



Marco Polo Marine Ltd.

(Company Registration No: 200610073Z)
(Incorporated in the Republic of Singapore)

**CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS AND FULL YEAR ENDED 30 SEPTEMBER 2024**



MARCO POLO MARINE LTD
Company Registration No. 200610073Z

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A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group			Group		
	2HFY2024	2HFY2023	Change %	FY2024	FY2023	Change %
	S\$'000	S\$'000		S\$'000	S\$'000	
Revenue	61,959	71,182	(13)	123,530	127,126	(3)
Cost of sales	(35,665)	(43,137)	(17)	(75,015)	(81,385)	(8)
Gross profit	26,294	28,045	(6)	48,515	45,741	6
Other operating income	3,851	2,531	52	6,323	4,779	32
Administrative expenses	(6,389)	(5,164)	24	(14,586)	(10,726)	36
Other operating expenses	(9,807)	(1,653)	493	(13,079)	(9,188)	42
Profit from operations	13,949	23,759	(41)	27,173	30,606	(11)
Finance costs	(1,511)	(251)	502	(1,631)	(306)	433
Share of profits in joint ventures	85	85	-	171	171	-
Profit before income tax	12,523	23,593	(47)	25,713	30,471	(16)
Income tax expense	(621)	(3,646)	(83)	(1,806)	(4,690)	(61)
Profit for the financial year	11,902	19,947	(40)	23,907	25,781	(7)
Profit attributable to:-						
Equity holders of the Company	10,679	18,331	(42)	21,700	22,580	(4)
Non-controlling interest	1,223	1,616	(24)	2,207	3,201	(31)
	11,902	19,947	(40)	23,907	25,781	(7)
Other comprehensive income:						
Exchange difference arising from translation foreign operations	(2,878)	2,490	(216)	(3,256)	(1,093)	(198)
Total comprehensive income	9,024	22,437	(60)	20,651	24,688	(16)
Total comprehensive income attributable to:-						
Equity holders of the Company	8,622	20,237	(57)	19,262	21,421	(10)
Non-controlling interest	402	2,200	(82)	1,389	3,267	(57)
	9,024	22,437		20,651	24,688	
Earnings per share						
Basic (in cents)	0.28	0.50	(44)	0.58	0.61	(5)
Diluted (in cents)	0.28	0.50	(44)	0.58	0.61	(5)

Notes

"2HFY2024" denotes the second half financial year ended 30 September 2024 ("FY2024").

"FY2024" denotes the full financial year of FY2024.

"2HFY2023" denotes the second half financial year ended 30 September 2023 ("FY2023").

"FY2023" denotes the full financial year of FY2023.

"% Change" denotes increase/(decrease) in the relevant profit or loss item as compared with the comparative figure.

"NM" denotes not meaningful.

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	As at 30 September 2024 S\$'000	As at 30 September 2023 S\$'000	As at 30 September 2024 S\$'000	As at 30 September 2023 S\$'000
Non-current assets				
Property, plant and equipment	148,077	92,765	-	-
Right-of-use assets	6,921	6,284	-	-
Investments in subsidiaries	-	-	4,320	4,320
Investments in joint ventures	-	-	-	-
Amount due from joint venture	7,810	10,485	7,810	10,485
	162,808	109,534	12,130	14,805
Current assets				
Inventories	3,670	8,366	-	-
Contract assets	2,418	3,495	-	-
Trade receivables	20,527	22,840	-	-
Other receivables, deposits and prepayment	18,742	21,737	282	71
Amount due from subsidiaries (non-trade)	-	-	131,932	136,946
Amount due from joint venture (non-trade)	-	9	-	-
Cash and cash equivalents	68,770	63,100	25,985	25,177
	114,127	119,547	158,199	162,194
Total assets	276,935	229,081	170,329	176,999
Current liabilities				
Trade payables	15,353	15,030	-	-
Other payables and accruals	11,636	12,999	344	405
Deferred income	171	171	-	-
Lease liabilities	1,809	1,553	-	-
Borrowings- interest bearing	18,574	966	-	-
Income tax payable	5,403	5,279	-	-
	52,946	35,998	344	405
Non-current liabilities				
Deferred income	2,544	2,747	-	-
Lease liabilities	5,528	4,732	-	-
Borrowings- interest bearing	14,407	1,290	-	-
Deferred tax liabilities	349	426	-	-
Other payables and accruals	87	-	-	-
	22,915	9,195	-	-
Total liabilities	75,861	45,193	344	405
Net assets	201,074	183,888	169,985	176,594
Share capital and reserves				
Share capital	163,838	163,838	163,838	163,838
Treasury shares	(1,203)	(1,203)	(1,203)	(1,203)
Capital reserve	634	634	-	-
Employee share option reserve	619	560	288	-
Other reserve	158	158	-	-
Foreign currency translation reserve	124	2,562	-	-
Retained earnings	19,464	1,288	7,062	13,959
	183,634	167,837	169,985	176,594
Non-controlling interest	17,440	16,051	-	-
Total equity	201,074	183,888	169,985	176,594

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C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

<u>Group</u>	Share capital	Treasury shares	Capital reserve	Employee share option reserve	Foreign currency translation reserve	Retained earnings	Other reserves	Total	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 October 2023	163,838	(1,203)	634	560	2,562	1,288	158	167,837	16,051	183,888
Profit for the financial year	-	-	-	-	-	21,700	-	21,700	2,207	23,907
Other comprehensive income, net of tax	-	-	-	-	(2,438)	-	-	(2,438)	(818)	(3,256)
Total comprehensive income for the financial year	-	-	-	-	(2,438)	21,700	-	19,262	1,389	20,651
Dividends paid	-	-	-	-	-	(3,753)	-	(3,753)	-	(3,753)
Employee share options expired	-	-	-	(229)	-	229	-	-	-	-
Grant of employee share options	-	-	-	288	-	-	-	288	-	288
Balance as at 30 September 2024	163,838	(1,203)	634	619	124	19,464	158	183,634	17,440	201,074

Balance as at 1 October 2022	156,300	(1,203)	634	560	3,721	(21,292)	158	138,878	12,784	151,662
Issuance of ordinary shares pursuant to exercise of warrants	7,538	-	-	-	-	-	-	7,538	-	7,538
Profit for the financial year	-	-	-	-	-	22,580	-	22,580	3,201	25,781
Other comprehensive income, net of tax	-	-	-	-	(1,159)	-	-	(1,159)	66	(1,093)
Total comprehensive income for the financial year	-	-	-	-	(1,159)	22,580	-	21,421	3,267	24,688
Balance as at 30 September 2023	163,838	(1,203)	634	560	2,562	1,288	158	167,837	16,051	183,888

<u>Company</u>	Share capital	Treasury shares	Employee share option reserve	Retained earnings/ (Accumulated losses)	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 October 2023	163,838	(1,203)	-	13,959	176,594
Total comprehensive loss for the financial year	-	-	-	(3,144)	(3,144)
Dividends paid	-	-	-	(3,753)	(3,753)
Grant of employee share option	-	-	288	-	288
Balance as at 30 September 2024	163,838	(1,203)	288	7,062	169,985
Balance as at 1 October 2021	156,300	(1,203)	-	18,000	173,097
Issuance of ordinary shares pursuant to exercise of warrants	7,538	-	-	-	7,538
Total comprehensive income for the financial year	-	-	-	(4,041)	(4,041)
Balance as at 30 September 2022	163,838	(1,203)	-	13,959	176,594

D. CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW

	Group	
	FY2024	FY2023
	S\$'000	S\$'000
Cash flow from operating activities		
Profit before income tax	25,713	30,471
Adjustments for:		
Depreciation of right-of-use assets	1,956	1,750
Depreciation of property, plant and equipment	10,440	10,310
Bad debts recovered	(17)	(272)
Interest expense	1,631	306
Interest income	(2,555)	(1,815)
Share of profits in joint ventures	(171)	(171)
Share based payment expense	288	-
Gain on disposal of property, plant and equipment	(1,724)	(1,027)
Foreign exchange difference	1,378	3,277
Operating profit before working capital changes	36,939	42,829
Movement in working capital		
Inventories	4,696	(6,735)
Trade and other receivables	(2,616)	(3,960)
Contract assets	1,077	(3,495)
Trade and other payables	(954)	450
Cash generated from operations	39,142	29,089
Income tax	(1,507)	(977)
Net cash generated from operating activities	37,635	28,112
Cash flows from investing activities		
Purchase of property, plant and equipment	(50,706)	(13,295)
Proceeds from disposal of property, plant and equipment	3,148	6,674
Repayment from a joint venture	2,684	2,887
Deposit paid for the purchase of property, plant and equipment	(11,103)	(19,087)
Net cash used in investing activities	(55,977)	(22,821)
Cash flows from financing activities		
Interest received	2,511	1,486
Proceeds from term loans	31,889	-
Placement of fixed deposit pledged	(1,090)	-
Repayment of lease liabilities	(1,817)	(1,902)
Repayment of term loans	(2,520)	(1,075)
Proceeds from exercise of warrants	-	7,538
Dividends paid to equity holders of the parent	(3,753)	-
Net cash generated from financing activities	25,220	6,047
Net increase in cash and cash equivalents	6,878	11,338
Cash and cash equivalents at beginning of the year	61,285	51,635
Effect of exchange rate changes on cash and cash equivalents	(2,298)	(1,688)
Cash and cash equivalents at end of the financial year (Note 1)	65,865	61,285

Note 1

Cash and cash equivalent consist of:

Cash and bank balances	21,551	24,334
Fixed deposits	47,219	38,766
Total cash, bank balances and fixed deposits (as per statement of financial position)	68,770	63,100
Less: fixed deposits pledged	(2,905)	(1,815)
Cash and cash equivalent at the end of financial year (as per cash flow statement)	65,865	61,285

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

Marco Polo Marine Ltd. (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). These condensed interim consolidated financial statements as at and for the six months and full year ended 30 September 2024 comprise the Company and its subsidiaries (collectively, the Group).

The address of the Company's registered office and principal place of business is 1 Tai Seng Avenue, #06-13, Tai Seng Exchange Tower A, Singapore 536464.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are:

- a. Shipbuilding and ship repair; and
- b. Ship chartering, leasing and management.

2. Basis of Preparation

The condensed interim consolidated financial statements for the six months and full year ended 30 September 2024 have been prepared in accordance with Singapore Financial Reporting Standard (International) ("SFRS(I)") 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 30 September 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

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

2.1 New and amended standards adopted by the Group

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

2.2 Use of judgements and estimates

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 that applied to the consolidated financial statements as at and for the year ended 30 September 2023.

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

3 Seasonal operations

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

4. Segment and revenue information

The Group has identified the operating segments as described below, which are the Group's Strategic business units.

- (i) Ship chartering services – Relates to charter hire activities
- (ii) Ship building and repair services – Relates to sales of goods, ship building and ship repair activities

4.1 Business segments

	Ship chartering services S\$'000	Ship building and repair services S\$'000	Total operations S\$'000
FY2024			
External revenue	71,931	51,599	123,530
Reportable segment results from operating activities	28,971	1,104	30,075
Share of profits in joint ventures	171	-	171
Finance income	930	63	993
Finance costs	(1,362)	(269)	(1,631)
Unallocated corporate expenses, net			(3,895)
Profit before income tax			25,713
Income tax expense			(1,806)
Profit for the financial year			23,907
Reportable segment assets	197,076	53,532	250,608
Unallocated assets			26,327
Total assets			276,935
Reportable segment liabilities	43,881	29,672	73,553
Unallocated liabilities			2,308
Total liabilities			75,861
Capital expenditure	62,784	7,055	69,839

	Ship chartering services S\$'000	Ship building and repair services S\$'000	Total operations S\$'000
FY2023			
External revenue	65,891	61,235	127,126
Reportable segment results from operating activities	22,272	11,531	33,803
Share of profits in joint ventures	171	-	171
Finance income	318	196	514
Finance costs	(287)	(19)	(306)
Unallocated corporate expenses, net			(3,711)
Profit before income tax			30,471
Income tax expense			(4,690)
Profit for the financial year			25,781
Reportable segment assets	136,988	66,700	203,688
Unallocated assets			25,393
Total assets			229,081
Reportable segment liabilities	19,585	21,882	41,467
Unallocated liabilities			3,726
Total liabilities			45,193
Capital expenditure	10,486	2,868	13,354

4.2 Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Ship chartering services		Ship building and repair services		Sales of goods		Total	
	FY2024 S\$'000	FY2023 S\$'000	FY2024 S\$'000	FY2023 S\$'000	FY2024 S\$'000	FY2023 S\$'000	FY2024 S\$'000	FY2023 S\$'000
Geographical markets^(a)								
Singapore	4,630	4,729	4,184	20,170	-	-	8,814	24,899
Indonesia	8,034	5,466	34,775	32,821	3,047	2,660	45,856	40,947
Taiwan	34,371	32,597	-	-	-	-	34,371	32,597
Thailand	20,308	16,110	5,486	-	-	-	25,794	16,110
Malaysia	4,588	6,990	894	623	-	-	5,482	7,613
Bangladesh	-	-	2,115	-	-	-	2,115	-
Vanuatu	-	-	579	-	-	-	579	-
Nauru	-	-	-	1,151	-	-	-	1,151
Others	-	-	519	3,809	-	-	519	3,809
Total	71,931	65,892	48,552	58,574	3,047	2,660	123,530	127,126
Goods or services transferred at a point in time	-	-	29,718	42,738	3,047	2,660	32,765	45,398
Goods or services transferred overtime	71,931	65,892	18,834	15,836	-	-	90,765	81,728
Total	71,931	65,892	48,552	58,574	3,047	2,660	123,530	127,126

^(a) The disaggregation is based on the location of customers from which revenue was generated.

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and the company as at 30 September 2024 and 30 September 2023:

	The Group		The Company	
	30 September 2024 S\$'000	30 September 2023 S\$'000	30 September 2024 S\$'000	30 September 2023 S\$'000
Financial Assets				
Cash and bank balances, trade and other receivables and amounts due from joint ventures (Amortised cost)	99,969	97,503	165,818	172,646
Financial Liabilities				
Trade and other payables, lease liabilities and borrowings (Amortised cost)	66,578	35,814	344	405

6. Profit before income tax

Significant items

Significant items	Group			Group		
	2HFY2024	2HFY2023	Change	FY2024	FY2023	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Income						
Interest income	1,352	1,042	30	2,555	1,815	41
Gain on disposal of property, plant and equipment	994	528	88	1,724	1,027	68
Sale of scrap materials	472	518	(9)	875	913	(4)
Insurance claims	1,042	281	271	1,050	661	59
Net foreign currency exchange gain	-	720	(100)	-	-	NM
Expenses						
Depreciation of property, plant and equipment	4,732	5,074	(7)	10,440	10,310	1
Depreciation of right-of-use assets	1,121	1,560	(28)	1,956	1,750	12
Legal and professional fees	717	453	58	955	554	72
Interest expenses	1,511	251	502	1,631	306	433
Net foreign currency exchange loss	4,635	-	NM	5,486	3,318	65
Provision for contractual liabilities	1,799	-	NM	1,799	-	NM

7. Income tax expense

	Group	
	FY2024 S\$'000	FY2023 S\$'000
Current income tax		
- current financial year	1,829	3,671
- under provision in respect of prior year	54	1,097
	<u>1,883</u>	<u>4,768</u>
Deferred tax		
- Origination and reversal of temporary differences	(77)	(78)
Income tax expense	<u>1,806</u>	<u>4,690</u>

8. Dividend

After the respective reporting dates, the following exempt (one-tier) dividends were proposed by the directors. These exempt (one-tier) dividends have not been provided for.

	Group and Company	
	FY2024 S\$'000	FY2023 S\$'000
Proposed by the Company to owners of the Company		
- Final dividends for the year ended 30 September 2024: S\$0.001 (30 September 2023: S\$0.001) per ordinary share	<u>3,754</u>	<u>3,754</u>

9. Net asset value

	Group		Company	
	30 September 2024 S\$'000	30 September 2023 S\$'000	30 September 2024 S\$'000	30 September 2023 S\$'000
Net asset value	<u>201,074</u>	<u>183,888</u>	<u>169,985</u>	<u>176,594</u>
Net asset value per ordinary share based on issued share capital (Singapore cents)	<u>5.4 cents</u>	<u>4.9 cents</u>	<u>4.5 cents</u>	<u>4.7 cents</u>

10. Property, plant and equipment

During the financial year ended 30 September 2024, the Group acquired property, plant and equipment amounting to S\$69,839,000 (30 September 2023: S\$13,354,000) and disposed and wrote off assets amounting to S\$1,375,000 (30 September 2023: S\$2,279,000).

11. Borrowings

	Group		Company	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Amount repayable within one year, or in demand</u>				
Secured	18,574	966	-	-
<u>Amount repayable after one year</u>				
Secured	14,407	1,290	-	-

The bank borrowings of the Group are secured by corporate guarantees and fixed deposit pledged.

12. Share capital

	Group and Company			
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
	Number of shares		S\$'000	S\$'000
Issued and fully paid:				
At beginning of financial year	3,757,850,480	3,542,478,228	163,838	156,300
Exercise of warrants ⁽¹⁾	-	215,372,252	-	7,538
At end of financial year	3,757,850,480	3,757,850,480	163,838	163,838

(1) Issuance of 215,372,252 new shares at exercise price of S\$0.035 per share upon exercise of warrants during the period from 1 October 2022 to 31 March 2023. All ordinary shares were fully paid.

The Company's subsidiaries do not hold any shares in the Company as at 30 September 2024 and 30 September 2023.

13. Treasury shares

	Group and Company			
	30 September 2024		30 September 2023	
	Number of shares	S\$'000	Number of shares	S\$'000
At beginning/end of the financial year/period	4,201,400	1,203	4,201,400	1,203

	Group and Company	
	30 September 2024	30 September 2023
Total number of issued Shares (excluding treasury shares)	3,753,649,080	3,753,649,080

There are 4,201,400 treasury shares and a total of 3,753,649,080 issued shares (excluding treasury shares) as at 30 September 2024.

14. Subsequent events

There were no subsequent events in relation to the financial year ended 30 September 2024.

F. OTHER INFORMATION REQUIRED BY LISITNG RULE APPENDIX 7.2

1. Review

The condensed consolidated statement of financial position of Marco Polo Marine Ltd. and its subsidiaries as at 30 September 2024 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the financial year ended 30 September 2024 and certain explanatory notes have not been audited or reviewed.

2. Review of financial performance of the Group

Our Group's revenues for FY2024 (vis-à-vis FY2023) and 2HFY2024 (vis-a-vis 2HFY2023) were as follow:

	2HFY2024		2HFY2023		Change		FY2024		FY2023		Change	
	S\$ m	%	S\$ m	%	S\$ m	%	S\$ m	%	S\$ m	%	S\$ m	%
Ship Chartering Operations	39.0	63	41.4	58	(2.4)	(6)	71.9	58	65.9	52	6.0	9
Ship Building & Repair Operations	23.0	37	29.8	42	(6.8)	(23)	51.6	42	61.2	48	(9.6)	(16)
	62.0	100	71.2	100	(9.2)	(13)	123.5	100	127.1	100	(3.6)	(3)

The Group recorded a revenue of S\$62.0 million in 2HFY2024, a decrease of 13% from that of S\$71.2 million registered in 2HFY2023, and a revenue of S\$123.5 million in FY2024, a decrease of 3% from that of S\$127.1 million registered in FY2023.

The Group's revenue from Ship Chartering Operations decreased by 6% to S\$39.0 million in 2HFY2024 from S\$41.4 million in 2HFY2023, mainly due to a decline in the average utilisation rate for its fleet of offshore vessels in 2HFY2024 compared to 2HFY2023. On a full year basis, revenue from Ship Chartering Operations of the Group increased by 9% to S\$71.9 million in FY2024 from S\$65.9 million in FY2023. The increase was primarily attributed to higher charter rates achieved for its fleet of offshore vessels in FY2024 compared to FY2023. Additionally, there was an increase in the rechartering of third-party vessels in FY2024.

The Ship Building & Repair Operations of the Group recorded a decrease in revenue of 23% to S\$23.0 million in 2HFY2024 from S\$29.8 million in 2HFY2023, and a decrease of 16% to S\$51.6 million in FY2024 from S\$61.2 million in FY2023. The decrease in revenue was attributed to a decrease in ship repair volume which was partially offset by an increase in shipbuilding activities.

The Group's gross profit decreased to S\$26.3 million in 2HFY2024 from S\$28.0 million in 2HFY2023 while gross profit margin increased from 39% to 42%. The decrease in gross profit is consistent with the decrease in revenue for the period. On a full year basis, the gross profit increased to S\$48.5 million in FY2024 from S\$45.7 million in FY2023, with the gross profit margin increasing to 39% in FY2024 from 36% in FY2023. The increase in gross profit was contributed by the rise in revenue from Ship Chartering Operations, partially offset by a decrease in revenue from Ship Building & Repair Operations. The improvement of gross profit margins in both 2HFY2024 and FY2024 were primarily driven by higher charter rates from Ship Chartering operations.

The Group's other operating income increased to S\$3.9 million in 2HFY2024 from S\$2.5 million in 2HFY2023. The increase was mainly due to the increase in (i) interest income of S\$0.3 million, (ii) insurance claim income of S\$0.8 million and (iii) gain on disposal of property, plant and equipment of S\$0.5 million. On a full year basis, other operating income increased to S\$6.3 million in FY2024 from S\$4.8 million in FY2023. The increase in FY2024 was primarily due to the increase in (i) interest income of S\$0.7 million, (ii) insurance claim income of S\$ 0.4 million and (iii) gain on disposal of property, plant and equipment of S\$0.7 million.

The Group's administrative expenses increased to S\$6.4 million in 2HFY2024 from S\$5.2 million in 2HFY2023. The increase was mainly due to an increase in staff salaries of S\$0.9 million from the increase in staff headcount across the Group. On a full year basis, administrative expenses increased to S\$14.6 million in FY2024 from S\$10.7 million in FY2023. The increase was mainly due to a rise in staff costs by S\$3.3 million, which resulted from an increase in performance-based bonus payouts (in respect of prior year's performance) of S\$2.0 million and a rise in salaries of S\$1.3 million from the increase in staff headcount across the Group.

The Group's other operating expenses increased to S\$9.8 million in 2HFY2024 from S\$1.7 million in 2HFY2023, primarily due to (i) an increase in foreign exchange loss by S\$5.4 million, which was predominately unrealised in nature, and (ii) provision for contractual liabilities of S\$1.8 million. On a full year basis, the other operating expenses increased to S\$13.1 million in FY2024 from S\$9.2 million in FY2023, mainly attributed to (i) an increase of S\$2.2 million in foreign exchange loss, and (ii) provision for contractual liabilities of S\$1.8 million.

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The Group's finance costs have increased to S\$1.5 million in 2HFY2024 from S\$0.3 million in 2HFY2023, and to S\$1.6 million in FY2024 from S\$0.3 million in FY2023. The increase in both periods was primarily due to the drawdown of loans for the construction of the Group's CSOV and for the construction of fourth drydock at the Group's shipyard in Batam, Indonesia.

The Group's income tax expense has decreased to S\$0.6 million in 2HFY2024 from S\$3.7 million in 2HFY2023, and to S\$1.8 million in FY2024 from S\$4.7 million in FY2023. The decrease in both periods was primarily due to the decrease in profit contribution from countries such as Taiwan where there is relatively higher tax rates. In addition, there was an under provision of income tax expense from prior years amounting to S\$1.1 million which was recognised in FY2023.

The share of profits from the jointly controlled company remained steady at S\$85,000 in both 2HFY2024 and 2HFY2023, and at S\$171,000 for FY2024 and FY2023. This share of profits was primarily attributable to the Group's joint venture, Pelayaran Era Sdn Bhd.

As a result of the above, we registered a net profit attributed to owners of the Company of S\$10.7 million in 2HFY2024 compared to S\$18.3 million in 2HFY2023 and a net profit attributed to owners of the Company of S\$21.7 million in FY2024 compared to S\$22.6 million in FY2023.

Excluding foreign exchange gains or losses, and one-off items, the Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) of the Group decreased to S\$24.0 million in 2HFY2024 from S\$28.2 million in 2HFY2023 and decreased to S\$42.7 million in FY2024 from S\$43.3 million in FY2023.

3. Review of financial position of the Group as at 30 September 2024 compared to that as at 30 September 2023

The non-current assets of the Group increased by S\$53.3 million to S\$162.8 million as of 30 September 2024 from S\$109.5 million as of 30 September 2023. The increase was mainly attributed to the addition of property, plant and equipment and right-of-use assets, partially offset with the depreciation of property, plant and equipment, depreciation of right-of-use assets and the repayment of amounts due from a joint venture.

Inventories of the Group decreased by S\$4.7 million to S\$3.7 million as of 30 September 2024 from S\$8.4 million as of 30 September 2023, mainly attributed to a decrease purchase of raw materials for ship building projects.

Contract assets of the Group decreased by S\$1.1 million to S\$2.4 million as of 30 September 2024 from S\$3.5 million as of 30 September 2023. The decrease was mainly due to a decrease in unbilled invoices to customers in relation to work performed on the Group's ship building projects.

Trade receivables of the Group decreased by S\$2.3 million to S\$20.5 million as of 30 September 2024 from S\$22.8 million as of 30 September 2023. The decrease is consistent with the overall decrease in revenue in FY2024. As disclosed in the Group's financial statements that was published in the FY2023 Annual Report and in accordance with SFRS(I), the Group uses an allowance matrix to measure its expected credit loss for trade receivables and based on this allowance matrix, the Group has assessed that the provision for impairment of trade receivables is adequate at this juncture.

The Group's other receivables, deposits and prepayment decreased by S\$3.0 million to S\$18.7 million as at 30 September 2024 from S\$21.7 million as at 30 September 2023. The decrease was primarily due to a reduction in deposits paid for equipment purchases related to shipbuilding projects.

The Group's trade payables increased by S\$0.4 million to S\$15.4 million as at 30 September 2024 from S\$15.0 million as at 30 September 2023. The increase was mainly related to the purchase of equipment and outfitting for the Group's CSOV during the year.

The Group's other payables and accruals decreased by S\$1.3 million to S\$11.7 million as at 30 September 2024 from S\$13.0 million as at 30 September 2023. Other payables and accruals mainly consist of accrued operating expenses related to ship building and ship repair projects and the decrease in other payables and accruals was mainly due to the decrease in volume of such projects during the financial year.

The Group's lease liabilities increased by S\$1.0 million to S\$7.3 million as at 30 September 2024 from S\$6.3 million from 30 September 2023. The increase was mainly due to the recognition of a new lease agreement for the Singapore office and partially offset with the repayments made during the year.

The Group's interest-bearing loans increased to S\$33.0 million as at 30 September 2024 from S\$2.3 million as at 30 September 2023. The increase was mainly due to the drawdown of loans for the construction of the Group's CSOV and for the construction of fourth drydock at the Group's shipyard in Batam, Indonesia.

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The Group's income tax payable increased by S\$0.1 million to S\$5.4 million as at 30 September 2024 from S\$5.3 million as at 30 September 2023 primarily due to the accrual of taxable profits for the current financial year.

The Group reported a net cash generated from operating activities of S\$37.6 million for FY2024, in line with the Group's business performance during the year. The net cash used in investing activities of S\$56.0 million for FY2024 was mainly due to the capital expenditure for the purchase of property, plant and equipment which was partially offset by the proceeds from disposal of property, plant and equipment and repayment received from a joint venture. The net cash generated from financing activities of S\$25.2 million was mainly due to the proceeds from term loans, which was partially offset with payment of dividends. Overall, the cash and cash equivalent of the Group increased to S\$68.8 million as at 30 September 2024 as compared to S\$63.1 million in as at 30 September 2023.

Following from the above:

- (i) the working capital of the Group decreased to S\$61.2 million as at 30 September 2024 from S\$83.5 million as at 30 September 2023;
- (ii) the net gearing of the Group (defined as the ratio of the aggregate of interest-bearing loans net of cash and cash equivalents to total equity) remained at nil as at 30 September 2024 and 30 September 2023; and
- (iii) the net asset value per share of the Group increased to 5.4 cents as at 30 September 2024 from 4.9 cents as at 30 September 2023.

4. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

5. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The offshore and shipping industries are currently facing challenges due to geopolitical instabilities. This includes ongoing tensions in the Taiwan Straits and South China Sea, the Russo-Ukrainian war and the recent Israel-Hamas skirmish. Amid these uncertainties, the offshore activities in oil and gas and wind markets continue to show growth and improvement in recent periods. In addition, the Group remains focused and committed to its strategic plan into expanding in the growing renewable energy sector.

For the ship chartering business, the OSV market remains robust due to high demand from offshore wind farms and the oil and gas industries. The Group anticipates this trend to persist and underpin higher average charter rates. In addition, the Group has recently secured the APAC CTV Framework Agreement with Siemens Gamesa as the Group looks to expand its presence in the offshore wind farm sector beyond Taiwan.

For the shipyard division, the outlook remains positive as the Group foresees ship repair volumes picking up with the stabilisation of China's reopening and with full availability of the three dry docks from September 2024 onwards as one out of the three dry docks was utilized for the construction of the Group's CSOV for majority of 2HFY2024. As announced by the Company in September 2023, the Group is expanding its dry-docking capacity with the construction of the fourth dry dock to capitalise on the buoyant demand for ship repairs. As at 30 September 2024, the construction of the fourth dry dock is approximately 38% completed and the overall construction is scheduled to be fully completed in 1HFY2025. Shipbuilding activities are also expected to continue their momentum in relation to the construction of barges with progressive deliveries up to 1HFY2025.

With regards to the construction of our Commissioning Service Operation Vessel as announced in September last year, the physical construction of vessel is approximately 91% completed as at 30 September 2024 and the Group is targeting to commence operation of the CSOV in the first half of 2025.

Looking ahead, the Group remains focused on expanding its footprint in the renewable energy and offshore wind farm sectors. The Company will release further updates on its business and operations on 3 December 2024.

Some of the statements in this release constitute "forward-looking statements" that do not directly or exclusively relate to historical facts. These forward-looking statements reflect our current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside our control. Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks and factors such as general economic and business conditions, including the uncertainties of the pace of recovery of the United States of America economy, continued concerns

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of the scale of the possible adverse fallouts and their implications on the global scene triggered by the current Euro zone debt crisis, inflationary pressures and currency appreciation which will affect the continued strong growth in Asia, especially East Asia; timing or delay in signing, commencement, implementation and performance of programs, or the delivery of products or services under them; relationships with customers; competition; and ability to attract personnel. Because actual results could differ materially from our intentions, plans, expectations, assumptions and beliefs about the future and any negative impacts arising from these issues will affect the performance of the Group's businesses, undue reliance must not be placed on these statements.

- 6. Details of any changes in company's share capital arising from rights issue, bonus issue, share buy backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediate preceding financial year.**

On 9 July 2012, the shareholders of the Company approved the adoption of: (a) the restricted share scheme (2012); (b) the performance share scheme (2012); and (c) the employee share option scheme (2012) ("2012 ESOS"). On 28 April 2015, pursuant to the 2012 ESOS, the Company granted 5,720,000 share options to the Directors of the Company and employees of the Group, each of which is capable of being exercised into a new Share at an exercise price of S\$0.275 each (the "2015 ESOS Options").

Separately, on 30 January 2024, the shareholders of the Company approved the adoption of a new set of performance schemes, namely, (a) the performance share scheme (2024); and (b) the employee share option scheme (2024) ("2024 ESOS"). On 12 April 2024, pursuant to the 2024 ESOS, the Company granted 44,010,000 share options to the Executive Directors of the Company and employees of the Group, each of which is capable of being exercised into a new Share at an exercise price of S\$0.067 each (the "2024 ESOS Options").

In aggregate, there are 2,150,000 2015 ESOS Options outstanding as at 30 September 2024 (30 September 2023: 2,830,000) and 43,180,000 2024 ESOS Options as at 30 September 2024 outstanding (30 September 2023: Nil), which are capable of being exercised into Shares.

Save as disclosed, the Company has no outstanding convertibles as at 30 September 2024 and 30 September 2023.

The information on the changes in the Company's share capital and total number of issued ordinary shares can be found on page 10, Note 12 of this announcement.

- 7. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes of duties and position held, if any, during the financial year
Mr Lee Wan Tang	75	Father to our CEO and Executive Director, Mr Sean Lee Yun Feng, and Executive Director and CFO, Ms Lie Ly.	Appointed in 2020 as Advisor to the Company. Advising on the setting of Group's business strategy and direction.	None
Mr Irryanto	69	Brother-in-law to our substantial shareholder, Mr Lee Wan Tang; uncle to our CEO and Executive Director, Mr Sean Lee Yun Feng, and Executive Director and CFO, Ms Lie Ly.	Director (Shipyard Administration). He is responsible for the administrative function of PT Marco Polo Shipyard, a wholly-owned subsidiary of the Company.	None

8. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Share	0.1 cent
Tax Rate	Tax-Exempt One-Tier

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Share	0.1 cent
Tax Rate	Tax-Exempt One-Tier

(c) Date payable

To be announced later.

(d) Books closure date

To be announced later.

9. If no dividend has been declared / recommended, a statement to that effect.

Not applicable.

10. Interested Person Transactions

The Company has not obtained any general IPT mandate from its shareholders and did not have any interested person transactions during the financial period under review (excluding transactions less than S\$100,000).

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

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sean Lee Yun Feng
Chief Executive Officer

Lie Ly
Chief Financial Officer

28 November 2024