

Company Registration No. 200609894C

## Pacific Radiance Ltd. and its Subsidiaries

Condensed interim financial statements  
For the three months ended 31 March 2023 (1Q 2023) (3M 2023)

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

Group

	Note	1Q 2023			1Q 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	
<b>Revenue</b>	5	8,219	–	8,219	4,597	8,740	13,337	(38)
Cost of sales		(5,124)	–	(5,124)	(3,469)	(8,029)	(11,498)	(55)
<b>Gross profit</b>		3,095	–	3,095	1,128	711	1,839	68
Other operating income		3,152	–	3,152	23,700	19,937	43,637	(93)
General and administrative expenses		(2,666)	–	(2,666)	(4,290)	(1,432)	(5,722)	(53)
Other operating expenses		(198)	–	(198)	–	(13,511)	(13,511)	(99)
Finance costs		(251)	–	(251)	(411)	(4,085)	(4,496)	(94)
Share of results of joint ventures		26	–	26	–	1,509	1,509	(98)
Share of results of associates		–	–	–	–	4,603	4,603	NM
<b>Profit before taxation</b>	6	3,158	–	3,158	20,127	7,732	27,859	(89)
Taxation	7	(353)	–	(353)	(38)	(251)	(289)	22
<b>Profit for the period</b>		2,805	–	2,805	20,089	7,481	27,570	(90)
<b>Other comprehensive income:</b>								
<u>Items that may be reclassified subsequently to profit or loss:</u>								
Foreign currency translation		(269)	–	(269)	99	–	99	NM
<b>Other comprehensive income for the period, net of tax</b>		(269)	–	(269)	99	–	99	NM
<b>Total comprehensive income for the period</b>		2,536	–	2,536	20,188	7,481	27,669	NM
<b>Profit for the period attributable to:</b>								
Equity holders of the Company		2,853	–	2,853	20,121	7,551	27,672	(89)
Non-controlling interests		(48)	–	(48)	(32)	(70)	(102)	(22)
		2,805	–	2,805	20,089	7,481	27,570	(89)
<b>Total comprehensive income for the period attributable to:</b>								
Equity holders of the Company		2,584	–	2,584	20,220	7,551	27,771	(90)
Non-controlling interests		(48)	–	(48)	(32)	(70)	(102)	(22)
		2,536	–	2,536	20,188	7,481	27,669	(90)
<b>Profit per share attributable to equity holders of the Company</b>								
Basic (US cents per share)		0.6	–	0.6	2.8	1.1	3.9	
Diluted (US cents per share)		0.6	–	0.6	2.8	1.1	3.9	

## Condensed interim statement of financial position

		Group		Company	
	Note	31 March 2023 US\$'000	31 December 2022 US\$'000	31 March 2023 US\$'000	31 December 2022 US\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	12	40,270	40,629	–	–
Investment in subsidiaries		–	–	–	–
Investment in associates		–	–	–	–
Investment in joint ventures		1,313	1,287	–	–
Club memberships		140	140	–	–
Amounts due from related companies		409	408	–	–
		42,132	42,464	–	–
<b>Current assets</b>					
Inventories		299	160	–	–
Trade receivables	9	14,173	14,571	–	–
Other receivables		12,762	7,572	95	136
Amounts due from related companies	10	23,644	20,156	20,349	20,082
Investment securities (quoted)		28	23	–	–
Cash and bank balances		31,580	25,596	2,196	2,545
		82,486	68,078	22,640	22,763
<b>Total assets</b>		124,618	110,542	22,640	22,763
<b>EQUITY AND LIABILITIES</b>					
<b>Current liabilities</b>					
Trade payables		15,604	12,091	–	–
Other liabilities		23,850	15,587	177	180
Amounts due to related companies		10,933	11,801	311	308
Provision for taxation		1,445	1,108	–	–
Lease liabilities		1,028	1,012	–	–
		52,860	41,599	488	488
<b>Net current assets</b>		29,626	26,479	22,152	22,275

## Condensed interim statement of financial position

	Note	Group		Company	
		31 March 2023	31 December 2022	31 March 2023	31 December 2022
		US\$'000	US\$'000	US\$'000	US\$'000
<b>Non-current liabilities</b>					
Other liabilities		3,817	3,817	–	–
Provisions		254	252	–	–
Bank loans	13	30,103	29,839	–	–
Deferred tax liabilities		2,474	2,474	–	–
Lease liabilities		7,170	7,155	–	–
Derivative warrant liabilities	15	169	184	169	184
Perpetual securities	16	1,505	1,492	1,505	1,492
		45,492	45,213	1,674	1,676
<b>Total liabilities</b>		98,352	86,912	2,162	2,164
<b>Net assets</b>		26,266	23,730	20,478	20,599
<b>Equity attributable to equity holders of the Company</b>					
Share capital	14	188,878	188,878	188,878	188,878
Treasury shares	14	(2,135)	(2,135)	(2,135)	(2,135)
Accumulated losses		(154,963)	(154,473)	(166,202)	(166,081)
Other reserves		(5,309)	(8,442)	(63)	(63)
		26,471	23,828	20,478	20,599
Non-controlling interests		(205)	(98)	–	–
<b>Total equity</b>		26,266	23,730	20,478	20,599

## Condensed interim statements of changes in equity

	Share capital US\$'000	Treasury shares US\$'000	Accumulated losses US\$'000	Total other reserves US\$'000	Foreign currency translation reserve US\$'000	Employee share-based payments reserve US\$'000	Hedging reserve US\$'000	Defined benefit plans US\$'000	Capital reserve US\$'000	Total US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
<b>The Group</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	–	–	2,853	–	–	–	–	–	–	2,853	(48)	2,805
<u>Other comprehensive income</u>												
- Foreign currency translation	–	–	–	(269)	(269)	–	–	–	–	(269)	–	(269)
Total comprehensive income for the period	–	–	2,853	(269)	(269)	–	–	–	–	2,584	(48)	2,536
Transfers within equity	–	–	(3,343)	3,402	–	–	–	–	3,402	59	(59)	–
Balance at 31 March 2023	188,878	(2,135)	(154,963)	(5,309)	(2,067)	–	–	–	(3,242)	26,471	(205)	26,266
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	–	–	27,672	–	–	–	–	–	–	27,672	(102)	27,570
<u>Other comprehensive income</u>												
- Foreign currency translation	–	–	–	99	99	–	–	–	–	99	–	99
Total comprehensive income for the period	–	–	27,672	99	99	–	–	–	–	27,771	(102)	27,669
Balance at 31 March 2022	162,854	(2,135)	(458,191)	(8,014)	(1,570)	170	114	86	(6,814)	(305,486)	(11,913)	(317,399)

## 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	–	–	(121)	–	–	–	(121)
Total comprehensive income for the period	–	–	–	–	–	–	–
Balance at 31 March 2023	188,878	(2,135)	(166,202)	(63)	–	(63)	(20,478)
Balance at 1 January 2022	162,854	(2,135)	(417,049)	(63)	170	(233)	(256,393)
Loss for the period	–	–	43,616	–	–	–	43,616
Total comprehensive income for the period	–	–	43,616	–	–	–	43,616
Balance at 31 March 2022	162,854	(2,135)	(373,433)	(63)	170	(233)	(212,777)

## Condensed interim consolidated statement of cash flows

	Note	1Q 2023 US\$'000	1Q 2022 US\$'000
<b>Cash flows from operating activities:</b>			
Profit before taxation		3,158	27,859
Adjustments for:			
Depreciation of property, plant and equipment		762	752
Finance costs		251	4,496
Interest income		(56)	(3)
Share of results of associates		–	(4,603)
Share of results of joint ventures		(26)	(1,509)
Writeback of impairment of doubtful receivables	9	(2,361)	–
Impairment of doubtful receivables	9	15	101
Impairment of amounts due from related companies, net	10	186	12,485
Gain on disposal of assets held for sale		–	(17,022)
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		(5)	(6)
Net fair value gain on derivative warrant liabilities		(15)	–
Exchange differences		(231)	(628)
<b>Operating cash flows before changes in working capital</b>		1,678	(3,313)
(Increase)/Decrease in trade and other receivables		(2,470)	(8,831)
(Increase)/Decrease in amounts due from/to related companies, net		(4,542)	1,166
(Increase)/Decrease in inventories		(141)	(61)
Increase in trade payables and other liabilities		11,586	8,528
<b>Cash generated from operations</b>		6,111	(2,511)
Taxes paid		(11)	(405)
Interest paid		(75)	(76)
Interest received		80	–
<b>Net cash flows generated from operating activities</b>		6,105	(2,992)



## Condensed interim consolidated statement of cash flows

	Note	1Q 2023 US\$'000	1Q 2022 US\$'000
<b>Cash flows from investing activities:</b>			
Purchase of property, plant and equipment		(8)	(1,368)
<b>Net cash flows used in investing activities</b>		(8)	(1,368)
<b>Cash flows from financing activities:</b>			
Payment of principal portion of lease liabilities		(137)	(86)
Cash and bank balances released as securities		–	2
Restricted cash and bank balance		(2,006)	–
<b>Net cash flows used in financing activities</b>		(2,143)	(84)
Net (decrease)/increase in cash and bank balances		3,954	(4,444)
Effect of exchange rate changes on cash and bank balances		24	–
Cash and bank balances at beginning of the period		25,596	21,589
<b>Cash and bank balances at end of the period</b>		29,574	17,145
<b>Breakdown of cash and bank balances at end of the period:</b>			
Cash and bank balances as per balance sheet		31,580	17,145
Restricted cash and bank balance		(2,006)	–
		29,574	17,145

## 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 three months ended 31 March 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 managing offshore vessels, providing offshore support services and providing ship repair and maintenance services.

### 2. Basis of preparation

The condensed interim consolidated financial statements for the three months ended 31 March 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 revised SFRS(I)s, INT SFRS(I)s and amendments to SFRS(I)s 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 Group's 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, where relevant and applicable to the current reporting period.

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 operation is organised into two main operating segments based on their services and products:

- (i) Ship management segment is engaged in managing offshore vessels and providing offshore support services.
- (ii) Shipyard segment is engaged in ship repair and maintenance activities.

Management monitors the operating results of each of the above segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss from operations. Income taxes are managed at Company and Group level and are not allocated to operating segments.

	<b>Ship Management</b> US\$'000	<b>Shipyard</b> US\$'000	<b>Total</b> US\$'000
<b>1Q 2023</b>			
<b>Revenue:</b>			
Sales	3,668	5,110	8,778
Inter-segment sales (Note A)	(3)	(556)	(559)
Sales to external customers	3,665	4,554	8,219
<b>Results:</b>			
Interest Income	56	–	56
Finance costs	(9)	(242)	(251)
Depreciation and amortisation	(59)	(702)	(761)
Share of results of joint ventures and associates	26	–	26
Writeback of impairment of doubtful receivables	2,361	–	2,361
Other non-cash expenses	(187)	(14)	(201)
Segment (loss)/profit	2,328	830	3,158

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>1Q 2022</b>			
<b>Revenue:</b>			
Sales	1,510	3,884	5,394
Inter-segment sales (Note A)	(30)	(767)	(797)
Sales to external customers	1,480	3,117	4,597
<b>Results:</b>			
Interest income	(98)	(313)	(411)
Finance costs	(26)	(715)	(741)
Depreciation and amortisation	–	–	–
Share of results of joint ventures and associates	–	–	–
Writeback of impairment of doubtful receivables	32	4	36
Writeback of impairment of amounts due from related companies	890	–	890
Segment profit/(loss)	(1,310)	21,437	20,127

	<b>Ship Management</b> US\$'000	<b>Shipyards</b> US\$'000	<b>Total</b> US\$'000
<b>As at 31 March 2023</b>			
<b>Segment assets:</b>			
Investment in associates	–	–	–
Investment in joint ventures	1,313	–	1,313
Additions to non-current assets (Note C)	–	8	8
Segment assets	77,241	47,377	124,618
<b>Segment liabilities</b>	54,417	43,935	98,352

	<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
<b>Segment liabilities</b>	42,330	44,482	86,812

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

Note B: Other non-cash expenses consist of impairment of doubtful receivables and impairment of amounts due from related companies.

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>	<b>Shipyard</b>	<b>Total</b>
	US\$'000	US\$'000	US\$'000
<b>1Q 2023</b>			
<b>Type of services</b>			
Lease revenue	803	–	803
Other ancillary time charter revenue	1,282	–	1,282
Ship repair income	–	4,547	4,547
Ship management fee income	1,580	–	1,580
Others	–	7	7
	<b>3,665</b>	<b>4,554</b>	<b>8,219</b>
<b>Timing of transfer of services</b>			
At a point in time	–	4,554	4,554
Over time	3,665	–	3,665
	<b>3,665</b>	<b>4,554</b>	<b>8,219</b>

<b>Segments</b>	<b>Ship Management</b>	<b>Shipyard</b>	<b>Total</b>
	US\$'000	US\$'000	US\$'000
<b>1Q 2022</b>			
<b>Type of services</b>			
Lease revenue	163	–	163
Other ancillary time charter revenue	1,299	–	1,299
Ship repair income	–	3,112	3,112
Ship management fee income	18	–	18
Others	–	5	5
	<b>1,480</b>	<b>3,117</b>	<b>4,597</b>
<b>Timing of transfer of services</b>			
At a point in time	–	3,117	3,117
Over time	1,480	–	1,480
	<b>1,480</b>	<b>3,117</b>	<b>4,597</b>

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

### Geographical information

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

	Group	
	1Q 2023 US\$'000	1Q 2022 US\$'000
Asia <sup>(1)</sup>	1,432	437
Singapore	6,625	3,883
Middle East	162	277
	<hr/>	<hr/>
	8,219	4,597
	<hr/>	<hr/>

(1) Asia includes Brunei, Indonesia and Thailand.

## 6. Profit before taxation for continuing operations

### 6.1. Significant items

	Group	
	1Q 2023 US\$'000	1Q 2022 US\$'000
<b>Income</b>		
Gain on debt forgiveness of bank loan	–	22,258
Foreign exchange gains, net	432	396
Writeback of impairment of doubtful receivables	2,361	–
<b>Expenses</b>		
Depreciation of property, plant and equipment (included in cost of sales)	541	541
Depreciation of property, plant and equipment (included in general and administrative expenses)	221	200
Impairment of doubtful receivables	15	35
Impairment of amounts due from related companies, net	186	891
Interest expense on bank loans carried at amortised cost	150	241

## 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:

	<b>Group</b>	
	<b>1Q 2023</b> US\$'000	<b>1Q2022</b> US\$'000
<i>Income</i>		
Charter hire income:		
- Joint ventures	102	278
Ship repair income:		
- Associates	1,026	83
- Related parties	697	–
Interest income from:		
- Joint ventures	50	–
Management fee income from:		
- Joint ventures	121	47
Ship management fee income from:		
- Joint ventures	18	18
- Related parties	1,054	650
Miscellaneous income from:		
- Joint ventures	60	–
<i>Expense</i>		
Charter hire expense and other cost of sales to:		
- Joint ventures	(58)	–
- Related parties	(794)	(560)
Interest expense to:		
- A shareholder of a subsidiary	–	77

## 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:

	<b>1Q 2023</b>			<b>1Q 2022</b>		
	<i>Continuing</i> <i>Operations</i>	<i>Discontinued</i> <i>Operations</i>	<i>Total</i>	<i>Continuing</i> <i>Operations</i>	<i>Discontinued</i> <i>Operations</i>	<i>Total</i>
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Current income tax expense	(337)	–	–	(24)	(4)	(28)
Withholding tax expense	(16)	–	–	(14)	(247)	261
	(353)	–	–	(38)	251	(289)

**8. Net asset value**

	Group		Company	
	As at 31 March 2023	As at 31 December 2022	As at 31 March 2023	As at 31 December 2022
Net asset value (US\$'000)	26,471	23,828	20,478	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)	5.87	5.29	4.54	4.57

**9. Trade receivables**

The Group provides for lifetime expected credit losses for trade receivables based on a provision matrix. The Group provides for expected credit losses for trade receivables due from debtors that are in significant financial difficulties and had defaulted on payment.

The movement in allowance accounts is as follows:

	Group	
	As at 31 March 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	15	4,484
Write back of allowance	(2,361)	(15)
Written off during the period	(12,726)	–
At end of financial period	3,368	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 provides for expected credit losses 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 31 March 2023 US\$'000	As at 31 December 2022 US\$'000	As at 31 March 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	186	16,901	–	(69,587)
ECL adjustment to interest income	272	1,090	–	–
Written off during the period	–	(1,850)	–	(278,775)
Exchange differences	75	32	–	(3,045)
At end of financial period	131,637	131,104	9,207	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:

	31 March 2023 US\$'000 Level 1	31 December 2022 US\$'000 Level 1
<b>Group</b>		
<i>Assets measured at fair value</i>		
Financial assets:		
<u>Equity securities at fair value</u>		
<u>through profit or loss</u>		
Investment securities (quoted)	28	23
<b>Group and Company</b>		
<i>Liabilities measured at fair value</i>		
Financial liabilities:		
<u>Derivative financial liabilities</u>		
Warrant liabilities (quoted)	169	184
	31 March 2023 US\$'000 Level 2	31 December 2022 US\$'000 Level 2
<b>Group and Company</b>		
<i>Liabilities measured at fair value</i>		
Financial liabilities:		
<u>Derivative financial liabilities</u>		
Warrant liabilities (unquoted)	–	–

**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.

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 amounts 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>31 March 2023</b>		
<b>Assets</b>		
Trade receivables	14,173	–
Other receivables	1,099	–
Amounts due from related companies	24,053	–
Investment securities	–	28
Cash and bank balances	31,580	–
	70,905	28
<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)*

	Financial liabilities at amortised cost US\$'000	Financial liabilities at fair value through profit or loss US\$'000
<b>Group</b>		
<b>31 March 2023</b>		
<b>Liabilities</b>		
Trade payables	15,604	–
Other liabilities	8,608	–
Amounts due to related companies	10,933	–
Bank loans	30,103	–
Derivative warrant liabilities	–	169
Perpetual securities	1,505	–
Lease liabilities	8,198	–
	74,951	169
<b>31 December 2022</b>		
<b>Liabilities</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
	74,951	169
	70,210	184
<b>Company</b>		
<b>31 March 2023</b>		
<b>Assets</b>		
Other receivables	30	–
Amounts due from related companies	20,349	–
Cash and bank balances	2,196	–
	22,575	–
<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	–
	22,657	–

## 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 US\$'000</b>	<b>Financial liabilities at fair value through profit or loss US\$'000</b>
<b>Company</b>		
<b>31 March 2023</b>		
<b><i>Liabilities</i></b>		
Other liabilities	177	–
Amounts due to related companies	311	–
Derivative warrant liabilities	–	169
Perpetual securities	1,505	–
	<hr/>	<hr/>
	1,993	169
	<hr/>	<hr/>
<b>31 December 2022</b>		
<b><i>Liabilities</i></b>		
Other liabilities	180	–
Amounts due to related companies	308	–
Derivative warrant liabilities	–	184
Perpetual securities	1,492	–
	<hr/>	<hr/>
	1,980	184
	<hr/>	<hr/>

## 12. Property, plant and equipment

There was no significant acquisition and disposal of property, plant and equipment for 1Q 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 31 March 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 31 March 2023 US\$'000	As at 31 December 2022 US\$'000	As at 31 March 2023 US\$'000	As at 31 December 2022 US\$'000
Amount repayable within one year or on demand	–	–	–	–
Amount repayable after one year	30,103	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 31 March 2023, cash balance of US\$2,006,849 (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 31 Mar 2023, the accrued interest on the Property Loan was US\$689,854 (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*

	Group and Company			
	31 March 2023		31 December 2022	
	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 31 March 2023 and 31 December 2022.

##### (ii) *Treasury shares*

	Group and Company			
	31 March 2023		31 December 2022	
	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 31 March 2023 is 450,709,457.

## 15. Derivative warrant liabilities

	31 March 2023		Group and Company 31 December 2022		Exercise price S\$ per warrant share
	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	–	(15)	–	22	
Management Warrants issued – unquoted	–	–	23,033	–	0.06
Balance at the end of the period/year	45,488	169	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 31 March 2023.

Except for the Warrants, there were no convertible securities as at 31 March 2023 . As at 31 March 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 31 March 2023, the fair value of the Shareholder Warrant liabilities is US\$169,000 (31 December 2022: US\$184,000), based on the listed warrant price of S\$0.010 (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 31 March 2023 (31 December 2022: \$Nil).



## 16. Perpetual Securities

	Group and Company	
	31 March 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	13	33
Balance at the end of the period/year	1,505	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 31 March 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 31 March 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 three months ended 31 March 2023 and related explanatory notes have not been audited or reviewed.

#### **Qualified 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.

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

#### **Comparison of statement of profit or loss and other comprehensive income for continuing operations between 1Q 2023 and 1Q 2022**

Total revenue for continuing operations of US\$8.2 million was US\$3.6 million or 79% higher than that in the same period in 2022. The increase was attributable to the increase in shipyard revenue by US\$1.4 million or 46% to US\$4.6 million as higher number of vessel repair jobs were completed, as well as the increase in ship management revenue by US\$2.2 million or 148% to US\$3.7 million as ship management services were extended to more third-party vessel owners. Gross profit for continuing operations increased by approximately US\$2.0 million or 174% to US\$3.1 million.

Other income from continuing operations decreased by approximately US\$20.5 million to US\$3.2 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. Other income for 1Q 2023 comprised mainly writeback of doubtful debts upon recovery from customers and foreign exchange gain.

General and administrative expenses for continuing operations decreased by approximately US\$1.6 million or 38% to US\$2.7 million mainly due to the absence of one-off restructuring related expenses that were incurred in the same period in 2022. General and administrative expenses for 1Q2023 comprised mainly staff costs, property tax and related expenses, and general corporate expenses.

Other expenses for continuing operations were US\$0.2 million and comprised mainly expected credit loss provision for trade receivables and amounts due from related companies.

Finance costs for continuing operations decreased by approximately US\$0.2 million or 39% to US\$0.3 million due to reduction in bank loans after the completion of debt restructuring.

Share of results of joint venture and associates for 1Q 2023 was related to joint venture Mainprize Asia Ventures Pte Ltd.

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

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

The Group's non-current assets amounted to US\$42.1 million as at 31 March 2023 as compared to US\$42.5 million as at 31 March 2022. The change was due to additions and depreciation.

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

The Group's current assets increase by US\$14.4 million to US\$82.5 million as at 31 March 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\$5.2 million;
- (iii) amounts due from related companies by US\$3.5 million;
- (iv) cash and bank balances by US\$6.0 million; and
- (v) partially offset by the decrease in trade receivables by US\$0.4 million.

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

The Group's current liabilities amounted to US\$52.9 million as at 31 March 2023. The increase in current liabilities from US\$41.6 million as at 31 December 2022 was attributed mainly to the increase in:

- (i) trade payables by US\$3.5 million;
- (ii) other liabilities by US\$8.3 million;
- (iii) the increase in provision for tax by US\$0.3 million; and
- (iv) partially offset by the decrease in amounts due to related parties by US\$0.9 million.

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

The Group's non-current liabilities amounted to US\$45.5 million as at 31 March 2023. Non-current liabilities increased from US\$45.2 million as at 31 December 2022 primarily due to the foreign exchange movement for property loan that is denominated in Singapore Dollars.

### **Statement of Cash Flows**

In 1Q 2023, the Group registered a net cash inflow of US\$4.0 million.

Net cash inflow from operating activities was US\$6.1 million. This was mainly due to net working capital inflow of US\$4.4 million and inflow from operating activities before working capital changes of US\$1.7 million.

Net cash outflow from investing activity was US\$8,000 due to additions of property, plant and equipment.

Net cash outflow from financing activities was US\$2.1 million due mainly to lease payments and bank balances set aside for interest payments for the property loan.

**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 recovery in offshore oil and gas activities seen in 2022 is expected to continue into 2023. At the same time, activities in the offshore wind industry are also expected to remain strong. These factors are pushing up demand for offshore support vessels and are positive developments to the ship management activities of the Group.

That said, the global economy is facing high uncertainty as the world continues to grapple with the impact of the Russia-Ukraine war and tight monetary policies to quell inflation, as well as the risks of economic and trade fragmentation due to rising political contestation.

With these known uncertainties on our radar, the Group will have to navigate cautiously as it seeks out opportunities to expand its ship management services and grow other revenue streams in the next 12 months.

**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.

- 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 three months ended 31 March 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**

12 May 2022