
Warrant liabilities (quoted)	184	–	184

## 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, lease liabilities, perpetual securities and amounts due from related companies.

The carrying amounts of bank loans, lease liabilities, perpetual securities 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 2023</b>		
<b>Assets</b>		
Trade receivables	12,173	–
Other receivables	974	–
Amounts due from related companies	21,340	–
Investment securities	–	27
Cash and bank balances	26,921	–
	61,408	27
<b>31 December 2022</b>		
<b>Assets</b>		
Trade receivables	14,571	–
Other receivables	6,888	–
Amounts due from related companies	20,564	–
Investment securities	–	23
Cash and bank balances	25,596	–
	67,619	23



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>Financial liabilities at amortised cost</b>	<b>Financial liabilities at fair value through profit or loss</b>
	US\$'000	US\$'000
<b>Group</b>		
<b>30 June 2023</b>		
<b><i>Liabilities</i></b>		
Trade payables	7,333	–
Other liabilities	9,462	–
Amounts due to related companies	15,636	–
Bank loans	29,527	–
Derivative warrant liabilities	–	347
Perpetual securities	1,477	–
Lease liabilities	7,947	–
	71,382	347
<b>31 December 2022</b>		
<b><i>Liabilities</i></b>		
Trade payables	12,091	–
Other liabilities	6,820	–
Amounts due to related companies	11,801	–
Bank loans	29,839	–
Derivative warrant liabilities	–	184
Perpetual securities	1,492	–
Lease liabilities	8,167	–
	70,210	184
	70,210	184

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 assets at amortised cost</b>	<b>Financial liabilities at fair value through profit or loss</b>
	US\$'000	US\$'000
<b>30 June 2023</b>		
<b>Assets</b>		
Other receivables	30	–
Amounts due from related companies	22,129	–
Cash and bank balances	6,538	–
	28,697	–
<b>31 December 2022</b>		
<b>Assets</b>		
Other receivables	30	–
Amounts due from related companies	20,082	–
Cash and bank balances	2,545	–
	22,657	–
<b>Company</b>	<b>Financial assets at amortised cost</b>	<b>Financial liabilities at fair value through profit or loss</b>
	US\$'000	US\$'000
<b>30 June 2023</b>		
<b>Liabilities</b>		
Other liabilities	259	–
Amounts due to related companies	330	–
Derivative warrant liabilities	–	347
Perpetual securities	1,477	–
	2,066	347
<b>31 December 2022</b>		
<b>Liabilities</b>		
Other liabilities	180	–
Amounts due to related companies	308	–
Derivative warrant liabilities	–	184
Perpetual securities	1,492	–
	1,980	184

## 12. Property, plant and equipment

There was no significant acquisition and disposal of property, plant and equipment for 2Q 2023.

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 2023, 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

	Group			
	Secured		Unsecured	
	As at 30 June 2023 US\$'000	As at 31 December 2022 US\$'000	As at 30 June 2023 US\$'000	As at 31 December 2022 US\$'000
Amount repayable within one year or on demand	–	–	–	–
Amount repayable after one year	29,527	29,839	–	–

Bank loans relate to the property loan which is denominated in Singapore Dollars and secured by property and building and certain equipments (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 (the “Borrower”), a subsidiary of the Company, (by first acquiring the whole issued and paid-up capital of the borrower 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.

The terms of the Property Loan require the Borrower to make an advance interest payment of up to S\$2,666,200. As at 30 June 2023, cash balance of US\$1,966,056 (31 December 2022: US\$1,989,000) (equivalent of S\$2,666,200) was set aside in a bank account with the lender for payment of interest on the Property Loan. As at 30 June 2023, the accrued interest on the Property Loan was US\$824,291 (31 December 2022: US\$539,767).

The Company has provided a corporate guarantee of US\$18,000,000 (31 December 2022: US\$18,000,000) for the Property Loan.

## 14. Share capital and treasury shares

### (i) *Share capital*

	<b>Group and Company</b>			
	<b>30 June 2023</b>		<b>31 December 2022</b>	
	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	725,755	162,854
Issue of shares	–	–	3,791,667	26,024
Share consolidation	–	–	(4,065,680)	–
	<hr/>			
Balance at the end of the period/year	451,742	188,878	451,742	188,878

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2023 and 31 December 2022.

### (ii) *Treasury shares*

	<b>Group and Company</b>			
	<b>30 June 2023</b>		<b>31 December 2022</b>	
	No. of shares '000	US\$'000	No. of shares '000	US\$'000
Balance at the beginning of the year	(1,033)	(2,135)	(10,327)	(2,135)
Share consolidation	–	–	9,294	–
	<hr/>			
Balance at the end of the period/year	(1,033)	(2,135)	(1,033)	(2,135)

	<b>Group and Company</b>			
	<b>30 June 2023</b>		<b>31 December 2022</b>	
	No. of shares '000	US\$'000	No. of shares '000	US\$'000
Balance at the beginning of the year	(1,033)	(2,135)	(10,327)	(2,135)
Share consolidation	–	–	9,294	–
	<hr/>			
Balance at the end of the period/year	(1,033)	(2,135)	(1,033)	(2,135)

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

The Company's total issued shares excluding treasury shares as at 30 June 2023 is 450,709,457.

## 15. Derivative warrant liabilities

	Group and Company				Exercise price S\$ per warrant share
	30 June 2023		31 December 2022		
	No. of warrants '000	US\$'000	No. of warrants '000	US\$'000	
Balance at the beginning of the year	45,488	184	–	–	
Shareholder Warrants issued - quoted	–	–	22,455	162	0.03
Fair value adjustment on Shareholder warrants	–	163	–	22	
Management Warrants issued – unquoted	–	–	23,033	–	0.06
Balance at the end of the period/year	45,488	347	45,488	184	

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. None of the Warrants have been exercised as at 30 June 2023.

Except for the Warrants, there were no convertible securities as at 30 June 2023. As at 30 June 2023, the number of shares that may be issued on exercise of warrants were 45,487,877 (31 December 2022: 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 2023, the fair value of the Shareholder Warrant liabilities is US\$347,000 (31 December 2022: US\$184,000), based on the listed warrant price of S\$0.021 (31 December 2022: S\$0.011).

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 nil as at 30 June 2023 (31 December 2022: \$Nil).

## 16. Perpetual Securities

	Group and Company	
	30 June 2023	31 December 2022
	US\$'000	US\$'000
Balance at the beginning of the year	1,492	–
Issue of perpetual securities	–	2,168
Redemption during the year	–	(709)
Exchange differences	(15)	33
	<hr/>	<hr/>
Balance at the end of the period/year	1,477	1,492

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.

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 30 October 2022, the Company partially redeemed S\$1 million out of the S\$3 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. Subsequent events

There were no significant subsequent events for the period ended 30 June 2023.

## **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 2023 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 2023 and related explanatory notes have not been audited or reviewed.

### **1A. Disclaimer opinion for the latest financial statements**

The auditor of the Group had issued a qualified opinion for the FY2022 financial statements due to the following reasons:

- (i) unable to determine whether management's assessment of the fair value less cost of disposal of vessels as at 31 December 2021 was in accordance with SFRS(I) 13 Fair Value Measurement and whether any adjustments were required with respect to the resultant gain on sale of vessels recognised in FY2022; and
- (ii) unable to obtain sufficient appropriate audit evidence for the carrying amount of bank loan liabilities and finance costs and whether the resultant gain on debt forgiveness of bank loans on settlement of liabilities recognised in FY2022 was appropriate.

Details on the basis for disclaimer of opinion are stated in the independent auditor's report of the FY2022 annual report.

The Board confirms that the impact of the aforementioned issues have been adequately disclosed in the FY2022 financial statements.

## 2. Review of performance of the Group

### **Comparison of statement of profit or loss and other comprehensive income for continuing operations between 2Q 2023 and 2Q 2022**

Total revenue for continuing operations of US\$16.3 million in 6M 2023 was US\$1.1 million or 7% higher than that in the same period in 2022. The increase was attributable to the increase in ship management revenue by US\$2.0 million or 30% to US\$8.7 million as ship management services were extended to more third-party vessel owners. This is set off against the decline in shipyard revenue of \$0.9 million or 11% to US\$7.6 million due to lower completion of ship repair jobs. Gross profit for continuing operations decreased by approximately US\$0.7 million or 12% to US\$5.2 million in 6M 2023.

Revenue in 2Q 2023 decreased by approximately US\$2.5 million or 31% to US\$8.1 million as compared to prior year 2Q 2022. This was mainly due to the decrease in shipyard revenue by US\$2.4 million or 44% to US\$3.0 million.

Other operating income from continuing operations for 6M 2023 decreased by approximately US\$21.3 million to US\$4.8 million mainly due to the absence of one-off restructuring related gains from sale of vessels, debt forgiveness and release of financial guarantee that were recognised in the same period in 2022. It comprised mainly of writeback of doubtful debts upon recovery from customers.

General and administrative expenses for continuing operations for 6M 2023 decreased by approximately US\$1.6 million or 23% to US\$5.5 million mainly due to the absence of one-off restructuring related expenses that were incurred in the same period in 2022. It comprised mainly of staff costs, property tax and related expenses, and general corporate expenses.

Other operating expenses for continuing operations for 6M 2023 were US\$0.7 million and comprised mainly of fair value loss of derivative warrant liabilities and net foreign exchange loss in 6M 2023.

Finance costs for continuing operations for 6M 2023 decreased by approximately US\$3.0 million or 86% to US\$0.5 million due to reduction in bank loans after the completion of debt restructuring.

Share of results of joint venture and associates for 6M 2023 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\$40.8 million as at 30 June 2023 as compared to US\$42.5 million as at 31 December 2022. The change was due to additions of fixed assets, depreciation and share of joint venture's profit for 6M 2023.

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

The Group's current assets increased by US\$2.0 million to US\$70.1 million as at 30 June 2023 from US\$68.1 million as at 31 December 2022. This was mainly due to the increase in:

- (i) inventories by US\$0.1 million;
- (ii) other receivables by US\$2.2 million;
- (iii) cash and bank balances by US\$1.3 million;
- (iv) amounts due from related companies by US\$0.8 million.

This was partially offset by:

- (v) the decrease in trade receivables by US\$2.4 million.

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

The Group's current liabilities amounted to US\$38.6 million as at 30 June 2023. The decrease of US\$3.0 million in current liabilities from US\$41.6 million as at 31 December 2022 was attributed mainly to the decrease in:

- (i) trade payables by US\$4.8 million;
- (ii) other liabilities by US\$2.0 million; and
- (iii) partially offset by increase in amounts due to related parties by US\$3.8 million.

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

The Group's non-current liabilities amounted to US\$44.8 million as at 30 June 2023. Non-current liabilities increased from US\$45.2 million as at 31 December 2022 primarily due to:

- (i) the downwards foreign exchange movement of US\$0.3 million for property loan that is denominated in Singapore Dollars;
- (ii) repayment of lease liabilities of US\$0.2 million; and
- (iii) partially offset by fair valuation increase in derivative warrant share liabilities of US\$0.1 million.

### **Statement of Cash Flows**

In 2Q 2023, the Group registered a net cash inflow of US\$1.4 million.

Net cash inflow from operating activities was US\$1.6 million. This was due to net working capital inflow from operating activities before working capital changes of US\$2.7 million, offset against decrease in working capital and net tax and interest paid of US\$1.1 million.

Net cash outflow from investing activity was US\$0.04 million due to additions of property, plant and equipment.

Net cash outflow from financing activities was US\$0.2 million due mainly to lease payments.

**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 activities in oil and gas and wind markets continue to improve in 2023. The outlook for the offshore oil and gas market is encouraging with demand remaining supportive despite the uncertain global economic outlook and supply looking constrained as newbuilding remain modest after years for tonnage removal during the long downturn. For the offshore wind market, the increase in new capital commitments driven by energy transition and focus on energy security is expected to continue driving demand for offshore vessels supporting the offshore wind farm construction and maintenance.

Amid the ongoing energy transition and uncertainty on the geopolitical and economic fronts, the Group will navigate and consider these opportunities cautiously as it continues to seek revenue growth in these 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 2023 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**

11 August 2023