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

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023 & RELATED ANNOUNCEMENT

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SEATRIUM LIMITED
Registration Number: 196300098Z

UNAUDITED RESULTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023

A. CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT

	Note	Group 2H 2023 $'000	Group 2H 2022 $'000	+ / (-) %	Group FY 2023 $'000	Group FY 2022 $'000	+ / (-) %
Revenue	3	**4,405,977**	**852,232**	**n.m.**	**7,291,488**	**1,947,195**	**n.m.**
Cost of sales	4	(4,464,933)	(891,482)	n.m.	(7,500,829)	(2,079,357)	n.m.
Gross loss		**(58,956)**	**(39,250)**	**50.2**	**(209,341)**	**(132,162)**	**58.4**
Other operating income	5	104,873	63,631	64.8	269,370	110,168	n.m.
Other operating expenses	5	(1,234,348)	(63,691)	n.m.	(1,267,194)	(74,003)	n.m.
General and administrative expenses	6	(211,608)	(52,082)	n.m.	(365,484)	(110,447)	n.m.
Operating loss		**(1,400,039)**	**(91,392)**	**n.m.**	**(1,572,649)**	**(206,444)**	**n.m.**
Finance income	7	104,163	67,242	54.9	196,235	102,258	91.9
Finance costs	7	(129,454)	(82,060)	57.8	(288,184)	(136,700)	n.m.
Non-operating items	8	(281,821)	8	n.m.	(281,821)	8	n.m.
Share of results of associates and joint ventures, net of tax		8,323	723	n.m.	7,054	1,134	n.m.
Loss before tax		**(1,698,828)**	**(105,479)**	**n.m.**	**(1,939,365)**	**(239,744)**	**n.m.**
Tax credit/(expense)	10	12,454	(15,050)	n.m.	(13,868)	(25,816)	(46.3)
Loss for the period/year		**(1,686,374)**	**(120,529)**	**n.m.**	**(1,953,233)**	**(265,560)**	**n.m.**
Loss attributable to:							
Owners of the Company		**(1,675,843)**	**(118,284)**	**n.m.**	**(1,940,217)**	**(261,141)**	**n.m.**
Non-controlling interests		(10,531)	(2,245)	n.m.	(13,016)	(4,419)	n.m.
Loss for the period/year		**(1,686,374)**	**(120,529)**	**n.m.**	**(1,953,233)**	**(265,560)**	**n.m.**
Earnings per ordinary share (cents)	12						
Basic		(2.46)	(0.38)	n.m.	(3.12)	(0.83)	n.m.
Diluted		(2.46)	(0.38)	n.m.	(3.12)	(0.83)	n.m.

n.m.: not meaningful

B. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group			Group		
	2H 2023 $'000	2H 2022 $'000	+ / (-) %	FY 2023 $'000	FY 2022 $'000	+ / (-) %
Loss for the period/year	**(1,686,374)**	**(120,529)**	**n.m.**	**(1,953,233)**	**(265,560)**	**n.m.**
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation differences for foreign operations	(6,113)	(14,915)	(59.0)	(13,628)	(6,614)	n.m.
Net change in fair value of cash flow hedges	11,561	13,912	(16.9)	(3,338)	10,540	n.m.
Net change in fair value of cash flow hedges transferred to profit or loss	(23,085)	21,101	n.m.	(14,907)	25,255	n.m.
Realisation of reserve upon disposal of subsidiaries	-	(2)	n.m.	-	(2)	n.m.
	(17,637)	20,096	n.m.	(31,873)	29,179	n.m.
Items that may not be reclassified subsequently to profit or loss:						
Net change in fair value of equity investments at fair value through other comprehensive income (FVOCI)	(1,911)	-	n.m.	(2,246)	-	n.m.
Other comprehensive income for the period/year, net of tax	(19,548)	20,096	n.m.	(34,119)	29,179	n.m.
Total comprehensive income for the period/year	**(1,705,922)**	**(100,433)**	**n.m.**	**(1,987,352)**	**(236,381)**	**n.m.**
Total comprehensive income attributable to:						
Owners of the Company	(1,695,108)	(98,193)	n.m.	(1,974,408)	(231,922)	n.m.
Non-controlling interests	(10,814)	(2,240)	n.m.	(12,944)	(4,459)	n.m.
Total comprehensive income for the period/year	**(1,705,922)**	**(100,433)**	**n.m.**	**(1,987,352)**	**(236,381)**	**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 22 on the effect of the acquisition).

	Note	Group		Company	
		As at 31-Dec-2023 $'000	As at 31-Dec-2022 $'000	As at 31-Dec-2023 $'000	As at 31-Dec-2022 $'000
Non-current assets					
Property, plant and equipment	13	4,081,038	3,860,087	604	698
Right-of-use assets	13	628,669	215,851	266	796
Investment properties		-	-	2,473	32,985
Investments in subsidiaries	14	-	-	8,227,199	3,585,686
Interests in associates and joint ventures		180,267	17,537	-	-
Other financial assets		114,605	24,057	-	-
Trade and other receivables		467,049	1,507,457	1,970,000	238,000
Intangible assets	15	4,215,383	174,705	133	133
Deferred tax assets		220,052	169,232	26,349	29,022
		9,907,063	5,968,926	10,227,024	3,887,320
Current assets					
Inventories		192,116	71,061	-	-
Trade and other receivables		1,159,213	571,794	261,454	1,337,010
Contract costs		20,043	47,654	-	-
Contract assets		2,619,080	296,763	-	-
Tax recoverable		5,057	14,840	-	-
Assets held for sale		2,950	-	-	-
Other financial assets		51,279	40,007	-	-
Cash and cash equivalents		2,270,240	2,090,843	57,618	615,875
		6,319,978	3,132,962	319,072	1,952,885
Total assets		16,227,041	9,101,888	10,546,096	5,840,205
Current liabilities					
Trade and other payables		4,136,950	1,052,534	63,643	47,412
Contract liabilities		433,757	585,801	-	-
Provisions	17	782,454	89,407	159,124	48,512
Other financial liabilities		16,159	1,622	-	-
Current tax payable		31,109	9,152	11,366	6,189
Interest-bearing borrowings	18	743,381	1,669,164	-	50,000
Lease liabilities		45,037	26,316	-	9,239
		6,188,847	3,433,996	234,133	161,352
Net current assets/(liabilities)		131,131	(301,034)	84,939	1,791,533
Non-current liabilities					
Deferred tax liabilities		98,399	15,789	-	-
Provisions	17	683,769	196,835	79,169	109,157
Other financial liabilities		73	4,524	-	-
Interest-bearing borrowings	18	2,273,791	1,419,532	-	-
Lease liabilities		488,723	242,373	-	33,931
Other long-term payables		1,377	448	-	-
		3,546,132	1,879,501	79,169	143,088
Total liabilities		9,734,979	5,313,497	313,302	304,440
Net assets		**6,492,062**	**3,788,391**	**10,232,794**	**5,535,765**
Equity attributable to owners of the Company					
Share capital	19	8,753,920	4,074,215	8,753,920	4,074,215
Other reserves		(58,913)	(21,672)	(25,640)	(22,948)
Revenue reserve		(2,223,881)	(283,188)	1,504,514	1,484,498
		6,471,126	3,769,355	10,232,794	5,535,765
Non-controlling interests		20,936	19,036	-	-
Total equity		**6,492,062**	**3,788,391**	**10,232,794**	**5,535,765**

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
FY 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 year	-	-	-	-	-	-	-	(1,940,217)	(1,940,217)	(13,016)	(1,953,233)
Other comprehensive income											
Foreign currency translation differences for foreign operations	-	-	-	(13,700)	-	-	-	-	(13,700)	72	(13,628)
Net change in fair value of cash flow hedges	-	-	-	-	-	(3,338)	-	-	(3,338)	-	(3,338)
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	-	-	(14,907)	-	-	(14,907)	-	(14,907)
Net change in fair value of equity investments at FVOCI	-	-	-	-	-	-	(2,246)	-	(2,246)	-	(2,246)
Total other comprehensive income	-	-	-	(13,700)	-	(18,245)	(2,246)	-	(34,191)	72	(34,119)
Total comprehensive income	**-**	**-**	**-**	**(13,700)**	**-**	**(18,245)**	**(2,246)**	**(1,940,217)**	**(1,974,408)**	**(12,944)**	**(1,987,352)**
Transactions with owners of the Company, recognised directly in equity											
Purchase of treasury shares	-	(2,829)	-	-	-	-	-	-	(2,829)	-	(2,829)
Issue of treasury shares	-	137	-	-	-	-	-	-	137	-	137
Acquisition of subsidiaries	4,679,705	-	-	-	-	-	-	-	4,679,705	14,999	4,694,704
Others	-	-	(358)	-	-	-	-	(476)	(834)	(155)	(989)
Total transactions with owners	**4,679,705**	**(2,692)**	**(358)**	**-**	**-**	**-**	**-**	**(476)**	**4,676,179**	**14,844**	**4,691,023**
At 31 December 2023	**8,753,920**	**(2,693)**	**(2,041)**	**(37,217)**	**(25,995)**	**11,279**	**(2,246)**	**(2,223,881)**	**6,471,126**	**20,936**	**6,492,062**
FY 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 year	-	-	-	-	-	-	-	(261,141)	(261,141)	(4,419)	(265,560)
Other comprehensive income											
Foreign currency translation differences for foreign operations	-	-	-	(6,574)	-	-	-	-	(6,574)	(40)	(6,614)
Net change in fair value of cash flow hedges	-	-	-	-	-	10,540	-	-	10,540	-	10,540
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	-	-	25,255	-	-	25,255	-	25,255
Realisation of reserves upon disposal of a subsidiary	-	-	-	789	-	-	-	(791)	(2)	-	(2)
Total other comprehensive income	-	-	-	(5,785)	-	35,795	-	(791)	29,219	(40)	29,179
Total comprehensive income	**-**	**-**	**-**	**(5,785)**	**-**	**35,795**	**-**	**(261,932)**	**(231,922)**	**(4,459)**	**(236,381)**
Transactions with owners of the Company, recognised directly in equity											
Purchase of treasury shares	-	(465)	-	-	-	-	-	-	(465)	-	(465)
Issue of treasury shares	-	465	-	-	-	-	-	-	465	-	465
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(298)	(298)
Total transactions with owners	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(298)**	**(298)**
At 31 December 2022	**4,074,215**	**(1)**	**(1,683)**	**(23,517)**	**(25,995)**	**29,524**	**-**	**(283,188)**	**3,769,355**	**19,036**	**3,788,391**

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
FY 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	-	-	-	-	20,016	20,016
Other comprehensive income						
Total other comprehensive income	-	-	-	-	-	-
Total comprehensive income	**-**	**-**	**-**	**-**	**20,016**	**20,016**
Transactions with owners of the Company, recognised directly in equity						
Purchase of treasury shares	-	(2,829)	-	-	-	(2,829)
Issue of treasury shares	-	137	-	-	-	137
Acquisition of subsidiaries	4,679,705	-	-	-	-	4,679,705
Total transactions with owners	**4,679,705**	**(2,692)**	**-**	**-**	**-**	**4,677,013**
At 31 December 2023	**8,753,920**	**(2,693)**	**960**	**(23,907)**	**1,504,514**	**10,232,794**
FY 2022						
At 1 January 2022	**4,074,215**	**(1)**	**960**	**(23,907)**	**1,467,550**	**5,518,817**
Total comprehensive income						
Profit for the year	-	-	-	-	16,948	16,948
Other comprehensive income						
Total other comprehensive income	-	-	-	-	-	-
Total comprehensive income	**-**	**-**	**-**	**-**	**16,948**	**16,948**
Transactions with owners of the Company, recognised directly in equity						
Purchase of treasury shares	-	(465)	-	-	-	(465)
Issue of treasury shares	-	465	-	-	-	465
Total transactions with owners	**-**	**-**	**-**	**-**	**-**	**-**
At 31 December 2022	**4,074,215**	**(1)**	**960**	**(23,907)**	**1,484,498**	**5,535,765**

E. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	FY 2023	FY 2022
	$'000	$'000
Cash flows from operating activities:		
Loss for the year	(1,953,233)	(265,560)
Adjustments for:		
Finance income	(196,235)	(102,258)
Finance costs	288,184	136,700
Depreciation of property, plant and equipment, and right-of-use assets	315,811	170,473
Amortisation of intangible assets	140,483	29,337
Share of results of associates and joint ventures, net of tax	(7,054)	(1,134)
Gain on disposal of property, plant and equipment, net	(4,875)	(2,466)
Gain on liquidation of subsidiary	-	(8)
Changes in fair value of financial instruments	25,577	(34,196)
Loss on modified cash flows of receivables	-	2,884
Write-down of property, plant and equipment, and right-of-use assets	1,144,328	-
Write-down of intangible assets	87,607	-
Write-down of investment in associates	16,961	-
Provision for onerous contracts	208,949	-
Provision for legal claims	182,430	-
Provision for corporate claims	82,430	-
Provision for restoration costs, net	9,421	6,318
Property, plant and equipment written off	3,748	1
Write-down/(reversal of write-down) of inventories, net	120,783	(2,853)
Impairment losses on trade receivables and contract assets, net	4,816	8,815
Tax expense	13,868	25,816
Operating profit/(loss) before working capital changes	483,999	(28,131)
Changes in working capital:		
Inventories	20,572	(1,245)
Contract costs	27,611	20,802
Contract assets	(255,359)	1,462,062
Contract liabilities	(855,715)	414,250
Trade and other receivables	847,539	(466,878)
Trade and other payables	840,101	(366,781)
Provisions	(502,691)	(11,906)
Cash generated from operations	606,057	1,022,173
Dividend and interest income received	270,399	116,808
Interest paid	(252,134)	(97,318)
Tax paid	(23,519)	(2,411)
Net cash generated from operating activities	600,803	1,039,252
Cash flows from investing activities:		
Purchase of property, plant and equipment	(115,859)	(23,295)
Proceeds from sale of property, plant and equipment	14,456	2,954
Proceeds from disposal of associate	5,403	-
Purchase of intangible assets	(497)	(5,868)
Acquisition of subsidiaries, net of cash acquired	750,043	-
Dividend received from associate	807	-
Net cash generated from/(used in) investing activities	654,353	(26,209)
Cash flows from financing activities:		
Proceeds from borrowings	459,806	325,276
Repayment of borrowings	(1,476,445)	(325,155)
Purchase of treasury shares	(2,829)	(465)
Payment of lease liabilities	(52,039)	(20,014)
Dividends paid to non-controlling interests of subsidiaries	-	(298)
Net cash used in financing activities	(1,071,507)	(20,656)
Net increase in cash and cash equivalents	183,649	992,387
Cash and cash equivalents at beginning of the year	2,090,843	1,104,118
Effect of exchange rate changes on balances held in foreign currencies	(4,252)	(5,662)
Cash and cash equivalents at end of the year	**2,270,240**	**2,090,843**

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 year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interests in associates and joint ventures.

Scheme of Arrangement

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 Combination took 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 31 December 2023, the Group recorded net current assets of $131,131,000 (31 December 2022: net current liabilities of $301,034,000), and incurred a loss of $1,953,233,000 (2022: $265,560,000) but generated positive operating cash flows of $600,803,000 (2022: $1,039,252,000) for the year ended 31 December 2023. During the year, the Group secured $2.5 billion of refinancing and new committed loans, which supported the transition from a net current liabilities position into a net current asset position. With $1.3 billion of committed unutilised credit facilities available for drawdown with maturity beyond 2024, the Group has adequate liquidity to refinance current borrowings 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. <u>NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS</u> (Cont'd)

2.2. Statement of compliance

The condensed interim financial statements are prepared in accordance with 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 year ended 31 December 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 Group has also early adopted the following amendment to accounting standard during the year.

- *Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants* (Amendments to SFRS(I) 1-12)

  The amendments as issued in 2020 and 2022, aim to clarify the requirements on determining whether a liability is current or non-current, and require new disclosures for non-current liabilities that are subject to future covenants.

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

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

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 the following:

Recoverable amounts of non-financial assets (excluding goodwill) for write-down

Judgments are used in estimating the recoverable amount of an asset, i.e. in determining an asset's fair value and in assessing its VIU (the future cash flows expected to be generated by the asset and the pre-tax discount rate in bringing them to present value). In making these estimates, the Group considers the market value of the asset, changes to the technological, market, economic or legal environment in which the Group operates, market interest rates, evidence of obsolescence or physical damage and changes to the expected usage of the asset. Information about the assumptions are included in Note 5.

Impairment assessment of Goodwill

Judgements are used in allocation of goodwill and estimating the recoverable amount of the cash generating unit. The forecasted order book, margins and capital expenditure assumed in the value in use calculation are subject to estimation uncertainties that may have a significant risk of resulting in material adjustments in any future periods affected. The estimation uncertainties of the forecasted order book apply mainly to unsecured order book, and their forecast project margins given the macroeconomic and geopolitical forces affecting investors' decision-making in new build projects – traditional fossil fuel projects or renewable and green projects. Information about the assumptions are included in Note 15.

Acquisition of subsidiary

During the year, the Group made a significant acquisition as disclosed in Note 22. Judgements are 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.

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 with its principal operation 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
2H 2023					
Revenue					
Sales to external parties	4,394,985	10,026	966	-	4,405,977
Inter-segment sales	-	-	40,102	(40,102)	-
Total	**4,394,985**	**10,026**	**41,068**	**(40,102)**	**4,405,977**
Results					
Segment results	(1,379,687)	(1,732)	(18,620)	-	(1,400,039)
Finance income	158,864	28	103,471	(158,200)	104,163
Finance costs	(143,210)	(486)	(143,958)	158,200	(129,454)
Non-operating items	(264,860)	-	(16,961)	-	(281,821)
Share of results of associates and joint ventures, net of tax	1,941	-	6,382	-	8,323
Loss before tax	(1,626,952)	(2,190)	(69,686)	-	(1,698,828)
Tax credit/(expense)	14,355	143	(2,044)	-	12,454
Loss for the period	**(1,612,597)**	**(2,047)**	**(71,730)**	**-**	**(1,686,374)**
Capital expenditure	72,389	-	38	-	**72,427**
Significant non-cash items					
Depreciation and amortisation	249,125	5,584	1,570	-	**256,279**
Changes in fair value of financial instruments	(3,366)	-	(3,848)	-	**(7,214)**
Write-down of property, plant and equipment	861,488	5,159	-	-	**866,647**
Write-down of right-of-use assets	277,681	-	-	-	**277,681**
Write-down of intangible assets	87,607	-	-	-	**87,607**
Write-down of investment in associates	-	-	16,961	-	**16,961**
Provision for onerous contract	85,047	-	-	-	**85,047**
Provision for legal claims	182,430	-	-	-	**182,430**
Provision for corporate claims	82,430	-	-	-	**82,430**
Provision for restoration costs, net	11,454	-	-	-	**11,454**
Property, plant and equipment written off	3,748	-	-	-	**3,748**
Write-down of inventories	112,529	-	-	-	**112,529**
(Write-back)/impairment losses on trade receivables and contract assets, net	(1,366)	-	7,167	-	**5,801**
FY 2023					
Revenue					
Sales to external parties	7,257,677	31,625	2,186	-	7,291,488
Inter-segment sales	-	-	73,331	(73,331)	-
Total	**7,257,677**	**31,625**	**75,517**	**(73,331)**	**7,291,488**
Results					
Segment results	(1,553,901)	1,024	(19,772)	-	(1,572,649)
Finance income	237,047	47	189,965	(230,824)	196,235
Finance costs	(316,237)	(1,051)	(201,720)	230,824	(288,184)
Non-operating items	(264,860)	-	(16,961)	-	(281,821)
Share of results of associates and joint ventures, net of tax	3,012	-	4,042	-	7,054
(Loss)/profit before tax	(1,894,939)	20	(44,446)	-	(1,939,365)
Tax expense	(10,708)	(419)	(2,741)	-	(13,868)
Loss for the year	**(1,905,647)**	**(399)**	**(47,187)**	**-**	**(1,953,233)**
Capital expenditure	120,760	836	730	-	**122,326**
Significant non-cash items					
Depreciation and amortisation	442,585	11,045	2,664	-	**456,294**
Changes in fair value of financial instruments	(3,046)	-	28,623	-	**25,577**
Write-down of property, plant and equipment	861,488	5,159	-	-	**866,647**
Write-down of right-of-use assets	277,681	-	-	-	**277,681**
Write-down of intangible assets	87,607	-	-	-	**87,607**
Write-down of investment in associates	-	-	16,961	-	**16,961**
Provision for onerous contract	208,949	-	-	-	**208,949**
Provision for legal claims	182,430	-	-	-	**182,430**
Provision for corporate claims	82,430	-	-	-	**82,430**
Provision for restoration costs, net	9,421	-	-	-	**9,421**
Property, plant and equipment written off	3,748	-	-	-	**3,748**
Write-down of inventories	120,783	-	-	-	**120,783**
(Write-back)/impairment losses on trade receivables and contract assets, net	(2,351)	-	7,167	-	**4,816**
As at 31-Dec-2023					
Assets					
Segment assets	16,833,036	267,159	3,334,457	(4,612,987)	15,821,665
Interests in associates and joint ventures	11,546	-	168,721	-	180,267
Deferred tax assets	214,999	3,399	1,654	-	220,052
Tax recoverable	5,057	-	-	-	5,057
Total assets	**17,064,638**	**270,558**	**3,504,832**	**(4,612,987)**	**16,227,041**
Liabilities					
Segment liabilities	10,470,173	98,149	3,650,136	(4,612,987)	9,605,471
Deferred tax liabilities	96,979	-	1,420	-	98,399
Current tax payable	24,496	2,494	4,119	-	31,109
Total liabilities	**10,591,648**	**100,643**	**3,655,675**	**(4,612,987)**	**9,734,979**

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
2H 2022					
Revenue					
Sales to external parties	841,278	8,830	2,124	-	852,232
Inter-segment sales	-	-	54,570	(54,570)	-
Total	**841,278**	**8,830**	**56,694**	**(54,570)**	**852,232**
Results					
Segment results	(89,952)	4,403	(5,843)	-	(91,392)
Finance income	59,658	6	69,547	(61,969)	67,242
Finance costs	(107,872)	(666)	(35,491)	61,969	(82,060)
Non-operating items	-	-	8	-	8
Share of results of associates and joint ventures, net of tax	501	-	222	-	723
(Loss)/profit before tax	(137,665)	3,743	28,443	-	(105,479)
Tax expense	(12,724)	(735)	(1,591)	-	(15,050)
(Loss)/profit for the period	**(150,389)**	**3,008**	**26,852**	**-**	**(120,529)**
Capital expenditure	15,825	2,805	2,062	-	**20,692**
Significant non-cash items					
Depreciation and amortisation	97,552	5,443	275	-	**103,270**
Changes in fair value of financial instruments	(10,572)	-	(33,301)	-	**(43,873)**
Provision for restoration costs, net	5,876	-	-	-	**5,876**
Property, plant and equipment written off	1	-	-	-	**1**
(Reversal of write-down)/write-down of inventories, net	(2,906)	-	51	-	**(2,855)**
Impairment losses on trade receivables and contract assets, net	1,073	-	-	-	**1,073**
Gain on liquidation of a subsidiary	-	-	(8)	-	**(8)**
FY 2022					
Revenue					
Sales to external parties	1,924,987	18,385	3,823	-	1,947,195
Inter-segment sales	-	-	98,887	(98,887)	-
Total	**1,924,987**	**18,385**	**102,710**	**(98,887)**	**1,947,195**
Results					
Segment results	(207,641)	6,304	(5,107)	-	(206,444)
Finance income	98,647	7	111,916	(108,312)	102,258
Finance costs	(185,737)	(1,389)	(57,886)	108,312	(136,700)
Non-operating income	-	-	8	-	8
Share of results of associates and joint ventures, net of tax	417	-	717	-	1,134
(Loss)/profit before tax	(294,314)	4,922	49,648	-	(239,744)
Tax expense	(21,844)	(940)	(3,032)	-	(25,816)
(Loss)/profit for the year	**(316,158)**	**3,982**	**46,616**	**-**	**(265,560)**
Capital expenditure	22,032	5,556	2,113	-	**29,701**
Significant non-cash items					
Depreciation and amortisation	188,511	10,818	481	-	**199,810**
Changes in fair value of financial instruments	(3,808)	-	(30,388)	-	**(34,196)**
Provision for restoration costs, net	6,318	-	-	-	**6,318**
Property, plant and equipment written off	1	-	-	-	**1**
(Reversal of write-down)/write-down of inventories, net	(2,904)	-	51	-	**(2,853)**
Impairment losses on trade receivables and contract assets, net	8,815	-	-	-	**8,815**
Gain on liquidation of a subsidiary	-	-	(8)	-	**(8)**
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		Capital expenditure		Non-current assets [1]	Total assets
	2H 2023	FY 2023	2H 2023	FY 2023	As at 31-Dec-2023	As at 31-Dec-2023
	$'000	$'000	$'000	$'000	$'000	$'000
Singapore	320,235	503,704	52,416	93,091	7,630,919	13,194,765
Rest of Asia, Australia & India	378,618	599,247	6,449	11,163	334,414	573,048
Middle East & Africa	54,399	111,991	30	34	11,683	49,513
United Kingdom	96,318	189,611	8	64	3,805	11,940
Norway	250,231	325,542	90	110	96,802	109,636
The Netherlands	205,146	234,170	-	-	78,049	144,149
Rest of Europe	322,437	631,957	35	35	116	2,980
Brazil	2,245,137	3,803,778	12,808	16,637	1,366,654	2,006,607
U.S.A.	529,740	880,322	589	1,190	49,908	134,131
Other countries	3,716	11,166	2	2	26	272
Total	**4,405,977**	**7,291,488**	**72,427**	**122,326**	**9,572,376**	**16,227,041**

	2H 2022	FY 2022	2H 2022	FY 2022	As at 31-Dec-2022	As at 31-Dec-2022
	$'000	$'000	$'000	$'000	$'000	$'000
Singapore	209,574	283,140	11,097	17,528	3,985,734	7,086,046
Rest of Asia, Australia & India	59,644	115,481	1,490	2,337	106,619	122,264
Middle East & Africa	38,416	102,366	-	-	-	-
United Kingdom	79,740	257,482	6	59	1,772	9,157
Norway	37,375	274,907	62	68	67,630	78,411
The Netherlands	29,890	31,488	5,926	5,926	82,466	95,910
Rest of Europe	73,380	257,854	11	65	136	3,122
Brazil	125,749	224,152	2,100	3,718	1,531,258	1,706,729
U.S.A.	194,869	393,615	-	-	22	249
Other countries	3,595	6,710	-	-	-	-
Total	**852,232**	**1,947,195**	**20,692**	**29,701**	**5,775,637**	**9,101,888**

[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
2H 2023					
Revenue					
Sales to external parties	4,394,985	10,026	966	-	4,405,977
Inter-segment sales	-	-	40,102	(40,102)	-
Total	**4,394,985**	**10,026**	**41,068**	**(40,102)**	**4,405,977**
Major product and service lines					
Ship and rig building or conversion	2,946,108	-	-	-	2,946,108
Repair, maintenance and related services	531,096	-	-	-	531,096
Offshore platforms	818,520	-	-	-	818,520
Specialised shipbuilding	19,899	-	-	-	19,899
Charter hire	-	10,026	-	-	10,026
Sale of goods	-	-	966	-	966
Others	79,362	-	-	-	79,362
Total	**4,394,985**	**10,026**	**966**	**-**	**4,405,977**
Timing of revenue recognition					
Control transferred over time	4,354,380	10,026	-	-	4,364,406
Control transferred at a point in time	40,605	-	966	-	41,571
Total	**4,394,985**	**10,026**	**966**	**-**	**4,405,977**
FY 2023					
Revenue					
Sales to external parties	7,257,677	31,625	2,186	-	7,291,488
Inter-segment sales	-	-	73,331	(73,331)	-
Total	**7,257,677**	**31,625**	**75,517**	**(73,331)**	**7,291,488**
Major product and service lines					
Ship and rig building or conversion	4,978,258	-	-	-	4,978,258
Repair, maintenance and related services	1,034,621	-	-	-	1,034,621
Offshore platforms	1,063,946	-	-	-	1,063,946
Specialised shipbuilding	49,713	-	-	-	49,713
Charter hire	-	31,625	-	-	31,625
Sale of goods	-	-	2,186	-	2,186
Others	131,139	-	-	-	131,139
Total	**7,257,677**	**31,625**	**2,186**	**-**	**7,291,488**
Timing of revenue recognition					
Control transferred over time	7,182,275	31,625	-	-	7,213,900
Control transferred at a point in time	75,402	-	2,186	-	77,588
Total	**7,257,677**	**31,625**	**2,186**	**-**	**7,291,488**

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

3.2. Disaggregation of revenue (Cont'd)

	Rigs & floaters, Repairs & upgrades, Offshore platforms and Specialised shipbuilding $'000	Ship chartering $'000	Others $'000	Elimination $'000	Total $'000
2H 2022					
Revenue					
Sales to external parties	841,278	8,830	2,124	-	852,232
Inter-segment sales	-	-	54,570	(54,570)	-
Total	**841,278**	**8,830**	**56,694**	**(54,570)**	**852,232**
Major product and service lines					
Ship and rig building or conversion	358,360	-	-	-	358,360
Repair, maintenance and related services	302,013	-	-	-	302,013
Offshore platforms	140,692	-	-	-	140,692
Specialised shipbuilding	19,791	-	-	-	19,791
Charter hire	-	8,830	-	-	8,830
Sale of goods	-	-	2,124	-	2,124
Others	20,422	-	-	-	20,422
Total	**841,278**	**8,830**	**2,124**	**-**	**852,232**
Timing of revenue recognition					
Control transferred over time	837,764	8,830	-	-	846,594
Control transferred at a point in time	3,514	-	2,124	-	5,638
Total	**841,278**	**8,830**	**2,124**	**-**	**852,232**
FY 2022					
Revenue					
Sales to external parties	1,924,987	18,385	3,823	-	1,947,195
Inter-segment sales	-	-	98,887	(98,887)	-
Total	**1,924,987**	**18,385**	**102,710**	**(98,887)**	**1,947,195**
Major product and service lines					
Ship and rig building or conversion	1,073,430	-	-	-	1,073,430
Repair, maintenance and related services	506,063	-	-	-	506,063
Offshore platforms	282,960	-	-	-	282,960
Specialised shipbuilding	24,067	-	-	-	24,067
Charter hire	-	18,385	-	-	18,385
Sale of goods	-	-	3,823	-	3,823
Others	38,467	-	-	-	38,467
Total	**1,924,987**	**18,385**	**3,823**	**-**	**1,947,195**
Timing of revenue recognition					
Control transferred over time	1,919,729	18,385	-	-	1,938,114
Control transferred at a point in time	5,258	-	3,823	-	9,081
Total	**1,924,987**	**18,385**	**3,823**	**-**	**1,947,195**

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

3.2. Disaggregation of revenue (Cont'd)

A breakdown of sales:

		Group	
		FY 2023 $'000	FY 2022 $'000
	First Half Year		
(i)	Sales reported	2,885,511	1,094,963
(ii)	Loss after tax before deducting non-controlling interests reported	(266,859)	(145,031)
	Second Half Year		
(iii)	Sales reported	4,405,977	852,232
(iv)	Loss after tax before deducting non-controlling interests reported	(1,686,374)	(120,529)

4. Cost of Sales

	Group		Group	
	2H 2023 $'000	2H 2022 $'000	FY 2023 $'000	FY 2022 $'000
Cost of sales	(4,464,933)	(891,482)	(7,500,829)	(2,079,357)
Included in cost of sales:				
Depreciation and amortisation	(239,206)	(101,440)	(428,032)	(195,929)
(Write-down)/reversal of write-down of inventories, net	(112,529)	2,855	(120,783)	2,853
Property, plant and equipment written off	(3,657)	-	(3,657)	-

5. Other operating income/(expenses)

		Group		Group	
	Note	2H 2023 $'000	2H 2022 $'000	FY 2023 $'000	FY 2022 $'000
Other operating income		104,873	63,631	269,370	110,168
Other operating expenses		(1,234,348)	(63,691)	(1,267,194)	(74,003)
		(1,129,475)	(60)	(997,824)	36,165
Included in other operating income/(expenses):					
Changes in fair value of financial instruments	(i)	7,214	43,873	(25,577)	34,196
Foreign exchange gain/(loss), net	(ii)	51,247	(78,912)	102,531	(64,595)
Gain on disposal of property, plant and equipment, net		1,675	2,380	4,875	2,466
Loss on modified cash flows of receivables		-	(2,884)	-	(2,884)
Write-down of property, plant and equipment	(iii)	(866,647)	-	(866,647)	-
Write-down of right-of-use assets	(iii)	(277,681)	-	(277,681)	-
Write-down of intangible assets	(iv)	(87,607)	-	(87,607)	-
Provision for restoration costs, net	(v)	(11,454)	(5,876)	(9,421)	(6,318)
Rental income	(vi)	16,557	5,190	29,889	11,184
Grant income	(vii)	9,787	9,745	11,348	20,988
Other income	(viii)	27,640	26,437	120,727	41,334
Other expenses		(206)	(13)	(261)	(206)
		(1,129,475)	(60)	(997,824)	36,165

(i) 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.

(ii) Foreign exchange gain in 2H 2023 and FY 2023 was mainly due to the revaluation of assets and liabilities denominated in United States dollar to Singapore dollar.

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

5. Other operating income/(expenses) (Cont'd)

(iii) Post combination of Seatrium Limited and Seatrium Offshore & Marine Limited, management undertook a strategic review of its business focus, operational footprint, and assets required to support its strategy of building a profitable and resilient business going forward ("Strategic Review"), and identified core assets which bring synergies to the Group, as well as non-core assets which are surplus to its operations (damaged or redundant or obsolete).

Surplus and non-core assets

As a result of the strategic review, certain assets and CGUs were identified as non-core assets. These assets are mainly yard assets that will not contribute to the Group's mid to long-term plans as a result of excess capacity due to duplication and change in business strategies; damaged assets that are beyond economic repair, or the costs and effort of repairing those assets are higher than the expected benefits to be reaped; or obsolete assets that faced technical or commercial obsolescence arising from changes or improvements in projection or from a change in market demand for the product or service output of these assets.

Accordingly, the Group wrote down these non-core assets to their expected scrap values.

Write downs of $552,235,000 on property, plant and equipment and $51,319,000 on right-of-use assets were recognised in the current year.

Yards identified for eventual closure

Arising from the Strategic Review, certain yards were identified for eventual closure after the conclusion of specific projects currently deployed therein. Correspondingly, the Group expects a decrease in future economic benefits from the limited use of these yards.

An assessment of recoverable amount for these affected yards faced with impairment triggers was prepared. These yards consist of a yard in Singapore, together with a sub-contractor overseas yard within the Group. A value-in-use was prepared for the yards, adjusted for any inter-company transactions. The key assumptions for the value-in-use are presented below.

Yard in Singapore, with sub-contractor overseas yard (the "Delayed yards")

The recoverable amount of the identified yard in Singapore, together with another sub-contractor overseas yard within the Group was determined based on value-in-use calculation using cash flow projections derived from the most recent financial budgets approved by the Board for the next five years. Adjustments were made to reflect the latest plans for the yards post-strategic review to focus on existing few projects, and cease operations thereafter till the expiry of the leases. The discount rate applied to cash flow projections is 9.8%, as we assess impairment for one combined unit.

The recoverable amount was estimated to be lower than the carrying amounts of non-financial assets deployed in these Delayed yards. Accordingly, write-downs of $314,412,000 to property, plant and equipment and $226,362,000 to the right-of-use assets were made.

(iv) Previously, the Group made certain strategic investments with the aim of broadening and deepening the Group's proprietary design and engineering capabilities, resulting in certain intangible assets. Those enhanced capabilities were meant to support the Group's strategy of products diversification and provide innovative solutions across the offshore and marine value chain – both within and outside the oil and gas sector.

With the recent Strategic Review, together with limited product demand as observed historically, these intangible assets were deemed no longer strategic to the Group's current business plans and long term strategic growth plans. Accordingly, the net carrying value was written down by $87,607,000 for these non-core intangible assets.

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

5. Other operating income/(expenses) (Cont'd)

(v) Provision for restoration costs for 2H 2023 and FY 2023 was mainly for Shipyard Road and Pandan Yards.

(vi) Higher rental income in 2H 2023 and FY 2023 was mainly due to consolidation of Seatrium O&M rental income.

(vii) Lower grant income in FY 2023 was mainly due to lower government grants.

(viii) Higher other income in FY 2023 was mainly due to consolidation of Seatrium O&M miscellaneous income and higher scrap sales.

6. General and administrative expenses

	Group		Group	
	2H 2023 $'000	2H 2022 $'000	FY 2023 $'000	FY 2022 $'000
General and administrative expenses	(211,608)	(52,082)	(365,484)	(110,447)
Included in general and administrative expenses:				
Depreciation and amortisation	(17,073)	(1,830)	(28,262)	(3,881)
Impairment losses on trade receivables and contract assets, net	(5,801)	(1,073)	(4,816)	(8,815)
Property, plant and equipment written off	(91)	(1)	(91)	(1)

7. Finance income and finance costs

	Group		Group	
	2H 2023 $'000	2H 2022 $'000	FY 2023 $'000	FY 2022 $'000
Finance income	104,163	67,242	196,235	102,258
Finance costs	(129,454)	(82,060)	(288,184)	(136,700)
	(25,291)	(14,818)	(91,949)	(34,442)
Included in finance income/(costs):				
Interest income	86,089	67,242	178,161	102,258
Dividend income	18,074	-	18,074	-
Interest paid and payable to bank and others	(98,780)	(66,084)	(229,680)	(104,419)
Amortisation of capitalised transaction costs	(7,375)	(7,893)	(14,779)	(16,283)
Unwind of discount on restoration costs	(8,719)	(1,858)	(16,555)	(3,473)
Interest expense on lease liabilities	(14,580)	(6,225)	(27,170)	(12,525)
	(25,291)	(14,818)	(91,949)	(34,442)

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

8. Non-operating items

	Note	Group 2H 2023 $'000	Group 2H 2022 $'000	Group FY 2023 $'000	Group FY 2022 $'000
Provision for legal claims	(i)	(182,430)	-	(182,430)	-
Provision for corporate claims	(ii)	(82,430)	-	(82,430)	-
Gain on liquidation of a subsidiary		-	8	-	8
Write-down of investment in associates	(iii)	(16,961)	-	(16,961)	-
Non-operating items		(281,821)	8	(281,821)	8

(i) The Company has reached in-principle settlement agreements with the authorities in Brazil, namely the Brazilian Attorney-General's Office (the "AGU"), Comptroller General of the Union ("CGU"), and Public Prosecutor's Office in Brazil (the "MPF") (collectively, "Brazilian Authorities"), in relation to the Brazilian Authorities' Operation Car Wash investigations.

The in-principle settlement agreements reached with the Brazilian Authorities result from the Company's cooperation with their investigations.

Under the terms of the in-principle settlement agreements, the Company has agreed to a settlement payment totalling R$670.7 million (equivalent to approximately S$182.4 million*). After the conclusion of the relevant agreements, the Company will agree to certain post-closing compliance obligations. The Company has also committed to continuing cooperation with the Brazilian Authorities.

The CGU and AGU will forward a communication of the in-principle settlement agreement to the Federal Court of Accounts ("TCU"), which has 90 days to consider it, to be followed by a Ministerial approval process.

The in-principle settlement agreement with the MPF is subject to ratification by the Fifth Chamber for Coordination and Review of the MPF, which has no statutory period by which it must complete its process.

Upon the formal signing of the leniency agreements, the Company does not expect there to be any further grounds for liability to the Brazilian Authorities in relation to the matters that are the subject of the leniency agreements. According to Brazilian legislation, the execution of the leniency agreements shall guarantee that the Company may participate in future public bidding processes and execute contracts in Brazil.

Accordingly, the Company has made provision of $182.4 million for the agreed Brazilian settlement. The provision relates to a one-off historical event with material impact for the year.

* The settlement amount is subject to both inflation and currency adjustment until the date of the Company's payment of the settlement amount. Conversion to S$ is based on FY2023 December book closing rate of 0.272.

(ii) Pursuant to the combination of the businesses of Sembcorp Marine Ltd ("SCM") and Keppel Offshore & Marine Ltd in February 2023, the parties had agreed that for a period of up to 24 months from the completion of the proposed combination, SCM would indemnify Keppel Corporation Ltd ("KCL") for claims against SCM in respect of certain other identified contingent liabilities. These relate to SCM's discussions with the Brazilian Authorities on the Operation Car Wash investigations. Such claims by KCL against SCM can only be made if they exceed certain agreed minimum amounts and are subject to a maximum of S$100 million.

Accordingly, the Company has made provision of $82.4 million for the KCL indemnity during the year.

The Company wishes to highlight that the Company continues to assist the authorities in Singapore in their investigations and will make appropriate announcements in the event of any material developments. The Company is unable to comment further at this stage as the Singapore investigations are still ongoing.

(iii) During the year, the Group has written down the investment in associates mainly due to their liquidation and sustained financial losses respectively.

9. Seasonality of operations

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

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

10. 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		Group	
	2H 2023 $'000	2H 2022 $'000	FY 2023 $'000	FY 2022 $'000
Current tax (expense)/credit				
Current year	(5,160)	7,066	(45,177)	(3,655)
Under provided in prior years	(5,288)	(2,698)	(2,578)	(3,110)
Deferred tax credit/(expense)				
Movements in temporary differences	17,133	(22,195)	28,099	(21,828)
Over provided in prior years	5,769	2,777	5,788	2,777
Tax credit/(expense)	12,454	(15,050)	(13,868)	(25,816)

During the year, the Group recognised deferred tax credit of $33,887,000 (2022: utilised deferred tax credit of $19,051,000) relating to unutilised tax losses, investment allowances and deductible temporary differences. The deferred tax credit are recognised only to the extent that it is probable that the related tax benefit will be realised.

11. Dividend

There is no dividend recommended for the six months period and year ended 31 December 2023 (31 December 2022: nil).

12. Earnings per ordinary share

	Group		Group	
	2H 2023	2H 2022	FY 2023	FY 2022
(i) Based on the weighted average number of shares (cents)	(2.46)	(0.38)	(3.12)	(0.83)
- Weighted average number of shares ('000)	68,223,815	31,389,099	62,274,175	31,389,099
(ii) On a fully diluted basis (cents)	(2.46)	(0.38)	(3.12)	(0.83)
- Adjusted weighted average number of shares ('000)	68,223,815	31,389,099	62,274,175	31,389,099

13. Property, Plant and Equipment ("PPE"), Right-of-use assets ("ROU") and leases

During the year ended 31 December 2023, additions to PPE amounted to $1,346,129,000 (31 December 2022: $23,833,000) of which $1,161,678,000 was due to acquisition of Seatrium O&M (Note 22).

The Group leases many assets including land and buildings and tugboats. During the year ended 31 December 2023, the Group recognised ROU assets amounting to $785,257,000 (2022: $4,260,000) of which $697,212,000 was due to acquisition of Seatrium O&M (Note 22).

Post Strategic Review, the Group wrote-down $866,647,000 on PPE and $277,681,000 on ROU assets. The rationale for these write-downs are described in Note 5.

14. Investments in subsidiaries

Impairment assessment of the Company's investment in subsidiaries

Arising from the Group's Strategic Review as described in Note 5, assets of certain investees were written-down on basis of being surplus or damaged or obsolete. Accordingly, the cost of investment in these investees were assessed for impairment and the Company recognised a write-down of $64,534,000 in profit or loss.

15. Intangible assets

Annual impairment assessment of goodwill

During the year, the Group recognised goodwill of $3,816 million on acquisition of Seatrium Offshore & Marine Limited.

Post-combination, management undertook a strategic review of its business focus, operational footprint, and assets required to support its new strategy of building a profitable and resilient business going forward ("Strategic Review"), and identified core assets (also known as "Core CGUs") for business integration to reap benefits and synergies for the Group, as well as non-core assets which are surplus to its operations.

Goodwill recognised is then allocated to the collective group of Core CGUs within the Group's rigs & floaters, repairs & upgrades, offshore platforms and specialised shipbuilding operating segment. The goodwill reflects the synergies created by these centrally managed and monitored group of Core CGUs which are being integrated as one unit.

The recoverable amount is determined based on value-in-use calculation using cash flow projections derived from the most recent financial budgets approved by Board for the next five years, and extrapolated at a terminal value growth rate thereafter.

The estimated recoverable amount of the group of Core CGUs is in excess of its carrying amount and no impairment of goodwill was recognised at reporting date.

The key assumptions used in the estimation of recoverable amount are as follows:

Discount rate

The discount rate was 8.2%. The discount rate was estimated based on weighted-average cost of capital, adjusted for a risk premium to reflect both the increased risk of investing in equities and the systematic risk of the Core CGUs and weighted the Group's cost of debt and equity to reflect its capital structure.

The discount rate applied for impairment testing will be reassessed each year based on management's current best estimate.

Terminal value growth rate

Terminal value growth rate determined at 3.25% is benchmarked against the long-term projected nominal GDP growth rate of developed countries, and Singapore's long-term inflation rate and long-term nominal GDP growth rate.

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

15. Intangible assets (Cont'd)

***Annual impairment assessment of goodwill** (Cont'd)*

Cash flows

The cash flows are projected based on the Group's past experience, estimate of pipeline revenue, market observable data surrounding the state-owned and international oil majors' capital commitment and projected capital expenditures in oil and gas production and exploration activities, market expectations and developments for contract order prices, and demands for production solutions. The Group is also pivoting to focus on the floating oil and LNG solutions and offshore renewable projects.

Forecasted margins are projected with reference to historical experience and took into account planned recoveries of many economies in the World from Covid-19, projects becoming more efficient with repeated project types, and the synergies arising from capability and labor pool efficiencies.

Capital expenditure was estimated based on the Group's past experience and planned maintenance and replacement of existing assets. Management assumes replacement capital expenditure throughout the cash flow periods.

Sensitivity to changes in assumptions

Management has identified that a reasonably possible change in the following key assumptions could cause the carrying amount to exceed the recoverable amount.

	Change required for carrying amount to equal the recoverable amount 2023
Group	
Discount rate; or	1.9%
Terminal value growth rate; or	2.8%
Terminal year gross margin	2.8%
Assuming all things remain constant	

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

16. Net asset value

	Group		Company	
	31-Dec-2023	**31-Dec-2022**	**31-Dec-2023**	**31-Dec-2022**
Net asset value per ordinary share based on issued share capital at the end of the financial year (cents)	9.49	12.01	15.00	17.64

17. Provisions

During the year, the Group assumed provisions on acquisition of Seatrium O&M of $1,033,998,000 (as disclosed in Note 22) comprising $463,980,000 of reinstatement costs, $373,761,000 of onerous provisions, $172,620,000 of legal claims and $23,637,000 of warranty provision.

The Group has also made provisions for legal claims of $182,430,000 and corporate claims of $82,430,000 at the reporting date (as disclosed in Note 8 (i) and (ii) respectively).

18. Group's borrowings and debt securities

Interest-bearing borrowings:	**As at 31-Dec-2023 $'000**	**As at 31-Dec-2022 $'000**
(i) Amount repayable in one year or less, or on demand		
Unsecured	736,187	1,669,164
Secured	7,194	-
	743,381	1,669,164
(ii) Amount repayable after one year		
Unsecured	2,213,708	1,419,532
Secured	60,083	-
	2,273,791	1,419,532

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

19. Share capital

(i) Issued and Paid Up Capital

During the year, 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 31 December 2023, the Company's issued and paid up capital, excluding treasury shares, comprises 68,217,075,670 (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	102,623	6,223
Treasury shares purchased	20,000,000	-
At 31 December	20,102,623	6,223

During 2H 2023, the Company acquired 20,000,000 (2H 2022: nil) ordinary shares in the Company by way of on-market purchases.

As at 31 December 2023, 20,102,623 (31 December 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 Restricted Share Plan ("RSP") respectively.

(iii) Performance Shares

As at 31 December 2023 and 31 December 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 31 December 2023 and 31 December 2022, there is no restricted shares outstanding, including awards achieved but not released.

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

20. Related parties

20a. Related party transactions

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

	Outstanding balances		Significant transactions	
	31-Dec-2023	31-Dec-2022	31-Dec-2023	31-Dec-2022
	$'000	$'000	$'000	$'000
Related corporations				
Sales	426	415	4,781	3,534
Purchases	(144)	(4,813)	(35,356)	(65,430)
Finance income	-	586	4,583	1,825
Finance costs	-	(2,030)	(4,740)	(19,957)
Others	-	-	11	(149)
Associates and joint ventures				
Sales	-	22	1,159	10
Purchases	(641)	(872)	(26,218)	(5,604)
Rental income	-	-	211	-
Finance income	29	323	2,206	346
Others	(4,417)	(117)	248	44

20b. Compensation of key management personnel

Changes to Key Management Personnel

As at 31 December 2023, the Group considers the directors of the Company (including the Chief Executive Officer), the Acting Group Finance Director, the Chief Operating Officer, the Chief Risk Officer, the Executive Vice President, Seatrium Energy, Floating Solutions and the Executive Vice President, Seatrium Energy, Fixed Solutions 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 FY 2023.

21. 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)

21. Fair value measurements (Cont'd)

Financial assets and liabilities carried at fair value

	Fair value measurement using:			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
At 31 December 2023				
Financial assets at fair value through other comprehensive income	3,020	-	25,332	28,352
Financial assets at fair value through profit or loss	-	17,690	55,350	73,040
Derivative financial assets	-	64,492	-	64,492
Derivative financial liabilities	-	(16,232)	-	(16,232)
Total	3,020	65,950	80,682	149,652
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

In 2023 and 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:			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
At 31 December 2023				
Interest-bearing borrowings	-	(2,245,369)	-	(2,245,369)
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)

21. 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 31 December 2023				
Cash and cash equivalents	2,270,240	-	2,270,240	2,270,240
Trade and other receivables*	1,401,056	-	1,401,056	1,401,056
	3,671,296	-	3,671,296	3,671,296
Trade and other payables**	-	4,107,935	4,107,935	4,107,935
Interest-bearing borrowings				
- Short-term borrowings	-	743,381	743,381	743,118
- Long-term borrowings	-	2,273,791	2,273,791	2,245,369
	-	7,125,107	7,125,107	7,096,422
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
	4,006,004	-	4,006,004	4,006,004
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
	-	4,136,082	4,136,082	4,128,095
Company				
At 31 December 2023				
Cash and cash equivalents	57,618	-	57,618	57,618
Trade and other receivables*	2,224,286	-	2,224,286	2,224,286
	2,281,904	-	2,281,904	2,281,904
Trade and other payables**	-	63,611	63,611	63,611
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
	2,177,669	-	2,177,669	2,177,669
Trade and other payables**	-	47,348	47,348	47,348
Interest-bearing borrowings				
- Short-term borrowings	-	50,000	50,000	50,000
	-	97,348	97,348	97,348

* *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)

22. 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 ten months ended 31 December 2023, Seatrium O&M contributed revenue of $3,880,629,000 and loss of $980,373,000 to the Group's results. If the acquisition had occurred on 1 January 2023, management estimates that the consolidated revenue and loss for twelve months ended 31 December 2023 would have been $7,921,954,000 and $2,308,743,000 respectively.

Details of the acquisition date fair value of 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	FY 2023 $'000
Purchase consideration		
Equity instruments issued (36,848,072,918 ordinary shares)	a	4,679,705
Consideration transferred for the businesses		4,679,705
Effect on cash flows of the Group		
Cash paid		-
Cash and cash equivalents in subsidiaries acquired		(742,854)
Cash inflow on acquisition		(742,854)
Identifiable assets acquired and liabilities assumed[1]		
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[2]		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		6,249,013
Trade and other payables		2,252,885
Contract liabilities		703,671
Provisions		1,033,998
Other financial liabilities		745
Current tax payable		7,229
Interest-bearing borrowings		938,399
Lease liabilities		291,266
Deferred tax liabilities		143,001
Total liabilities		5,371,194
Total identifiable net assets		877,819
Less: Non-controlling interests		(14,295)
Add: Goodwill acquired		3,816,181
Consideration transferred for the businesses		4,679,705

[1] The above fair values of identifiable assets acquired and liabilities assumed have been determined on provisional basis as of 31 December 2023.

[2] Trade and other receivables comprise gross contractual amounts due of $528,470,000, of which $83,075,000 was expected to be uncollectible at date of acquisition.

22. 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 FY 2023 and $16 million in prior years. These costs have been included in general and administrative expenses.

(c) Goodwill

The goodwill on acquisition is attributable mainly to synergies expected 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 continuing areas of traditional fossil fuels projects at least for short-to-medium term, as well as renewables, new energy and cleaner O&M solutions through the long term. 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.

(d) Contingent liabilities

The fair value of contingent liabilities arising from the outstanding litigation and claims recorded by Seatrium O&M has been assessed to be not material, by reference to current status, nature and developments of these outstanding cases. On future settlement of these cases, there could be significant effects in profit or loss in future periods.

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 31 December 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 29 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 2H 2023 and FY 2023 increased significantly mainly due to the consolidation of projects following the combination, strong project execution and higher repairs & upgrades activities.

(ii) Gross loss

Gross loss for 2H 2023 and FY 2023 was mainly due to write-down of obsolete inventories, higher costs for certain projects and merger related costs, mitigated by higher contribution from higher revenue recognition.

(iii) General and administrative expenses

Higher general and administrative expenses in 2H 2023 and FY 2023 was mainly due to higher personnel related costs, higher professional fees incurred from the combination with Seatrium O&M and higher depreciation.

(iv) Finance income and finance costs

(a) Higher finance income in 2H 2023 and FY 2023 was mainly due to higher interest income from customers on deferred payment arrangement and bank deposits.

(b) Higher finance costs in 2H 2023 and FY 2023 was mainly due to higher interest expense from borrowings.

(v) Loss attributable to Owners of the Company ("Net loss")

Net loss for 2H 2023 and FY 2023 was higher mainly due to the material write-down of non-core assets and obsolete inventories arising from the management's strategic review, higher costs for certain projects, higher professional fees, higher net finance costs and provision for legal and corporate claims, mitigated by higher contribution from higher revenue recognition.

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

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 were mainly due to the consolidation of the financials from Seatrium O&M acquisition.

Non-current assets

'Property, plant and equipment' and 'Right-of-use assets' increased mainly due to Seatrium O&M acquisition, offset by write-down of non-core assets.

'Interests in associates and joint ventures', 'Other financial assets' and 'deferred tax assets' increased mainly due to Seatrium O&M acquisition.

'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 22).

Current assets

'Inventories' and 'Trade and other receivables' increased mainly due to due to Seatrium O&M acquisition.

'Contract costs' decreased mainly due to recognition of costs of sales during the year.

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

'Tax recoverable' decreased mainly due to payment received.

'Assets held for sale' was related to a potential sale of marine vessel to a buyer.

'Other financial assets' increased 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 and full repayment from a customer on financing arrangements.

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) Group

Current liabilities

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

'Contract liabilities' decreased mainly due to revenue recognition during the year, offset by advances received from customers.

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

'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 year.

'Interest-bearing borrowings' decreased mainly due to refinancing of current borrowings with longer term arrangements.

'Lease liabilities' increased mainly due to Seatrium O&M acquisition.

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' increased mainly due to refinancing of current borrowings with longer term arrangements.

'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

'Property, plant and equipment' and 'Right-of-use assets' decreased mainly due to depreciation charge for the year.

'Investment properties' decreased mainly due to the partial return of land at Tanjong Kling Road to the Singapore Government.

'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 and additional loan to subsidiaries.

Current assets

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

'Cash and cash equivalents' decreased mainly due to loan to subsidiaries.

Current liabilities

'Trade and other payables' increased mainly due to higher payables due to subsidiaries.

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

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

'Interest-bearing borrowings' decreased mainly due to loan repayment.

Non-current liabilities

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

'Lease liabilities' decreased mainly due to partial return of land at Tanjong Kling Road to the Singapore Government.

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)

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:

	31-Dec-2023 $'000	31-Dec-2022 $'000
Fixed deposits	1,325,376	987,493
Cash and bank balances	944,864	1,103,350
Cash and cash equivalents	2,270,240	2,090,843

Cash flows generated from operating activities before changes in working capital were $484 million in FY 2023. Net cash generated from operating activities for FY 2023 at $601 million was mainly due to receipts from customers.

Net cash generated from investing activities for FY 2023 was $654 million, mainly due to cash from the acquisition of Seatrium O&M.

Net cash used in financing activities for FY 2023 was $1 billion. It relates mainly to net repayment of borrowings.

4. Variance from prospect statement

None.

5. Prospects

Looking ahead, the offshore & marine industry continues to be well supported by strong industry tailwinds arising from the global energy transition and energy security.

In line with its business transformation, Seatrium undertook a strategic review of its business focus, operational footprint, and assets in 2023. The Group has written down surplus non-core assets in the FY2023 results, and this is expected to drive productivity, optimise operational structure and reduce cash operating expenses going forward. The Group will continue to invest in its core assets and capabilities to scale the business.

With the successful completion of the integration and strategic review, the Group is expected to benefit from its deep customer relationships and derive greater synergies from an enlarged business footprint, operational scale and enhanced capabilities. Seatrium is committed to executing its robust order book into quality and timely project deliveries, improving its earnings and building a resilient business. The Group is focused on delivering an improved financial performance in FY2024.

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)	
		FY 2023 $'000	FY 2022 $'000	FY 2023 $'000	FY 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.	-	-	2,110	-
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.	-	-	5,241	-
PSA Marine (Pte) Ltd	Associate of Temasek Holdings (Private) Limited, the largest shareholder of the Company.	-	-	-	100
ST Engineering Marine Ltd.	Associate of Temasek Holdings (Private) Limited, the largest shareholder of the Company.	-	-	1,658	-
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	354
Total Interested Person Transactions		**200**	**-**	**9,651**	**454**

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. Disclosure of persons occupying managerial positions who are related to a director, chief executive officer or substantial shareholder

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that, to the best of its knowledge, belief and information, none of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a director or the chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

LOOI LEE HWA
COMPANY SECRETARY

23 February 2024