



SEATRIUM LIMITED (formerly known as Sembcorp Marine Ltd)
Registration Number: 196300098Z

**CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE
2023 & RELATED ANNOUNCEMENT**

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SEATRIUM LIMITED
 Registration Number: 196300098Z

UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

A. CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT

	Note	Group		+ / (-) %
		1H 2023 \$'000	1H 2022 \$'000	
Revenue	3	2,885,511	1,094,963	n.m.
Cost of sales	4	(3,035,896)	(1,187,875)	n.m.
Gross loss		(150,385)	(92,912)	61.9
Other operating income	5	164,497	46,537	n.m.
Other operating expenses	5	(32,846)	(10,312)	n.m.
General and administrative expenses	6	(153,876)	(58,365)	n.m.
Operating loss		(172,610)	(115,052)	50.0
Finance income	7	92,072	35,016	n.m.
Finance costs	7	(158,730)	(54,640)	n.m.
Share of results of associates and joint ventures, net of tax		(1,269)	411	n.m.
Loss before tax	9	(240,537)	(134,265)	79.2
Tax expense		(26,322)	(10,766)	n.m.
Loss for the period		(266,859)	(145,031)	84.0
Loss attributable to:				
Owners of the Company		(264,374)	(142,857)	85.1
Non-controlling interests		(2,485)	(2,174)	14.3
Loss for the period		(266,859)	(145,031)	84.0
Earnings per ordinary share (cents)	11			
Basic		(0.47)	(0.46)	2.2
Diluted		(0.47)	(0.46)	2.2

n.m.: not meaningful

B. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group		
	1H 2023	1H 2022	+ / (-)
	\$'000	\$'000	%
Loss for the period	(266,859)	(145,031)	84.0
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation differences for foreign operations	(7,515)	8,301	n.m.
Net change in fair value of cash flow hedges	(14,899)	(3,372)	n.m.
Net change in fair value of cash flow hedges transferred to profit or loss	8,178	4,154	96.9
	<u>(14,236)</u>	<u>9,083</u>	n.m.
<i>Items that may not be reclassified subsequently to profit or loss:</i>			
Net change in fair value of equity investments at fair value through other comprehensive income (FVOCI)	(335)	-	n.m.
Other comprehensive income for the period, net of tax	<u>(14,571)</u>	<u>9,083</u>	n.m.
Total comprehensive income for the period	<u>(281,430)</u>	<u>(135,948)</u>	n.m.
Total comprehensive income attributable to:			
Owners of the Company	(279,300)	(133,729)	n.m.
Non-controlling interests	(2,130)	(2,219)	(4.0)
Total comprehensive income for the period	<u>(281,430)</u>	<u>(135,948)</u>	n.m.

C. CONDENSED INTERIM BALANCE SHEETS

Following the acquisition of Seatrium Offshore & Marine Limited (formerly known as Keppel Offshore & Marine Ltd) ("Seatrium O&M") on 28 February 2023, the financials of Seatrium O&M were consolidated, which explains the main differences in the Group balances (see Note 20 on the effect of the acquisition).

	Note	Group		Company	
		As at 30-Jun-2023 \$'000	As at 31-Dec-2022 \$'000	As at 30-Jun-2023 \$'000	As at 31-Dec-2022 \$'000
Non-current assets					
Property, plant and equipment	12	5,009,080	3,860,087	665	698
Right-of-use assets	13	883,484	215,851	530	796
Investment properties		-	-	30,085	32,985
Investments in subsidiaries	14	-	-	8,264,891	3,585,686
Interests in associates and joint ventures		194,675	17,537	-	-
Other financial assets		128,591	24,057	-	-
Trade and other receivables		1,381,586	1,507,457	1,508,000	238,000
Intangible assets		4,383,868	174,705	133	133
Deferred tax assets		237,388	169,232	28,518	29,022
		<u>12,218,672</u>	<u>5,968,926</u>	<u>9,832,822</u>	<u>3,887,320</u>
Current assets					
Inventories		460,955	71,061	-	-
Trade and other receivables		1,490,654	571,794	115,432	1,337,010
Contract costs		34,429	47,654	-	-
Contract assets		2,405,947	296,763	-	-
Tax recoverable		32,035	14,840	-	-
Assets held for sale		20,043	-	-	-
Other financial assets		34,452	40,007	-	-
Cash and cash equivalents		2,330,407	2,090,843	632,982	615,875
		<u>6,808,922</u>	<u>3,132,962</u>	<u>748,414</u>	<u>1,952,885</u>
Total assets		<u>19,027,594</u>	<u>9,101,888</u>	<u>10,581,236</u>	<u>5,840,205</u>
Current liabilities					
Trade and other payables		3,723,430	1,052,534	44,971	47,412
Contract liabilities		1,164,405	585,801	-	-
Provisions		795,120	89,407	71,680	48,512
Other financial liabilities		28,306	1,622	-	-
Current tax payable		50,060	9,152	12,722	6,189
Interest-bearing borrowings	16	2,443,255	1,669,164	50,000	50,000
Lease liabilities		55,634	26,316	9,330	9,239
		<u>8,260,210</u>	<u>3,433,996</u>	<u>188,703</u>	<u>161,352</u>
Net current (liabilities)/assets		<u>(1,451,288)</u>	<u>(301,034)</u>	<u>559,711</u>	<u>1,791,533</u>
Non-current liabilities					
Deferred tax liabilities		150,202	15,789	-	-
Provisions		640,757	196,835	82,851	109,157
Other financial liabilities		2,772	4,524	-	-
Interest-bearing borrowings	16	1,275,588	1,419,532	-	-
Lease liabilities		494,905	242,373	29,473	33,931
Other long-term payables		1,507	448	-	-
		<u>2,565,731</u>	<u>1,879,501</u>	<u>112,324</u>	<u>143,088</u>
Total liabilities		<u>10,825,941</u>	<u>5,313,497</u>	<u>301,027</u>	<u>304,440</u>
Net assets		<u>8,201,653</u>	<u>3,788,391</u>	<u>10,280,209</u>	<u>5,535,765</u>
Equity attributable to owners of the Company					
Share capital	17	8,753,920	4,074,215	8,753,920	4,074,215
Other reserves		(36,610)	(21,672)	(22,960)	(22,948)
Revenue reserve		(547,562)	(283,188)	1,549,249	1,484,498
		<u>8,169,748</u>	<u>3,769,355</u>	<u>10,280,209</u>	<u>5,535,765</u>
Non-controlling interests		31,905	19,036	-	-
Total equity		<u>8,201,653</u>	<u>3,788,391</u>	<u>10,280,209</u>	<u>5,535,765</u>

D. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

i. Statements of Changes in Equity of the Group

	Attributable to owners of the Company										
	Share capital \$'000	Reserve for own shares \$'000	Capital reserves \$'000	Currency translation reserve \$'000	Share-based payments reserve \$'000	Hedging reserve \$'000	Fair value reserve \$'000	Revenue reserve \$'000	Total \$'000	Non-controlling interests \$'000	Total Equity \$'000
1H 2023											
At 1 January 2023	4,074,215	(1)	(1,683)	(23,517)	(25,995)	29,524	-	(283,188)	3,769,355	19,036	3,788,391
Total comprehensive income											
Loss for the period	-	-	-	-	-	-	-	(264,374)	(264,374)	(2,485)	(266,859)
Other comprehensive income											
Foreign currency translation differences for foreign operations	-	-	-	(7,530)	-	-	-	-	(7,530)	15	(7,515)
Net change in fair value of cash flow hedges	-	-	-	-	-	(15,239)	(335)	-	(15,574)	340	(15,234)
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	-	-	8,178	-	-	8,178	-	8,178
Total other comprehensive income	-	-	-	(7,530)	-	(7,061)	(335)	-	(14,926)	355	(14,571)
Total comprehensive income	-	-	-	(7,530)	-	(7,061)	(335)	(264,374)	(279,300)	(2,130)	(281,430)
Transactions with owners of the Company, recognised directly in equity											
Purchase of treasury shares	-	(149)	-	-	-	-	-	-	(149)	-	(149)
Issue of treasury shares	-	137	-	-	-	-	-	-	137	-	137
Acquisition of subsidiaries	4,679,705	-	-	-	-	-	-	-	4,679,705	14,999	4,694,704
Total transactions with owners	4,679,705	(12)	-	-	-	-	-	-	4,679,693	14,999	4,694,692
At 30 June 2023	8,753,920	(13)	(1,683)	(31,047)	(25,995)	22,463	(335)	(547,562)	8,169,748	31,905	8,201,653
1H 2022											
At 1 January 2022	4,074,215	(1)	(1,683)	(17,732)	(25,995)	(6,271)	-	(21,256)	4,001,277	23,793	4,025,070
Total comprehensive income											
Loss for the period	-	-	-	-	-	-	-	(142,857)	(142,857)	(2,174)	(145,031)
Other comprehensive income											
Foreign currency translation differences for foreign operations	-	-	-	8,346	-	-	-	-	8,346	(45)	8,301
Net change in fair value of cash flow hedges	-	-	-	-	-	(3,372)	-	-	(3,372)	-	(3,372)
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	-	-	4,154	-	-	4,154	-	4,154
Total other comprehensive income	-	-	-	8,346	-	782	-	-	9,128	(45)	9,083
Total comprehensive income	-	-	-	8,346	-	782	-	(142,857)	(133,729)	(2,219)	(135,948)
Transactions with owners of the Company, recognised directly in equity											
Purchase of treasury shares	-	(465)	-	-	-	-	-	-	(465)	-	(465)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(298)	(298)
Total transactions with owners	-	(465)	-	-	-	-	-	-	(465)	(298)	(763)
At 30 June 2022	4,074,215	(466)	(1,683)	(9,386)	(25,995)	(5,489)	-	(164,113)	3,867,083	21,276	3,888,359

D. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (Cont'd)

ii. Statements of Changes in Equity of the Company

	Share capital \$'000	Reserve for own shares \$'000	Capital reserves \$'000	Share-based payments reserve \$'000	Revenue reserve \$'000	Total Equity \$'000
1H 2023						
At 1 January 2023	4,074,215	(1)	960	(23,907)	1,484,498	5,535,765
Total comprehensive income						
Profit for the year	-	-	-	-	64,751	64,751
Other comprehensive income						
Total other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	64,751	64,751
Transactions with owners of the Company, recognised directly in equity						
Purchase of treasury shares	-	(149)	-	-	-	(149)
Issue of treasury shares	-	137	-	-	-	137
Acquisition of subsidiaries	4,679,705	-	-	-	-	4,679,705
Total transactions with owners	4,679,705	(12)	-	-	-	4,679,693
At 30 June 2023	8,753,920	(13)	960	(23,907)	1,549,249	10,280,209
1H 2022						
At 1 January 2022	4,074,215	(1)	960	(23,907)	1,467,550	5,518,817
Total comprehensive income						
Loss for the period	-	-	-	-	(604)	(604)
Other comprehensive income						
Total other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	(604)	(604)
Transactions with owners of the Company, recognised directly in equity						
Purchase of treasury shares	-	(465)	-	-	-	(465)
Total transactions with owners	-	(465)	-	-	-	(465)
At 30 June 2022	4,074,215	(466)	960	(23,907)	1,466,946	5,517,748

E. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	1H 2023 \$'000	1H 2022 \$'000
Cash flows from operating activities:		
Loss for the period	(266,859)	(145,031)
Adjustments for:		
Finance income	(92,072)	(35,016)
Finance costs	158,730	54,640
Depreciation of property, plant and equipment, and right-of-use assets	140,901	84,346
Amortisation of intangible assets	59,114	12,194
Share of results of associates and joint ventures, net of tax	1,269	(411)
Gain on disposal of property, plant and equipment, net	(3,200)	(86)
Changes in fair value of financial instruments	32,791	9,677
Provision for/(write-back of) restoration costs, net	(2,033)	442
Write-down of inventories, net	8,254	2
Impairment losses on trade receivables and contract assets, net	(985)	7,742
Tax expense	26,322	10,766
Operating profit/(loss) before working capital changes	62,232	(735)
Changes in working capital:		
Inventories	(135,738)	266
Contract costs	13,225	45,561
Contract assets	(42,226)	877,148
Contract liabilities	(125,067)	(33,533)
Trade and other receivables	(332,252)	(461,609)
Trade and other payables	491,879	(85,763)
Provisions	(17,339)	(2,320)
Cash (used in)/generated from operations	(85,286)	339,015
Interest income received	105,720	2,696
Interest paid	(131,677)	(34,144)
Tax paid	(21,950)	(904)
Net cash (used in)/generated from operating activities	(133,193)	306,663
Cash flows from investing activities:		
Purchase of property, plant and equipment	(50,203)	(9,483)
Proceeds from sale of property, plant and equipment	3,988	92
Purchase of intangible assets	(91)	(920)
Acquisition of subsidiaries, net of cash acquired	750,043	-
Dividend received from associate	388	-
Distribution from other investment	5,424	-
Purchase of other investment	(20)	-
Net cash generated from/(used in) investing activities	709,529	(10,311)
Cash flows from financing activities:		
Proceeds from borrowings	273,503	199,027
Repayment of borrowings	(581,875)	(171,175)
Purchase of treasury shares	(149)	(465)
Payment of lease liabilities	(26,997)	(11,373)
Dividends paid to non-controlling interests of subsidiaries	-	(299)
Net cash (used in)/generated from financing activities	(335,518)	15,715
Net increase in cash and cash equivalents	240,818	312,067
Cash and cash equivalents at beginning of the period	2,090,843	1,104,118
Effect of exchange rate changes on balances held in foreign currencies	(1,254)	(859)
Cash and cash equivalents at end of the period	2,330,407	1,415,326

F. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. Domicile and activities

Seatrium Limited is a company incorporated in the Republic of Singapore and has its registered office at 80 Tuas South Boulevard, Singapore 637051, and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim financial statements as at and for the period ended 30 June 2023 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates and joint ventures.

On 31 January 2023, the Company issued a circular to its shareholders (the “Circular”) setting out further information on the Proposed Combination by way of the acquisition by the Company of the entire issued and paid-up share capital of Seatrium O&M and the listing and quotation for up to 36,848,072,918 Seatrium O&M Consideration Shares on the Mainboard of the SGX-ST. The purpose of the Circular was to provide Shareholders with information pertaining to, and to seek Shareholders’ approval at an extraordinary general meeting of the Company (the “EGM”) for the Proposed Combination to be held on 16 February 2023.

On 16 February 2023, the Proposed Combination was duly approved and passed by the Company’s shareholders at the EGM. The completion of the Proposed Combination has taken place on 28 February 2023.

Following completion, Seatrium O&M has become a wholly-owned subsidiary of the Company. The Company no longer considers Startree Investments Pte. Ltd. and Temasek Holding (Private) Limited its immediate and ultimate holding companies respectively.

The principal activities of the Company are the provision of management services and investment holding. The principal activities of the Group are the provision of innovative engineering solutions to the global offshore, marine and energy industries.

2. Basis of preparation

2.1. Going concern basis of accounting

The condensed interim financial statements have been prepared on a going concern basis, which assumes that the Group will be able to meet its debt obligations as and when they fall due within the next twelve months.

As at 30 June 2023, the Group recorded net current liabilities of \$1,451,288,000 arising mainly from loans which mature in 2023 (31 December 2022: \$301,034,000), and incurred a loss of \$266,859,000 (1H 2022: \$145,031,000) and negative operating cash flows of \$133,193,000 (1H 2022: positive operating cash flows of \$306,663,000) for the six months ended 30 June 2023. The Group is in talks with lenders to refinance and re-profile current loans with longer term maturities.

The appropriateness of the going concern basis of accounting is dependent on the continued availability of borrowings or alternative sources of capital or liquidity to meet its financial obligations as they fall due.

Management of the Group is confident that the continuing use of the going concern assumption in the preparation of the financial statements is appropriate.

F. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Cont'd)

2.2. Statement of compliance

The condensed interim financial statements are prepared in accordance to Singapore Financial Reporting Standards (International) (SFRS(I)s) and International Financial Reporting Standards (IFRSs). SFRS(I)s are issued by the Accounting Standards Council, which comprise standards and interpretations that are equivalent to IFRSs issued by the International Accounting Standards Board. All references to SFRS(I)s and IFRSs are referred to as SFRS(I)s in these condensed interim financial statements unless otherwise specified.

The condensed interim financial statements for the six months ended 30 June 2023 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting*. 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.

Except as disclosed in Note 2.3. below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current period as the most recent audited financial statements for the year ended, and as at, 31 December 2022.

The condensed interim financial statements are presented in Singapore dollars which is the Company's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand (\$'000), unless otherwise stated.

2.3. New and amended standards

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 January 2023:

- *Initial Application of SFRS(I) 17 and SFRS(I) 9 – Comparative Information* (Amendments to SFRS(I) 17)
- *International Tax Reform—Pillar Two Model Rules* (Amendments to SFRS(I) 1-12)
- SFRS(I) 17 *Insurance Contracts* and Amendments to SFRS(I) 17 *Insurance Contracts*
- *Disclosure of Accounting Policies* (Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2)
- *Definition of Accounting Estimates* (Amendments to SFRS(I) 1-8)
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* (Amendments to SFRS(I) 1-12)

The adoption of the above standards do not have any significant impact on the financial statements.

2.4. Use of estimates and judgements

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. 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 estimation uncertainty were the same as those described in the last annual financial statements as at and for the year ended 31 December 2022, except for:

Acquisition of subsidiaries

During the year, the Group made a significant acquisition. Judgement is required in identifying the acquirer and determining what is part of the business combination. In accounting for a business combination, estimates are also required in performing the purchase price allocation of the fair value of identifiable assets acquired and liabilities assumed, and consideration transferred. The Group has used provisional amounts of purchase price allocation for the accounting of acquisition of subsidiary, and has a one year measurement period from acquisition date to complete the acquisition accounting. Fair value adjustments may arise on the completion of final purchase price allocation due to the estimation uncertainty involved.

F. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Cont'd)

3. Segment and revenue information

The Group has two reportable segments, which are the Group's strategic business units. They are: (i) rigs & floaters, repairs & upgrades, offshore platforms and specialised shipbuilding; and (ii) ship chartering. The strategic business units are managed separately because of their different business activities. The results of all projects related to shipbuilding and repairs are reviewed as a whole and form the basis for resource allocation decisions of the shipyard activities.

Inter-segment sales and transfers are carried out on an arm's length basis. Segment assets consist primarily of property, plant and equipment, intangible assets, current assets and exclude inter-segment balances. Segment liabilities comprise mainly operating liabilities and exclude inter-segment balances. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Other operations include bulk trading in marine engineering related products, provision of harbour tug services to port users, collection and treatment of used copper slag, and the processing and distribution of copper slag for blast cleaning purposes.

The Group operates in 20 (31 December 2022: 12) countries and principally in the Republic of Singapore. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

F. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Cont'd)

3.1. Operating segments

(i) Business segments:

	Rigs & floaters, Repairs & upgrades, Offshore platforms, and Specialised shipbuilding \$'000	Ship chartering \$'000	Others \$'000	Elimination \$'000	Total \$'000
1H 2023					
Revenue					
Sales to external parties	2,862,692	21,599	1,220	-	2,885,511
Inter-segment sales	-	-	33,229	(33,229)	-
Total	2,862,692	21,599	34,449	(33,229)	2,885,511
Results					
Segment results	(174,214)	2,756	(1,152)	-	(172,610)
Finance income	78,183	19	86,494	(72,624)	92,072
Finance costs	(173,027)	(565)	(57,762)	72,624	(158,730)
Share of results of associates and joint ventures, net of tax	1,071	-	(2,340)	-	(1,269)
(Loss)/profit before tax	(267,987)	2,210	25,240	-	(240,537)
Tax expense	(25,063)	(562)	(697)	-	(26,322)
(Loss)/profit for the period	(293,050)	1,648	24,543	-	(266,859)
Capital expenditure	47,105	2,102	692	-	49,899
Significant non-cash items					
Depreciation and amortisation	193,460	5,461	1,094	-	200,015
Changes in fair value of financial instruments	320	-	32,471	-	32,791
Write-back of restoration costs, net	(2,033)	-	-	-	(2,033)
Write-down of inventories, net	8,254	-	-	-	8,254
Write-back of impairment losses on trade receivables and contract assets, net	(985)	-	-	-	(985)
As at 30-Jun-2023					
Assets					
Segment assets	17,744,074	179,856	3,232,861	(2,593,295)	18,563,496
Interests in associates and joint ventures	5,252	-	189,423	-	194,675
Deferred tax assets	233,786	1,884	1,718	-	237,388
Tax recoverable	32,035	-	-	-	32,035
Total assets	18,015,147	181,740	3,424,002	(2,593,295)	19,027,594
Liabilities					
Segment liabilities	11,085,704	30,970	2,102,300	(2,593,295)	10,625,679
Deferred tax liabilities	148,369	-	1,833	-	150,202
Current tax payable	38,736	2,587	8,737	-	50,060
Total liabilities	11,272,809	33,557	2,112,870	(2,593,295)	10,825,941

F. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Cont'd)

3.1. Operating segments (Cont'd)

(i) Business segments:

	Rigs & floaters, Repairs & upgrades, Offshore platforms, and Specialised shipbuilding \$'000	Ship chartering \$'000	Others \$'000	Elimination \$'000	Total \$'000
1H 2022					
Revenue					
Sales to external parties	1,083,709	9,555	1,699	-	1,094,963
Inter-segment sales	-	-	44,317	(44,317)	-
Total	1,083,709	9,555	46,016	(44,317)	1,094,963
Results					
Segment results	(117,689)	1,901	736	-	(115,052)
Finance income	38,989	1	42,369	(46,343)	35,016
Finance costs	(77,865)	(723)	(22,395)	46,343	(54,640)
Share of results of associates and joint ventures, net of tax	(84)	-	495	-	411
(Loss)/profit before tax	(156,649)	1,179	21,205	-	(134,265)
Tax expense	(9,120)	(205)	(1,441)	-	(10,766)
(Loss)/profit for the period	(165,769)	974	19,764	-	(145,031)
Capital expenditure	6,207	2,751	51	-	9,009
Significant non-cash items					
Depreciation and amortisation	90,959	5,375	206	-	96,540
Changes in fair value of financial instruments	6,764	-	2,913	-	9,677
Provision for restoration costs, net	442	-	-	-	442
Write-down of inventories, net	2	-	-	-	2
Impairment losses on trade receivables and contract assets, net	7,742	-	-	-	7,742
As at 31-Dec-2022					
Assets					
Segment assets	8,158,076	240,556	3,257,024	(2,755,377)	8,900,279
Interests in associates and joint ventures	4,384	-	13,153	-	17,537
Deferred tax assets	167,881	1,351	-	-	169,232
Tax recoverable	14,840	-	-	-	14,840
Total assets	8,345,181	241,907	3,270,177	(2,755,377)	9,101,888
Liabilities					
Segment liabilities	6,294,596	43,235	1,706,102	(2,755,377)	5,288,556
Deferred tax liabilities	14,779	-	1,010	-	15,789
Current tax payable	4,704	1,492	2,956	-	9,152
Total liabilities	6,314,079	44,727	1,710,068	(2,755,377)	5,313,497

F. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Cont'd)

3.1. Operating segments (Cont'd)

(ii) Geographical segments:

	Revenue from external customers \$'000	Capital expenditure \$'000	Non-current assets ⁽¹⁾ \$'000	Total assets \$'000
	<u>1H 2023</u>	<u>1H 2023</u>	<u>As at 30-Jun-2023</u>	<u>As at 30-Jun-2023</u>
Singapore	183,469	40,675	9,574,620	15,281,348
Rest of Asia, Australia & India	220,629	4,714	353,883	583,487
Rest of Middle East & Africa	57,592	4	129	31,162
United Kingdom	93,293	56	1,805	10,208
Norway	75,311	20	62,222	74,287
The Netherlands	29,024	-	79,521	88,775
Rest of Europe	309,520	-	122	3,323
Brazil	1,558,641	3,829	1,666,517	2,427,688
U.S.A.	350,582	601	113,843	526,917
Other countries	7,450	-	31	399
Total	<u>2,885,511</u>	<u>49,899</u>	<u>11,852,693</u>	<u>19,027,594</u>
	<u>1H 2022</u>	<u>1H 2022</u>	<u>As at 31-Dec-2022</u>	<u>As at 31-Dec-2022</u>
Singapore	73,566	6,431	3,985,734	7,086,046
Rest of Asia, Australia & India	55,837	847	106,619	122,264
Qatar	62,943	-	-	-
Rest of Middle East & Africa	1,007	-	-	-
United Kingdom	177,742	53	1,772	9,157
Norway	237,532	6	67,630	78,411
France	110,297	43	-	-
The Netherlands	1,598	-	82,466	95,910
Rest of Europe	74,177	11	136	3,122
Brazil	98,403	1,618	1,531,258	1,706,729
U.S.A.	198,746	-	22	249
Other countries	3,115	-	-	-
Total	<u>1,094,963</u>	<u>9,009</u>	<u>5,775,637</u>	<u>9,101,888</u>

⁽¹⁾ Non-current assets presented consist of property, plant and equipment, right-of-use assets, investments in associates and joint ventures, trade and other receivables and intangible assets.

F. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Cont'd)

3.2. Disaggregation of revenue

	Rigs & floaters, Repairs & upgrades, Offshore platforms and Specialised shipbuilding \$'000	Ship chartering \$'000	Others \$'000	Elimination \$'000	Total \$'000
1H 2023					
Revenue					
Sales to external parties	2,862,692	21,599	1,220	-	2,885,511
Inter-segment sales	-	-	33,229	(33,229)	-
Total	2,862,692	21,599	34,449	(33,229)	2,885,511
Major product and service lines					
Ship and rig building or conversion	2,032,150	-	-	-	2,032,150
Repair, maintenance and related services	503,525	-	-	-	503,525
Offshore platforms	245,426	-	-	-	245,426
Specialised shipbuilding	29,814	-	-	-	29,814
Charter hire	-	21,599	-	-	21,599
Sale of goods	-	-	1,220	-	1,220
Others	51,777	-	-	-	51,777
Total	2,862,692	21,599	1,220	-	2,885,511
Timing of revenue recognition					
Control transferred over time	2,827,895	21,599	-	-	2,849,494
Control transferred at a point in time	34,797	-	1,220	-	36,017
Total	2,862,692	21,599	1,220	-	2,885,511
1H 2022					
Revenue					
Sales to external parties	1,083,709	9,555	1,699	-	1,094,963
Inter-segment sales	-	-	44,317	(44,317)	-
Total	1,083,709	9,555	46,016	(44,317)	1,094,963
Major product and service lines					
Ship and rig building or conversion	715,070	-	-	-	715,070
Repair, maintenance and related services	204,050	-	-	-	204,050
Offshore platforms	142,268	-	-	-	142,268
Specialised shipbuilding	4,276	-	-	-	4,276
Charter hire	-	9,555	-	-	9,555
Sale of goods	-	-	1,699	-	1,699
Others	18,045	-	-	-	18,045
Total	1,083,709	9,555	1,699	-	1,094,963
Timing of revenue recognition					
Control transferred over time	1,081,965	9,555	-	-	1,091,520
Control transferred at a point in time	1,744	-	1,699	-	3,443
Total	1,083,709	9,555	1,699	-	1,094,963

F. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Cont'd)

4. Cost of Sales

	Group	
	1H 2023	1H 2022
	\$'000	\$'000
Cost of sales	(3,035,896)	(1,187,875)
<i>Included in cost of sales:</i>		
Depreciation and amortisation	(188,826)	(94,489)
Write-down of inventories, net	(8,254)	(2)

5. Other operating income/(expenses)

	Group	
	1H 2023	1H 2022
	\$'000	\$'000
Other operating income	164,497	46,537
Other operating expenses	(32,846)	(10,312)
	131,651	36,225
<i>Included in other operating income/(expenses):</i>		
Changes in fair value of financial instruments	(32,791)	(9,677)
Foreign exchange gain, net	51,284	14,317
Gain on disposal of property, plant and equipment, net	3,200	86
Write-back of/(provision for) restoration costs, net	2,033	(442)
Rental income	13,332	5,994
Grant income	1,561	11,243
Other income	93,087	14,897
Other expenses	(55)	(193)
	131,651	36,225

6. General and administrative expenses

	Group	
	1H 2023	1H 2022
	\$'000	\$'000
General and administrative expenses	(153,876)	(58,365)
<i>Included in general and administrative expenses:</i>		
Depreciation and amortisation	(11,189)	(2,051)
Impairment losses on trade receivables and contract assets, net	985	(7,742)

F. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Cont'd)

7. Finance income and finance costs

	Group	
	1H 2023	1H 2022
	\$'000	\$'000
Finance income	92,072	35,016
Finance costs	(158,730)	(54,640)
	<u>(66,658)</u>	<u>(19,624)</u>
<i>Included in finance income/(costs):</i>		
Interest income	92,072	35,016
Interest paid and payable to bank and others	(130,900)	(38,335)
Amortisation of capitalised transaction costs	(7,404)	(8,390)
Unwind of discount on restoration costs	(7,836)	(1,615)
Interest expense on lease liabilities	(12,590)	(6,300)
	<u>(66,658)</u>	<u>(19,624)</u>

8. Seasonality of operations

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

9. Tax

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 income statement are:

	Group	
	1H 2023	1H 2022
	\$'000	\$'000
Current tax credit/(expense)		
Current year	(40,017)	(10,721)
Over/(under) provided in prior years	2,710	(412)
Deferred tax credit		
Movements in temporary differences	10,966	367
Over provided in prior years	19	-
Tax expense	<u>(26,322)</u>	<u>(10,766)</u>

During 1H 2023, the Group recognised deferred tax credit of \$10,985,000 (1H 2022: recognised deferred tax credit of \$367,000) relating to unutilised tax losses, investment allowances and deductible temporary differences.

10. Dividend

There is no dividend recommended for the period ended 30 June 2023 (30 June 2022: Nil).

F. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Cont'd)

11. Earnings per ordinary share

	Group	
	1H 2023	1H 2022
(i) Based on the weighted average number of shares (cents) - Weighted average number of shares ('000)	(0.47) 56,225,922	(0.46) 31,389,099
(ii) On a fully diluted basis (cents) - Adjusted weighted average number of shares ('000)	(0.47) 56,225,922	(0.46) 31,389,099

12. Property, Plant and Equipment ("PPE")

During the six months ended 30 June 2023, additions to PPE amounted to \$1,274,108,000 (1H 2022: \$8,089,000) of which \$1,161,678,000 was due to acquisition of Seatrium O&M (Note 20).

Impairment assessment of the Group's accommodation vessel

As at 30 June 2023, the Group considered the events in the period and no impairment or write-back of impairment is required based on the Group's assessment of market conditions.

Impairment assessment of the Group's shipyard assets and other long lived non-financial assets

The property, plant and equipment comprise mainly shipyard assets attributable to the "rigs & floaters, repairs & upgrades, offshore platforms and specialised shipbuilding" operating segment. The Group is currently undergoing integration post acquisition of Seatrium O&M and redefining their CGUs for allocation of goodwill and for impairment purpose.

As at 30 June 2023, the Group considered the events in the period and no impairment is required based on the Group's assessment of market conditions.

13. Right-of-use assets and leases

The Group leases many assets including land and buildings and tugboats.

During the six months ended 30 June 2023, the Group recognised ROU assets amounting to \$701,059,000 (1H 2022: \$526,000) of which \$697,212,000 was due to acquisition of Seatrium O&M (Note 20).

14. Investments in subsidiaries

Impairment assessment of the Company's investment in subsidiaries

As at 30 June 2023, the Group considered the events in the period and no impairment is required based on the Group's assessment of market conditions.

F. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Cont'd)

15. Net asset value

	Group		Company	
	30-Jun-2023	31-Dec-2022	30-Jun-2023	31-Dec-2022
Net asset value per ordinary share based on issued share capital at the end of the financial period/year (cents)	11.97	12.01	15.07	17.64

16. Group's borrowings and debt securities

	As at 30-Jun-2023 \$'000	As at 31-Dec-2022 \$'000
Interest-bearing borrowings:		
(i) <u>Amount repayable in one year or less, or on demand</u>		
Unsecured	2,434,746	1,669,164
Secured	8,509	-
	<u>2,443,255</u>	<u>1,669,164</u>
(ii) <u>Amount repayable after one year</u>		
Unsecured	1,204,922	1,419,532
Secured	70,666	-
	<u>1,275,588</u>	<u>1,419,532</u>

F. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Cont'd)

17. Share capital

(i) Issued and Paid Up Capital

During 1H 2023, the Company issued 36,848,072,918 ordinary shares to Keppel Corporation Limited and its shareholders as consideration for the acquisition of Seatrium O&M.

As at 30 June 2023, the Company's issued and paid up capital, excluding treasury shares, comprises 68,237,075,670 (31 December 2022: 31,389,099,152) ordinary shares.

(ii) Treasury Shares

	Number of shares	
	2023	2022
At 1 January	6,223	6,223
Treasury shares purchased	1,200,000	4,010,000
Treasury shares issued pursuant to RSP	(1,103,600)	(4,010,000)
At 30 June	<u>102,623</u>	<u>6,223</u>

During 1H 2023, the Company acquired 1,200,000 (1H 2022: 4,010,000) ordinary shares in the Company by way of on-market purchases. There were 1,103,600 (1H 2022: 4,010,000) treasury shares issued pursuant to the Company's Restricted Share Plan ("RSP") in 1H 2023.

As at 30 June 2023, 102,623 (30 June 2022: 6,223) treasury shares were held that may be issued upon the vesting of performance shares and restricted shares under the Company's Performance Share Plan ("PSP") and RSP respectively.

(iii) Performance Shares

As at 30 June 2023 and 30 June 2022, there is no performance shares in awards granted conditionally and representing 100% of targets to be achieved, but not released.

(iv) Restricted Shares

As at 30 June 2023 and 30 June 2022, there were no restricted shares outstanding, including awards achieved but not released.

F. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Cont'd)

18. Related parties

18a. Related party transactions

The Group had the following outstanding balances and significant transactions with related parties during the period:

	Outstanding balances		Significant transactions	
	30-Jun-2023 \$'000	31-Dec-2022 \$'000	30-Jun-2023 \$'000	30-Jun-2022 \$'000
Related corporations				
Sales	473	415	3,923	833
Purchases	(884)	(4,813)	(24,077)	(34,518)
Rental income	-	-	451	-
Finance income	-	586	4,583	240
Finance costs	-	(2,030)	(4,740)	(8,386)
Others	-	-	357	(72)
Associates and joint ventures				
Sales	-	22	-	-
Purchases	(8)	(872)	(10,001)	(3,444)
Rental income	-	-	83	-
Finance income	34	323	192	63
Others	(20)	(117)	54	21

18b. Compensation of key management personnel

Changes to Key Management Personnel

As at 30 June 2023, the Group considers the directors of the Company (including the Chief Executive Officer), the Chief Operating Officer, Chief People Officer, Chief Risk Officer and Executive Vice President, Technology & New Product Development of the Company to be key management personnel in accordance with SFRS(I) 1-24 *Related Party Disclosures*.

As at 31 December 2022, the Group considers the directors of the Company (including the President & Chief Executive Officer of the Company), the Executive Vice President & Head of Operations, the Group Finance Director, the Senior Vice President & Head of Rigs & Floaters, the Chief Risk Officer and the Chief Human Resource Officer of the Company to be key management personnel in accordance with SFRS(I) 1-24 *Related Party Disclosures*.

There were no changes to the compensation scheme in 1H 2023.

F. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Cont'd)

19. Fair value measurements

The Group classifies financial assets and liabilities measured at fair value using a fair value hierarchy that prioritises the inputs used to measure fair value. The three levels of the fair value input hierarchy are as follows:

- Level 1 – Fair values are measured based on quoted prices (unadjusted) from active markets for identical financial instruments.
- Level 2 – Fair values are measured using inputs, other than those used for Level 1, that are observable for the financial instruments either directly (prices) or indirectly (derived from prices).
- Level 3 – Fair values are measured using inputs which are not based on observable market data (unobservable input).

Securities

The fair value of financial assets at fair value through profit or loss, and fair value through other comprehensive income, are based on quoted market prices (bid price) in an active market at the balance sheet date without any deduction for transaction costs. If the market for a quoted financial asset is not active, and for unquoted financial assets, the Group establishes fair value by using other valuation techniques.

Derivatives

The fair value of forward exchange contracts is accounted for based on the difference between the contractual price and the current market price.

The fair value of interest rate swaps is the indicative amount that the Group is expected to receive or pay to terminate the swap with the swap counterparties at the balance sheet date.

Non-derivative non-current financial assets and liabilities

Fair values determined for non-derivative non-current financial assets and liabilities are calculated based on discounted expected future principal and interest cash flows at the market rate of interest at the reporting date. This includes determination for fair value disclosure purpose as well.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

For financial instruments that are not actively traded in the market, the fair value is determined by independent third party or using valuation techniques where applicable. The Group may use a variety of methods and make assumptions that are based on existing market conditions at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used to estimate the fair value for medium term notes for disclosure purpose. Other techniques, such as estimated discounted cash flows, are used to determine the fair value for the remaining financial instruments. Where discounted cash flow techniques are used, the management will estimate the future cash flows and use relevant market rate as the discount rate at the balance sheet date.

F. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Cont'd)

19. Fair value measurements (Cont'd)

Financial assets and liabilities carried at fair value

	Fair value measurement using:			Total \$'000
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
Group				
At 30 June 2023				
Financial assets at fair value through other comprehensive income	2,847	-	28,459	31,306
Financial assets at fair value through profit or loss	-	16,442	49,926	66,368
Derivative financial assets	-	65,369	-	65,369
Derivative financial liabilities	-	(31,078)	-	(31,078)
Total	2,847	50,733	78,385	131,965
At 31 December 2022				
Financial assets at fair value through other comprehensive income	-	-	2,642	2,642
Derivative financial assets	-	61,422	-	61,422
Derivative financial liabilities	-	(6,146)	-	(6,146)
Total	-	55,276	2,642	57,918

At 30 June 2023 and 31 December 2022, there were no transfers between the different levels of the fair value hierarchy.

*Assets and liabilities not carried at fair value but for which fair values are disclosed**

	Fair value measurement using:			Total \$'000
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
Group				
At 30 June 2023				
Interest-bearing borrowings	-	(1,240,389)	-	(1,240,389)
At 31 December 2022				
Interest-bearing borrowings	-	(1,411,545)	-	(1,411,545)

* Excludes financial assets and liabilities whose carrying amounts measured on the amortised cost basis that approximate their fair values due to their short-term nature, frequent repricing, and/or where the effect of discounting is immaterial.

F. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Cont'd)

19. Fair value measurements (Cont'd)

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheets are as follows:

Group	Financial assets at amortised cost \$'000	Other financial liabilities \$'000	Total carrying amount \$'000	Fair value \$'000
At 30 June 2023				
Cash and cash equivalents	2,330,407	-	2,330,407	2,330,407
Trade and other receivables*	2,561,989	-	2,561,989	2,561,989
	<u>4,892,396</u>	<u>-</u>	<u>4,892,396</u>	<u>4,892,396</u>
Trade and other payables**	-	3,693,073	3,693,073	3,693,073
Interest-bearing borrowings				
- Short-term borrowings	-	2,443,255	2,443,255	2,443,255
- Long-term borrowings	-	1,275,588	1,275,588	1,240,389
	<u>-</u>	<u>7,411,916</u>	<u>7,411,916</u>	<u>7,376,717</u>
At 31 December 2022				
Cash and cash equivalents	2,090,843	-	2,090,843	2,090,843
Trade and other receivables*	1,915,161	-	1,915,161	1,915,161
	<u>4,006,004</u>	<u>-</u>	<u>4,006,004</u>	<u>4,006,004</u>
Trade and other payables**	-	1,047,386	1,047,386	1,047,386
Interest-bearing borrowings				
- Short-term borrowings	-	1,669,164	1,669,164	1,669,164
- Long-term borrowings	-	1,419,532	1,419,532	1,411,545
	<u>-</u>	<u>4,136,082</u>	<u>4,136,082</u>	<u>4,128,095</u>
Company				
At 30 June 2023				
Cash and cash equivalents	632,982	-	632,982	632,982
Trade and other receivables*	1,610,012	-	1,610,012	1,610,012
	<u>2,242,994</u>	<u>-</u>	<u>2,242,994</u>	<u>2,242,994</u>
Trade and other payables**	-	44,938	44,938	44,938
Interest-bearing borrowings				
- Short-term borrowings	-	50,000	50,000	50,000
	<u>-</u>	<u>94,938</u>	<u>94,938</u>	<u>94,938</u>
At 31 December 2022				
Cash and cash equivalents	615,875	-	615,875	615,875
Trade and other receivables*	1,561,794	-	1,561,794	1,561,794
	<u>2,177,669</u>	<u>-</u>	<u>2,177,669</u>	<u>2,177,669</u>
Trade and other payables**	-	47,348	47,348	47,348
Interest-bearing borrowings				
- Short-term borrowings	-	50,000	50,000	50,000
	<u>-</u>	<u>97,348</u>	<u>97,348</u>	<u>97,348</u>

* Excludes Goods and Services Tax and grant receivables.

** Excludes deposits received, advance payment from customers, Goods and Services Tax, deferred grant income and long-term employee benefits.

F. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Cont'd)

20. Acquisition of Seatrium O&M

On 28 February 2023, the Group acquired 100% of the shares and voting interests in Seatrium O&M from Keppel Corporation Limited ("Keppel").

As consideration for its acquisition of Seatrium O&M, the Group issued new shares to Keppel and its shareholders representing 54% of the shares in the Group.

For the four months ended 30 June 2023, Seatrium O&M contributed revenue of \$1,392,892,000 and loss of \$130,044,000 to the Group's results. If the acquisition had occurred on 1 January 2023, management estimates that the consolidated revenue and loss for six months ended 30 June 2023 would have been \$3,515,977,000 and \$622,369,000 respectively.

Details of the consideration transferred, the assets acquired and liabilities assumed, the non-controlling interest recognised and the effects on the cash flows of the Group, at the acquisition date, are as follows:

	Note	1H 2023 \$'000
Purchase consideration		
Equity instruments issued (36,848,072,918 ordinary shares)	a	4,679,705
Consideration transferred for the businesses		<u>4,679,705</u>
Effect on cash flows of the Group		
Cash paid		-
Cash and cash equivalents in subsidiaries acquired		<u>(742,854)</u>
Cash inflow on acquisition		<u>(742,854)</u>
Identifiable assets acquired and liabilities assumed¹		
Property, plant and equipment		1,161,678
Right-of-use assets		697,212
Intangible assets		452,241
Interests in associates and joint ventures		204,142
Other financial assets		126,589
Trade and other receivables		445,395
Deferred tax assets		67,920
Inventories		262,410
Contract assets		2,066,958
Tax recoverable		1,571
Assets held for sale		20,043
Cash and cash equivalents		742,854
Total assets		<u>6,249,013</u>
Trade and other payables		2,253,630
Contract liabilities		703,671
Provisions		1,033,998
Current tax payable		7,229
Interest-bearing borrowings		938,399
Lease liabilities		291,266
Deferred tax liabilities		143,001
Total liabilities		<u>5,371,194</u>
Total identifiable net assets		877,819
Less: Non-controlling interests		(14,295)
Add: Goodwill acquired		3,816,181
Consideration transferred for the businesses		<u>4,679,705</u>

¹ The above fair values of identifiable assets acquired, and liabilities assumed have been determined on provisional basis as of 30 June 2023.

F. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Cont'd)

20. Acquisition of Seatrium O&M (Cont'd)

(a) Equity instruments issued

The fair value of the ordinary shares issued was based on listed share price of the Company at 27 February 2023 of \$0.127 per share.

(b) Acquisition-related costs

The Group incurred acquisition-related costs amounting to \$33 million, of which \$17 million was recognised in 1H 2023 and \$16 million in prior years. These costs have been included in general and administrative expenses.

(c) Goodwill

The goodwill is attributable mainly to the synergies expected to be achieved from integrating Seatrium O&M into the Group's existing business, arising from greater economies of scale, combined technical and engineering ability, as well as leverage on in-house design and R&D know-how to expand the Group's suite of technological capabilities. Together with the assembled workforce of Seatrium O&M acquired, the Group expects to reap future economic benefits as the Group positions itself to pursue expanded opportunities for growth in the areas of renewables, new energy and cleaner O&M solutions. Collectively, these are future economic benefits the Group expects to reap from capitalising the goodwill on acquisition on balance sheet but within current accounting standards, none of these can be individually recognised and measured.

None of the goodwill is expected to be deductible for tax purposes.

G. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1. Audit

The condensed interim financial statements, comprising the condensed interim balance sheets of Seatrium Limited (“the Company”) and its Subsidiaries (“the Group”) as at 30 June 2023, the condensed interim consolidated income statement, condensed interim consolidated statement of comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the six-month period then ended and certain explanatory notes, as set out on pages 1 to 24 of this announcement, has not been audited or reviewed. However, our auditors have performed certain procedures under the requirements of Singapore Standard on Related Services (SSRS) 4400 (Revised) – *Agreed-upon Procedures Engagements*. These procedures do not constitute either an audit, assurance or a review made in accordance with Singapore Standards on Auditing, Singapore Standards on Assurance Engagements) or Singapore Standards on Review Engagements.

2. Auditors’ report

Not applicable.

3. Review of performance of the Group

3a. Condensed interim consolidated income statement

(i) Revenue

Revenue for 1H 2023 increased mainly due to consolidation of projects following the completion of the combination, strong operational execution, achievement of production milestones, as well as initial contributions from new projects.

(ii) Gross loss

Gross loss for 1H 2023 was higher mainly due to higher costs for certain projects and merger related costs amounting to \$231 million, mitigated by higher contribution from repairs & upgrades businesses. In 1H 2022, there was significant contributions from floater and offshore platforms projects arising from the settlement of final contract negotiation.

(iii) Other operating income/(expenses)

- (a) Changes in fair value of financial instruments were due to mark-to-market adjustments of foreign currency forward contracts used for managing the Group’s foreign currency exposures.
- (b) Higher foreign exchange gain in 1H 2023 was mainly due to the revaluation of assets and liabilities denominated in United States dollar to Singapore dollar.
- (c) The net write back of provision for restoration costs for 1H 2023 was mainly for Tanjong Kling Yard provision made in prior year.
- (d) Higher rental income in 1H 2023 was mainly due to consolidation of Seatrium O&M rental income.
- (e) Lower grant income in 1H 2023 was mainly due to lower government grants.
- (f) Higher other income in 1H 2023 was mainly due to claims for cost incurred relating to rigs sold to AssetCo and higher scrap sales.

(iv) General and administrative expenses

Higher general and administrative expenses in 1H 2023 was mainly due to higher personnel related costs, higher professional fees incurred from the combination with Seatrium O&M and higher depreciation.

(v) Finance income and finance costs

- (a) Higher finance income in 1H 2023 was mainly due to higher interest income from customers on deferred payment arrangement and bank deposits.
- (b) Higher finance costs in 1H 2023 was mainly due to higher interest expense from higher borrowings.

G. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (Cont'd)

3. Review of performance of the Group (Cont'd)

3a. Condensed interim consolidated income statement (Cont'd)

(vi) Loss attributable to Owners of the Company (“Net loss”)

Net loss for 1H 2023 was higher mainly due to higher costs for certain projects, higher professional fees, higher net finance costs and tax expenses, mitigated by higher contribution from repairs & upgrades businesses.

3b. Condensed interim consolidated statement of comprehensive income

The movement in foreign currency translation differences for foreign operations arose primarily from the consolidation of entities whose functional currencies are United States dollars.

Net change in fair value of cash flow hedges were due to the mark-to-market adjustments of foreign currency forward contracts and interest rate swaps.

Net change in fair value of cash flow hedges transferred to profit or loss relates to reclassification to profit or loss upon realisation of cash flow hedges.

3c. Condensed interim balance sheets

(i) Group

The significant changes was mainly due to the consolidation of the financials from Seatrium O&M acquisition.

Non-current assets

‘Property, plant and equipment’, ‘Right-of-use assets’, ‘Interests in associates and joint ventures’ and ‘deferred tax assets’ increased mainly due to Seatrium O&M acquisition.

‘Other financial assets’ increased mainly due to fair value adjustments on interest rate swaps and foreign currency forward contracts.

‘Trade and other receivables’ decreased mainly due to payment received from customers on deferred delivery payment terms.

‘Intangible assets’ increased mainly due to goodwill recognised from Seatrium O&M acquisition (see Note 20).

Current assets

‘Inventories’ increased mainly due to due to Seatrium O&M acquisition.

‘Trade and other receivables’ increased mainly due to Seatrium O&M acquisition and higher prepayments and advances.

‘Contract costs’ decreased mainly due to recognition of costs of sales during the period.

‘Contract assets’ increased mainly due to Seatrium O&M acquisition, offset by billings to customers upon completion of project.

‘Tax recoverable’ increased mainly due to payment made.

‘Assets held for sale’ was mainly due to Seatrium O&M acquisition.

‘Other financial assets’ decreased mainly due to fair value adjustments on interest rate swaps and foreign currency forward contracts.

‘Cash and cash equivalents’ increased mainly due to cash from Seatrium O&M acquisition, offset by working capital for ongoing projects.

G. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (Cont'd)

3. Review of performance of the Group (Cont'd)

3c. Condensed interim balance sheets (Cont'd)

(i) Group (Cont'd)

Current liabilities

'Trade and other payables' increased mainly due to Seatrium O&M acquisition and higher accrued operating expenses.

'Contract liabilities' increased mainly due to Seatrium O&M acquisition and advances received from customers.

'Provisions' increased mainly due to Seatrium O&M acquisition and reclassification of provision for restoration costs from non-current liabilities.

'Other financial liabilities' increased mainly due to fair value adjustments on foreign currency forward contracts.

'Current tax payable' increased mainly due to provision made during the period.

'Interest-bearing borrowings' increased mainly due to reclassification from non-current borrowings.

Net Current liabilities

The Group is in a net current liabilities position mainly due to loans due in the next 12 months. Management's plan is to refinance the loans of the Group and/or convert/replace the short term borrowings with longer term arrangements. Management is in advanced discussions with the banks on rolling/refinancing the loans due within the next 12 months.

Non-current liabilities

'Deferred tax liabilities' increased mainly due to the movements in temporary differences.

'Provisions' increased mainly due to Seatrium O&M acquisition, offset by reclassification of provision for restoration costs to current liabilities.

'Other financial liabilities' decreased mainly due to fair value adjustments on foreign currency forward contracts.

'Interest-bearing borrowings' decreased mainly due to reclassification to current borrowings.

'Lease liabilities' and 'Other long-term payables' increased mainly due to Seatrium O&M acquisition.

Total Equity

'Share capital' increased mainly due to new shares issued to Keppel Corporation Limited and its shareholders as consideration for the acquisition of Seatrium O&M.

G. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (Cont'd)

3. Review of performance of the Group (Cont'd)

3c. Condensed interim balance sheets (Cont'd)

(ii) Company

Non-current assets

'Right-of-use assets' decreased mainly due to depreciation charge for the period.

'Investments in subsidiaries' increased mainly due to acquisition of Seatrium O&M.

'Trade and other receivables' increased mainly due to refinancing of current loan to a subsidiary to non-current assets.

Current assets

'Trade and other receivables' decreased mainly due to refinancing of current loan to a subsidiary to non-current assets.

Current liabilities

'Provisions' increased mainly due to reclassification of provision for restoration costs from non-current liabilities.

'Current tax payable' increased mainly due to provision made during the period.

Non-current liabilities

'Provisions' decreased mainly due to reclassification of provision for restoration costs to current liabilities.

'Lease liabilities' decreased mainly due to payment made during the period.

Total Equity

'Share capital' increased mainly due to new shares issued to Keppel Corporation Limited and its shareholders as consideration for the acquisition of Seatrium O&M.

3d. Condensed interim consolidated statement of cash flows

(i) Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of cash flows comprise the following balance sheet amounts:

	30-Jun-2023 \$'000	30-Jun-2022 \$'000
Fixed deposits	1,071,217	7,795
Cash and bank balances	1,259,190	1,407,531
Cash and cash equivalents	2,330,407	1,415,326

Cash flows generated from operating activities before changes in working capital were \$62 million in 1H 2023. Net cash used in operating activities for 1H 2023 at \$133 million was mainly due to working capital for ongoing projects and net interest paid.

Net cash generated from investing activities for 1H 2023 was \$710 million, mainly due to cash from the acquisition of Seatrium O&M.

Net cash used in financing activities for 1H 2023 was \$336 million. It relates mainly to net repayment of borrowings.

G. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (Cont'd)

4. Variance from prospect statement

None.

5. Prospects

In the face of our rapidly evolving industry, we continue to take steps to position Seatrium at the centre of the global energy transition to a low-carbon economy.

Amid the ongoing energy transition and heightened concerns for energy security, the industry outlook for oil & gas, offshore renewables and other green solutions continues to improve and strengthen.

In particular, the prospects for offshore-wind related orders will continue to be driven by Europe and the US' needs to meet capacity targets by 2040. These targets are likely to be accelerated due to the above-mentioned increasing momentum of energy transition and governmental goals of net zero emissions.

Riding on these prospects, Seatrium is working on multiple tender opportunities and endeavours to strategically convert these into firm, quality contracts. We anticipate operational and the underlying financial performance to continue to improve in tandem. However, the Group expects to make a net loss for FY2023.

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, exchange rate movement, cost of capital and capital availability, competition from other companies and venues for the sale and distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.

G. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (Cont'd)

6. Interested person transactions

Name of Interested Person	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual (excluding transactions less than \$100,000)	
		1H 2023 \$'000	1H 2022 \$'000	1H 2023 \$'000	1H 2022 \$'000
Transaction for the Sales of Assets					
Pavilion Energy Pte. Ltd.	Associate of Temasek Holdings (Private) Limited, the largest shareholder of the Company.	200	-	-	-
Transaction for the Sales of Goods and Services					
Pavilion Energy Singapore Pte. Ltd.	Associate of Temasek Holdings (Private) Limited, the largest shareholder of the Company.	-	-	301	-
ST Engineering Marine Ltd.	Associate of Temasek Holdings (Private) Limited, the largest shareholder of the Company.	-	-	1,500	-
Transaction for the Purchase of Goods and Services					
Pavilion Energy Singapore Pte. Ltd.	Associate of Temasek Holdings (Private) Limited, the largest shareholder of the Company.	-	-	2,046	-
ST Engineering Unmanned & Integrated Systems Pte. Ltd.	Associate of Temasek Holdings (Private) Limited, the largest shareholder of the Company.	-	-	110	-
Sygnia Consulting Ltd.	Associate of Temasek Holdings (Private) Limited, the largest shareholder of the Company.	-	-	231	-
Total Interested Person Transactions		200	-	4,188	-

7. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under 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 under Rule 720(1) of the Listing Manual.

8. Confirmation pursuant to the Rule 705(5) of the Listing Manual

The Board of Directors hereby confirms that, to the best of its knowledge, nothing has come to its attention which may render the six months ended 30 June 2023 unaudited financial statements to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

KEM HUEY LEE SHARON
COMPANY SECRETARY

27 July 2023