

# **PENGUIN INTERNATIONAL LIMITED**

Condensed interim financial statements  
for the six months ended 30 June 2023

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A. CONDENSED INTERIM CONSOLIDATED INCOME  
STATEMENT FOR THE PERIOD ENDED 30 JUNE 2023

	Note	Group		+ / (-) %
		6 months ended 30 June 2023	6 months ended 30 June 2022	
		\$'000	\$'000	
Revenue		88,967	61,409	44.9
Cost of sales		(66,635)	(45,747)	45.7
<b>Gross profit</b>		<b>22,332</b>	<b>15,662</b>	<b>42.6</b>
Other income	6.1	2,238	7,295	(69.3)
Marketing and distribution costs		(305)	(269)	13.4
Administrative expenses		(11,674)	(11,133)	4.9
Other operating expenses		(7,776)	(3,810)	104.1
Reversal loss on trade receivable		-	95	(100.0)
Results from operating activities		4,815	7,840	(38.6)
Finance costs		(909)	(262)	246.9
Finance income		689	685	0.6
<b>Profit before tax</b>	6	<b>4,595</b>	<b>8,263</b>	<b>(44.4)</b>
Income tax expense	7	(2,176)	(1,421)	53.1
<b>Profit for the period</b>		<b>2,419</b>	<b>6,842</b>	<b>(64.6)</b>
<b>Attributable to:</b>				
Owners of the Company		2,419	6,842	(64.6)
Non-controlling interests		-	-	NM
<b>Profit for the period</b>		<b>2,419</b>	<b>6,842</b>	<b>(64.6)</b>
<b>Earnings per share (cents per share)</b>				
- Basic	8	1.10	3.11	
- Diluted	8	1.10	3.11	

**B. CONDENSED INTERIM CONSOLIDATED STATEMENT OF  
COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30  
JUNE 2023**

	<b>Group</b>		<b>+ / (-) %</b>
	<b>6 months ended 30 June 2023</b>	<b>6 months ended 30 June 2022</b>	
	<b>\$'000</b>	<b>\$'000</b>	
<b>Profit for the period</b>	2,419	6,842	(64.6)
<b>Other comprehensive income:</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Net effect of exchange differences arising from quasi capital loan to subsidiaries	135	737	(81.7)
Foreign currency translation	358	419	(14.6)
	493	1,156	(57.4)
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Changes in fair value of equity investment at FVOCI	3,157	486	549.6
	3,157	486	549.6
<b>Other comprehensive income for the period, net of tax</b>	3,650	1,642	122.3
<b>Total comprehensive income for the period, net of tax</b>	6,069	8,484	(28.5)
<b>Attributable to:</b>			
Owners of the Company	6,069	8,484	(28.5)
Non-controlling interests	-	-	NM
<b>Total comprehensive income for the period</b>	6,069	8,484	(28.5)

C. CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2023

	Note	Group			Company		
		30 June 31 December		+ / (-) %	30 June 31 December		+ / (-) %
		2023	2022		2023	2022	
		\$'000	\$'000	%	\$'000	\$'000	%
<b>Non-current assets</b>							
Property, plant and equipment	13	172,695	153,447	12.5	85	94	(9.6)
Right-of-use assets		8,722	7,459	16.9	–	–	NM
Investment in subsidiaries		–	–	NM	15,518	15,518	0.0
Loan to a subsidiary		–	–	NM	84,340	84,340	0.0
Quoted investments	11	13,114	9,957	31.7	13,114	9,957	31.7
Intangible asset	12	78	78	0.0	–	–	NM
Trade receivables		12,640	13,814	(8.5)	–	–	NM
Other receivables	14	3,407	3,669	(7.1)	–	–	NM
		210,656	188,424	11.8	113,057	109,909	2.9
<b>Current assets</b>							
Inventories		53,053	68,588	(22.6)	–	–	NM
Trade receivables		44,736	21,189	111.1	12,323	5,233	135.5
Other receivables and deposits	14	21,059	19,492	8.0	324	238	36.1
Contract assets		9,811	4,543	116.0	–	–	NM
Prepayments		1,401	754	85.8	121	129	(6.2)
Loans to subsidiaries		–	–	NM	63,040	72,263	(12.8)
Derivatives		253	487	(48.0)	253	487	(48.0)
Fixed deposits		12,612	2,453	414.1	3,431	–	NM
Cash and bank balances		15,510	12,525	23.8	2,124	1,351	57.2
		158,435	130,031	21.8	81,616	79,701	2.4
<b>Current liabilities</b>							
Trade payables		26,698	31,664	(15.7)	–	7	(100.0)
Other payables and accruals	15	66,652	37,441	78.0	2,078	2,262	(8.1)
Provisions		816	701	16.4	–	–	NM
Contract liabilities		10,874	9,388	15.8	8,379	712	1,076.9
Derivatives		687	49	1,302.0	687	49	1,302.0
Provision for income tax		2,500	2,441	2.4	82	256	(68.0)
Lease liabilities		829	680	21.9	–	–	NM
Term loans	16	11,866	7,994	48.4	8,879	7,994	11.1
Deposits from subsidiaries		–	–	NM	18,275	22,644	(19.3)
		120,922	90,358	33.8	38,380	33,924	13.1
<b>Net current assets</b>		37,513	39,673	(5.4)	43,236	45,777	(5.6)

C. CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2022 (cont'd)

Note	Group			Company		
	30 June	31 December	+ / (-) %	30 June	31 December	+ / (-) %
	2023	2022		2023	2022	
\$'000	\$'000	\$'000	\$'000	\$'000		
<b>Non-current liabilities</b>						
	5,976	4,841	23.4	381	381	0
	2,252	2,244	0.4	–	–	NM
	8,170	7,009	16.6	–	–	NM
16	32,553	15,900	104.7	16,815	15,900	5.8
	<u>48,951</u>	<u>29,994</u>	63.2	<u>17,196</u>	<u>16,281</u>	5.6
<b>Net assets</b>	<u>199,218</u>	<u>198,103</u>	0.6	<u>139,097</u>	<u>139,405</u>	(0.2)
Share capital	94,943	94,943	0.0	94,943	94,943	0.0
Reserves	104,281	103,166	1.1	44,154	44,462	(0.7)
Non-controlling interests	(6)	(6)	0.0	–	–	NM
<b>Total equity</b>	<u>199,218</u>	<u>198,103</u>	0.6	<u>139,097</u>	<u>139,405</u>	(0.2)

**D. CONDENSED INTERIM STATEMENT OF CHANGE IN EQUITY  
FOR THE PERIOD ENDED 30 JUNE 2023**

	<u>Attributable to owners of the Company</u>			<b>Sub-total</b> \$'000	<b>Non- controlling interests</b> \$'000	<b>Total equity</b> \$'000
	<b>Share capital</b> \$'000	<b>Other reserves</b> \$'000	<b>Retained earnings</b> \$'000			
<b>The Group</b>						
<b>Opening balance at 1 January 2023</b>	94,943	(7,292)	110,458	198,109	(6)	198,103
Profit for the period	–	–	2,419	2,419	–	2,419
<u>Other comprehensive income</u>						
Net effect of exchange differences arising from quasi capital loan to subsidiaries	–	135	–	135	–	135
Foreign currency translation	–	358	–	358	–	358
Change in fair value of equity investment at FVOCI	–	3,157	–	3,157	–	3,157
Other comprehensive income for the period, net of tax	–	3,650	–	3,650	–	3,650
Total comprehensive income for the period	–	3,650	2,419	6,069	–	6,069
<u>Contributions by and distributions to owners</u>						
Dividends paid	–	–	(4,954)	(4,954)	–	(4,954)
Total contributions by and distributions to owners	–	–	(4,954)	(4,954)	–	(4,954)
<b>Closing balance at 30 June 2023</b>	94,943	(3,642)	107,923	199,224	(6)	199,218

D. CONDENSED INTERIM STATEMENT OF CHANGE IN EQUITY  
FOR THE PERIOD ENDED 30 JUNE 2023 (cont'd)

	<u>Attributable to owners of the Company</u>			Sub-total \$'000	Non- controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Other reserves \$'000	Retained earnings \$'000			
<b>The Group</b>						
<b>Opening balance at 1 January 2022</b>	94,943	(7,911)	104,857	191,889	(5)	191,884
Profit for the period	–	–	6,842	6,842	–	6,842
<u>Other comprehensive income</u>						
Net effect of exchange differences arising from quasi capital loan to subsidiaries	–	737	–	737	–	737
Foreign currency translation	–	419	–	419	–	419
Change in fair value of equity investment at FVOCI	–	486	–	486	–	486
Other comprehensive income for the period, net of tax	–	1,642	–	1,642	–	1,642
Total comprehensive income for the period	–	1,642	6,842	8,484	–	8,484
<u>Contributions by and distributions to owners</u>						
Dividends paid	–	–	(4,954)	(4,954)	–	(4,954)
Total contributions by and distributions to owners	–	–	(4,954)	(4,954)	–	(4,954)
<b>Closing balance at 30 June 2022</b>	94,943	(6,269)	106,745	195,419	(5)	195,414



**D. CONDENSED INTERIM STATEMENT OF CHANGE IN EQUITY  
FOR THE PERIOD ENDED 30 JUNE 2023 (cont'd)**

	<b>Share capital \$'000</b>	<b>Other reserve \$'000</b>	<b>Retained earnings \$'000</b>	<b>Total equity \$'000</b>
<b>Company</b>				
<b>Opening balance at 1 January 2023</b>	94,943	1,957	42,505	139,405
Profit for the period	–	–	1,489	1,489
<u>Other comprehensive income</u>				
Change in fair value of equity investment at FVOCI	–	3,157	–	3,157
Total comprehensive income for the period	–	3,157	1,489	1,489
<u>Contributions by and distributions to owners</u>				
Dividends paid	–	–	(4,954)	(4,954)
Total contributions by and distributions to owners	–	–	(4,954)	(4,954)
<b>Closing balance at 30 June 2023</b>	94,943	5,114	39,040	139,097

	<b>Share capital \$'000</b>	<b>Other reserve \$'000</b>	<b>Retained earnings \$'000</b>	<b>Total equity \$'000</b>
<b>Company</b>				
<b>Opening balance at 1 January 2022</b>	94,943	(1,443)	40,870	134,370
Profit for the period	–	–	2,635	2,635
<u>Other comprehensive income</u>				
Change in fair value of equity investment at FVOCI	–	486	–	486
Total comprehensive income for the period	–	486	2,635	3,121
<u>Contributions by and distributions to owners</u>				
Dividends paid	–	–	(4,954)	(4,954)
Total contributions by and distributions to owners	–	–	(4,954)	(4,954)
<b>Closing balance at 30 June 2022</b>	94,943	(957)	38,551	132,537

## E. CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 JUNE 2023

Note	Group	
	6 months ended 30 June 2023	6 months ended 30 June 2022
	\$'000	\$'000
<b>Operating activities</b>		
Profit before tax	4,595	8,263
Adjustments for:		
Depreciation of property, plant and equipment and right-of-use assets	6,861	5,949
Gain on disposal of property, plant and equipment and assets classified as held for sale	(1,570)	(2,778)
Interest expense	774	238
Interest income	(689)	(685)
Property, plant and equipment written off	-	147
Net fair value gain on derivatives	872	(179)
Provision for warranty claims on shipbuilding contracts, net	765	55
Impairment loss on trade receivable	-	(95)
Currency alignment	(224)	(210)
	11,384	10,705
Operating cash flows before changes in working capital		
Inventories	11,190	(4,089)
Trade receivables	(22,373)	(7,160)
Other receivables, deposits and prepayments	(1,226)	(10,825)
Contract assets	(5,268)	3,945
Trade payables	(4,966)	2,239
Other payables and accruals	29,211	14,022
Provisions	(650)	(397)
Contract liabilities	1,486	10,451
	18,788	18,891
Cash flows from operations		
Interest paid	(774)	(238)
Interest received	689	685
Income taxes paid, net	(1,657)	(1,025)
	17,046	18,313
Net cash flows from operating activities		

E. CONDENSED INTERIM CONSOLIDATED CASH FLOW  
STATEMENT FOR THE PERIOD ENDED 30 JUNE 2023 (cont'd)

	<b>Group</b>	
	<b>6 months ended 30 June 2023 \$'000</b>	<b>6 months ended 30 June 2022 \$'000</b>
<b>Investing activities</b>		
Proceeds from disposal of property, plant and equipment and assets classified as held for sale	5,109	10,059
Additions to property, plant and equipment	(24,105)	(17,907)
Net cash flows used in investing activities	(18,996)	(7,848)
<b>Financing activities</b>		
Proceed from bank loans	22,640	-
Repayment of bank loans	(2,115)	(1,200)
Dividends paid	(4,954)	(4,954)
Payment of principal portion of lease liabilities	(572)	(705)
Increase in pledged deposits with licensed banks	(3,689)	(3,562)
Net cash flows from / (used in) financing activities	11,310	(10,421)
<b>Net increase in cash and cash equivalents</b>	<b>9,360</b>	<b>44</b>
Effect of exchange rate changes on cash and cash equivalents	94	204
<b>Cash and cash equivalents at beginning of period</b>	<b>12,525</b>	<b>18,972</b>
<b>Cash and cash equivalents at end of period</b>	<b>21,979</b>	<b>19,220</b>

## F. Notes to the condensed interim consolidated financial statements

### 1. Corporate information

Penguin International Limited (the Company) is a limited 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 activities of the Company are to act as: (i) owners and operators of workboats and passenger boats, (ii) designers and builders of aluminium high-speed vessels and (iii) investment holding.

### 2. Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed 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 an 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 condensed interim financial statements have been prepared on the historical cost basis except as otherwise described in the note below.

The condensed interim financial statements are presented in Singapore dollar, which is the Company's functional currency.

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

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustment as a result of adopting those standards.

#### 2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgement, estimates and assumptions that effect the application of accounting policies and the reporting amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimations uncertainty were the same as those that applied to the consolidated financial statement as at end of the year ended 31 December 2021.

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

Management is of the opinion that there are no critical judgements made in applying the Group's accounting policies and no assumptions and estimation of uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

**3. Seasonal operations**

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

**4. Segment and revenue information**

**4.1 Reportable segments**

For management purposes, the Group is organised into business units based on their products and services, and has two reportable operating segments as follows:

- (a) The vessel chartering segment charters out workboats and passenger boats as an owner and operator.
- (b) The shipbuilding, ship repair and maintenance segment act as a builder of high speed aluminium commercial vessels and contractor for ship repairs and maintenance services.

Except as indicated above, no operating results have been aggregated to form the above reportable operating segments.

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 operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

#### 4.1 Reportable segments (cont'd)

	Vessel chartering		Shipbuilding, ship repair and maintenance		Adjustments and eliminations		Notes	Total	
	6 months ended 30 June 2023	6 months ended 30 June 2022	6 months ended 30 June 2023	6 months ended 30 June 2022	6 months ended 30 June 2023	6 months ended 30 June 2022		6 months ended 30 June 2023	6 months ended 30 June 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000	\$'000
<b>Revenue</b>									
Sales to external customers	16,503	13,166	72,464	48,243	–	–		88,967	61,409
Inter-segment sales	263	241	22,892	12,735	(23,155)	(12,976)	A	–	–
Total revenue	16,766	13,407	95,356	63,978	(23,155)	(12,976)		88,967	61,409
<b>Results</b>									
Finance income	25	176	1,037	619	(373)	(110)	B	689	685
Depreciation	(5,539)	(4,334)	(2,307)	(1,910)	985	295	B	(6,861)	(5,949)
Financial costs	(760)	(133)	(522)	(239)	373	110	B	(909)	(262)
Other non-cash expenses	–	(60)	–	9	–	–		–	(51)
Segment profit before tax	(1,479)	1,431	4,586	2,821	1,488	4,011	C	4,595	8,263
Taxation								(2,176)	(1,421)
Profit for the interim period								2,419	6,842

#### 4.1 Reportable segments (cont'd)

The following table presents assets, liabilities and other segment information regarding the Group's business segments for the period ended 30 June 2023 and 2022:

	Vessel chartering		Shipbuilding, ship repair and maintenance		Discontinued operation		Adjustments and eliminations		Notes	Total	
	6 month ended 30 June 2023	6 month ended 30 June 2022	6 month ended 30 June 2023	6 month ended 30 June 2022	6 month ended 30 June 2023	6 month ended 30 June 2022	6 month ended 30 June 2023	6 month ended 30 June 2022		6 month ended 30 June 2023	6 month ended 30 June 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000	\$'000
<b>Assets and liabilities</b>											
Additions to non-current assets	21,191	15,831	1,273	10,299	–	–	6,818	(2,426)	D	29,282	23,704
Goodwill	–	–	78	78	–	–	–	–		78	78
Segment assets	212,551	136,022	191,454	167,021	367	367	(35,281)	(17,461)	E	369,091	285,949
Segment liabilities	44,733	16,600	124,1307	69,337	–	–	833	4,598	F	169,873	90,535

#### 4.1 Reportable segments (cont'd)

**Note: Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements**

- A. Inter-segment revenues are eliminated on consolidation.
- B. Inter-segment interest income and finance expenses are eliminated on consolidation. Depreciation on mark-up arising from inter-segment sale of vessels are also eliminated on consolidation.
- C. The following items are added to / (deducted from) segment profit/(loss) before tax to arrive at "profit/(loss) before tax" presented in the consolidated income statement:

	<b>30 June 2023</b>	<b>30 June 2022</b>
	\$'000	\$'000
From inter-segment transactions	1,488	927
Unallocated income	–	3,471
Unallocated expenses	–	(387)
	<hr/>	<hr/>
	1,488	4,011

The unallocated income pertain mainly to consideration sum related to the early move-out and relocation from 18 Tuas Basin Link, ahead of the property's lease expiry in 2025 and reversal of restoration cost of leased land.

The unallocated expenses pertain mainly to depreciation of leasehold building.

- D. The adjustments and eliminations relate to additions to leasehold building which cannot be allocated to each segment and inter-segment sales of vessels.
- E. The following items are added to / (deducted from) segment assets to arrive at total assets reported in the consolidated balance sheet:

	<b>30 June 2023</b>	<b>30 June 2022</b>
	\$'000	\$'000
Inter-segment assets	(35,281)	(17,461)

- F. The following items are added to / (deducted from) segment liabilities to arrive at total liabilities reported in the consolidated balance sheet:

	<b>30 June 2023</b>	<b>30 June 2022</b>
	\$'000	\$'000
Inter-segment liabilities	(7,643)	(730)
Deferred tax liabilities	5,976	3,200
Current tax liabilities	2,500	1,856
Provision for restoration cost	–	272
	<hr/>	<hr/>
	833	4,598



**4.1 Reportable segments (cont'd)**  
**Geographical information**

The following is revenue information based on the geographical location of the Group's customers:

	<b>Group 6 months ended</b>					
	<b>Vessel chartering</b>		<b>Shipbuilding, ship repair and maintenance</b>		<b>Total</b>	
	<b>30 June 2023</b>	<b>30 June 2022</b>	<b>30 June 2023</b>	<b>30 June 2022</b>	<b>30 June 2023</b>	<b>30 June 2022</b>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Singapore	2,597	2,489	8,839	4,077	11,436	6,566
Rest of Southeast Asia	11,054	10,493	6,422	6,658	17,476	17,151
East Asia	–	–	6,503	6,740	6,503	6,740
Africa	1,176	184	13,441	11,670	14,617	11,854
Europe	–	–	35,961	15,252	35,961	15,252
North America	–	–	–	3,812	–	3,812
Middle East	1,676	–	1,270	–	2,946	–
Others	–	–	28	34	28	34
	<b>16,503</b>	<b>13,166</b>	<b>72,464</b>	<b>48,243</b>	<b>88,967</b>	<b>61,409</b>

Management does not monitor non-current assets and capital expenditure by geographical segment because the Group's non-current assets comprise mainly of vessels, which cannot be meaningfully allocated by geographic location as vessels can be deployed at any location at various points in time.

**4.2 Disaggregation of revenue**

	<b>Group 6 months ended</b>					
	<b>Vessel chartering</b>		<b>Shipbuilding, ship repair and maintenance</b>		<b>Total</b>	
	<b>30 June 2023</b>	<b>30 June 2022</b>	<b>30 June 2023</b>	<b>30 June 2022</b>	<b>30 June 2023</b>	<b>30 June 2022</b>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Types of goods or service:</b>						
Sale of goods	-	-	69,388	46,079	69,388	46,079
Rendering of services	16,503	13,166	3,076	2,164	19,579	15,330
	<b>16,503</b>	<b>13,166</b>	<b>72,464</b>	<b>48,243</b>	<b>88,967</b>	<b>61,409</b>

## 5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2023 and 31 December 2022:

	Group		Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>				
Financial assets at fair value through other comprehensive income (FVOCI)	13,114	9,957	13,114	9,957
Cash and bank balances, fixed deposits, contract assets, trade receivables, other receivables and deposits and loans to subsidiaries (Amortised cost)	95,977	60,311	165,259	163,425
Financial assets at fair value through profit or loss	253	487	253	487
	109,344	70,755	178,626	173,869
<b>Financial liabilities</b>				
Trade payables, other payables and accruals, lease liabilities, deposit from subsidiary and bank loans (Amortised cost)	112,452	95,866	45,628	48,372
Financial liabilities at fair value through profit or loss	687	49	687	49
	113,139	95,915	46,315	48,421

## 6. Profit before tax

### 6.1 Significant items

	Group	
	6 months ended 30 June 2023	6 months ended 30 June 2022
	\$'000	\$'000
Gain on disposal of property, plant, and equipment	1,570	2,778
Government grants under Covid-19 business support schemes provided by the Singapore government	-	278
Consideration sum*	-	3,550
Interest income	689	685
Interest expense	(774)	(238)
Depreciation of property, plant and equipment and right-of-use assets	(6,861)	(5,949)
Foreign exchange (loss)/ gain, net	(1,448)	1,251
Reversal loss on trade receivable	-	95
Property, plant and equipment written off	-	(147)

\* The consideration sum relates to the early move-out and relocation from 18 Tuas Basin Link, ahead of the property's lease expiry in 2025.

## 6.2 Interested person transactions

The Company does not have a shareholders' mandate for interested person transactions.

There were no significant interested persons transactions of or over S\$100,000 in value entered into during the financial period ended 30 June 2023.

## 7. Income tax expense

The Group calculates the period's 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 income are:

	<b>6 months ended 30 June 2023</b>	<b>6 months ended 30 June 2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Current tax		
Current income tax expense	1,038	963
Deferred tax		
Movement in temporary differences	1,113	415
Under provision in respect of previous years	25	43
	<u>2,176</u>	<u>1,421</u>

## 8. Earnings per share

	<b>Group</b>	
	<b>6 months ended</b>	
	<b>30 June 2023</b>	<b>30 June 2022</b>
Profit attributable to equity holders of the Company (\$)	<u>2,419,000</u>	<u>6,842,000</u>
Weighted average number of ordinary shares in issue for calculation of basic and diluted earnings per share	<u>220,169,774</u>	<u>220,169,774</u>
Basic earnings per share (cents)	<u>1.10</u>	<u>3.11</u>

The calculation of basic earnings per share at 30 June was based on profit attributable to owners of the Company and the weighted average number of ordinary shares outstanding.

The Group has no dilution in its earnings per share at 30 June 2023 and 30 June 2022.

**9. Dividends**

No interim dividend for the half year ended 30 June 2023 (30 June 2022: Nil) is recommended as the Group intends to conserve cash for its fleet and shipyard expansion projects.

**10. Net asset value**

	<b>Group</b>		<b>Company</b>	
	<b>30 June 2023</b>	<b>31 December 2022</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
Net asset value per ordinary share based on the issued share capital at the end of period (cents)	90.48	89.98	63.18	63.32

Net asset value per share for both periods is computed based on the number of shares in issue of 220,169,774.

**11. Financial assets at fair value through other comprehensive income**

Financial assets at fair value through other comprehensive income comprise the following:

	<b>Group</b>	
	<b>30 June 2023</b>	<b>31 December 2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Singapore listed equity securities		
- Marco Polo Marine Limited	13,114	9,957

**11.1 Fair value measurement**

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1– Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at 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.

As at 30 June 2023, the Group has investment in quoted equity security representing Level 1 financial asset which is carried at fair value amount of \$13,114,000 (31 December 2022: \$9,957,000). The quoted equity security is listed on the SGX-ST in Singapore

**12. Intangible assets**

	<b>Goodwill</b>
	\$'000
<b>Group</b>	
<b>Cost</b>	
At 31 December 2022 and 30 June 2023	291
<b>Accumulated impairment loss</b>	
At 31 December 2022 and 30 June 2023	(213)
<b>Net carrying amount</b>	
At 31 December 2022 and 30 June 2023	78

Goodwill on consolidation arose from the acquisition of PT Kim Seah Shipyard Indonesia during the financial year ended 31 December 2006. The goodwill amount was determined based on the fair value of the net assets acquired less the purchase consideration paid on the date of purchase. The goodwill has been allocated to PT Kim Seah Shipyard Indonesia as a cash generating unit ("CGU") for impairment testing.

No impairment loss for goodwill was required for the financial year / period ended 31 December 2022 and 30 June 2023.

**13. Property, plant and equipment**

During the six months ended 30 June 2023, the Group acquired assets amounting to \$28,450,000 (30 June 2022: \$17,907,000) and disposed of assets amounting to \$3,584,000 (30 June 2022: \$7,284,000).

14. Other receivables and deposits

	Group		Company	
	30 June 2023 \$'000	31 December 2022 \$'000	30 June 2023 \$'000	31 December 2022 \$'000
<b>Current:</b>				
<i>Financial assets</i>				
Other receivables	4,221	4,350	1	44
Deposits	1,845	1,342	–	194
Insurance claims	1,006	969	–	–
	<hr/>	<hr/>	<hr/>	<hr/>
	7,072	6,661	1	238
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Non-financial assets</i>				
Advance payment to suppliers	13,543	12,333	323	–
Other receivables	444	498	–	–
	<hr/>	<hr/>	<hr/>	<hr/>
	13,987	12,831	323	–
	<hr/>	<hr/>	<hr/>	<hr/>
Total current other receivables and deposits	21,059	19,492	324	238
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Non-current:</b>				
<i>Financial assets</i>				
Other receivables	3,407	3,669	–	–
	<hr/>	<hr/>	<hr/>	<hr/>
Total other receivables and deposits	24,466	23,161	324	238
	<hr/>	<hr/>	<hr/>	<hr/>

Included in the Group's current other receivables and non-current other receivables is an amount of \$1,100,000 (31 December 2022: \$1,616,000) and \$3,407,000 (31 December 2022: \$3,669,000) respectively which pertains to sale of vessels (under property, plant and equipment) under deferred payment arrangements.

**15. Other payables and accruals**

	<b>Group</b>		<b>Company</b>	
	<b>30 June 2023</b>	<b>31 December 2022</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<i>Financial liabilities</i>				
Accrued operating expenses	31,564	31,718	1,476	1,693
Other payables	772	901	183	134
	<b>32,336</b>	<b>32,619</b>	<b>1,659</b>	<b>1,827</b>
<i>Non-financial liabilities</i>				
Other payables	–	–	419	435
Advance payments and deposits received (non-refundable)	34,316	4,822	–	–
<b>Total other payables and accruals</b>	<b>66,652</b>	<b>37,441</b>	<b>2,078</b>	<b>2,262</b>

Advance payments and deposits received (non-refundable) refer mainly to downpayments arising from shipbuilding activities.

**16. Term loans**

	<b>Group</b>		<b>Company</b>	
	<b>30 June 2023</b>	<b>31 December 2022</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<u>Amount repayable within one year or on demand</u>				
Secured	10,817	6,956	7,830	6,956
Unsecured	1,049	1,038	1,049	1,038
	<b>11,866</b>	<b>7,994</b>	<b>8,879</b>	<b>7,994</b>
<u>Amount repayable after one year</u>				
Secured	31,645	14,465	15,907	14,465
Unsecured	908	1,435	908	1,435
	<b>32,553</b>	<b>15,900</b>	<b>16,815</b>	<b>15,900</b>
<b>Total term loans</b>	<b>44,419</b>	<b>23,894</b>	<b>25,694</b>	<b>23,894</b>

The Group's bank borrowings are secured by way of mortgages over subsidiaries' vessels and properties, including assignment of insurance policies, charter earnings and contracts.

**17. Share capital**

	<b>Group and Company</b>			
	<b>30 June 2023</b>		<b>31 December 2022</b>	
	<b>Number of shares</b>	<b>Amount</b>	<b>Number of shares</b>	<b>Amount</b>
	<b>'000</b>	<b>\$'000</b>	<b>'000</b>	<b>\$'000</b>
<b>Ordinary shares issued and fully paid</b>				
Beginning of interim period	220,170	94,943	220,170	94,943

The Company did not hold any treasury shares as at 30 June 2023 and 31 December 2022.

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

**18. Subsequent events**

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



## OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

### 1. Review

The statement of financial position as at 30 June 2023 and the related consolidated income, consolidated statement of comprehensive income, statement of changes in equity and consolidated of cash flow statement for the half year period then ended and the selected explanatory notes (the “Condensed Interim financial Statement”) have not been audited or reviewed by the Company’s auditors.

### 2. Review of performance of the Group

#### Overview

Penguin’s core shipbuilding and crewboat chartering activities are gradually picking up amidst rising, albeit erratic, demand in new and existing markets.

#### Review of the Group's performance For the half year ended 30 June 2023 (1H2023)

Revenue	1H2023	1H2022	+ / (-)
	\$'000	\$'000	%
Shipbuilding, ship repair and maintenance	72,464	48,243	50.2%
Vessel chartering	16,503	13,166	25.3%
<b>Total</b>	<b>88,967</b>	<b>61,409</b>	<b>44.9%</b>

Group revenue in 1H2023 was \$89.0 million, an increase of 44.9% from 1H2022. The increase in revenue and cost of sales was due mainly to an increase in the number of build-for-stock vessels sold and an increase in chartering activities over the period.

The decrease in other income in 1H2023 compared with 1H2022 was due mainly to fewer fleet vessels sold from the Group’s operating fleet. Furthermore, in 1H2022, there was a consideration sum in relation to the Group’s early move-out and relocation from 18 Tuas Basin Link, ahead of the property’s lease expiry in 2025.

The increase in other operating expenses was due mainly to a net foreign exchange loss of \$1.4 million in 1H2023, compared to a net foreign exchange gain of \$1.2 million in 1H2022, as well as higher marine insurance costs arising from more vessels being added to the Group’s operating fleet.

As a result of the above, the Group posted a lower net profit of \$2.4 million in 1H2023, versus a net profit of \$6.8 million in 1H2022.

### **Changes in Balance Sheet**

As of the date of this announcement, the Group's core businesses in vessel chartering and shipbuilding remain unchanged.

The decrease in inventories was due mainly to the sale of stock vessels.

The increase in trade receivables (non-current) and trade receivables (current) was due mainly to differences in the timing of billings and collections during the period.

The increase in other receivables (non-current) and other receivables (current) and deposits was due mainly to an increase in deposits for long lead-time equipment for shipbuilding activities.

The increase in trade payables and other payables and accruals was due mainly to an increased in advance payment arising from shipbuilding activities.

### **Review of Group Cashflow**

The net cash of \$17.0 million from operating activities was generated mostly from shipbuilding activities.

The net cash of \$19.0 million used in investing activities arose from the addition of new vessels to the Group's fleet. This was partially offset by the sale of vessel from the Group's operating fleet.

The net cash of \$11.3 million from financing activities arose from the drawdown of bank loans. This was offset by the repayment of bank loans and dividend payment.

As a result of the above cash movements, the Group's cash and cash equivalents increased to \$22.0 million as at 30 June 2023, from \$12.5 million as at 31 December 2022.

**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 operating period and the next 12 months**

Group revenue in 1H2023 rose 44.9% year-on-year to \$89 million, led primarily by shipbuilding activities. However, gross profit margin fell from 25.5% to 25.1% over the same period, weighed down by weaker shipbuilding margins.

While supply chain disruptions have largely subsided, rising costs of labour, equipment and materials as well as stiff competition from other shipbuilders have continued to rein in shipbuilding margins. The company expects this market dynamic to remain the same for the foreseeable future.

In 1H2023, the group's shipyards in Batam and Singapore delivered 8 stock vessels (versus 6 in 1H2022) and 2 build-to-order (BTO) vessels (unchanged from 1H2022). Over this period, shipbuilding, repair and maintenance revenue rose by 50.2%, from \$48.2 million to \$72.5 million, but margin in this segment fell from 18.2% to 17.0%.

With few exceptions, stock vessel sales earn higher profit margins than BTO vessel sales. Notwithstanding the higher number of stock vessels sold in 1H2023 compared with a year ago, the company's shipbuilding, repair and maintenance margin fell year-on-year, due primarily to higher shipbuilding costs, which cannot easily be passed on to ship owners in a competitive environment.

In 1H2023, Penguin delivered the following stock vessels: 3 Crew Transfer Vessels (CTV), 3 Flex Fighter security boats and 2 Flex crewboats.

Over the same period, Penguin delivered the following BTO vessels: 1 Crew Transfer Vessel (CTV) and 1 small ferry.

Out of the total 10 vessels delivered in 1H2023, 4 were for offshore wind, 5 for offshore oil and gas and 1 for tourism (a ferry).

Over in West Africa, which is home to over 80 Flex crewboats/security boats, demand remains subdued, with only 3 Flex Fighter security boats sold in 1H2023 (up modestly from 2 the previous year).

Back in Singapore, Penguin is pressing on with its decarbonisation journey: In June 2023, the company commenced daily commercial runs with its first of three pure electric ferries between Pasir Panjang and Pulau Bukom for Shell Singapore. Dubbed Electric Dream, Penguin is the project's turnkey designer, builder, owner and operator.

In 1H2023, total bank borrowings rose 85.9% year-on-year to \$44.4 million, of which \$32.5 million is long-term debt.

To stay ahead as a global market leader in the design, construction and operation of aluminium high-speed vessels, bank borrowings will continue to form an integral part of Penguin's capital structure for the foreseeable future.

## 5. Dividend Information

### 5a. Current Financial Period Reported on

Any dividend recommended for the current financial period reported on?

No interim dividend for the half year ended 30 June 2023 is recommended as the Group intends to conserve cash for its fleet and shipyard expansion projects.

### 5b. Corresponding Period of the Immediate Preceding Financial Year

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

No interim dividend for the half year ended 30 June 2022 is recommended as the Group intends to conserve cash during these challenging times.

## 6. **If the group has obtained a general mandate from shareholders for IPT's, the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If not IPT mandate has been obtained, a statement to that effect.**

The Company does not have a shareholders' mandate for interested person transactions.

There were no significant interested persons transactions of or over S\$100,000 in value entered into during the financial period ended 30 June 2023.

## 7. **Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)**

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

### **Confirmation by the Board**

On behalf of the Board of Directors of the Company, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six-month period ended 30 June 2022 to be false or misleading in any material aspect.

On behalf of the Board of Directors

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Tung May Fong  
Finance & Administration Director

Singapore  
9 August 2023