



MARCO POLO MARINE



Anchored in Stability, Navigating Tomorrow

ANNUAL REPORT 2024

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CORPORATE PROFILE

Established in 1991, Marco Polo Marine Ltd (“the Company”) was listed on the-then SGX SESDAQ (now known as SGX Catalyst) in 2007 and had its listing migrated to the Main Board of the Singapore Exchange in 2009.

The Group, comprising the Company and its subsidiaries, is a reputable regional integrated marine logistic company which principally engages in shipping and shipyard businesses.

THE SHIPPING DIVISION (COMPRISING OFFSHORE SUPPORT AND MARINE LOGISTIC SERVICES)

The shipping business of the Group relates to the chartering of Offshore Supply Vessels (“OSVs”), which comprise mainly Anchor Handling Tug Supply Vessels (“AHTS”) for deployment in the regional waters, including the Gulf of Thailand, Malaysia, Indonesia, Myanmar and Taiwan, as well as the chartering of tugboats and barges to customers, especially those which engaged in the mining, commodities, construction and infrastructure.

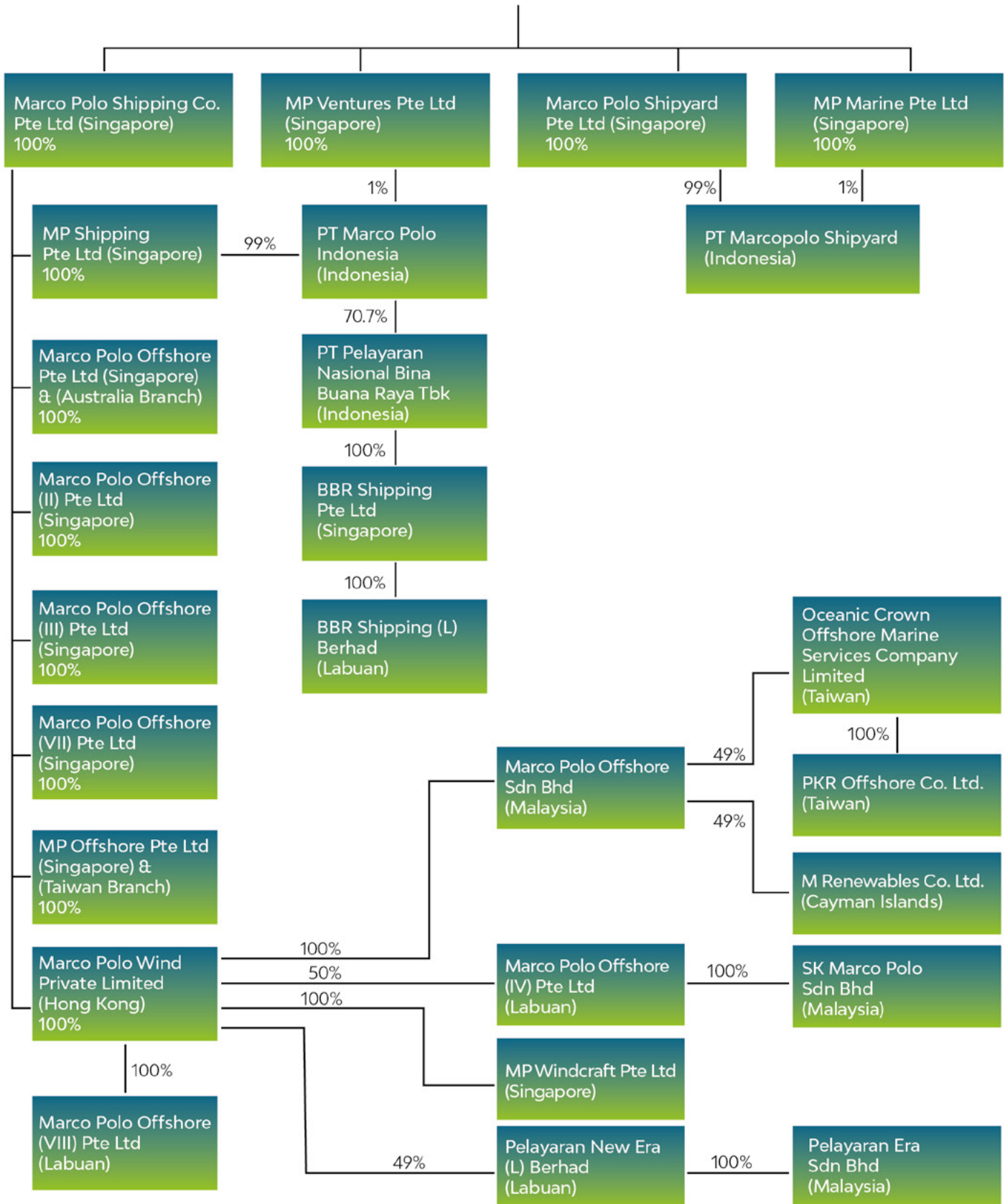
THE SHIPYARD DIVISION

The shipyard business of the Group relates to ship building as well as the provision of ship maintenance, repair, outfitting and conversion services which are being carried out through its shipyard located in Batam, Indonesia. Occupying a total land area of approximately 34 hectares with a seafront of approximately 650 meters, the modern shipyard also houses three dry docks which boosted the Group’s technical capabilities and service offerings to undertake projects involving mid-sized and sophisticated vessels.



MARCO POLO MARINE LTD

(SINGAPORE)



CORPORATE INFORMATION

BOARD OF DIRECTORS

TAN HAI PENG MICHEAL
(Non-Executive Chairman
and Independent Director)

SEAN LEE YUN FENG
(Executive Director and CEO)

LIE LY
(Non-Executive Director)

TEO JUNXIANG, DARREN
(Non-Executive Director)

JEFFREY HING YIH PEIR
(Non-Executive Director)

LEE KIAM HWEE KELVIN
(Independent Director)

LEONG KAH WAH
(Independent Director)

KOH CHUN YUAN
(Independent Director)

AUDIT COMMITTEE

LEE KIAM HWEE KELVIN
(Chairman)

TAN HAI PENG MICHEAL

LEONG KAH WAH

KOH CHUN YUAN

NOMINATING COMMITTEE

LEONG KAH WAH
(Chairman)

LEE KIAM HWEE KELVIN

SEAN LEE YUN FENG

KOH CHUN YUAN

REMUNERATION COMMITTEE

LEE KIAM HWEE KELVIN
(Chairman)

TAN HAI PENG MICHEAL

TEO JUNXIANG, DARREN

JOINT COMPANY SECRETARY
Kwan Hon Kay @ Lawrence Kwan
Chia Lee Cheng

REGISTERED OFFICE
1 Tai Seng Avenue
#06-13
Singapore 536464

REGISTRAR
B.A.C.S. Private Limited
8 Robinson Road
#03-00 ASO Building
Singapore 048544

AUDITORS
Forvis Mazars LLP (Formerly known
as Mazars LLP)
Public Accountants and
Chartered Accountants
135 Cecil Street
#10-01
Singapore 069535

(Appointed since 22 August 2014)

Partner-in-charge:
Lok Yung Hui

PRINCIPAL BANKERS
Standard Chartered Bank
CIMB Bank
United Overseas Bank Limited



CHAIRMAN AND CEO STATEMENT

Dear fellow shareholders

This Annual Report provides the audited financial report for Marco Polo Marine Ltd (“MPML”, the “Company” or, together with its subsidiaries, the “Group”).

A REVIEW OF FY2024

The broader market in the offshore and shipping industries remained challenging in FY2024. Geopolitical instability remains elevated, including tensions in the Taiwan Straits, the South China Sea, and ongoing conflicts in Ukraine and the Middle East region. While the Federal Reserve has begun its interest-rate-cutting cycle, persistent inflation remains a threat. Despite these obstacles, the Group remains focused and committed to pursuing its broader strategic goals.

The Offshore Support Vessel (“OSV”) market remains robust for the ship chartering business due to high demand from offshore wind farms and the oil and gas industries. Oil and gas activity has substantially recovered due to persistent energy security and supply chain challenges. At the same time, the offshore wind sector also continues to grow rapidly in North Asia, where the Group has active operations. Most recently, the Group secured the APAC CTV Framework Agreement with Siemens Gamesa as it looks to expand its presence in the offshore wind farm sector beyond Taiwan.

On the other hand, the Group’s shipyard operations experienced lower demand for its ship repair services, particularly in the first quarter of the year, due to competition from the reopening of China’s shipyards. Notwithstanding that ship repair volumes started to pick up with the stabilisation of China’s reopening, revenue from ship repairs continued to remain subdued as one of the three dry docks in the shipyard was used for the construction of the Group’s CSOV, and no revenue was recognised for most of 2HFY2024. On the shipbuilding front, the Group has continued to engage with local ship owners in Indonesia and successfully secured several newbuild projects with progressive deliveries until the first half of FY2025.

VESTA FRAMEWORK AGREEMENT FORMALISES EARLIER MEMORANDUM OF UNDERSTANDING

The Group has signed the Vestas Framework Agreement, which finalises the previous landmark Memorandum of Understanding (“MOU”) inked in December 2022 between its Taiwan-based subsidiary, PKR Offshore Co., Ltd (“PKRO”), and Vestas Taiwan Co., Ltd for the maiden deployment of its new Commissioning Service Operations Vessel (“CSOV”).

In September 2022, Marco Polo Marine unveiled its plans to build, own and operate a CSOV to meet the increasing demand for support vessels from Asia’s offshore wind farm industry. The 83-metre-long vessel will be the first CSOV to be designed in Asia and will be equipped with a 3D-motion compensated walk-to-work gangway and a heave compensated crane. It will also feature hybrid-based energy storage systems that will reduce carbon emissions by up to 20%.

The new CSOV, which can accommodate up to 110 persons, will be deployed across various offshore wind farms in the Asia Pacific region over three years, based on a minimum utilisation commitment per annum. The vessel is currently under construction at Marco Polo Shipyard in Batam, Indonesia, and is expected to commence operations in the East China Sea in the first half of 2025.

ASIA PACIFIC CTV FRAMEWORK WITH SIEMENS GAMESA

The Group announced in March 2024 that PKRO has secured the Asia-Pacific Crew Transfer Vessel (“CTV”) framework agreement with Siemens Gamesa for projects spanning Taiwan and Korea.

This landmark agreement, effective from 2024 to 2026, with an option to extend to 2030, aims to support Siemens Gamesa’s ambitious offshore wind projects in Taiwan and Korea, granting them access to PKRO’s plan to increase its fleet of CTVs in the coming years. With CTVs forming an integral part of the construction of offshore wind farms and Siemens Gamesa installing more than 2 GW in Asia-Pacific with a continuously bullish outlook on offshore growth expectations for the region, it is mutually beneficial for both companies to collaborate on a longer-term partnership in the Asia-Pacific region.

PKRO has been a steadfast supporter of Siemens Gamesa since 2018, contributing to the construction of various offshore wind farms in Taiwan. This collaboration underscores MPM’s and PKRO’s commitment to expand their footprint beyond their base in Taiwan, including new markets like Korea and other up-and-coming offshore wind markets in Asia. With some of the largest offshore wind projects worldwide, South Korea is committed to achieving net-zero carbon emissions by 2050. With the latest amendment in policies, installed capacity targets for renewables will increase, and offshore wind power will rise from the current 12 GW to 18-20 GW by 2030, according to InfoLink.

BOOSTING SHIP REPAIR CAPACITY WITH CONSTRUCTION OF NEW DRY DOCK

In September 2023, the Group announced its plans to begin constructing the 240m Dry Dock 4, with the anticipated completion date in February 2025. The project will be funded through a combination of operational cash flows and external financing from banks. The completion of Dry Dock 4 will increase the shipyard's repair capacity by up to 25%.

This expansion will enable the Group to meet the growing demand for servicing vessels from new and existing customers, notwithstanding that the shipyard has already undergone dry dock extension programmes for its dry dock 1 and 3 in recent years. The addition of the new dry dock marks a step forward for the shipyard's repair capabilities, and it will be expected to contribute to the Group's revenue and profitability by Q2 of FY2025.

LOOKING AHEAD

Global spending on clean energy technologies and infrastructure is on track to hit US\$2 trillion in 2024, nearly double the amount allocated to fossil fuels, bolstered by improving supply chains and reduced costs for clean technologies. Total global energy investment is expected to exceed US\$3 trillion in 2024, with clean energy receiving the lion's share of these investments. The growing investments in clean energy projects could have a positive flow-through impact on the Group's fleet of offshore vessels.

Additionally, the offshore oil and gas market is anticipated to remain tight in the foreseeable future due to rising demand not being sufficiently met by vessel availability. This tight supply-demand balance is expected to help sustain high charter rates for the Group's fleet of OSVs.

The Group will continue to enhance its operational capabilities and fleet efficiency. Against the backdrop of increasing investments in renewable energy and a tight supply-demand balance in the offshore oil and gas market, the Group is confident that it remains well-positioned to capitalise.

SUSTAINABILITY REPORT

In line with our commitment to being a sustainable business, we are pleased to publish our FY2024 sustainability report, released alongside our Annual Report, which is prepared with reference to Global Reporting Initiative ("GRI") standards and details our economic, social and environmental activities and performance for the financial year.

PROPOSED DIVIDENDS

The Board is pleased to recommend a final one-tier tax-exempt dividend of 0.1 cent per share. The proposed dividend is subject to shareholders' approval at the forthcoming Annual General Meeting.

WORDS OF APPRECIATION

On behalf of the Board, we would like to express our deepest gratitude to our management and staff for their dedication and hard work in helping the Group overcome challenges during the past year and emerge even stronger. We would also like to extend our heartfelt thanks to our esteemed customers, business partners and suppliers for their unrelenting support and confidence in us. In addition, we are extremely grateful to you, our shareholders, for standing steadfast with us amidst uncertain times, and we seek your continued support as we look forward to achieving even greater milestones in the year ahead.

Last but not least, we would like to extend our heartfelt gratitude to Mr Kelvin Lee for his outstanding years of service as the Independent Director of the Company, as he will be relinquishing his role before the conclusion of the forthcoming AGM. Over the years, Kelvin has been a pillar of wisdom and support, guiding the Group through significant milestones, including the challenges of the Oil and Gas Crisis in the years 2016 and 2017, and supporting our strategic pivot to the Offshore Wind sector in recent times. His invaluable contributions have been instrumental in shaping the Company's resilience and transformation. We deeply appreciate his dedication and wish him all the best in his future endeavours.

MICHEAL TAN

Independent Director and Non-Executive Chairman

SEAN LEE YUN FENG

Executive Director and Chief Executive Officer



FINANCIAL & OPERATIONS REVIEW

REVENUE

The Group's revenue for FY2024 vis-à-vis FY2023 is tabulated as follow:

	FY2024		FY2023		CHANGE	
	S\$'m	%	S\$'m	%	S\$'m	%
SHIP CHARTERING	71.9	58	65.9	52	6.0	9
SHIP BUILDING & REPAIR	51.6	42	61.2	48	(9.6)	(16)
TOTAL	123.5	100	127.1	100	(3.6)	(3)

The revenue for the Group's Ship Chartering Operations 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 and an increase in rechartering of third-party vessels in the current year.

The Ship Building & Repair Operations of the Group recorded a decrease in revenue to S\$51.6 million in FY2024 from S\$61.2 million in FY2023. The decrease in revenue was attributed to the decrease in ship repair volume which was partially offset by an increase in third-party shipbuilding activities during the current year.

PROFITABILITY

Overall, the gross profit of the Group increased to S\$48.5 million in FY2024 from S\$45.7 million in FY2023 with 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 FY2024 was primarily driven by higher charter rates from Ship Chartering operations.

Other operating income increased to S\$6.3 million in FY2024 from S\$4.8 million in FY2023, 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\$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\$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.

The Group's finance costs have increased to S\$1.6 million in FY2024 from S\$0.3 million in FY2023, primarily due 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 during the year.

The Group's income tax expense has decreased to S\$1.8 million in FY2024 from S\$4.7 million in FY2023, primarily due to the decrease in profit contribution from countries such as Taiwan where it has relatively higher tax rates. In addition, there was an under provision of income tax expense amounting to S\$1.1 million there was recognised in FY2023.

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

EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTISATION

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\$42.7 million in FY2024 from S\$43.3 million in FY2023.

FINANCIAL POSITION

The net assets of the Group have increased to S\$201.1 million as at 30 September 2024 from S\$183.9 million as at 30 September 2023, as the Group recognised a profit after tax of S\$23.9 million for the year. The Group has managed to grow its cash position to S\$68.8 million as at 30 September 2024 from a balance of S\$63.1 million as at 30 September 2023. This was largely attributed to the net cash generated from operations amounting to S\$37.7 million and the proceeds from bank loans aggregating to S\$31.9 million. These were partially offset by capital expenditure of S\$50.7 million and

deposits of S\$11.1 million paid for purchase of equipment, mainly in relation to ship building projects that the Group has undertaken during the year.

The non-current assets of the Group increased by S\$53.3 million to S\$162.8 million as at 30 September 2024 from S\$109.5 million as at 30 September 2023 due mainly to the addition of property, plant and equipment of S\$69.8 million. The increase in non-current assets was partially offset by depreciation of property, plant and equipment of S\$10.4 million and repayments received in relation to the outstanding amount due from joint ventures of S\$2.7 million.

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 by 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, which was consistent with the overall decrease in revenue in FY2024.

The Group's other receivables, deposits and prepayment decreased by S\$5.5 million to S\$16.2 million as at 30 September 2024 from S\$21.7 million as at 30 September 2023, primarily attributed 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 as at 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 increase 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.

The Group's income tax payable decreased by S\$2.4 million to S\$2.9 million as at 30 September 2024 from S\$5.3 million as at 30 September 2023 primarily due to the tax payments made during the financial year.

As a result of the profits recognised during the financial year, the asset value per share of our Group increased to 5.4 Singapore cents as compared to 4.9 Singapore cents a year ago.

CASH FLOWS

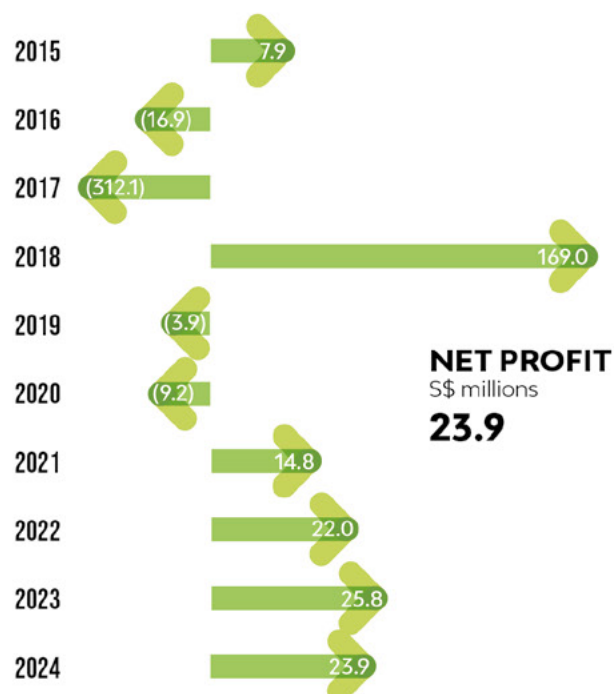
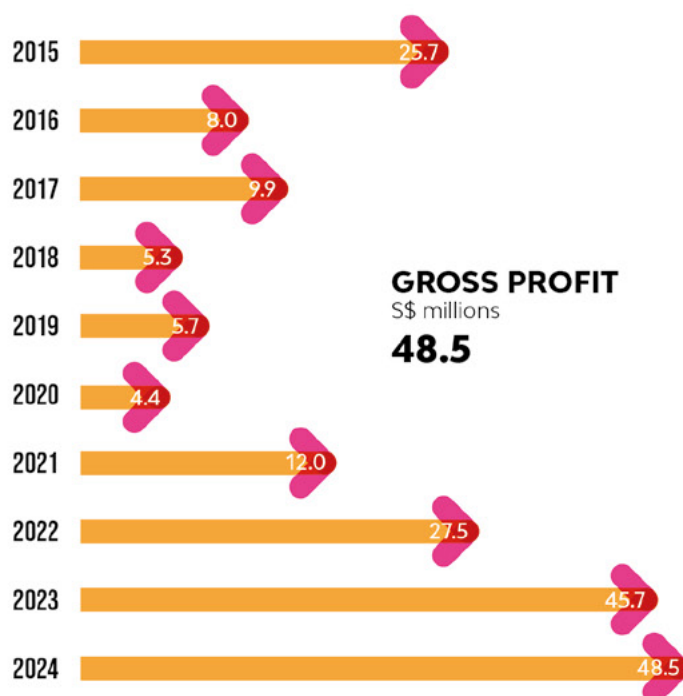
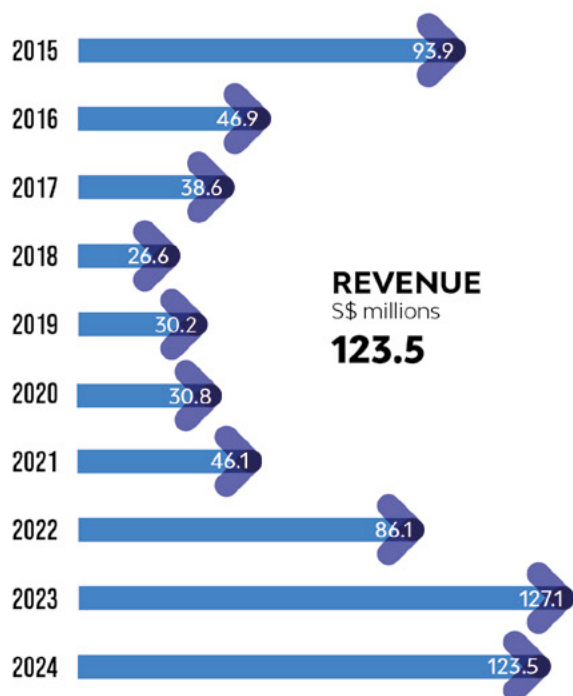
Net cash generated from operating activities of S\$37.7 million in FY2024 was in line with the Group's business performance during the year.

Net cash used in investing activities of S\$53.5 million in FY2024 was mainly attributed to the capital expenditure of S\$50.7 million and deposits of S\$11.1 million paid for purchase of equipment, mainly in relation to ship building projects that the Group has undertaken during the year. These were partially offset by cash generated from proceeds from disposal of property, plant and equipment amounting to S\$3.1 million primarily in relation to the sale of vessels and repayments received in relation to the outstanding amount due from joint ventures of S\$2.7 million.

Net cash generated from financing activities of S\$22.7 million in FY2024 was largely attributable to the proceeds from the drawdown of bank loans amounting to S\$31.9 million for the construction of the Group's CSOV and for the construction of fourth drydock at the Group's shipyard in Batam, Indonesia .



KEY FINANCIALS



REVENUE BY BUSINESS SEGMENT S\$ MILLIONS

	SHIP CHARTERING	SHIP BUILDING & REPAIR	TOTAL (S\$'MILLIONS)
2024	71.9	51.6	123.5
2023	65.9	61.2	127.1
2022	44.7	41.4	86.1
2021	20.1	26.0	46.1
2020	13.6	17.2	30.8
2019	16.6	13.6	30.2
2018	11.5	15.1	26.6
2017	16.5	22.1	38.6
2016	17.1	29.8	46.9
2015	32.4	61.5	93.9

BOARD OF DIRECTORS

TAN HAI PENG MICHEAL

NON-EXECUTIVE CHAIRMAN AND
INDEPENDENT DIRECTOR

Mr Tan Hai Peng Micheal is our Non-Executive Chairman and Independent Director. He is a Non-Executive Director of the REIT manager of Elite Commercial REIT, a REIT listed on the SGX Mainboard. Mr Tan graduated with a Master of Business Administration (Senior Executive) degree from the National University of Singapore in December 2004 and a Bachelor of Science in Computer Engineering with Highest Honour from the Florida Institute of Technology, USA in August 1990. Mr Tan was conferred the Public Service Star in 2017 and Public Service Medal in 2011 for his contributions to public services in Singapore.

SEAN LEE YUN FENG

CHIEF EXECUTIVE OFFICER

Mr Sean Lee Yun Feng, the key co-founder of our Group, he is responsible for the overall management and day-to-day operations of our Group as well as the formulation of the business directions, strategies and policies of our Group. Mr Lee is instrumental in initiating and penetrating new markets for both our shipping and shipyard operations. He spearheads our shipyard operations since it commenced operations in December 2005 and also started our Offshore Ship Chartering Operation in 2011, of which, the operation has been remained as our main growth engine. Mr Sean Lee graduated with a Bachelor of Commerce degree from the Murdoch University (Western Australia) and Master degree from INSEAD and Tsinghua University (Beijing).

LIE LY

NON-EXECUTIVE DIRECTOR

Ms Lie Ly is our Non-Executive Director. She joined our Group as the Director (Finance), Group Chief Financial Officer (CFO) of our Group 2006 before she relinquished her position as Executive Director and CFO in December 2024. She was responsible for all finance, accounting, treasury and strategic development of the Group. Prior to joining Marco Polo Marine, she was a co-owner of a food and beverage chain in Singapore. She oversaw the strategic growth, development, finance and human resource matters of the chain and had grown it to 13 outlets. Graduated with a Bachelor of Commerce Degree from Murdoch University in Western Australia and also holding a Masters of Accounting Degree from Curtin University in Western Australia, Ms Lie Ly is a qualified Chartered Public Accountant (CPA) Australia.

TEO JUNXIANG, DARREN

NON-EXECUTIVE DIRECTOR

Mr Teo Junxiang, Darren is our Non-Executive Director. He is currently the Managing Partner of Apricot Capital Pte Ltd, a private investment company with business interest in real estate, offshore marine, education and consumer lifestyle business. His responsibilities include evaluating investment opportunities, executing strategic deals and managing its investment portfolio. Prior to his appointment at Apricot Capital, he started his career in Super Group Ltd in 2007 and has held various positions in the company. He was last appointed as an Executive Director of Super Group in 2016. As an Executive Director of Super Group, he oversaw the Group's overall strategy, managed its commercial activities and led the business expansion across Asia. In 2017, he led the strategic sale of Super Group Ltd to Jacobs Douwe Egberts, the world second largest coffee company. Mr Teo graduated with Bachelor of Social Sciences in Economics from National University of Singapore in 2006.

JEFFREY HING YIH PEIR

NON-EXECUTIVE DIRECTOR

Mr Jeffrey Hing Yih Peir is our Non-Executive Director. He is also the Executive Chairman of Penguin International Limited. Mr Hing has over 30 years of experience in the marine and offshore industry in a variety of roles including finance and administration, business development and management. He is the founder and managing director of Trinity Offshore Pte. Ltd., a Singapore-based owner operator of offshore support/utility vessels. As an experienced entrepreneur in the marine and offshore industry, Mr. Hing brings to the Group his business acumen and his global network of industry contacts. An accountant by training, Mr. Hing has served in various roles as auditor, accountant, senior executive and director of diversified corporations.

LEE KIAM HWEЕ KELVIN

INDEPENDENT DIRECTOR

Mr Lee Kiam Hwee Kelvin is our independent director. Between 2007 and 2020, Mr Lee was Independent Director with four other public listed companies for several years. Mr Lee began his career with Coopers and Lybrand, an international audit firm and was there for 15 years from 1979 to 1994. He joined IMC Holdings Ltd, a shipping company, from 1994 to 2003 as the Group's Financial Controller where he contributed towards the strategic business planning and overall financial management. He next moved on to Pan United Corporation as its Chief Financial Officer until March 2007. Mr Lee is a Fellow of the Association of Chartered Certified Accountants (UK), Fellow member of the Institute of Singapore Chartered Accountants and a Fellow Member of the Singapore Institute of Directors since 2004.

LEONG KAH WAH

INDEPENDENT DIRECTOR

Mr Leong Kah Wah is our Independent Director. He is currently a Partner at Rajah & Tann Singapore LLP and has over 30 years of experience in the legal profession. Mr Leong has extensive experience in shipping, trading and commercial dispute resolution and has appeared as lead counsel in numerous High Court and Court of Appeal matters, including the landmark Court of Appeal judgments of the STX Mumbai and the Bunga Melati 5. He has also acted as lead counsel in maritime and trade arbitrations before tribunals, both adhoc and institutional (namely, SIAC, SCMA, LMAA, New York SMA, GAFTA, FOSFA and PORAM). Further, he often appeals significant cases in the Singapore Court of Appeal, which are now seen as leading case on the subject matter. His experience also extends to wet work, where owners, clubs, hull underwriters from Singapore and other parts of Asia (namely, Japan, Vietnam and Hong Kong) regularly instruct him to investigate and manage claims arising out of casualties. Mr Leong graduated with a Bachelor of Laws (Honours) from the National University of Singapore and was admitted as an Advocate and Solicitor of the Supreme Court of Singapore in 1991.

KOH CHUN YUAN

INDEPENDENT DIRECTOR

Mr Koh Chun Yuan is our Independent Director. Mr Koh started his career in Ernst & Young, an international audit firm in 1996. Mr Koh was the Chief Financial Controller for Super Group Ltd ("Super Group"), a company previously listed on the Singapore Exchange from 2004 to 2017, and he carried on as the Finance Director after Super Group was renamed JDE RTL SCC Pte Ltd, post delisting from 2017 to 2020. He then moved to AEM Holdings Ltd as the Group Financial Controller until September 2022. Mr Koh graduated with a Bachelor of Accountancy (2nd Class Honors) degree from the Nanyang Technological University. He is also a member of the Institute of Singapore Chartered Accountants. Mr Koh is currently an Independent Director and the Chairman of the Remuneration Committee of Fuji Offset Plates Manufacturing Ltd, a company listed on the Catalist Board.

KEY EXECUTIVE OFFICERS

MR ROY YAP is the Director of our Offshore Division. Since joining the Group in January 2019, Mr Yap is responsible for overseeing the Group's Offshore Marine Division and played a role in facilitating the development and expansion of the marine business. He has more than 20 years of experience within the Offshore marine industry. His previous positions include the Chief Operating Officer of a listed Offshore Marine Company in Singapore and he has held management positions of several offshore companies. Mr Yap graduated with a Masters of Business Administration from University of Wolverhampton and holds a diploma in Nautical Studies.

MR CHANDRA MOHAN is the Senior General Manager of our Shipyard Division. He joined our Group in August 2008. He is responsible for overseeing our Group's shipyard division daily activities across functions such as shipbuilding, ship-repair, production, facility management, operational and regulatory compliance. He has over 30 years of marine related experience. He was a Production Manager in Pan United Shipyard from 1987 to 2008. Mr Mohan holds a Diploma in Facilities Management from Singapore Institute of Materials Management.

MR KELVIN TEO is the Managing Director of PKR Offshore, a subsidiary under the Group, supporting the offshore wind market in Taiwan. He joined the Group in May 2022, following the acquisition of PKR Offshore by the Group and has been instrumental in the growth of the offshore wind business in Taiwan, including the development of new markets like Japan and Korea. He has over 15 years of experience in the oil & gas industry, prior to spending 5 years in the offshore wind industry. He has previously held various senior positions at POSH, overseeing the growth of its offshore fleet globally, including the setting up of new overseas ventures. Mr Teo graduated with a Master of Arts in International and Developmental Economics at Yale University and holds a 1st Class Honors in Bachelor of Science in Economics from the London School of Economics (LSE).

MR REDDY TEO is the Group Financial Controller. He joined our Group in July 2018. Mr Teo is responsible for the accounting, secretarial and tax related matters of our Group. He has over 15 years of experience in accounting and corporate finance across various industries. Prior to joining the Group, he was the group finance manager of a listed company on SGX-ST for 5 years. Mr Teo graduated with a Bachelor of Accountancy degree from the Nanyang Technological University. He is also a member of the Institute of Singapore Chartered Accountants.



VESSEL PORTFOLIO

ANCHOR HANDLING TUG & SUPPLY VESSELS

Directly Owned Vessels

NAME	FLAG	SPECIFICATIONS	CLASSIFICATION SOCIETY	YEAR DELIVERED
MP Valour	Singapore	5400 BHP	ABS	2012
MP Prowess	Singapore	8160 BHP	ABS	2014
MP Prestige	Singapore	8160 BHP	ABS	2015
MP Prosper	Singapore	8160 BHP	ABS	2016
MP Kesatria	Singapore	12070 BHP	ABS	2016
MP Prevail	Malaysia	9000 BHP	ABS	2013
MP Pride	Indonesia	8160 BHP	ABS	2015
MP Perkasa	Indonesia	8160 BHP	ABS	2015
MP Prospect	Singapore	8160 BHP	RINA	2015

ANCHOR HANDLING TUG VESSELS

Directly Owned Vessels

NAME	FLAG	SPECIFICATIONS	CLASSIFICATION SOCIETY	YEAR DELIVERED
MP Endurance	Indonesia	4900 BHP	ABS	2012
Pahlawan	Taiwan	5000 BHP	ABS	2010

PLATFORM SUPPLY VESSELS

Directly Owned Vessels

NAME	FLAG	SPECIFICATIONS	CLASSIFICATION SOCIETY	YEAR DELIVERED
MP Lagenda	Singapore	3300 DWT	ABS	2015

ACCOMODATION WORK BARGES

Vessels Owned Through Joint Venture Entities

NAME	FLAG	SPECIFICATIONS	CLASSIFICATION SOCIETY	YEAR DELIVERED
MP Dynamic	Malaysia	200 men, 50 ton crane	ABS	2015
MP SK Marco Polo	Malaysia	200 men, 50 ton crane	ABS	2014



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CORPORATE GOVERNANCE STATEMENT

The Board of Directors of the Company (the "Board") is committed to achieving a high standard of corporate governance practices within the Group. The Board has put in place self-regulatory corporate practices to protect the interests of its shareholders and to enhance long-term shareholder value. The Company adopts practices based on the Code of Corporate Governance 2018 (the "2018 Code").

The Board is pleased to report that for the financial year ended 30 September 2024, the Group has generally adhered to the principles and guidelines as set out in the 2018 Code and where there are deviations from the 2018 Code, the reasons for the deviations are explained accordingly.

BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1: *The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.*

Provision 1.1 of the Code: Directors are fiduciaries who act objectively in the best interests of the Company

The Board oversees the conduct of the Group's affairs and is accountable to shareholders for the long-term performance and financial soundness of the Group. Apart from its statutory duties and responsibilities, the Board supervises the management of the business and affairs of the Group. The Board reviews and advises on the Group's strategic plans, key operational initiatives, major funding and investment proposals, principal risks of the Group's businesses and ensures the implementation of appropriate systems to manage these risks; reviews the financial performances of the Group; evaluates the performances and compensation of senior management personnel.

Each director is required to promptly disclose any conflict or potential conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Company, as soon as practicable after the relevant facts have come to his knowledge. Where a director has a conflict or potential conflict of interest in relation to any matter, he should immediately declare his interest and recuse himself and refrain from participating in discussions regarding a transaction or proposed transaction in which he has an interest or is conflicted, unless the Board is of the opinion that his presence and participation is necessary to enhance the efficacy of such discussion.

Provision 1.2 of the Code: Directors' induction, training and development

Newly appointed Directors are provided with background information about the Company and the Group and are invited to visit the Group's operations and facilities to have a good understanding of the Group's business and operations. Upon appointment to the Board, a Director will be provided with a formal letter setting out, among other things, a director's duties and obligations.

Board members are encouraged to attend seminars and receive training to improve themselves in the discharge of their duties as Directors. In addition, the Company works closely with professionals to apprise Directors with updates on risk management and key changes to relevant regulatory requirements and accounting standards.

Provision 1.3 of the Code: Matters requiring Board's approval

The Board is generally responsible for the approval of matters such as corporate restructuring, mergers and acquisitions, major investments and divestments, material acquisitions and disposals of assets, major corporate policies on key areas of operations, major corporate actions such as share issuance, the release of the Group's results and announcement to shareholders, declaration of dividends and interested person transactions.

CORPORATE GOVERNANCE STATEMENT

Provision 1.4 of the Code: Board Committees

To facilitate effective management, the Board has delegated specific responsibilities to three subcommittees namely:

- Audit Committee
- Nominating Committee
- Remuneration Committee

These committees operate under clearly defined terms of references and operating procedures. The Chairman of the respective Committees reports to the Board with their recommendations.

Provision 1.5 of the Code: Board Meetings and Attendance

The Board meets regularly to oversee the business and affairs of the Group. Board meetings can be by way of tele-conference and video conference that the Company's Constitution allows. To assist the Board in fulfilling its responsibilities, the Board will be provided with management reports containing complete, adequate and timely information and papers containing relevant background or explanatory information required to support the decision making process.

The CEO and executive director brief and update directors on an ongoing basis on the Group's businesses, operations, policies and regulatory environment to assist them to discharge their duties and responsibilities.

The number of meetings held and the attendance report of the Board and Board Committees during the financial year ended 30 September 2024 are as follows:

	BOARD MEETING	AUDIT COMMITTEE	NOMINATING COMMITTEE	REMUNERATION COMMITTEE
No. of meetings held	4	4	1	1
No. of meetings attended				
Tan Hai Peng Micheal	4	4	-	1
Sean Lee Yun Feng	4	-	1	-
Lie Ly	4	-	-	-
Lee Kiam Hwee Kelvin	4	4	1	1
Jeffrey Hing Yih Peir	3	-	-	-
Teo Junxiang Darren	4	-	-	1
Leong Kah Wah	3	3	1	-
Koh Chun Yuan	1	0	0	0

Provision 1.6 of the Code: Access to information

The Board receives complete and adequate information on an on-going basis. Management provides Board members with quarterly management accounts and other financial statements to enable the Board to fulfill its responsibilities.

Where decisions to be taken by the Board require specialised knowledge or expert opinion, the Board obtains independent professional advice as and when necessary to enable it or the Independent Directors to discharge their duties and responsibilities effectively.

CORPORATE GOVERNANCE STATEMENT

Provision 1.7 of the Code: Access to Management and Company Secretary

Management personnel who can provide additional insight into the matters at hand are invited to be present at the relevant time during a Board meeting. Furthermore, the Board has separate and independent access to the Company Secretary and senior executives, and there is no restriction of access to the senior management team of the Company or the Group at all times in carrying out its duties.

The Company Secretary attends all formal Board meetings and ensures that Board procedures are followed, and that all applicable rules and regulations are complied with. The minutes of the Board and its Committees' meetings are circulated to the Board. The appointment and removal of the Company Secretary is subject to the approval of the Board.

BOARD COMPOSITION AND GUIDANCE

Principle 2: *The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.*

Provision 2.1 of the Code: Director independence

Provision 2.2 of the Code: Independent directors make up a majority of the Board if Chairman is not independent

Provision 2.3 of the Code: Non-executive directors make up a majority of the Board

Provision 2.4 of the Code: Board Composition

The Board comprises eight directors, four of whom are independent directors, three non-executive directors and one executive director. The independent directors, including the Chairman, Mr Micheal Tan, make up more than one-third of the Board thus providing an independent element on the Board capable of exercising independent judgment on corporate affairs of the Group and provide management with a diverse and objective perspective to arrive at balanced and well-considered decisions.

As at the date of this report, the Board of Directors comprises the following members:

Tan Hai Peng Micheal	Independent Non-Executive Chairman
Sean Lee Yun Feng	Chief Executive Officer
Lie Ly	Non-Executive Director
Lee Kiam Hwee Kelvin	Independent Director
Leong Kah Wah	Independent Director
Koh Chun Yuan	Independent Director
Hing Yih Peir Jeffrey	Non-Executive Director
Teo Jun Xiang Darren	Non-Executive Director

Under Provision 2.1 of the Code, an "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company.

Rule 210(5)(d) of the Listing Manual of the SGX-ST also sets out circumstances under which a director will not be independent.

CORPORATE GOVERNANCE STATEMENT

The composition of the Board and the independence of each Director are assessed and reviewed by the NC annually. The NC ensures that the Board has the appropriate mix of expertise and experience to govern and manage the Group's affairs. In its deliberation as to the independence of a director, the NC took into account examples of relationships as set out in the Code, considered whether a director has business relationships with the Group, its substantial shareholders or its officers and if so, whether such relationships could interfere or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the interest of the Group.

Each independent director is required to provide an annual confirmation of his independence based on the guidelines set out in the Code. The directors must also confirm whether they consider themselves independent despite not having any relationship identified in the Code. The Board will determine, taking into account the views of the NC, whether a director is independent in character and judgement and whether there are relationships or circumstances which are likely to affect or could affect the director's judgment.

The Board also recognises that independent directors may develop over time significant insights in the Group's business and operations and can continue to provide noteworthy and valuable contribution objectively to the Board as a whole. The independence of the independent directors must be based on their substance of their professionalism, integrity and objectivity and not merely based on form such as the number of years that they have served on the Board. The Board has subjected their independence status to a particularly rigorous review.

On 11 January 2023, the SGX-ST removed the two-tier voting process used by SGX listed companies to retain independent directors who have served for more than nine years. With this change, a director will not be considered independent if he had been a director for an aggregate period of more than nine years, whether before or after listing. As a transitional arrangement allowed by the SGX-ST, an independent director whose tenure exceeds the nine-year limit can continue to serve as independent director until the AGM held for the financial year ending on or after 31 December 2023.

With the above changes, Mr Lee Kiam Hwee Kelvin will be stepping down as Independent Director of the Company before the conclusion of this Annual General Meeting and the Company will announce his resignation accordingly.

The Board consists of high caliber members with a wealth of experience and knowledge in business. They contribute valuable direction and insight, drawing from their vast experience in matter relating to accounting, finance, business and general corporate matters. The current Board composition represents a well-balanced mix of expertise and experience among the directors. The Board believes that its current composition and size provide an appropriate balance and mix of skills, experience and knowledge of the Group.

The Company has a Board diversity policy that takes into consideration criteria such as qualification, age, gender, experience, and expertise in various fields, in the relevant industry. The Board believes this approach reflects an appropriate balance between delivering business performance, growing shareholder returns, and progressing diversity. The Board recognises the importance and value of gender diversity in the composition of the Board.

Gender diversity is recognised by the Board as an essential aspect of a well-balanced Board. The Company will continue to enhance diversity on the Board's composition. When making recommendations to the Board for the appointment of a director, the NC will ensure that:

- female candidates are included for consideration;
- the requirement to present female candidates will be made known where external consultants are used for the search; and
- there is at least one female representation on the Board.

CORPORATE GOVERNANCE STATEMENT

The NC adopts a deliberate and targeted board renewal process. It proactively assesses the MPM Board's composition needs and uses it as an objective criterion for candidate selection. The final decision is based on merit, to complement and expand the skills and experience of the Board as a whole. There is currently one female Director on the Board as per recommended by the NC of having at least one female representation.

Members of the Board are constantly in touch with the Management to provide advice and guidance on strategic issues and on matters for which their expertise will be constructive to the Group. In addition, non-executive directors work with the Management by constructively challenging and helping to develop proposals on strategy, reviewing the performance of the Management in meeting agreed goals and objectives, and monitoring the reporting of such performance.

Provision 2.5 of the Code: Meeting of Independent Directors without Management

The Independent Directors and Non-Executive Directors, meet on a need-be basis without the Management's presence to discuss matters such as the Group's financial performance, corporate governance initiatives, board processes, succession planning and the remuneration of the Executive Directors and key management personnel.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: *There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.*

Provision 3.1 of the Code: Separation of the roles of the Chairman and the Chief Executive Officer ("CEO")

Provision 3.2 of the Code: Division of responsibilities between the Chairman and CEO

Provision 3.3 of the Code: Lead Independent Director

The Chairman and Chief Executive Officer are separate persons and their roles are segregated to ensure an appropriate balance and separation of power and authority, increased accountability and clear division of responsibilities. The Chairman and the CEO are not related.

The Chairman, Mr Micheal Tan, provides leadership to the Board. Besides giving guidance on the corporate direction of the Group, the role of the Chairman includes the approving agendas of Board meetings and ensuring accurate, adequate and timely flow of information between the Board, management and shareholders of the Company. Mr. Sean Lee Yun Feng, the Chief Executive Officer of the Group, sets the business strategies and directions for the Group and manages the business operations of the Group.

Given that the roles of the Chairman and CEO are separate and the Chairman is independent, there is no requirement to appoint a Lead Independent Director.

The Board is of the view that there are sufficient safeguards and checks to ensure that the decision making process of the Board is independent and based on the collective decisions of the Directors, without any individual exercising any considerable concentration of power or influence.

CORPORATE GOVERNANCE STATEMENT

BOARD MEMBERSHIP

Principle 4: *The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.*

Provision 4.1 of the Code: Role of the NC

Provision 4.2 of the Code: Composition of NC

Majority of the members of the NC are independent of management, not associated with a substantial shareholder and free from any business or other relationship, which may interfere with the exercise of their independent judgment. The members of the NC are as follows:

Leong Kah Wah	Chairman, Independent Director
Lee Kiam Hwee Kelvin	Independent Director
Koh Chun Yuan	Independent Director
Sean Lee Yun Feng	Chief Executive Officer

The principle functions of the NC include:

- the review of succession plans for Directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;
- the process and criteria for evaluation of the performance of the Board, its board committee and directors;
- the review of training and professional development programmes for the Board and its Directors;
- the appointment and re-appointment of Directors (include alternate directors, if any);
- to review and determine, on an annual basis, if a Director is independent; and
- to review and make recommendations to the Board on the structure, size and composition of the Board.

Provision 4.3 of the Code: Board renewal and succession planning

Board renewal is an ongoing process to ensure good governance and to maintain relevance to the changing needs of the Group. In other words, no director stays in office for more than three years without being re-elected by shareholders.

The Board's performance is a function of the experience and expertise that each of the directors bring with them. Factors taken into consideration for the assessment of each director include attendance at meetings, adequacy of preparation, participation, industry knowledge and functional expertise. Factors for assessment of the Board as a whole include the board structure, conduct of meetings, corporate strategy, risk management and internal controls, business and financial performance, compensation, financial reporting and communication with shareholders.

Each director performs a self-assessment and the NC will use the results of each of the assessments to discuss improvements to the Board and to provide feedback to the individual directors.

At the forthcoming Annual General Meeting of the Company, under Regulation 103 of the Company's constitution, one-third of the Board shall retire and if desired, the persons retiring may offer themselves for re-election as Directors provided that all Directors shall retire from office at least once every three years. After due review the NC has recommended Mr Tan Hai Peng Micheal and Mr Teo Junxiang, Darren , who are retiring at the forthcoming Annual General Meeting, to be re-elected and both of these directors have offered themselves for re-election.

CORPORATE GOVERNANCE STATEMENT

In addition, the NC has also recommended Mr Koh Chun Yuan, who is recently appointed, be formally appointed at the forthcoming AGM. As such, he would retire and seek re-election under Regulation 107 of the Company's Constitution at the forthcoming AGM. The Board has accepted the recommendations of the NC.

Additional information relating to the Directors seeking re-election is set out on pages 131 to 136 of the Annual Report, in accordance with Rule 720(6) of the Listing Manual of the SGX-ST.

The dates of initial appointment and last re-election of each Director are set out below:

DIRECTORS	APPOINTMENT	DATE OF INITIAL APPOINTMENT	DATE OF LAST RE-ELECTION
Tan Hai Peng Micheal	Independent Director	1 Mar 2018	27 Jan 2022
Sean Lee Yun Feng	Chief Executive Officer	13 Sep 2007	30 Jan 2024
Lie Ly ¹	Non-Executive Director	12 Feb 2020	31 Jan 2023
Lee Kiam Hwee Kelvin	Independent Director	3 Jul 2009	30 Jan 2024
Leong Kah Wah	Independent Director	12 May 2022	31 Jan 2023
Koh Chun Yuan	Independent Director	21 June 2024	-
Jeffrey Hing Yih Peir	Non-Executive Director	1 Mar 2018	31 Jan 2023
Teo Junxiang, Darren	Non-Executive Director	1 Mar 2018	27 Jan 2022

Notes:

- 1 Ceased as Executive Director and Chief Financial Officer of the Company on 31 December 2024 and was redesignated as Non-Executive Director of the Company on 31 December 2024. The announcements in relation to the cessation and redesignation were released via SGXNET on 31 December 2024.

The key information regarding Directors is set out on pages 10 to 11 of the Annual Report.

Provision 4.4 of the Code: Circumstances affecting Director's independence

As described under Principle 2 of this report, the Company has put in place a process to ensure the continuous monitoring of the independence of the Directors. Each independent Director is required annually to complete a checklist to confirm his independence. Further, the NC determines annually, and as and when circumstances require, whether a director is independent, taking into consideration the disclosures by the Directors of any relationships with the Company, its related corporations, its substantial shareholders or its officers and the checklist completed by each independent director. Having made its review, the NC is of the view that all independent directors have satisfied the criteria for independence.

Provision 4.5 of the Code: Multiple listed company directorships and other principal commitments

The NC has reviewed the contribution by each Director taking into account their listed company board representations and other principal commitments. The NC and the Board are of the view that, setting a maximum number of listed company board representations a Director may hold is not meaningful, as long as Directors are able to devote sufficient time and attention to the affairs of the Company. As such, the Board does not propose to set the maximum number of listed company board representations that Directors may hold until such need arises. Notwithstanding the number of listed company board representations and other principal commitments which some of the Directors are holding, the NC considered the conduct of meeting, the decision-making process, attendance and participation of each board member to be satisfactory.

CORPORATE GOVERNANCE STATEMENT

BOARD PERFORMANCE

Principle 5: *The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.*

Provision 5.1 and 5.2 of the Code: Assessment of effectiveness of the Board and Board Committees and assessing the contribution by individual directors

With the Board's approval, the NC has decided for the financial year under review on how the Board's performance is to be evaluated as a whole, and proposed objective performance criteria including Board composition, size and expertise, Board information and timeliness, as well as Board commitment and accountability. In assessing each Director's performance and contribution to the effectiveness of the Board, the NC takes into consideration factors such as attendance, preparedness and participation.

Each Director submits an assessment of the Board and the board committees. The evaluation of the Board and the board committees focus on a set of performance criteria approved by the Board which includes the size and composition of the Board, Board independence, the Board's access to information and Board's accountability, board committee performance in relation to discharging their responsibilities as set out in their respective terms of reference.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: *The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.*

Provision 6.1 of the Code: RC to recommend remuneration framework and packages

Provision 6.2 of the Code: Composition of RC

The Remuneration Committee ("RC") comprises the following members. All the members are independent or non-executive directors:

Lee Kiam Hwee Kelvin	Chairman, Independent Director
Tan Hai Peng Micheal	Independent Director
Teo Junxiang Darren	Non-Executive Director

The principle functions of the RC include:

- Recommending to the Board a framework of remuneration for the Board and the key executives of the Group, covering all aspects of remuneration such as directors' fee, salaries, allowances, bonuses, options and benefit-in-kind;
- Proposing to the Board, appropriate and meaningful measures for assessing the executive directors' performance;
- Determining the specific remuneration package for each executive director;
- To ensure that the remuneration policies and systems of the Group supports the Group's long term objectives and strategies;

CORPORATE GOVERNANCE STATEMENT

- Reviewing the Company's obligations arising in the event of the termination of the directors and key executives to ensure that such service agreements contain fair and reasonable termination clauses which are not overly generous;
- Considering and recommending to the Board the disclosure of details of the Company's remuneration policy, level and mix of remuneration and procedure for setting remuneration and details of the specific remuneration packages of the directors and key executives of the Group to those required by law or by the 2018 Code; and
- To administer the Company's Employees' Share Option Scheme ("MPM ESOS").

Provision 6.3 of the Code: RC to consider and ensure all aspects of remuneration are fair

The RC considers all aspects of remuneration, including termination terms, to ensure they are fair. No Director or member of the RC is involved in deciding his or her own remuneration.

Provision 6.4 of the Code: Expert advice on remuneration

The members of the RC are familiar with executive compensation matters as they have prior experience in managing businesses and/or are holding other directorships. The RC has access to expert advice regarding executive compensation matters, if required. The Board did not engage any external remuneration consultant to advise on remuneration matters for FY2024.

LEVEL AND MIX OF REMUNERATION

Principle 7: *The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.*

Provision 7.1 and 7.3 of the Code: Remuneration of Executive Directors and key management personnel are appropriately structured to link rewards to performance

The Group adopts a remuneration policy for staff comprising a fixed component and a variable component. The fixed component is in the form of a base salary and allowances. The variable component is in the form of a variable bonus that is linked to the Group and each individual's performance.

The RC has reviewed the terms and conditions of all service agreements and recommended to the Board any changes to such terms and conditions at the expiry of such service agreements. All recommendations by the RC are submitted for endorsement by the full Board. The RC confirms that there is no onerous termination clause in any of the service agreements.

In performing its function, the RC endeavours to establish an appropriate remuneration policy to attract, retain and motivate senior executives and executive directors, while at the same time ensure that the reward in each case takes into account individual performance as well as the Group's performance.

The Company is of the view that there is no requirement to institute contractual provisions to allow the Company to reclaim incentive components of remuneration from executive directors and key executives paid in prior years in exceptional circumstances of mismanagement of financial results, or of misconduct resulting in financial loss. The executive directors owe a fiduciary duty to the Company and the Company should be able to avail itself to remedies against the executive directors in the event of such breach of fiduciary duties.

CORPORATE GOVERNANCE STATEMENT

Provision 7.2 of the Code: Remuneration of Non-Executive Directors dependent on contribution, effort, time spent and responsibilities

The non-executive directors receive directors' fees in accordance with their level of contributions, taking into account factors such as responsibilities, effort and time spent for serving on the Board and Board Committees. The director's fees are recommended by the Board for approval at the AGM. For the financial year ending 30 September 2025, the RC has recommended directors' fees of S\$262,895 which the Board would table at the forthcoming AGM for shareholders' approval. The Company encourages independent directors to invest in the Company and has taken steps in the past to ensure that this happened. The shareholdings of the individual directors of the Company are set out on the page 36 of the Annual Report.

DISCLOSURE ON REMUNERATION

Principle 8: *The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.*

Provision 8.1 and 8.3 of the Code: Remuneration disclosures of Directors and key management personnel; Details of employee share schemes

The number of directors of the Company with remuneration from the Company and its subsidiary companies is set out below:

REMUNERATION BANDS	NUMBER OF DIRECTORS	
	2024	2023
S\$2,250,000 to below S\$2,500,000	-	1
S\$2,000,000 to below S\$2,250,000	-	1
S\$1,000,000 to below S\$1,250,000	1	-
S\$500,000 to below S\$750,000	1	-
Below S\$250,000	6	5
Total	8	7

CORPORATE GOVERNANCE STATEMENT

The following table shows a breakdown of the annual remuneration (in percentage terms) paid or payable to the directors and top four key executives of the Group for the financial years ended 30 September 2024.

	DIRECTORS' FEE	FIXED [^]	VARIABLE [^]	TOTAL [^]
	%	%	%	%
<u>Directors</u>				
<i>S\$1,000,000 to below S\$1,250,000</i>				
Sean Lee Yun Feng	-	47	53	100
<i>S\$500,000 to below S\$750,000</i>				
Lie Ly	-	56	44	100
<i>Below S\$250,000</i>				
Tan Hai Peng Micheal	100	-	-	100
Lee Kiam Hwee Kelvin	100	-	-	100
Leong Kah Wah	100	-	-	100
Teo Junxiang Darren	100	-	-	100
Jeffrey Hing Yih Peir	100	-	-	100
Koh Chun Yuan	100	-	-	100

	DIRECTORS' FEE	FIXED [^]	VARIABLE [^]	TOTAL [^]
<u>Key Executives</u>				
<i>S\$250,000 to below S\$500,000</i>				
Roy Yap	-	63	37	100
Chandra Mohan	-	73	27	100
Kelvin Teo	-	75	25	100
<i>Below S\$250,000</i>				
Reddy Teo	-	70	30	100

[^] Inclusive of Employer's Central Provident Fund Contributions

The Board discloses the remuneration for Directors and Key Executives in bands of S\$250,000 instead of full detail disclosure. The Board believes that such disclosure presentation provides sufficient overview of the remuneration of the Directors and Key Executives, considering the confidentiality of remuneration matters. The Board is of the opinion that the information disclosed would be sufficient to the shareholders for their understanding of the Company's compensation policies as remuneration matters are commercially sensitive information and thus may be prejudice to the Group's interest.

The aggregate total remuneration paid to the top four Key Executives of the Group (who are not Directors or Chief Executive Officer of the Company) during the period covered by the Annual Report 2024 was equivalent to S\$1,459,312.

CORPORATE GOVERNANCE STATEMENT

The Board is aware of the recommendation of the Code that the Company should report to the shareholders each year on the remuneration of at least the top five key management personnel (who are not also directors or the CEO). However, the Group's key management team comprises of Executive Directors and four key management personnel. The Board is of the view that the current size of the key management team is appropriate, taking into account the nature and scope of the operations of the Group.

The details of the Company's Employees' Share Option Scheme (Marco Polo Marine Ltd Share Option Scheme 2012 and Marco Polo Marine Ltd Share Option Scheme 2024) are set out on pages 36 to 39 of this Annual Report.

Provision 8.2 of the Code: Remuneration disclosures of related employees

For the financial year ended 30 September 2024, saved as disclosed in the following table which show the breakdown of the remuneration (in percentage terms) in S\$100,000 band, the Company and its subsidiary companies do not have any other employee who is an immediate family member of a director or the Chief Executive Officer and whose remuneration exceeds S\$100,000.

"Immediate family member" means the spouse, child, adopted child, step-child, brother, sister and parent.

Name of employee	RELATIONSHIP WITH CHIEF EXECUTIVE OFFICER	FIXED [^]	VARIABLE [^]	TOTAL [^]
		%	%	%
<i>S\$200,000 to below S\$300,000</i>				
Lee Wan Tang	Father	92	8	100

[^] Inclusive of Employer's Central Provident Fund Contributions

CORPORATE GOVERNANCE STATEMENT

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: *The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.*

Provision 9.1 of the Code: Board determines the nature and extent of risks

The Group has established a Risk Assessment Framework for the identification of key risks within the Group's business, namely Business and Strategic Risks, Financial Risks and Operational Risks.

The Group recognises risk management as a collective effort beginning with the individual subsidiaries and business units, followed by the operating segments and ultimately the Management and the Board, working as a team. A self-assessment process, conducted regularly by the Management, was introduced to ensure that the Group's risk management controls are effective.

Minimum acceptable controls have been implemented to enhance the Group's internal control function in areas such as finance, operations, compliance and information technology. The internal control measures aim to ensure that the Group's assets are safeguarded, proper accounting records are maintained, and that financial information used within the business and for publication is reliable.

The risk management system is integrated throughout the Group and has become an essential part of its business planning and monitoring process. On an annual basis, the Management reports to the Board on the Group's risk profile, evaluates results and counter-measures to mitigate or transfer identified potential risks so as to ensure that the process is operating effectively as planned.

Provision 9.2 of the Code: Assurance from CEO, CFO and other key management personnel

The Board has received assurances from the Chief Executive Officer and Chief Financial Officer that:

- (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
- (b) the Company maintains an adequate and effective risk management and internal control system.

The Board recognises the need and is responsible for maintaining a system of internal controls and processes to safeguard shareholders' investments and the Group's assets. The AC monitors the effectiveness of the internal control systems and procedures and risk management systems. During the year, the Board and AC reviewed the effectiveness of the Company's internal control procedures and risk management systems.

However, the Board also recognized that the system of internal controls is designed to manage rather than to eliminate the risk of failure to achieve business objectives and that no system of internal controls can provide adequate assurance against the occurrence of errors, poor judgment in decision making, losses, frauds or other irregularities. It can only provide reasonable and not absolute assurance against material misstatement of loss or that the Group will not be adversely affected by any event that can be reasonably foreseen.

Based on the internal controls established and maintained by the Group, work performed by internal auditors, and reviews performed by Management, the Board, with the concurrence of the AC, is of the opinion that the Group's framework of internal controls (including financial, operational, compliance and information technology controls) and risk management systems are adequate and effective to provide reasonable assurance of the integrity and effectiveness of the Group in safeguarding its assets and shareholders' value.

CORPORATE GOVERNANCE STATEMENT

AUDIT COMMITTEE

Principle 10: *The Board has an Audit Committee ("AC") which discharges its duties objectively.*

Provision 10.1 of the Code: Duties of AC

Provision 10.2 of the Code: Composition of AC

Provision 10.3 of the Code: AC does not comprise former partners or directors of the Company's auditing firm

Provision 10.4 of the Code: Primary reporting line of the internal audit function is to AC; internal audit function has unfettered access to Company's documents, records, properties and personnel

Provision 10.5 of the Code: AC meets with the auditors without the presence of Management annually

The role of the AC is to assist the Board in the execution of its corporate governance responsibilities within the established Board's references and requirements. The financial statements, accounting policies and system of internal accounting controls are responsibilities that fall under the ambit of the AC. The AC has its set of written terms of reference defining its scope of authority and its major functions.

The Audit Committee ("AC") comprises the following members. All the members are independent directors:

Lee Kiam Hwee Kelvin	Chairman, Independent Director
Tan Hai Peng Micheal	Independent Director
Leong Kah Wah	Independent Director
Koh Chun Yuan	Independent Director

The AC reviews with the external auditors, Forvis Mazars LLP (formerly known as Mazars LLP), the findings on the audit of the financial statement. It also reviews the internal auditor report as well as the effectiveness of the Group's internal controls, including financial, operational and compliance controls and risk management. It undertakes the following principal functions:

- reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;
- reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems;
- reviewing the assurances from the CEO and the CFO on the financial records and financial statements;
- making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;
- reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function;
- reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns;

CORPORATE GOVERNANCE STATEMENT

- reviewing with the internal and external auditors the audit plan, their audit report, their management letter and our management's response;
- review and discuss with the internal and external auditors any suspected fraud and irregularity, or suspected infringement of any relevant laws, rules and regulations, which has or is likely to have a material impact on our Group's operating results or financial position, and our management's response;
- consider the appointment and re-appointment of the internal and external auditors and matters relating to the resignation or dismissal of the external auditors;
- reviewing transactions falling within the scope of Chapter 9 and Chapter 10 of the Listing Manual; and
- reviewing the Group's foreign exchange exposure and the procedures to manage its foreign currency risks.

The AC shall also undertake:

- Such other reviews and projects as may be requested by our Board and report to our Board its findings from time to time on matters arising and requiring the attention of our Audit Committee; and
- Such other functions and duties as may be required by statute or the Listing Manual, and by such amendments made thereto from time to time.

To discharge its responsibility effectively, the AC has full access to, and the co-operation of, the management and has full discretion to invite any directors and executive officers to attend its meetings. Full resources are made available to the AC to enable it to discharge its function properly.

None of the AC members is affiliated to the external audit firm.

The Group believes and recognises the need to put in place a robust and effective system of internal controls. The AC reviews, on an annual basis, the adequacy of the internal audit function. During its review for the financial year ended 30 September 2024, the Company has appointed In.Corp Business Advisory Pte Ltd to perform the independent internal audit function. The internal auditors have the requisite skill sets and experience and have carried out their function according to the Standards for Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The internal auditors have unfettered access to all the Company's documents, records, properties and personnel, including access to the AC. The internal auditors have reported their audit findings and recommendations directly to the AC Chairman. The internal audit reports have also been given to the external auditors to ensure effective use of resources and to avoid duplication of effort.

The AC is of the opinion that the IA function is:

- Independent as the Company outsourced it to InCorp Business Advisory Pte. Ltd., and the engagement team members do not have any interest in the Group's business;
- Effective as it follows a four-year audit plan covering all the various aspects and functions of the Group's business namely, Finance, Information Technology, Human Resource, Fixed Asset Management, Sales and Procurement; and
- Adequately resourced given the size of our Group's operations, the number of staff and the amount of audit work to be carried out.

CORPORATE GOVERNANCE STATEMENT

The Company has put in place a whistle-blowing policy and procedures duly endorsed by the AC, where employees of the Group may, anonymously and in confidence, raise concerns about possible corporate improprieties in financial reporting or other matters such as suspected fraud, corruption, dishonest practices etc. to the designated persons. All reports, including unsigned reports, reports weak in details and verbal reports are considered. To ensure independent investigation into such matters and for appropriate follow up action, all whistle-blowing reports are reviewed by the AC and the Board. In the event that the report is about a director, the concerned director will not be involved in the review and any decisions with respect to such review. The AC is responsible for oversight and monitoring of all whistleblowing reports and relevant procedures.

The policy aims to encourage the reporting of such matters in good faith, with the confidence that any employees making such reports will be treated fairly and be protected from reprisal. Details of the whistle-blowing policy have been made available to all employees. There was no reported incident received through the Company's whistleblowing mechanism during FY2024.

During the financial year under review, the AC has met with the external auditors twice to review any area of audit concern. Ad-hoc AC meetings may be carried out from time to time, as circumstances require. The AC has met with the internal and external auditors separately without the presence of Management for the year in review.

The AC has recommended to the Board of Directors that the independent auditors, Forvis Mazars LLP (formerly known as Mazars LLP), be nominated for re-appointment at the forthcoming Annual General Meeting of the Company. The AC has conducted an annual review of non-audit services provided by the auditors to satisfy itself that the nature and extent of such services will not affect the independence and objectivity of the external auditors before confirming their re-nomination.

The Company has complied with Rule 712 and Rule 716 of the SGX-ST Listing Manual in relation to the appointment of its independent auditor. In accordance to Rule 716 of the SGX-ST Listing Manual, the Board and the AC confirm that they are satisfied that the appointment of different auditing firms for its subsidiary companies, associated companies and/or joint venture companies would not compromise the standard and effectiveness of the audit of the Group.

In addition to the above, the Company is of the view that these firms are suitable and independent auditing firms for auditing its significant foreign-incorporated subsidiaries and joint venture companies given their profile, size, experience and track record. The significant foreign-incorporated subsidiaries and joint venture companies have also been reviewed by Forvis Mazars LLP (formerly known as Mazars LLP), Singapore, for the purpose of expressing an opinion on the consolidated financial statements. As such, the Board, together with the AC, are satisfied that the appointment of these independent audit firms have complied with Listing Rule 715(2) and would be in line with the standards and effectiveness of the audit of the Group.

CORPORATE GOVERNANCE STATEMENT

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: *The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.*

Provision 11.1 of the Code: **Company provides shareholders with the opportunity to participate effectively and vote at general meetings**

Provision 11.2 of the Code: **Separate resolution on each substantially separate issue**

Provision 11.3 of the Code: **All Directors attend general meetings**

Provision 11.4 of the Code: **Company's Constitution allow for absentia voting of shareholders**

The annual general meeting of the Company is a principal forum for dialogue and interaction with all shareholders. The Board encourages shareholders to attend the Company's general meetings to ensure a greater level of shareholder participation and to meet with the Board members to stay informed on the Group's developments. Shareholders are invited at such meetings to put forth any questions they may have on the motions to be debated and decided.

Information on general meetings is disseminated through notices in the annual report or circulars sent to all shareholders. Notices of general meetings are also released via SGXNET and posted on the Company's website.

The Notice of AGM which is despatched at least 14 days before the AGM, is also advertised in a prominent English language newspaper. At AGMs, shareholders are given the opportunity to air their views and ask questions. All Directors, Management and external auditors are requested to be present and available to address shareholders' questions relevant to the AGM.

The company maintains separate resolutions at the general meetings on each substantially separate issue. Each item of special business included in the notice of meetings will be accompanied by the relevant explanatory notes. This is to enable the shareholders to understand the nature and effect of the proposed resolutions.

Resolutions are put to vote by poll and the detailed results of the number of votes cast for and against each resolution and the respective percentages are announced for each resolution. The Company's Constitution provides that shareholders of the Company are allowed to vote in person or by way of duly appointed proxies.

Provision 11.5 of the Code: **Minutes of general meeting are published on the Company's corporate website**

The Company Secretary prepares minutes of the general meetings, which incorporate substantial comments or queries from shareholders and responses from the Board and the management.

The minutes of general meetings will be published on the SGXNET as soon as practicable within one (1) month from the date of the Company's AGM. The relevant link to the minutes of general meetings published on the SGXNET will also be made accessible to the shareholders on the Company's website.

CORPORATE GOVERNANCE STATEMENT

Provision 11.6 of the Code: Dividend policy

The Company does not have a fixed policy on payment of dividends at present. The form, frequency and amount of dividends will depend on the Group's current and projected performance, the Company's cash position and any other factors as the Board may deem fit. The Company will consider establishing a dividend policy when it is likely that the Company has the ability to pay a dividend.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: *The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.*

Provision 12.1 of the Code: Company provides avenues for communication between the Board and shareholders

Provision 12.2 and 12.3 of the Code: Company has in place an investor relations policy and the policy sets out mechanism of communication between the shareholders and the Company

The Board endeavours to maintain regular, timely and effective communication with shareholders and investors. Half-yearly and full year results, including disclosure of information on material matters required by the Listing Manual, will be promptly disseminated to shareholders through announcements made via the SGXNET followed by a news release, which will also be available on the Company's website. Where there is inadvertent disclosure made to a select group, the Company will ensure the same disclosures are made publicly available to all others as promptly as possible.

The Board welcomes the views of shareholders on matters affecting the Group, whether at shareholders' meeting or on an ad-hoc basis. Shareholders are informed of meetings through notices published in the newspapers and reports or circulars sent to all shareholders.

At general meetings, shareholders are well informed of the rules, including voting procedures that govern general meetings of shareholders as well as given the opportunity to pose any questions to the directors or management relating to the Group's business or performances.

The Company has an Investor Relations Section on its corporate website which shareholders and other stakeholders may contact the Company with feedback or questions and there are procedures in place for following up and responding to stakeholders' queries as soon as applicable.

CORPORATE GOVERNANCE STATEMENT

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

Principle 13: *The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.*

Provision 13.1 and 13.2 of the Code: Engagement with material stakeholder groups

Provision 13.3 of the Code: Corporate website to engage stakeholders

The Company values input from all its stakeholder groups and uses a variety of channels and platforms to engage with them as well as receive their feedback. The Company identifies stakeholders as groups that have an impact or have the potential to be impacted by its business, as well as those external organisations that have expertise in aspects that the Company considers material.

The Company's efforts on sustainability are focused on creating sustainable value for our key stakeholders, which include communities, customers, staff, regulators, shareholders and vendors. More details will be disclosed in the standalone Sustainability Report for the financial year ended 30 September 2024 which has been published on the same day of this Annual Report.

Financial results and annual reports are announced or issued to the SGX-ST within the mandatory periods and the annual reports are also made available on the Company's website – www.marcopolomarine.com.sg.

OTHER CORPORATE GOVERNANCE MATTERS

Interested Person Transactions

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that the transactions are carried out on an arm's length basis.

For FY2024, there were no interested person transactions as set out in Chapter 9 of the Listing Manual.

Material Contracts

There were no material contracts of the Company or its subsidiaries involving the interest of any director or controlling shareholder subsisting as at the end of the financial year under review or entered into since the end of the previous financial year.

Securities Transactions

No directors and officers of the Company and the Group are allowed to deal in the Company's shares whilst in possession of unpublished price sensitive information.

CORPORATE GOVERNANCE STATEMENT

In the course of doing business for the Group and the Company or in discussions with customers, vendors, or partners, directors and officers of the Group and the Company may become aware of material non-public information about that organisation. Information is considered material if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to trade in the public securities of the Company. The discussion of this information is on a limited, "need to know" basis internally, and is not shared with anyone outside the Group or the Company. Directors and officers are not allowed to buy or sell the public securities of the affected organisations, including the Company, based on such information, nor can this information be shared with others.

Dealing in the Company's shares is also prohibited during the period commencing one month before the announcement of the Group's half-year and full year results, and ending on the date of the relevant announcement. Directors and officers are also advised not to deal in the Company's securities on short-term considerations.

Risk Management Policies and Processes

The Company does not have a Risk Management Committee. The Board is of the opinion that the existing risk management system is adequate, of which the executive directors and senior management assume the responsibilities of the risk management function. They regularly assess and review the Group's business and operational environment in order to identify areas of significant business and financial risks, such as credit risks, foreign exchange risks, liquidity risks and interest rates risks, as well as appropriate measures to control and mitigate these risks is adequate and effective.

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of Marco Polo Marine Ltd. (the "Company") and its subsidiaries (the "Group") for the financial year ended 30 September 2024 and the statement of financial position of the Company as at 30 September 2024.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

- (a) the financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2024 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date, in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. DIRECTORS

The directors of the Company in office at the date of this statement are as follows:

Sean Lee Yun Feng

Lee Kiam Hwee Kelvin

Tan Hai Peng Micheal

Teo Junxiang, Darren

Jeffrey Hing Yih Peir

Lie Ly

Leong Kah Wah

Koh Chun Yuan

(Appointed on 21 June 2024)

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects were, or one of the objects was, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except as disclosed in paragraphs 4 and 5 below.

DIRECTORS' STATEMENT

4. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and its related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, except as disclosed below:

	DIRECT INTERESTS			DEEMED INTERESTS		
	AT 1 OCTOBER 2023	AT 30 SEPTEMBER 2024	AT 21 OCTOBER 2024	AT 1 OCTOBER 2023	AT 30 SEPTEMBER 2024	AT 21 OCTOBER 2024
The Company						
- Marco Polo Marine Ltd.						
<i>(No. of ordinary shares)</i>						
Sean Lee Yun Feng	10,596,900	10,596,900	10,596,900	160,714,286	160,714,286	160,714,286
Tan Hai Peng Micheal	17,640,000	17,640,000	17,640,000	40,535,715	40,535,715	40,535,715
Teo Junxiang, Darren	5,000,000	6,500,000	6,500,000	607,142,857	607,142,857	607,142,857
Jeffrey Hing Yih Peir	-	-	-	303,571,428	303,571,428	303,571,428
Lie Ly	-	-	-	160,714,285	160,714,285	160,714,285

5. SHARE OPTIONS

(a) Marco Polo Marine Ltd. Share Option Scheme

(i) Marco Polo Marine Ltd. Employee Share Option Scheme ("MPM ESOS")

At an Extraordinary General Meeting ("EGM") held on 9 July 2012, the shareholders of the Company approved the adoption of incentive scheme, MPM ESOS meant for the staff and certain directors of the Group.

2015 Share Options

At the Annual General Meeting ("AGM") held on 28 April 2015, a total of 4,990,000 share options at the price of \$0.275 per share were granted to directors, key management personnel and employees under the Marco Polo Marine Ltd. Employee Share Option Scheme (2015) ("MPM ESOS 2015"), which are capable of being exercised into the same equivalent number of shares of the Company. The options will be expired within 10 years from the date the share options were granted, on 27 April 2025.

A total of 840,000 share options were granted to the Directors, Sean Lee Yun Feng and Lie Ly.

DIRECTORS' STATEMENT

5. SHARE OPTIONS (CONTINUED)

(a) Marco Polo Marine Ltd. Share Option Scheme (Continued)

- (ii) Marco Polo Marine Ltd. Performance Share Scheme (2024) ("MPM PSS 2024") and Marco Polo Marine Ltd. Employee Share Option Scheme (2024) ("MPM ESOS 2024")

At an EGM held on 12 January 2024, the shareholders of the Company approved the adoption two incentive schemes. These two schemes are MPM PSS 2024 and MPM ESOS 2024 meant for the certain directors, key management personnel and employees of the Group.

2024 Share Options

At the AGM held on 12 April 2024, 44,010,000 share options at a price of \$0.067 per share were granted to directors, key management personnel and employees under the MPM ESOS 2024, which are capable of being exercised into the same equivalent number of shares of the Company. The options will be expired within 10 years from the date the share options were granted, on 11 April 2034.

A total of 11,000,000 share options were granted to the Directors, Sean Lee Yun Feng and Lie Ly.

The above schemes are administered by the remuneration committee of the Company authorised and appointed by the board of directors and are available to all employees and non-executive directors of the Group as well as Sean Lee Yun Feng and Lie Ly.

(b) Unissued Shares under MPM ESOS

As at the end of the financial year, unissued shares of the Company under MPM ESOS 2015 and MPM ESOS 2024 were as follows:

DATE OF GRANT	EXERCISABLE PERIOD	EXERCISE PRICE (PER OPTION)	BALANCE AS AT 1 OCTOBER 2023	GRANTED	LAPSED OR EXPIRED	BALANCE AS AT 30 SEPTEMBER 2024
28.04.2015	28.04.2016 to 27.04.2025	0.275	2,830,000	-	(680,000)	2,150,000
12.04.2024	12.04.2025 to 11.04.2034	0.067	-	44,010,000	(830,000)	43,180,000
			2,830,000	44,010,000	(1,510,000)	45,330,000

DIRECTORS' STATEMENT

5. SHARE OPTIONS (CONTINUED)

(b) Unissued Shares Under MPM ESOS (Continued)

The details of the 2015 Share Options granted pursuant to the MPM ESOS 2015 are as follows:

NAME	AGGREGATE OPTIONS GRANTED SINCE COMMENCEMENT OF SCHEMES TO THE END OF FINANCIAL YEAR	AGGREGATE OPTIONS LAPSED/ EXPIRED SINCE COMMENCEMENT OF SCHEMES TO THE END OF FINANCIAL YEAR	AGGREGATE OPTIONS OUTSTANDING AS AT THE END OF FINANCIAL YEAR
Directors of the Company			
Sean Lee Yun Feng*	420,000	–	420,000
Lie Ly*	420,000	–	420,000
Kelvin Lee Kiam Hwee	50,000	–	50,000
	890,000	–	890,000
Employees			
Chan Kean Seng*	320,000	(320,000)	–
Chandra Mohan*	320,000	–	320,000
Other employees	1,300,000	(360,000)	940,000
	1,940,000	(680,000)	1,260,000
Total	2,830,000	(680,000)	2,150,000

DIRECTORS' STATEMENT

5. SHARE OPTIONS (CONTINUED)

(b) Unissued Shares Under MPM ESOS (Continued)

The details of the 2024 Share Options granted pursuant to the MPM ESOS 2024 are as follows:

NAME	AGGREGATE OPTIONS GRANTED SINCE COMMENCEMENT OF SCHEMES TO THE END OF FINANCIAL YEAR	AGGREGATE OPTIONS LAPSED/ EXPIRED SINCE COMMENCEMENT OF SCHEMES TO THE END OF FINANCIAL YEAR	AGGREGATE OPTIONS OUTSTANDING AS AT THE END OF FINANCIAL YEAR
Directors of the Company			
Sean Lee Yun Feng*	5,500,000	–	5,500,000
Lie Ly*	5,500,000	–	5,500,000
	11,000,000	–	11,000,000
Employees			
Chandra Mohan*	2,500,000	–	2,500,000
Yap Chin Keong, Roy*	2,500,000	–	2,500,000
Teo Hong Joo, Reddy*	2,500,000	–	2,500,000
Teo Kim Leng Kelvin*	2,500,000	–	2,500,000
Other employees	23,010,000	(830,000)	22,180,000
	33,010,000	(830,000)	32,180,000
Total	44,010,000	(830,000)	43,180,000

* Directors and employees who are granted with 5.00% or more of the total options available under the MPM ESOS 2015 and MPM ESOS 2024.

Save as disclosed, no other director or employee of the Group has received 5.00% or more of the total options available under the MPM ESOS 2015 and MPM ESOS 2024.

Save as disclosed, the Company has no other outstanding securities, which are capable of being converted into shares of the Company, nor has it awarded any shares pursuant to the MPM PSS at the date of this statement.

DIRECTORS' STATEMENT

6. AUDIT COMMITTEE

The members of the audit committee ("AC") as at the date of this report are as follows:

Lee Kiam Hwee Kelvin	(Chairman)
Tan Hai Peng Micheal	(Independent Director)
Leong Kah Wah	(Independent Director)
Koh Chun Yuan	(Independent Director) (Appointed on 20 November 2024)

The AC carried out its functions in accordance with Section 201B (5) of the Act, the Listing Manual of the Singapore Exchange Securities Trading Limited and the Code of Corporate Governance.

The AC also reviewed the following, where relevant, with the executive directors and external auditors of the Company:

- (i) the audit plan and results of the external audit and the independence and objectivity of the external auditors, including the review of the extent of non-audit services provided by the external auditors to the Group;
- (ii) the audit plans of the internal auditors of the Group and their evaluation of the adequacy of the Group's system of internal accounting controls;
- (iii) Group's half-yearly and annual financial statements and the external auditors' report on the annual financial statements of the Group and of the Company before their submission to the Board of Directors;
- (iv) the half-yearly and annual announcements as well as the related press releases on the results of the Group and financial position of the Group and of the Company;
- (v) the adequacy of the Group's risk management processes;
- (vi) the Group's compliance with legal requirements and regulations, including the related compliance policies and programmes and reports received from regulators, if any;
- (vii) interested person transactions in accordance with SGX listing rules;
- (viii) nomination of external auditors and approval of their compensation; and
- (ix) submission of report of actions and minutes of the AC to the Board of Directors with any recommendations as the AC deems appropriate.

The AC has full access to management and is given the resources required for it to discharge its functions. It has full authority and discretion to invite any director or executive officer to attend its meetings. The external and internal auditors have unrestricted access to the AC.

The AC convened four meetings during the year with attendance from majority of members and has also met with the internal and external auditors, at least once a year.

The AC has recommended to the Board of Directors that the independent auditors, Forvis Mazars LLP (formerly known as Mazars LLP), be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

DIRECTORS' STATEMENT

7. AUDITORS

The auditors, Forvis Mazars LLP (formerly known as Mazars LLP), have expressed their willingness to accept re-appointment.

On behalf of the directors

Sean Lee Yun Feng

Director

Singapore
2 January 2025

Lie Ly

Director

INDEPENDENT AUDITORS' REPORT

To the Members of Marco Polo Marine Ltd.

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Marco Polo Marine Ltd. (the "Company") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and of the Company as at 30 September 2024, the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of material accounting policy information as set out on pages 49 to 130.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2024 and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Overview

Audit Approach

We designed a risk-based audit approach in identifying and assessing the risks of material misstatement at both the financial statement and assertion levels.

Materiality

As in all our audits, we exercised our professional judgement in determining our materiality, which was also affected by our perception of the financial information needs of the users of the financial statements, being the magnitude of misstatement in the financial statements that makes it probable for a reasonably knowledgeable person to change or be influenced in his economic decision.

Scope of audit

For the audit of the current financial year's financial statements, we identified and performed full scope audit on the 6 significant components which required a full scope audit of their financial information, either because of their size or/and their risk characteristics.

We determined the component materiality and our level of involvement in their audit necessary for us, in our professional judgement, to obtain sufficient appropriate audit evidence as a basis for our opinion on the Group's financial statements as a whole.

INDEPENDENT AUDITORS' REPORT

To the Members of Marco Polo Marine Ltd.

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS (CONTINUED)

Area of focus

We focused our resources and effort on areas which were assessed to have higher risks of material misstatement, including areas which involve significant judgements and estimates to be made by directors.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. These matters include the salient areas of focus in our audit and do not represent all the risks identified by our audit. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

IMPAIRMENT ASSESSMENT OF VESSELS REFER TO NOTES 3.2(B) AND 11 TO THE FINANCIAL STATEMENTS	
Key audit matter	How the matter was addressed in our audit
<p>As at 30 September 2024, property, plant and equipment ("PPE") represented 91% (2023: 85%) of the Group's total non-current assets in the statement of financial position. Included in PPE are Offshore Supply Vessels ("OSV"), tugboats and barges (collectively, the "vessels") with carrying amount of approximately \$54.6 million (2023: \$63.3 million), within which OSV amounted to approximately \$51.3 million (2023: \$59.6 million) as well as tugboats and barges amounted to approximately \$3.3 million (2023: \$3.7 million).</p> <p>The Group assesses whether there is any indication of impairment for the vessels at the end of each reporting period. If an indication of impairment is identified, the need for recognising an impairment loss is assessed by comparing the carrying amount of the vessels to their recoverable amount. The recoverable amount is based on the higher of the fair value less costs of disposal and the value-in-use of the vessels.</p> <p>As of 30 September 2024, management identified the presence of impairment indicators for OSV.</p> <p>The Group evaluates the recoverable amount of the OSV accordingly. The determination of recoverable amount of OSV involves significant estimation uncertainty and management judgement.</p> <p>The Group appointed an independent professional valuer to carry out reviews on the recoverable amounts of OSV. In preparing the valuation reports, some of the factors considered by the professional valuer include the current market conditions of the OSV, the recent market sales of the similar OSV, the specification and conditions of each vessel as well as the cost to a market participant buyer to acquire or construct a substitute asset of comparable utility, adjusted for obsolescence of the OSV. Key assumptions used in assessing recoverable amount among others may include consideration of whether the vessel is operational or laid up, the current reported market sales and known offers for comparative OSV as well as the estimated replacement costs of similar comparable OSV.</p> <p>Due to the high level of judgement involved in estimating the value and the significance of the carrying amount of the OSV, we determined this as a key audit matter.</p>	<p>Our audit procedures include, and are not limited to, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding through discussion with management on whether there is any indication of impairment on its PPE; • Reviewed management's assessment and evaluated the appropriateness of the Group's provision of allowances for impairment, where applicable; • Evaluated the competence, capabilities and objectivity of the external valuer engaged by management; • Assessed the appropriateness of the methodologies and the reasonableness of the key inputs and assumptions used by the valuer in the valuation; and • Assessed the adequacy of the disclosures on the impairment and write down of OSV, if any in the financial statements.

INDEPENDENT AUDITORS' REPORT

To the Members of Marco Polo Marine Ltd.

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (Continued)

RECOVERABILITY OF TRADE RECEIVABLES REFER TO NOTES 3.2(E) AND 16 TO THE FINANCIAL STATEMENTS	
Key audit matter	How the matter was addressed in our audit
<p>As at 30 September 2024, the Group recorded trade receivables of \$20.5 million (2023: \$22.8 million), net of allowance for expected credit losses ("ECL") of approximately \$0.4 million (2023: \$0.4 million).</p> <p>The Group used an allowance matrix to estimate ECL for trade receivables. The ECL rates were based on the Group's historical loss experience of the customers, for the last 3 financial years prior to the reporting date for various customer groups that were assessed through an age analysis, adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the trade receivables.</p> <p>Significant judgement and estimates were made by management in their measurement of the loss allowance that is equivalent to the lifetime ECL for the trade receivables.</p> <p>As the determination of the ECL requires significant judgement of management and in consideration of the significance of trade receivables in the Group, we consider management's assessment and application of SFRS(I) 9 to the impairment of trade receivables as a key audit matter.</p>	<p>Our audit procedures include, and are not limited to, the following:</p> <ul style="list-style-type: none">• Assessed the reasonableness of the provision matrix applied by the Group in their measurement of ECL for trade receivables;• Reviewed the appropriateness of the bases of the Group for determining the loss rates, with reference to also the historical payment trends of its customers in the past 3 financial years analysed by past due dates, adjusted for the Group's outlook of the macro-economic environment and conditions in which its customers operate in and considered the subsequent receipts, where applicable;• Reviewed outstanding debts as at year-end, differentiated in two streams, namely major customers and long outstanding debts exceeding credit terms granted with reference to ageing profile;• Evaluated the assumptions used by the management in assessing the adequacy of impairment allowances for individually assessed trade receivables;• Compared the management's assumptions for both collective and individual impairment allowances to our own assessments; and• Reviewed the completeness and appropriateness of corresponding disclosures made in the financial statements.

INDEPENDENT AUDITORS' REPORT

To the Members of Marco Polo Marine Ltd.

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (Continued)

REVENUE RECOGNITION FROM SHIPBUILDING CONTRACTS REFER TO NOTES 3.1(C) AND 4 TO THE FINANCIAL STATEMENTS	
Key audit matter	How the matter was addressed in our audit
<p>During the financial year, the Group recorded shipbuilding revenue of \$18.8 million (2023: \$15.8 million), representing 15% (2023: 12%) of the Group's total revenue.</p> <p>Revenue from the shipbuilding contracts is recognised over time, using the input method to measure progress towards complete satisfaction of the service. The measure of progress is determined based on input method, which is measured by reference to the proportion of costs incurred to date to the estimated total costs for the shipbuilding contracts.</p> <p>We focused on the recognition of shipbuilding revenue, including the estimation of budgeted shipbuilding cost, because of the use of significant judgement in estimating inputs to determining the extent of satisfaction of the performance obligation, including contingencies that could arise from the contract terms and conditions.</p> <p>Due to the level of judgement and estimates involved, we determined this as a key audit matter.</p>	<p>Our audit procedures include, and were not limited to, the following:</p> <ul style="list-style-type: none"> • We obtained an understanding of the Group's process on approval of project budgets, monitoring of project costs, and management's review of project's stage of completion and milestones achieved with customers which are used to determine the budgeted costs and projects revenue recognised in the Group's financial statements; • Reviewed the terms of all relevant contracts as well as approved variation orders, if any, to obtain an understanding of the specific terms and conditions relating to the projects; • Reviewed the adequacy of provision onerous contract and liquidated damages for each projects, if any; • For outstanding projects, we have reviewed management's budgeted project costs to assess remaining estimated costs to complete, if any; • Assessed and tested that the significant cost components are appropriately accrued and supported by documentary evidence which represented work performed to date; • Recomputed the revenue based on input method and considered the implications of any changes in estimates, if any; and • Assessed the adequacy of disclosures and presentation in relation to the construction contracts and significant accounting policies in the Group's financial statements.

INDEPENDENT AUDITORS' REPORT

To the Members of Marco Polo Marine Ltd.

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS (CONTINUED)

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and the independent auditors' report thereon, which we obtained prior to the date of this report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT

To the Members of Marco Polo Marine Ltd.

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

To the Members of Marco Polo Marine Ltd.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary entities incorporated in Singapore have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Lok Yung Hui.

FORVIS MAZARS LLP
(FORMERLY KNOWN AS MAZARS LLP)

Public Accountants and
Chartered Accountants

Singapore
2 January 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 30 September 2024

	NOTE	2024 \$'000	2023 \$'000
Revenue	4	123,530	127,126
Cost of sales		(75,015)	(81,385)
Gross profit		48,515	45,741
Other operating income	5	6,323	4,779
Administrative expenses		(14,586)	(10,726)
Other operating expenses		(13,079)	(9,188)
Profit from operations		27,173	30,606
Finance costs	7	(1,631)	(306)
Share of profits in joint ventures	13	171	171
Profit before income tax	8	25,713	30,471
Income tax expense	9	(1,806)	(4,690)
Profit for the financial year		23,907	25,781
Other comprehensive loss			
Item that may be reclassified subsequently to profit or loss			
Exchange differences arising from translation of foreign operations		(3,256)	(1,093)
Total other comprehensive loss for the financial year		(3,256)	(1,093)
Total comprehensive income for the financial year		20,651	24,688
Profit attributable to:			
Owners of the Company		21,700	22,580
Non-controlling interest		2,207	3,201
		23,907	25,781
Total comprehensive income attributable to:			
Owners of the Company		20,596	21,421
Non-controlling interest		55	3,267
		20,651	24,688
Earnings per share (cents per share)	10		
Basic		0.6	0.6
Diluted		0.6	0.6

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 30 September 2024

	NOTE	GROUP		COMPANY	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	148,077	92,765	-	-
Right-of-use assets	24	6,921	6,284	-	-
Investments in subsidiaries	12	-	-	4,320	4,320
Investments in joint ventures	13	-	-	-	-
Amount due from a joint venture (non-trade)	14	7,810	10,485	7,810	10,485
Total non-current assets		162,808	109,534	12,130	14,805
Current assets					
Inventories	15	3,670	8,366	-	-
Trade receivables	16	20,527	22,840	-	-
Other receivables, deposits and prepayments	17	16,208	21,737	282	71
Contract assets	18	2,418	3,495	-	-
Amounts due from subsidiaries (non-trade)	19	-	-	131,932	136,946
Amount due from a joint venture (non-trade)	19	-	9	-	-
Cash and cash equivalents	20	68,770	63,100	25,985	25,177
Total current assets		111,593	119,547	158,199	162,194
TOTAL ASSETS		274,401	229,081	170,329	176,999
LIABILITIES AND EQUITY					
Current liabilities					
Trade payables	21	15,353	15,030	-	-
Other payables and accruals	22	11,636	12,999	344	405
Deferred income	23	171	171	-	-
Lease liabilities	24	1,809	1,553	-	-
Interest bearing loans	25	25,057	966	-	-
Income tax payable		2,869	5,279	-	-
Total current liabilities		56,895	35,998	344	405
Non-current liabilities					
Other payables and accruals	22	87	-	-	-
Deferred income	23	2,544	2,747	-	-
Lease liabilities	24	5,528	4,732	-	-
Interest bearing loans	25	7,924	1,290	-	-
Deferred tax liabilities	26	349	426	-	-
Total non-current liabilities		16,432	9,195	-	-
TOTAL LIABILITIES		73,327	45,193	344	405
Capital and reserves attributable to equity holders of the Company					
Share capital	27	163,838	163,838	163,838	163,838
Treasury shares	28	(1,203)	(1,203)	(1,203)	(1,203)
Capital reserve	29	634	634	-	-
Other reserves	29	158	158	-	-
Employee share option reserve	29	619	560	288	-
Foreign currency translation reserve	29	1,458	2,562	-	-
Retained earnings		19,464	1,288	7,062	13,959
Total equity attributable to owners of the Company		184,968	167,837	169,985	176,594
Non-controlling interests		16,106	16,051	-	-
TOTAL EQUITY		201,074	183,888	169,985	176,594
TOTAL EQUITY AND LIABILITIES		274,401	229,081	170,329	176,999

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 September 2024

	SHARE CAPITAL \$'000	TREASURY SHARES \$'000	CAPITAL RESERVE \$'000	OTHER RESERVES \$'000	EMPLOYEE SHARE OPTION RESERVE \$'000	FOREIGN CURRENCY TRANSLATION RESERVE \$'000	(ACCUMULATED ATTRIBUTABLE LOSSES)/ RETAINED EARNINGS \$'000	TO OWNERS OF THE COMPANY \$'000	NON- CONTROLLING INTERESTS \$'000	TOTAL \$'000
Balance as at 1 October 2022	156,300	(1,203)	634	158	560	3,721	(21,292)	138,878	12,784	151,662
Issuance of shares pursuant to the exercise of warrants (Note 27)	7,538	-	-	-	-	-	-	7,538	-	7,538
Profit for the financial year	-	-	-	-	-	-	22,580	22,580	3,201	25,781
Other comprehensive (loss)/income for the financial year	-	-	-	-	-	(1,159)	-	(1,159)	66	(1,093)
Total comprehensive (loss)/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	158	560	2,562	1,288	167,837	16,051	183,888
Profit for the financial year	-	-	-	-	-	-	21,700	21,700	2,207	23,907
Other comprehensive loss	-	-	-	-	-	(1,104)	-	(1,104)	(2,152)	(3,256)
Total comprehensive (loss)/income for the financial year	-	-	-	-	-	(1,104)	21,700	20,596	55	20,651
Share options expenses (Note 6)	-	-	-	-	288	-	-	288	-	288
Share options expired (Note 29(c))	-	-	-	-	(229)	-	229	-	-	-
Dividend (Note 30)	-	-	-	-	-	-	(3,753)	(3,753)	-	(3,753)
Balance as at 30 September 2024	163,838	(1,203)	634	158	619	1,458	19,464	184,968	16,106	201,074

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 September 2024

	NOTE	2024 \$'000	2023 \$'000
Operating activities			
Profit before income tax		25,713	30,471
Adjustments for:			
- Bad debts recovered	5	(17)	(272)
- Depreciation of right-of-use assets	24	1,956	1,750
- Depreciation of property, plant and equipment	11	10,440	10,310
- Foreign exchange difference		(1,110)	3,277
- Gain on disposal of property, plant and equipment, net	5	(1,724)	(1,027)
- Interest expense	7	1,631	306
- Interest income	5	(2,555)	(1,815)
- Share of profits in joint ventures	13	(171)	(171)
- Share options expenses	6	288	-
- Provision for contractual liabilities	8	1,799	461
Operating cash flows before movements in working capital		36,250	43,290
Changes in working capital:			
- Inventories		4,696	(6,735)
- Trade and other receivables		(82)	(3,960)
- Contract assets		1,077	(3,495)
- Trade and other payables		(2,753)	(11)
Cash generated from operations		39,188	29,089
- Income tax paid		(1,507)	(977)
Net cash generated from operating activities		37,681	28,112
Investing activities			
Repayment from a joint venture		2,684	2,887
Advance payment to suppliers for the purchase of property, plant and equipment	17	(11,103)	(19,087)
Proceeds from disposal of plant and equipment		3,148	6,674
Purchase of property, plant and equipment	11	(50,752)	(13,295)
Interest received		2,511	1,486
Net cash used in investing activities		(53,512)	(21,335)
Financing activities			
Interest paid		(1,631)	(306)
Dividend paid		(3,753)	-
Placement of fixed deposits pledged		(1,090)	-
Repayment of term loans	25	(1,164)	(994)
Proceeds from term loans	25	31,889	-
Proceeds from exercise of warrants	27	-	7,538
Repayment of lease liabilities	24	(1,542)	(1,677)
Net cash generated from financing activities		22,709	4,561
Net increase in cash and cash equivalents		6,878	11,338
Cash and cash equivalents at beginning of financial 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 financial year	20	65,865	61,285

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 September 2024

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	NON-CASH MOVEMENTS					AT END OF FINANCIAL YEAR \$'000
	AT BEGINNING OF FINANCIAL YEAR \$'000	FINANCING CASHFLOWS \$'000	ACQUISITION \$'000	INTEREST EXPENSE \$'000	FOREIGN EXCHANGE DIFFERENCE \$'000	
	2024					
Liabilities						
Interest bearing loans	2,256	29,369	-	1,356	-	32,981
Lease liabilities	6,285	(1,817)	2,835	275	(241)	7,337

	NON-CASH MOVEMENTS					AT END OF FINANCIAL YEAR \$'000
	AT BEGINNING OF FINANCIAL YEAR \$'000	FINANCING CASHFLOWS \$'000	ACQUISITION \$'000	INTEREST EXPENSE \$'000	FOREIGN EXCHANGE DIFFERENCE \$'000	
	2023					
Liabilities						
Interest bearing loans	3,250	(1,075)	-	81	-	2,256
Lease liabilities	507	(1,902)	7,603	225	(148)	6,285

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL 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").

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

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are disclosed in Note 12 to the financial statements.

The consolidated financial statements of the Group and the statement of financial position of the Company for the financial year ended 30 September 2024 were authorised for issue in accordance with a resolution of the Board of Directors on the date of Directors Statements.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The consolidated financial statements of the Group and the statement of financial position of the Company have been drawn up in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)s") including related Interpretations of SFRS(I) ("SFRS(I) s INT") and are prepared on the historical cost basis, except as disclosed in the accounting policies below.

The individual financial statements of each entity in the Group are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollar ("S\$"), which is also the functional currency of the Company, and all values presented are rounded to the nearest thousand ("S\$'000"), unless otherwise indicated.

In the current year, the Group has adopted all the new and revised SFRS(I)s and SFRS(I) INTs that are relevant to its operations and effective for annual periods beginning on or after 1 October 2023. The adoption of these new or revised SFRS(I)s and SFRS(I) INTs did not result in changes to the Group's and Company's accounting policies, and has no material effect on the current or prior year's financial statement and is not expected to have a material effect on future periods.

The Group adopted the amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies in the current financial year. The amendments require the disclosure of "material" instead of "significant" accounting policy information and provides guidance to assist the entity in providing useful, entity-specific accounting policy information for the users' understanding of the financial statements. Accordingly, management reviewed the accounting policies and updated the information disclosed in Note 2 Summary of material accounting policies in line with the amendments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 BASIS OF PREPARATION (CONTINUED)

SFRS(I)s and SFRS(I)s INT issued but not yet effective:

At the date of authorisation of these financial statements, the following SFRS(I)s, SFRS(I)s INT and amendments to SFRS(I)s were issued but not yet effective:

SFRS (I)S	TITLE	EFFECTIVE DATE (ANNUAL PERIODS BEGINNING ON OR AFTER)
SFRS(I) 1-1	Amendments to SFRS(I) 1-1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Various	Amendments to SFRS(I) 1-1: <i>Non-current Liabilities with Covenants</i>	1 January 2024
SFRS(I) 16	Amendments to SFRS(I) 16: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
SFRS(I) 1-7, SFRS(I) 7	Amendments to SFRS(I) 1-7 and SFRS(I) 7: <i>Supplier Finance Arrangements</i>	1 January 2024
SFRS(I) 1-21, SFRS(I) 1	Amendments to SFRS(I) 1-21: <i>Lack of Exchangeability</i>	1 January 2025
SFRS(I) 9, SFRS(I) 7	Amendments to SFRS(I) 9 and SFRS(I) 7: <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Various	Annual Improvements to SFRS(I)s –Volume 11	1 January 2026
SFRS(I) 18	Presentation and Disclosure in Financial Statements	1 January 2027
SFRS(I) 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
SFRS(I) 10, SFRS(I) 1-28	Amendments to SFRS(I) 10 and SFRS(I) 1-28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined

Consequential amendments were also made to various standards as a result of these new or revised standards.

The Group and the Company do not intend to early adopt any of the above new or revised standards, interpretations and amendments to the existing standards. Management anticipates that the adoption of the aforementioned new or revised standards will not have a material impact on the financial statements of the Group and the Company in the period of their initial adoption.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 BASIS OF CONSOLIDATION

The financial statements of the Group comprise the financial statements of the Company and its subsidiaries and they incorporate its post-acquisition share of the results of joint ventures using the equity method of accounting. Subsidiaries are entities (including structured entities) (i) over which the Group has power and the Group is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from them through its involvement with them.

The Group reassesses whether it controls the subsidiaries if facts and circumstances indicate that there are changes to the one or more of the three elements of control.

When the Group has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intra-group assets and liabilities, equity, income, expenses and cash flows relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the amount by which the non-controlling interests are adjusted to reflect the changes in the relative interests in the subsidiary and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to accumulated profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 *Financial Instruments* ("SFRS(I) 9") or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Investments in subsidiaries are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 BUSINESS COMBINATIONS

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. For each business combination, the Group determines whether to measure the non-controlling interests in the acquiree at fair value or at proportionate share in the recognised amounts of the acquiree's identifiable net assets. Acquisition-related costs are recognised in profit or loss as incurred and included in administrative expenses.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 *Business Combinations* ("SFRS(I) 3") are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held-for-sale in accordance with SFRS(I) 5 *Non-Current Assets Held for Sale and Discontinued Operations* ("SFRS(I) 5") which are recognised and measured at the lower of cost and fair value less costs to sell.

The Group recognises any contingent consideration to be transferred for the acquiree at the fair value on the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement shall be accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SFRS(I) 9 *Financial Instruments* ("SFRS(I) 9") is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with SFRS(I) 9. Other contingent consideration that is not within the scope of SFRS(I) 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 are recognised at their fair value at the acquisition date, except that:

- ⌘ deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;
- ⌘ liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with SFRS(I) 2 *Share-based Payment*; and
- ⌘ assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 are measured in accordance with that Standard.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 BUSINESS COMBINATIONS (CONTINUED)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

Goodwill arising on acquisition is recognised as an asset at the acquisition date and is initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer previously held equity interest (if any) in the entity over net acquisition-date fair value amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit (including the goodwill), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

The attributable amount of goodwill is included in the determination of gain or loss on disposal of the subsidiary or jointly controlled entity.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 REVENUE RECOGNITION

The Group is principally in the business of charter hiring, ship repairing services, shipbuilding and sales of goods. Revenue from contracts with its customers is recognised when or as the Group satisfies a performance obligation by transferring a promised good or service generated in the ordinary course of the Group's activities to its customer, at a transaction price that reflects the consideration the Group expects to be entitled in exchange for the good or service and that is allocated to that performance obligation. The good or service is transferred when or as the customer obtains control of the good or service. Revenue is shown net of estimated customer returns, rebates and other similar allowances.

The following specific recognition criteria must also be met before revenue is recognised:

Charter hire income

Time charter is recognised over time on a straight-line basis based on the number of days of the charter period in accordance with SFRS(I) 16.

Voyage charter is recognised over time on a straight-line basis over the voyage days from the commencement of the loading of cargo to completion of discharge in accordance with SFRS(I) 16.

Advance billings to customers or advance consideration received from customers for charter hire services not provided is recognised as contract liabilities.

Revenue from ship repair

Revenue from ship repair is recognised at point in time when the services are rendered to and accepted by the customers.

Shipbuilding revenue

Revenue from shipbuilding is recognised over time, using the input method to measure progress towards complete satisfaction of the service, as the vessels have no alternative use for the Group due to contractual restriction, and the Group has enforceable rights to payment for performance completed to-date, arising from contractual terms. The measure of progress is determined based on percentage of completion, which is measured by reference to the proportion of costs incurred to date to the estimated total costs for the shipbuilding contract. Costs that relate directly to a specific contract comprise: site labour costs (including site supervision), costs of materials used in construction, depreciation of equipment used on the contract, costs of design, and technical assistance that is directly related to the contract. Costs incurred that are not related to the contract or that do not contribute towards satisfying the performance obligation are excluded from the measure of progress and instead are expensed as incurred. Accordingly, in view of the nature of the shipbuilding service, management considers that this input method is most appropriate in measuring the progress towards complete satisfaction of these performance obligations under SFRS(I) 15 *Revenue from Contracts with Customers* ("SFRS(I) 15").

The Group receives deposit from customers and the period between the receipt and the transfer of control may exceed one year. For such contracts, there is no significant financing component present as the payment terms is an industry practice to protect the Group from the customers' failure to adequately complete some or all of its obligations under the contract. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 REVENUE RECOGNITION (CONTINUED)

Shipbuilding revenue (Continued)

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

The customer is invoiced on a milestone payment schedule. If the value of the goods transferred by the Group exceed the payments by customers, a contract asset is recognised. If the payments by customers exceed the value of the goods transferred, a contract liability is recognised.

Income from forfeiture of payment received from shipbuilding contracts is recognised when the shipbuilding contract has been effectively terminated and the payments received from customer is non-refundable.

For costs incurred in fulfilling the contract which are within the scope of another SFRS(I) (eg: Inventories), these have been accounted for in accordance with those other SFRS(I). If these are not within the scope of another SFRS(I), the Group will capitalise these as contract costs assets only if (a) these cost relate directly to a contract or an anticipated contract which the Group can specifically identify; (b) these cost generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (c) these costs are expected to be recovered. Otherwise, such costs are recognised as an expense immediately.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue over time. An impairment loss is recognised in the profit or loss to the extent that the carrying amount of capitalised contract costs exceeds the expected remaining consideration less any directly related costs not yet recognised as expenses.

Revenue from sales of goods

The Group enters into contracts with customers to supply goods. Revenue is recognised at point in time when control of the goods has transferred, being when the goods are delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Delivery occurs when the goods have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the goods in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

2.5 BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6 EMPLOYEES' BENEFIT COSTS

(i) Retirement benefits

The Group participates in the national schemes as defined by the laws of the countries in which it has operations.

Singapore

The Company and its subsidiaries make contribution to the Central Provident Fund ("CPF") Scheme in Singapore, a defined contribution pension scheme.

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Indonesia

The subsidiaries, incorporated and operating in Indonesia, are required to provide certain retirement plan contribution to their employees under existing Indonesia regulations. Contributions are provided at rates stipulated by Indonesia regulations and are managed by government agencies, which are responsible for administering these amounts for the subsidiary's employees.

Taiwan

The subsidiaries, incorporated and operating in Taiwan, are required to contribute to defined contribution retirement benefit plans and contributions are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Taiwan Bureau of Labour Insurance, are dealt with as payments to defined contribution plans where the Company's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

(ii) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability as a result of services rendered by employees up to the end of the financial year.

(iii) Share based payment

Employees of the Group received remuneration in the form of share options as consideration for services rendered.

Equity-settled share-based payments are measured at fair value of the equity instruments (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest and adjusted for the effect of non-market-based vesting conditions. At the end of each financial year, the Group revises the estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised over the remaining vesting period with a corresponding adjustment to the equity-settled employee benefits reserve.

The transfer of the balance in the share option reserve to share capital or treasury shares upon exercise of the option and the transfer of the balance in the share option reserve to retained profits upon expiry of the option are not mandatory and may be kept as a separate reserve upon expiry or exercise of the option.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.7 INCOME TAX

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit as reported in the profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the financial year.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.7 INCOME TAX (CONTINUED)

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

2.8 GOVERNMENT GRANTS

Government grants are recognised where there is reasonable assurance that the grant will be received and all terms and conditions relating to the grants have been complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant as at the financial year end and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

2.9 DIVIDENDS

Equity dividends are recognised when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by the shareholders.

2.10 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION

Foreign currency transactions are translated into the individual entities' respective functional currencies at the exchange rates prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the financial year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the financial year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

Exchange differences relating to assets under construction for future productive use, are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve.

Such accumulated translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.10 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION (CONTINUED)

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulative in the translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.11 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses.

The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Subsequent expenditure relating to property, plant and equipment is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Depreciation is charged so as to write off the cost of assets, vessels-in-construction, over their estimated useful lives, using the straight-line method, on the following bases:

	<u>Useful lives (Years)</u>
Leasehold land	21
Office equipment, furniture & fittings	3 - 5
Renovation	5
Vessels	15 - 20
Dry dock	5
Machinery and equipment	4 - 8
Leasehold improvements	over the remaining life of leasehold land
Motor vehicles	4 - 10

Vessels-in-construction comprises direct cost of construction and installation during the period of construction for vessels, borrowing costs for qualifying assets capitalised in accordance with the Group's accounting policy. Vessels-in-construction is transferred to vessels when it is completed and ready for its intended use. No depreciation is provided on vessels-in-construction until the vessels are completed and is ready for its intended use.

Dry docking expenses, when incurred, will be deferred and amortised on a straight-line basis over the period to the next dry docking date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Capital projects in progress comprising development and construction costs incurred during the period of construction for qualifying assets and borrowing costs for qualifying assets capitalised in accordance with the Group's accounting policy. Capital projects in progress are transferred to the appropriate category of assets when it is completed and ready for its intended use. No depreciation is provided on these assets until they are ready for their intended use.

For right-of-use assets for which ownership of the underlying asset is not transferred to the Group by the end of the lease term, depreciation is charged over the lease term, using the straight-line method. The lease periods are disclosed in Note 24.

The carrying amount of property, plant and equipment are reviewed for impairment when the events or changes in circumstances indicate that carrying value may not be recoverable.

The residual values, estimated useful lives and depreciation methods are reviewed, and adjusted as appropriate, at each financial year end to ensure that the amount, method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of property, plant and equipment is recognised in profit or loss. Any amount in the revaluation reserve relating to that asset is transferred to retained earnings directly.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

2.12 INVESTMENTS IN JOINT VENTURES

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as a joint operation or a joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only decisions about the relevant activities require unanimous consent of the parties sharing control.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill and is included in the carrying amount of the investment. Any excess of the Group's net fair value of the joint venture's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the Group's share of the joint venture's profit or loss in the reporting period in which the investment is acquired.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.12 INVESTMENTS IN JOINT VENTURES (CONTINUED)

The financial statements of the joint ventures have the same financial year end as the Group. Where necessary, accounting policies of joint ventures have been changed to ensure consistency with the policies adopted by the Group.

The results and assets and liabilities of joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held-for-sale, in which case it is accounted for under SFRS(I) 5, from the date on which the investees become classified as held-for-sale. Under the equity method, investments in joint ventures are carried at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the joint venture, less any accumulated losses of individual investments. The Group's share of losses in a joint venture in excess of the Group's interest in that joint venture (which includes any long term interests that, in substance, form part of the Group's net investment in the joint venture) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the joint ventures. Distributions received from the joint venture reduce the carrying amount of the investment.

For partial disposal where the reduction in the Group's ownership interest in joint ventures that do not result in the Group losing joint control, the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

Any goodwill arising on the acquisition of the Group's interest in a joint venture is accounted for in accordance with the Group's accounting policy for goodwill arising on such acquisitions.

Unrealised profits and losses are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The investment in joint ventures has been accounted at cost in the subsidiary's separate financial statements.

The Group reviews the carrying amounts of its tangible assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.13 IMPAIRMENT OF TANGIBLE ASSETS

The Group reviews the carrying amounts of its tangible assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.14 FINANCIAL INSTRUMENTS

The Group recognises a financial asset or a financial liability in its statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument.

Financial assets

Initial recognition and measurement

All financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset. With the exception of trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient, all financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. Such trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient are measured at transaction price as defined in SFRS(I) 15 *Revenue from Contracts with Customers* in Note 2.4.

The classification of the financial assets at initial recognition as subsequently measured at amortised cost depends on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The Group's business model refers to how the Group manages its financial assets in order to generate cash flows which determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Group determines whether the asset's contractual cash flows are solely payments of principal and interest ("SPPI") on the principal amount outstanding to determine the classification of the financial assets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.14 FINANCIAL INSTRUMENTS (CONTINUED)

Financial assets (Continued)

Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, the financial asset at amortised cost are measured using the effective interest method and is subject to impairment. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, and recognised in interests income.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on financial assets measured at amortised cost and debt instruments measured at FVTOCI. At each reporting date, the Group assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Group assumes that the credit risk on financial assets has not increased significantly since initial recognition.

The Group uses reasonable and supportable forward-looking information that is available without undue cost or effort as well as past due information when determining whether credit risk has increased significantly since initial recognition.

Where the credit risk on that financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Where the credit risk on that financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The Group uses a practical expedient to recognise the ECL for trade receivables and contract assets, which is to measure the loss allowance at an amount equal to lifetime ECL using an allowance matrix derived based on historical credit loss experience adjusted for current conditions and forecasts of future economic conditions.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.14 FINANCIAL INSTRUMENTS (CONTINUED)

Financial assets (Continued)

Impairment of financial assets (Continued)

The amount of ECL or reversal thereof that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised in profit or loss.

While they are not financial assets, contract assets arising from the Group's contracts with customers under SFRS(I) 15 are assessed for impairment in accordance with SFRS(I) 9, similar to that of trade receivables.

The Group directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

For details on the Group's accounting policy for its impairment of financial assets, refer to Note 34.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivables.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument are as follows:

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

When shares recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale issue or cancellation of treasury shares.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained earnings of the Company if the shares are purchased out of earnings of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.14 FINANCIAL INSTRUMENTS (CONTINUED)

Financial liabilities and equity instruments (Continued)

Equity instruments (Continued)

When treasury shares are subsequently sold or reissued pursuant to the employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve of the Company.

Ordinary share capital

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised on trade date – the date on which the Group commits to purchase or sell the asset. All financial liabilities are initially measured at fair value, minus transaction costs, except for those financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition. Financial liabilities classified as at fair value through profit or loss comprise derivatives that are not designated or do not qualify for hedge accounting.

Other financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis. A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see Note 2.5). A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.14 FINANCIAL INSTRUMENTS (CONTINUED)

Financial liabilities and equity instruments (Continued)

Financial liabilities (Continued)

Other financial liabilities (Continued)

Financial guarantee contracts

The Company has issued corporate guarantee to financial institution for credit facility granted by them to a subsidiary and this guarantee qualifies as financial guarantee because the Company is required to reimburse the financial institution if the subsidiary breach any repayment terms.

Financial guarantee contract liability are measured initially at their fair values plus transaction costs and subsequently at the higher of the amount of the loss allowance and the amount initially recognised less cumulative amortisation in accordance with SFRS(I) 15.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Offsetting of financial instruments

A financial asset and a financial liability shall be offset and the net amount presented in the statements of financial position when and only when, an entity:

- (a) currently has a legally enforceable right to set-off the recognised amounts; and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.15 INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Raw materials comprise purchase cost accounted for on a weighted average basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to be incurred for selling and distribution.

2.16 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, deposits with financial institution and short-term, highly liquid investments readily convertible to known amounts of cash and subjected to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.17 LEASES

At inception of a contract, the Group assessed whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Where a contract contains more than one lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component. Where the contract contains non-lease components, the Group applied the practical expedient to not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Group recognises a right-of-use asset and lease liability at the lease commencement date for all lease arrangement for which the Group is the lessee, except for leases which have lease term of 12 months or less and leases of low value assets for which the Group applied the recognition exemption allowed under SFRS(I) 16. For these leases, the Group recognises the lease payment as an operating expense on a straight-line basis over the term of the lease.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. When the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. The right-of-use asset is also reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability, where applicable.

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

The Group generally uses the incremental borrowing rate as the discount rate. To determine the incremental borrowing rate, the Group obtains a reference rate and makes certain adjustments to reflect the terms of the lease and the asset leased.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.17 LEASES (CONTINUED)

The lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any lease incentive receivable,
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable under a residual value guarantee,
- the exercise price under a purchase option that the Group is reasonably certain to exercise, and
- payments of penalties for terminating the lease if the Group is reasonably certain to terminate early and lease payments for an optional renewal period if the Group is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. The Group remeasures the lease liability when there is a change in the lease term due to a change in assessment of whether it will exercise a termination or extension or purchase option or due to a change in future lease payment resulting from a change in an index or a rate used to determine those payment.

Where there is a remeasurement of the lease liability, a corresponding adjustment is made to the right-of-use asset or in profit or loss where there is a further reduction in the measurement of the lease liability and the carrying amount of the right-of-use asset is reduced to zero.

The Group as a lessor

Where a contract contains more than one lease and/or non-lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component.

At the lease commencement date, the Group assess and classify each lease as either an operating lease or a finance lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased assets to the lessee. All other leases are classified as operating leases.

Operating leases

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.18 PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, which is discounted using a pre-tax discount rate.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss as they arise.

A provision is recognised for onerous contracts when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it and is measured at the lower of the cost of fulfilling it and any expected cost of terminating it. In determining the cost of fulfilling the contract, the Group includes both the incremental costs and an allocation of others costs that relate directly to fulfilling contracts. Before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets used in fulfilling the contract.

2.19 CONTINGENCIES

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingencies are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair value can be reliably determined.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.20 SEGMENT REPORTING

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Group made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

3.1 CRITICAL JUDGEMENTS MADE IN APPLYING THE GROUP'S ACCOUNTING POLICIES

(a) *Determination of control of joint arrangements*

The Group and the Company carry on parts of its business activities through joint ventures. In those circumstances, the Group and the Company have the ability to affect the significant financial and operating policies of the investees through the presence of joint control. The definition of joint control is defined in 2.12. The determination of the level of influence the Group and Company have over a business is often a mix of contractually defined and subjective factors that can be critical to the appropriate accounting treatment of investees in the Group's and the Company's financial statements. The management exercises significant judgement in analysing and evaluating relevant, subjective, diverse and sometimes contrasting qualitative and quantitative facts and circumstances surrounding its involvement in the investees, in determining whether the Group and the Company have joint control over the investees.

The Group and the Company have considered factors, including but not limited to, the size of its holding of voting rights relative to the size and dispersion of holdings of the other vote holders, its representation at the shareholders' and directors' meetings, the voting patterns, the composition of key management personnel which included the appointing, remunerating and terminating of key management personnel or service providers of the operations, contractual arrangements and etc. There are instances, elements are present that, considered in isolation, indicate control or lack of control over an investee, but when considered together make it difficult to reach a clear conclusion. In certain circumstances, despite the lack of the required technical equity ownership, there could exist a parent-subsidiary relationship or a joint-investor relationship between the Group and the Company with these investees. Such evaluation and assessment processes do take into consideration to account for transactions and events in accordance with their substance and economic reality, and not merely their legal forms.

Following the assessment, the Group assessed that it has joint control over the entities under Note 13 and classified these investee entities as investments in joint ventures.

Differing conclusions around these judgements, may materially impact how these entities are presented in the consolidated financial statements – under the full consolidation method, equity method or proportionate consolidation method.

The Group have assessed whether the Group has control over these entities based on the Group's practical ability to direct the relevant activities of these entities unilaterally. In making their judgement, management considers the Group's rights arising from the contractual arrangements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

3.1 CRITICAL JUDGEMENTS MADE IN APPLYING THE GROUP'S ACCOUNTING POLICIES (CONTINUED)

- (b) *Determination of control over entities for which the Group does not have more than 50% ownership interests*

Following the assessment, the Group concludes that it has sufficiently dominant voting right and power to direct the relevant activities of these entities and therefore the Group has unilateral control over these entities. Hence, these entities are classified these as investments in subsidiaries.

Differing conclusions around these judgements, may materially impact how these entities are presented in the consolidated financial statements – under the full consolidation method, equity method or proportionate consolidation method.

- (c) *Revenue recognition from shipbuilding contracts*

The Group recognises revenue from shipbuilding contracts when the performance obligation is satisfied over time, using the input method to measure progress towards complete satisfaction of the service, as the customer simultaneously receives and consumes the benefits provided by the Group. In determining the revenue recognition policy for such contracts entered into with its customers, the Group applied SFRS(I) 15, in consideration that its performance does not create an asset with an alternative use and its enforceability of right to payment for performance completed to date.

Significant judgement is required in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue and budgeted costs, as well as the potential risk of foreseeable losses. Provision will be made where necessary to account for onerous contract, if any. In estimating the budgeted costs, the Group reviews frequently the progress of the shipbuilding contracts taking into consideration all inputs which includes evaluating any potential risks and factors which may affect the contract costs and timely completion of the shipbuilding contracts.

3.2 KEY SOURCES OF ESTIMATION UNCERTAINTY

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- (a) *Impairment of investments in subsidiaries and joint ventures, including amount due from a joint venture*

At the end of the financial year, an assessment is made on whether there are indicators that the Group's investments in subsidiaries and joint ventures are impaired. The Company's carrying amounts of investments in subsidiaries as at 30 September 2024 is approximately \$4,320,000 (2023: \$4,320,000).

The Group's carrying amounts of investments in joint ventures as at 30 September 2024 is \$Nil (2023: \$Nil). The Group's and the Company's non-trade amount due from a joint venture comprise the gross carrying amounts of \$5,662,000 (2023: \$6,263,000), net of accumulated impairment loss of \$5,662,000 (2023: \$6,263,000). These non-trade balances are unsecured, interest-free and are not expected to be repaid within the next 12 months and are in substance, a part of the Group's and Company's net investments in the joint ventures.

Investments in subsidiaries and joint ventures are tested for impairment whenever there is objective evidence that these assets may be impaired. An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value-in-use. The recoverable amounts of the cash-generating units have been determined based on the higher of fair value less cost to sell and value-in-use. The fair value less costs to sell is based on quoted market prices at the balance sheet date. The value-in-use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

3.2 KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

- (a) *Impairment of investments in subsidiaries and joint ventures, including amount due from a joint venture (Continued)*

In the current financial year, the Group has assessed the recoverable amounts of its investments in subsidiaries and joint ventures and determined that no further impairment is required.

- (b) *Impairment of vessels*

The Group regularly evaluates the carrying amount of the vessels to determine if events have occurred that would require an adjustment to its carrying amount. The valuation of the vessels is reviewed based on events and changes in circumstances that would indicate that the carrying amount of the vessels might not be recovered. In assessing the recoverability of the vessels, the Group reviews certain indicators of potential impairment such as reported sale and purchase prices, market demand and general market conditions. If an indication of impairment is identified, the need for recognising an impairment loss is assessed by comparing the carrying amount of the vessels to the higher of the fair value less cost to sell and the value-in-use.

The Group appointed independent professional valuer to carry out reviews on the recoverable amounts of vessels. In preparing the valuation reports, some of the factors considered by the professional valuer include the current market conditions of the vessels, the recent market sales of the similar vessels, the specification and conditions of each vessel as well as the cost to a market participant buyer to acquire or construct a substitute asset of comparable utility, adjusted for obsolescence of the vessels. Key assumptions used in assessing recoverable amount among others may include consideration of whether the vessel is operational or laid up, the current reported market sales and known offers for comparative vessels (if any) as well as the estimated replacement costs of similar comparable vessels.

The continued weakness in the market and industry has resulted in limited market information being currently available to assess the value of the vessels in the current reporting period. Consequently, the recoverable amount of the vessels are determined based on the replacement cost approach due to the limited observable transacted data. Accordingly, the fair value hierarchy of these assets are classified as Level 3.

During the financial year, the Group has assessed the recoverable amounts of the vessels and determined that no impairment loss is required.

The carrying amounts of the Group's vessels included in property, plant and equipment as at 30 September 2024 was \$54,642,000 (2023: \$63,268,000) (Note 11).

- (c) *Dry docking component*

Dry docking costs incurred are amortised on a straight-line basis over the period to the next anticipated dry docking date. The Group determines the next anticipated dry docking date of the vessel by reviewing the condition of the vessel and taking into consideration the Group's historical experience with similar vessels and the relevant regulations governing such vessels. Any differences in the actual dry docking cost or changes to the next anticipated dry docking date could impact the amortisation and consequently affect the Group's results. The next anticipated dry docking date is reviewed at each financial year end. The carrying amounts of the Group's dry docking as at 30 September 2024 was \$4,088,000 (2023: \$2,617,000) (Note 11).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

3.2 KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(d) *Income tax*

The Group is subject to income taxes in Singapore, Malaysia, Indonesia and Taiwan. Significant judgement is required in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on their best estimates of likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

The Group's ship chartering operations were awarded the Approved International Shipping Enterprise ("AIS") status by the Maritime and Port Authority of Singapore subject to certain terms and conditions, which will exempt qualifying shipping income of certain subsidiaries of the Group from tax with effect from 1 April 2020 (Year of Assessment 2021). The tax computation of those subsidiaries has applied this tax exemption in the computation of the corporate income tax, as disclosed in Note 9.

(e) *Measurement of ECL of trade receivables*

The Group uses an allowance matrix to measure ECL for trade receivables. The ECL rates are based on the Group's historical loss experience of the customers, for the last 3 years prior to the reporting date for various customer groups that are assessed through an age analysis, adjusted for forward looking factors, including specific to the debtors and the economic environment which could affect the ability of the debtors to settle the trade receivables. In considering the impact of the economic environment on the ECL rates, the Group assesses, for example, the gross domestic production growth rates of the countries (e.g. Singapore, Malaysia, Indonesia, and Taiwan) and the growth rates of the major industries in which its customers operate. The Group adjusts, as necessary, the allowance matrix at each reporting date. Such estimation of the ECL rates may not be representative of the actual default in the future. The expected loss allowance on the Group's trade receivables as at 30 September 2024 is \$372,000 (2023: \$388,000) (Note 34).

4. REVENUE

	GROUP	
	2024	2023
	\$'000	\$'000
Ship chartering services	71,931	65,892
Shipbuilding	18,834	15,836
Ship repair services	29,718	42,738
Sales of goods	3,047	2,660
	123,530	127,126

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

4. REVENUE (CONTINUED)

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

	SHIP CHARTERING SERVICES		SHIPBUILDING		SHIP REPAIR SERVICES		SALES OF GOODS		TOTAL	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Geographical markets^(a)										
Singapore	4,630	4,729	-	-	4,184	20,170	-	-	8,814	24,899
Indonesia	8,034	5,466	18,834	15,836	15,941	16,985	3,047	2,660	45,856	40,947
Malaysia	4,588	6,990	-	-	894	623	-	-	5,482	7,613
Thailand	20,308	16,110	-	-	5,486	-	-	-	25,794	16,110
Taiwan	34,371	32,597	-	-	-	-	-	-	34,371	32,597
Nauru	-	-	-	-	-	1,151	-	-	-	1,151
Bangladesh	-	-	-	-	2,115	-	-	-	2,115	-
Others	-	-	-	-	1,098	3,809	-	-	1,098	3,809
Total	71,931	65,892	18,834	15,836	29,718	42,738	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	18,834	15,836	29,718	42,738	3,047	2,660	123,530	127,126

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

The Group has applied the practical expedient permitted under SFRS(I) 15 for those performance obligations which are part of contracts that have an original expected duration of one year or less.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

5. OTHER OPERATING INCOME

	GROUP	
	2024	2023
	\$'000	\$'000
Bad debts recovered	17	272
Gain on disposal of property, plant and equipment, net	1,724	1,027
Government grant income	25	26
Interest income on bank balances and fixed deposits	2,023	1,225
Interest income from loan to a joint venture	532	590
Sales of scrap metals	875	913
Sundry income	77	65
Insurance claim income	1,050	661
	6,323	4,779

6. PERSONNEL EXPENSES

	GROUP	
	2024	2023
	\$'000	\$'000
Wages, salaries and bonuses	10,956	8,230
Contributions to defined contribution plan	756	600
Directors' fees of the Company	238	215
Directors' remuneration		
- directors of the Company	1,678	1,103
- directors of the subsidiaries	39	39
Share options expenses	288	-
Other staff costs	12	11
	13,967	10,198

(i) Marco Polo Marine Ltd. Employee Share Option Scheme ("MPM ESOS")

At an Extraordinary General Meeting ("EGM") held on 9 July 2012, the shareholders of the Company approved the adoption of incentive scheme, MPM ESOS meant for the staff and certain directors of the Group.

2015 Share Options

At the Annual General Meeting ("AGM") held on 28 April 2015, a total of 4,990,000 share options at the price of \$0.275 per share were granted to directors, key management personnel and employees under the Marco Polo Marine Ltd. Employee Share Option Scheme (2015) ("MPM ESOS 2015"), which are capable of being exercised into the same equivalent number of shares of the Company. The options will be expired within 10 years from the date the share options were granted, on 27 April 2025.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

6. PERSONNEL EXPENSES (CONTINUED)

- (i) Marco Polo Marine Ltd. Employee Share Option Scheme ("MPM ESOS") (Continued)

2015 Share Options (Continued)

A total of 840,000 share options were granted to the Directors, Sean Lee Yun Feng and Lie Ly.

The options vest in various tranches over 4 years. 30% of the options granted shall be exercisable from the 1st anniversary of date of grant, 15% each of the options granted from 2nd and 3rd anniversary of date of grant and the final 40% of the options shall be exercisable from 4th anniversary of date of grant onwards.

- (ii) Marco Polo Marine Ltd. Performance Share Scheme (2024) ("MPM PSS 2024") and Marco Polo Marine Ltd. Employee Share Option Scheme (2024) ("MPM ESOS 2024")

At an EGM held on 12 January 2024, the shareholders of the Company approved the adoption two incentive schemes. These two schemes are MPM PSS 2024 and MPM ESOS 2024 meant for the certain directors, key management personnel and employees of the Group.

2024 Share Options

At the AGM held on 12 April 2024, 44,010,000 share options at a price of \$0.067 per share were granted to directors, key management personnel and employees under the MPM ESOS 2024, which are capable of being exercised into the same equivalent number of shares of the Company. The options will be expired within 10 years from the date the share options were granted, on 11 April 2034.

A total of 11,000,000 share options were granted to the Directors, Sean Lee Yun Feng and Lie Ly.

The options vest in various tranches over 3 years. 30% of the options granted shall be exercisable from the 1st anniversary of date of grant, 30% of the options granted from 2nd anniversary of date of grant and the final 40% of the options shall be exercisable from 3rd anniversary of date of grant onwards.

The above schemes are administered by the remuneration committee of the Company authorised and appointed by the board of directors and are available to all employees and certain directors of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

6. PERSONNEL EXPENSES (CONTINUED)

Movements in the number of share options and their weighted average exercise price are as follows:

	2024		2023	
	NO.	WEIGHTED AVERAGE EXERCISE PRICES \$	NO.	WEIGHTED AVERAGE EXERCISE PRICES \$
Outstanding at 1 October	2,830,000	0.275	5,520,000	0.345
- expired during the year	(1,510,000)	0.161	(2,690,000)	0.415
- granted during the year	44,010,000	0.067	-	-
Outstanding at 30 September	45,330,000	0.077	2,830,000	0.275
Exercisable at 30 September	2,150,000	0.275	2,830,000	0.275

During the financial year, total of 1,510,000 (2023: 2,690,000) share options were expired.

Fair value of share options granted

The fair value of the share options granted was estimated at the date of grant using the valuation models stated in the table below, taking into account the terms and conditions upon which the share options were granted.

The following table lists the inputs and the options model:

	2015 SHARE OPTIONS	2024 SHARE OPTIONS
Share options valuation model	Hull-White Enhanced	Binomial Option Pricing Model
Share price at grant date	\$0.275	\$0.069
Expected volatility	26.334%	48.314%
Risk-free interest rate (per annum)	2.128%	3.34%
Vesting period	1 to 4 years	1 to 3 years
Exit rate	0% to 16%	27.67% to 62.15%
Exercise multiple	1.5	1.0

The expected volatility reflects the assumption that the historical volatility of the Company's share price, which may not necessarily be the actual outcome. The employee exit rate is based on historical data and is not necessarily indicative of patterns that may occur. The exercise multiple reflects the grantees' early exercise behaviour, which assumes that early exercise happens when the stock price is a certain multiple of the exercise price.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

7. FINANCE COSTS

	GROUP	
	2024 \$'000	2023 \$'000
Interest expenses on lease liabilities	275	225
Interest expenses on term loans	400	81
Secured term loans commitment and set up fees	956	-
	1,631	306

8. PROFIT BEFORE INCOME TAX

The following charges/(credit) were included in the determination of profit before income tax:

	GROUP	
	2024 \$'000	2023 \$'000
Bad debts recovered	(17)	(272)
Depreciation of right-of-use assets	1,956	1,750
Depreciation of property, plant and equipment	10,440	10,310
Legal and professional fee	955	554
Foreign exchange loss, net	5,486	3,318
Provision for contractual liabilities	1,799	461
Personnel expenses (Note 6)	13,967	10,198
Remuneration paid to auditors of the Company:		
- Audit fees	179	170
- Non-audit fees	8	8

9. INCOME TAX EXPENSE

	GROUP	
	2024 \$'000	2023 \$'000
Current income tax		
- current financial year	1,829	3,671
- under provision in prior year	54	1,097
	1,883	4,768
Deferred tax (Note 26)		
Origination and reversal of temporary differences	(77)	(78)
Income tax expense	1,806	4,690

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

9. INCOME TAX EXPENSE (CONTINUED)

Reconciliation of effective tax rate is as follows:

	GROUP	
	2024	2023
	\$'000	\$'000
Profit before income tax	25,713	30,471
Tax at the statutory tax rate of 17% (2023: 17%)	4,371	5,180
Different tax rates in other countries	(1,847)	1,314
Tax exemption	(838)	(1,289)
Expenses not deductible for tax purposes	7,307	3,531
Income not subject to tax	(6,609)	(4,592)
Deferred tax assets not recognised	359	-
Utilisation of deferred tax assets not recognised	(1,020)	(580)
Under provision in prior year	54	1,097
Share of profits in joint ventures	29	29
	1,806	4,690

The Group's ship chartering operations were awarded the Approved International Shipping Enterprise ("AIS") status by the Maritime and Port Authority of Singapore. Pursuant to the AIS status, certain subsidiaries of the Group will enjoy tax exemption with effect from 1 April 2020 (Year of Assessment 2021) on qualifying shipping income and gain on disposal of vessels, including incomes derived from foreign-flagged ships which were taxed previously.

Deferred tax assets not recognised

The following deferred tax assets are not recognised in the statements of financial position as it is presently uncertain with respect to the extent of timing and quantum of future taxable profit that will be available against which the Group can utilise the benefits as follows:

	GROUP	
	2024	2023
	\$'000	\$'000
Unabsorbed tax losses	22,271	25,659
Accelerated tax depreciation	94,983	95,482
	117,254	121,141

Tax losses do not expire under current legislation and are available for set-off against future taxable profits subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their respective country of incorporation. No deferred tax asset has been recognised due to the unpredictability of future profits streams of certain subsidiaries. These losses may be carried indefinitely subject to the conditions imposed by law.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

10. EARNINGS PER SHARE

The calculations of earnings per share are based on the profit and numbers of shares shown below.

	BASIC AND DILUTED	
	2024	2023
	\$'000	\$'000
Profit for the financial year attributable to the equity holders of the Company	21,700	22,580
Weighted average number of shares		
	NUMBER OF SHARES	
	2024	2023
For basic and diluted earnings per share	3,753,649,080	3,683,395,652

Basic earnings per share are calculated by dividing profit for the financial year attributable to the equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share amounts are calculated by dividing profit for the financial year from continuing operations, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

There is no dilutive effect arising from share option for current financial year as the exercise price of the share options was higher than the Company's average share price during the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

11. PROPERTY, PLANT AND EQUIPMENT

GROUP	LEASEHOLD LAND		OFFICE EQUIPMENT, FURNITURE & FITTINGS		RENOVATION	VESSELS	DRY DOCK	MACHINERY AND EQUIPMENT IMPROVEMENTS		LEASEHOLD VEHICLES	CAPITAL PROJECTS IN PROGRESS ("CIP")		TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost													
Balance at 1.10.2022	6,311	705	293	180,550	8,457	11,345	37,254	704	123				245,722
Additions	-	78	-	-	2,361	2,380	684	88	7,704				13,295
Disposal	-	(8)	-	(5,416)	(2,440)	(359)	-	-	-	-	-	(123)	(8,223)
Reclassification	-	-	-	-	48	-	75	-	-	-	-	-	-
Currency realignment	-	(1)	-	(5,359)	(123)	(12)	-	-	31	-	-	-	(5,464)
Balance at 30.09.2023	6,311	774	293	169,755	8,303	13,354	38,073	792	7,735				245,330
Additions	-	177	1,492	-	3,563	665	120	93	63,729				69,839
Disposal	-	(60)	(293)	(4,387)	(1,524)	-	-	(574)	-	-	-	-	(6,838)
Transfer from CIP	-	-	-	-	-	-	31	-	(31)	-	-	-	-
Written off	-	(36)	-	-	-	(1,326)	-	(27)	-	-	-	-	(1,389)
Currency realignment	-	(1)	-	(5,802)	(207)	(21)	-	-	(327)	-	-	-	(6,358)
Balance at 30.09.2024	6,311	854	1,492	159,566	10,135	12,672	38,164	284	71,106				300,584
Accumulated depreciation and accumulated impairment loss													
Balance at 1.10.2022	4,418	624	293	107,247#	5,982	10,368	21,533	546	-				151,011
Depreciation charge for the financial year	277	43	-	6,236	1,178	366	2,135	75	-				10,310
Disposal	-	(8)	-	(4,271)	(1,391)	(274)	-	-	-	-	-	-	(5,944)
Currency realignment	-	-	-	(2,725)	(83)	(4)	-	-	-	-	-	-	(2,812)
Balance at 30.09.2023	4,695	659	293	106,487#	5,686	10,456	23,668	621	-				152,565
Depreciation charge for the financial year	277	60	154	5,678	1,346	567	2,283	75	-				10,440
Disposal	-	(56)	(293)	(3,741)	(851)	-	-	(523)	-	-	-	-	(5,464)
Written off	-	(36)	-	-	-	(1,326)	-	(27)	-	-	-	-	(1,389)
Currency realignment	-	1	(1)	(3,500)	(134)	(10)	-	(1)	-	-	-	-	(3,645)
Balance at 30.09.2024	4,972	628	153	104,924#	6,047	9,687	25,951	145	-				152,507
Net carrying amount													
As at 30.09.2024	1,339	226	1,339	54,642	4,088	2,985	12,213	139	71,106				148,077
As at 30.09.2023	1,616	115	-	63,268	2,617	2,898	14,345	171	7,735				92,765

Included the accumulated impairment losses of \$70,469,000 (2023: \$70,933,000). The decrease in accumulated impairment losses is attributable to foreign exchange differences.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The depreciation expenses amounting to approximately \$9,095,000 (2023: \$9,001,000) and \$1,345,000 (2023: \$1,309,000) have been recognised in the cost of sales and other operating expenses respectively.

The Group's leasehold land and vessels (including capital projects in progress) with a carrying amount of approximately \$782,000 and \$48,484,000 respectively (2023: \$Nil) were pledged to secure term loans (Note 25).

For the purpose of consolidated statement of cash flows, the Group's additions to property, plant and equipment during the financial year were financed as follows:

	2024	2023
	\$'000	\$'000
Additions of property, plant and equipment	69,839	13,295
Less: Advance down-payment made in prior year (Note 17)	(19,087)	-
Cash payments to acquire property, plant and equipment	50,752	13,295

12. INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	2024	2023
	\$'000	\$'000
Unquoted equity shares, at cost	4,320	4,320

Details of the subsidiaries are as follow:

NAME OF COMPANIES	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION/ PLACE OF BUSINESS	EFFECTIVE INTEREST HELD BY THE GROUP	
			2024	2023
			%	%
Held by the Company:				
Marco Polo Shipping Co Pte Ltd ⁽¹⁾	Ship chartering	Singapore	100	100
Marco Polo Shipyard Pte Ltd ⁽¹⁾	Provision of contract services and trading activities	Singapore	100	100
MP Marine Pte Ltd ⁽¹⁾	Investment holding	Singapore	100	100
MP Ventures Pte Ltd ⁽¹⁾	Investment holding	Singapore	100	100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

12. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

NAME OF COMPANIES	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION/ PLACE OF BUSINESS	EFFECTIVE INTEREST HELD BY THE GROUP	
			2024	2023
			%	%
Held by subsidiaries:				
PT. Marcopolo Shipyard ⁽²⁾	Shipbuilding and ship repair	Indonesia	100	100
MP Shipping Pte Ltd ⁽¹⁾	Ship chartering	Singapore	100	100
Marco Polo Wind Private Limited ⁽³⁾	Investment holding	Hong Kong	100	100
Marco Polo Offshore Pte Ltd ⁽¹⁾	Ship chartering, leasing and management	Singapore	100	100
MP Offshore Pte Ltd ^{(1)(b)}	Ship chartering and management	Singapore	100	100
Marco Polo Offshore (II) Pte Ltd ⁽¹⁾	Ship chartering	Singapore	100	100
Marco Polo Offshore (III) Pte Ltd ⁽¹⁾	Ship chartering	Singapore	100	100
PT Marco Polo Indonesia ("PT MPI") ⁽³⁾	Management consultancy and marketing	Indonesia	100	100
Marco Polo Offshore (VII) Pte Ltd ⁽¹⁾	Ship chartering	Singapore	100	100
Marco Polo Offshore (VIII) Pte Ltd ⁽³⁾	Ship chartering	Labuan, Malaysia	100	100
Marco Polo Offshore Sdn Bhd ("MPOSB") ⁽³⁾	Investment holding	Kuala Lumpur, Malaysia	100	100
Oceanic Crown Offshore Marine Services Limited ("OC") ⁽³⁾⁽⁶⁾	Ship chartering	Taiwan	49	49
PKR Offshore Co., Ltd. ("PKR") ⁽⁴⁾⁽⁶⁾	Ship chartering	Taiwan	49	49
M Renewables Co., Ltd ("MRC") ^{(3)(6)(a)}	Investment holding	Cayman Islands	49	-
PT Pelayaran Nasional Bina Buana Raya Tbk ("BBR") ⁽²⁾⁽⁵⁾	Ship chartering	Indonesia	71	71
BBR Shipping Pte Ltd ("BBRS") ⁽¹⁾	Management consultancy, marketing, and ship chartering services	Singapore	71	71
BBR Shipping (L) Berhad ("BBRL") ⁽³⁾	Ship chartering services	Labuan, Malaysia	71	71
MP Windcraft Pte. Ltd. ("MPW") ^{(1)(a)}	Ship chartering	Singapore	100	100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

12. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

- (1) Audited by Forvis Mazars LLP (formerly known as Mazars LLP), Singapore.
- (2) Audited by Forvis Mazars LLP (formerly known as Mazars LLP), Singapore for the purpose of expressing an opinion on the consolidated financial statements.
- (3) Reviewed by Forvis Mazars LLP (formerly known as Mazars LLP), Singapore for the purpose of expressing an opinion on the consolidated financial statements.
- (4) Audited by Ernst & Young in Taiwan.
- (5) Audited by Kantor Akuntan Publik Hertanto, Grace dan Karunawan, Indonesia.
- (6) These entities are accounted for as subsidiaries as the Group has rights to variable returns from its involvement with the entities and has the ability to affect those returns through its power over the entities with contractual agreement.

Interest in subsidiaries with material non-controlling interests ("NCI")

The Group has the following subsidiaries that have NCI that are material to the Group.

NAME OF SUBSIDIARIES	PROPORTION OF OWNERSHIP INTEREST HELD BY NCI		(LOSS)/PROFIT ALLOCATED TO NCI DURING THE FINANCIAL YEAR		OTHER COMPREHENSIVE INCOME/(LOSS) ALLOCATED TO NCI DURING THE FINANCIAL YEAR		ACCUMULATED NCI AT THE END OF FINANCIAL YEAR	
	2024	2023	2024	2023	2024	2023	2024	2023
	%	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
OC	51	51	(392)	(220)	367	114	495	520
PKR	51	51	745	2,152	(1,698)	471	2,640	3,593
BBR Group ⁽¹⁾	29	29	1,854	1,269	(821)	(519)	12,971	11,938

Summarised financial information about subsidiaries with material NCI

Summarised financial information before intercompany eliminations are as follows:

	OC		PKR		BBR GROUP ⁽¹⁾	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets:						
Non-current assets	14,014	4,604	44,747	7,013	31,677	33,936
Current assets	693	818	18,416	17,030	19,885	13,261
Liabilities:						
Non-current liabilities	-	-	3,791	4,703	4,858	-
Current liabilities	13,738	4,403	54,196	12,295	2,436	6,452
Net assets	970	1,019	5,176	7,045	44,268	40,745
Results:						
Revenue	-	-	34,113	32,602	16,177	13,614
(Loss)/Profit before income tax	(769)	(432)	1,475	6,643	6,510	4,498
(Loss)/Profit for the financial year	(769)	(432)	1,461	4,220	6,327	4,331
Total comprehensive income/ (loss) for the financial year	49	(209)	(1,869)	5,143	3,523	2,561

(1) BBR Group consists of PT Pelayaran Nasional Bina Buana Raya Tbk, BBR Shipping Pte Ltd and BBR Shipping (L) Berhad.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

12. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(a) Incorporation of a subsidiary

On 10 October 2023, the Company's indirect wholly-owned subsidiary, Marco Polo Offshore Sdn Bhd ("MPOSB") and a Company incorporated in Taiwan, Shengfan Co. Ltd., has jointly incorporated a subsidiary, M Renewables Co., Ltd, in Cayman Islands with an initial paid-up capital of NTD42,000,000 (equivalent to \$1,785,000).

In prior financial year, the Company's indirect wholly-owned subsidiary, Marco Polo Wind Private Limited, has incorporated a new wholly-owned company in Singapore, MPW, with an initial paid-up capital of \$2.

(b) Incorporation of a branch office

In prior financial year, the Company's indirect wholly-owned subsidiary, MP Offshore Pte Ltd, has incorporated a new wholly-owned branch office in Taiwan with an initial paid-up capital of NTD1,000,000 (equivalent to \$43,000).

13. INVESTMENTS IN JOINT VENTURES

	GROUP	
	2024	2023
	\$'000	\$'000
Investments in joint ventures	2,490	2,490
Share of post-acquisition losses	(2,228)	(2,228)
Share of other comprehensive income	164	164
Due from a joint venture, net	-	-
	426	426
Impairment losses	(426)	(426)
	-	-

The Group's and the Company's non-trade amount due from a joint venture comprise the gross carrying amounts of \$5,662,000 (2023: \$6,263,000), net of accumulated impairment loss of \$5,662,000 (2023: \$6,263,000). These non-trade balances are unsecured, interest-free and are not expected to be repaid within the next 12 months and are in substance, a part of the Group's and Company's net investments in the joint ventures.

The investments in joint ventures are accounted for using the equity method. The investment is initially recognised at cost and adjusted thereafter to include the Group's share of post-acquisition distributable and non-distributable reserves of the joint ventures after eliminating unrealised profit of the transactions between the Group and the joint ventures to the extent of the Group's interest in the joint ventures.

The Group jointly controls each venture with another partner under a contractual agreement and requires unanimous consent for all significant decisions over the relevant activities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

13. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Details of the joint ventures are as follow:

NAME OF COMPANIES	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION/ PLACE OF BUSINESS	PROPORTION OF OWNERSHIP INTEREST HELD BY THE GROUP	
			2024 %	2023 %
Marco Polo Offshore (IV) Pte Ltd ("MPO (IV)") ⁽¹⁾	Ship chartering services	Labuan, Malaysia	50	50
Pelayaran New Era (L) Bhd ("PNE") ⁽²⁾	Ship chartering services	Labuan, Malaysia	49	49
Held by joint ventures				
SK Marco Polo Sdn Bhd ⁽²⁾	Ship chartering services	Malaysia	50	50
Pelayaran Era Sdn Bhd ("PESB") ⁽²⁾	Ship chartering services	Malaysia	49	49

(1) Audited by Forvis Mazars s PLT (formerly known as Mazars PLT), Malaysia.

(2) Audited by HLB Ler Lum PLT, Malaysia.

Summarised financial information of the Group's joint ventures (based on their financial statements).

	MPO (IV) \$'000	PNE \$'000	TOTAL \$'000
2024			
Assets and liabilities			
Non-current assets	5,255	7,754	
Current assets	9,259	2,187	
Current liabilities	(35,107)	(7,306)	
Non-current liabilities	-	(3,326)	
Net liabilities	(20,593)	(691)	
Group's share of joint venture's net liabilities	(10,297)	(339)	
Amount owing by a joint venture	5,662	-	
Joint ventures losses in excess of equity interest	4,635	339	
Reclassified to deferred income (Note 23)	-	2,715	
Less: elimination of unrealised profit on downstream sales (Note 23)	-	(2,886)	
Realisation of gain on downstream sales (Note 23)	-	171	
At 30 September	-	-	-
Cash and cash equivalents	220	1,238	
Current financial liabilities	(35,107)	(7,306)	
Non-current financial liabilities	-	(3,326)	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

13. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Summarised financial information of the Group's joint ventures (based on their financial statements).
(Continued)

	MPO (IV) \$'000	PNE \$'000	TOTAL \$'000
2024			
Results			
Revenue	8,874	6,254	
Expenses, including the following:	(7,490)	(6,244)	
Interest expense	(1,585)	(480)	
Profit before income tax	1,384	10	
Income tax expense	(239)	-	
Profit for the financial year	1,145	10	
Other comprehensive income/(loss)	55	(206)	
Total comprehensive income/(loss)	1,200	(196)	
Group's share of joint ventures' total comprehensive income/(loss)	600	(96)	
Realisation of gain on downstream sales (Note 23)	-	171	
Cumulative joint venture results in excess of equity interest	4,635	339	4,974
Group's share of results of joint ventures	-	171	171
	MPO (IV) \$'000	PNE \$'000	TOTAL \$'000
2023			
Assets and liabilities			
Non-current assets	6,174	5,566	
Current assets	7,631	905	
Current liabilities	(36,800)	(2,898)	
Non-current liabilities	-	(4,068)	
Net liabilities	(22,995)	(495)	
Group's share of joint venture's net liabilities	(11,498)	(243)	
Amount owing by a joint venture	6,263	-	
Joint ventures losses in excess of equity interest	5,235	243	
Realisation of gain on downstream sales (Note 23)	-	171	
Reclassified to deferred income (Note 23)	-	2,918	
Less: elimination of unrealised profit on downstream sales (Note 23)	-	(3,089)	
At 30 September	-	-	-
Cash and cash equivalents	209	13	
Current financial liabilities	(36,800)	(2,898)	
Non-current financial liabilities	-	(4,068)	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

13. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Summarised financial information of the Group's joint ventures (based on their financial statements). (Continued)

	MPO (IV) \$'000	PNE \$'000	TOTAL \$'000
2023			
Results			
Revenue	6,518	4,936	
Expenses, including the following:	(6,191)	(3,580)	
Interest expense	(2,457)	(182)	
Profit before income tax	327	1,356	
Income tax expense	(254)	(607)	
Profit for the financial year	73	749	
Other comprehensive income/(loss)	1,279	(338)	
Total comprehensive income	1,352	411	
Group's share of joint ventures' total comprehensive income	676	201	
Realisation of gain on downstream sales (Note 23)	-	171	
Cumulative joint venture results in excess of equity interest	5,235	243	5,478
Group's share of results of joint ventures	-	171	171

The Group had not recognised losses relating to joint ventures where its share of losses exceeds the Group's interest in the joint ventures. The interest in joint ventures is the carrying amount of the investment in the joint ventures determined using the equity method together with the long-term interests that, in substance, form part of the entity's net investment in joint ventures. The Group's cumulative share of unrecognised total comprehensive loss at the end of the current financial year was \$4,974,000 (2023: \$5,478,000). The Group has no obligation in respect of those losses.

14. AMOUNT DUE FROM A JOINT VENTURE (NON-TRADE)

Vessel loan

In financial year 2019, the Group has granted a vessel loan amounting to \$12.5 million to its joint venture, PESB to finance part of its purchase of a vessel. The interest is charged is at 3% per annum over 1-month SOFR (2023: 1-month SOFR) on monthly basis. The amount due from a joint venture (non-trade) as at 30 September 2024 is \$7,810,000 (2023: \$10,485,000) (Note 19).

The loan will be repayable by 31 December 2026 and is secured by first legal mortgage over the vessel and first priority assignment of insurance policies for the said vessel.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

15. INVENTORIES

	GROUP	
	2024	2023
	\$'000	\$'000
Raw materials	2,921	4,560
Work-in-progress vessel	8,056	10,984
Consumables	235	364
Less: Inventories written down	(7,542)	(7,542)
	3,670	8,366

Raw materials mainly consist of steel plates and equipment which are used in the Group's shipbuilding activities.

The cost of inventories recognised as expenses and included in "cost of sales" amounted to approximately \$64,566,000 (2023: \$70,983,000).

In previous financial year, the Group reviewed its net realisable value of its work-in-progress vessel which had been terminated by its customer. The net realisable value was determined based on the indicative salvage value by reference to the indicative steel price and light weight of the vessel. Accordingly, a write down amounting to \$7,542,000 (2023: \$7,542,000) was made in the previous financial years.

The total inventories written down of the Group as at 30 September 2024 was \$7,542,000 (2023: \$7,542,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

16. TRADE RECEIVABLES

	GROUP		COMPANY	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Third parties	20,899	23,228	-	-
Loss allowance for trade receivables	(372)	(388)	-	-
Total trade receivables	20,527	22,840	-	-
Add: Amount due from a joint venture (non-trade) (Note 14)	7,810	10,485	7,810	10,485
Add: Other receivables, deposits and prepayments (Note 17)	16,208	21,737	282	71
Add: Amounts due from subsidiaries (non-trade) (Note 19)	-	-	131,932	136,946
Add: Amount due from a joint venture (non-trade) (Note 19)	-	9	-	-
Add: Cash and cash equivalents (Note 20)	68,770	63,100	25,985	25,177
Less: Prepayments (Note 17)	(1,867)	(1,160)	(192)	(27)
Less: Deferred costs (Note 17)	-	(31)	-	-
Less: Advance payment to suppliers (Note 17)	(11,103)	(19,087)	-	-
Less: GST receivables (Note 17)	(376)	(390)	(7)	(6)
Financial assets at amortised cost	99,969	97,503	165,810	172,646

The Group's trade receivables are non-interest bearing and are generally on 30 - 60 days (2023: 30 - 60 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

17. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Other receivables	1,027	183	83	38
Other deposits	1,189	848	-	-
Advance payments to suppliers	11,103	19,087	-	-
Prepayments	1,867	1,160	192	27
Deferred costs	-	31	-	-
Recoverable cost	646	38	-	-
GST receivables	376	390	7	6
	16,208	21,737	282	71

Advance payments to suppliers relate mainly to down-payments paid for equipment for Group's capital projects in progress and purchase of vessels amounting to \$4,406,000 (2023: \$19,087,000) and \$6,697,000 (2023: \$Nil) respectively.

18. CONTRACT ASSETS

	GROUP		
	2024	2023	1 OCTOBER 2022
	\$'000	\$'000	\$'000
Contract assets			
Unbilled revenue	2,418	3,495	-

The unbilled revenue relates to the revenue recognised to date but has not been invoiced to the customer as at the financial year end and is transferred to trade receivables at the point when it is invoiced to the customers.

The decrease in contract assets during the financial year is primarily attributed to the completion of performance obligations related to the shipbuilding projects. As these performance obligations were fulfilled, the corresponding amounts were billed to customers.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

19. AMOUNTS DUE FROM SUBSIDIARIES (NON-TRADE) AND AMOUNT DUE FROM A JOINT VENTURE (NON-TRADE)

Amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

Amount due from a joint venture is unsecured, interest-free and repayable on demand.

20. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Cash and bank balances	21,551	24,334	913	3,953
Fixed deposits placed with banks	47,219	38,766	25,072	21,224
	68,770	63,100	25,985	25,177

Fixed deposits of the Group and of the Company bear interest rates ranging from 0.55% to 5.35% (2023: 0.55% to 5.43%) per annum with average maturity period ranging from 1 month to 12 months (2023: 1 to 12 months) at the end of the financial year.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at the end of the financial year:

	GROUP	
	2024 \$'000	2023 \$'000
Cash and bank balances	68,770	63,100
Fixed deposits pledged	(2,905)	(1,815)
Cash and cash equivalents	65,865	61,285

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

21. TRADE PAYABLES

	GROUP		COMPANY	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Third party payables	15,353	15,030	-	-
Add: Other payables and accruals (Note 22)	11,723	12,999	344	405
Add: Lease liabilities (Note 24)	7,337	6,285	-	-
Add: Interest bearing loans (Note 25)	32,981	2,256	-	-
Less: Provision for reinstatement costs (Note 22)	(87)	-	-	-
Less: GST payables (Note 22)	(729)	(756)	-	-
Financial liabilities at amortised cost	66,578	35,814	344	405

Trade payables to third parties are interest-free and are generally given a credit term within 30 to 90 days (2023: 30 to 90 days).

22. OTHER PAYABLES AND ACCRUALS

	GROUP		COMPANY	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Non-current				
Provision for reinstatement costs	87	-	-	-
Current				
Deposits received (refundable)	85	840	-	-
Accruals	9,548	9,009	344	402
GST payables	729	756	-	-
Others	1,274	2,394	-	3
	11,636	12,999	344	405
	11,723	12,999	344	405

Included in deposits are the deposits received from customers for the charter hire fees amounting to \$85,000 (2023: \$840,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

23. DEFERRED INCOME

	GROUP	
	2024 \$'000	2023 \$'000
Non-current	2,544	2,747
Current	171	171
Total deferred income	2,715	2,918

23. DEFERRED INCOME (CONTINUED)

Disposal of vessel to PNE

In the financial year ended 30 September 2019, the Group sold a vessel to PNE for a consideration of \$15,039,000, resulting in a gain on disposal of \$7,349,000. Consequently, a deferred income in aggregate of \$3,389,000 (current liability of \$172,000 and non-current liability of \$3,217,000) was recognised from eliminating 49% of the gain on disposal of the vessel.

Reconciliation of deferred income is as follows:

	2024 \$'000	2023 \$'000
Group		
Cost of investment	–*	–*
Share of unrealised gain in downstream sale of vessels	(2,886)	(3,089)
Realisation of gain during the financial year (Note 13)	171	171
Total deferred income	(2,715)	(2,918)

* Less than \$1,000

24. THE GROUP AS A LESSEE

The Group leases the office building under 2 to 5 years (2023: 2 to 3 years) lease arrangement, with no option to renew the lease after the expiry of the lease. Lease payments are made monthly and are subjected to revision every year based on the prevailing market rate but any increase will not exceed 3.26% (2023: 3% to 5.25%) of the annual rent in the immediate preceding year.

The Group leases motor vehicle for 2 to 7 years (2023: 2 to 7 years).

The Group leases the vessels under 3 to 7 years (2023: 3 to 7 years) lease arrangement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

24. THE GROUP AS A LESSEE (CONTINUED)

(a) Right-of-use assets

	OFFICE BUILDING	VESSELS	MOTOR VEHICLE	TOTAL
	\$'000	\$'000	\$'000	\$'000
Group				
Cost:				
Balances at 1.10.2022	1,175	273	205	1,653
Addition	123	7,480	-	7,603
Derecognition	-	(273)	-	(273)
Currency realignment	(2)	(181)	-	(183)
Balance at 30.09.2023	1,296	7,299	205	8,800
Addition	2,835	-	-	2,835
Derecognition	(1,034)	-	-	(1,034)
Currency realignment	(31)	(322)	-	(353)
Balance at 30.09.2024	3,066	6,977	205	10,248
Accumulated depreciation:				
Balances at 1.10.2022	704	273	97	1,074
Depreciation charge for the financial year	331	1,401	18	1,750
Derecognition	-	(273)	-	(273)
Currency realignment	(1)	(34)	-	(35)
Balance at 30.09.2023	1,034	1,367	115	2,516
Depreciation charge for the financial year	585	1,354	17	1,956
Derecognition	(1,034)	-	-	(1,034)
Currency realignment	(7)	(104)	-	(111)
Balance at 30.09.2024	578	2,617	132	3,327
Net carrying amount:				
As at 30.09.2024	2,488	4,360	73	6,921
As at 30.09.2023	262	5,932	90	6,284

As of 30 September 2024, motor vehicle with net carrying amount of \$73,000 (2023: \$90,000) were acquired under financial lease arrangements.

The total cash outflows for leases during the financial year ended 30 September 2024 is \$1,817,000 (2023: \$1,902,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

24. THE GROUP AS A LESSEE (CONTINUED)

(b) Lease liabilities

	GROUP	
	2024	2023
	\$'000	\$'000
Lease liabilities - non-current	5,528	4,732
Lease liabilities - current	1,809	1,553
	7,337	6,285

The maturity analysis of lease liabilities is disclosed in Note 34.

The currency profiles of the Group's and Company's lease liabilities are as follows:

	GROUP	
	2024	2023
	\$'000	\$'000
SGD	2,100	187
NTD	748	36
IDR	-	42
USD	4,489	6,020
	7,337	6,285

(c) Amounts recognised in profit or loss

	GROUP	
	2024	2023
	\$'000	\$'000
Interest expense on lease liabilities	275	225

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

25. INTEREST BEARING LOANS

	GROUP	
	2024	2023
	\$'000	\$'000
Temporary bridging loans	1,232	2,256
Secured term loans	31,749	-
	32,981	2,256

Bank loans are repayable from 1 to 7 years (2023: 5 years), as follows:

	GROUP	
	2024	2023
	\$'000	\$'000
Within one year	25,057	966
After one year but within five years	7,556	1,290
More than five years	368	-
	32,981	2,256

The effective interest rates for temporary bridging loans per annum are ranging from 2.75% to 3.00% (2023: 2.75% to 3.00%).

The effective interest rates for secured term loans per annum are ranging from 8.5% to 15.6% (2023: Nil%) taking into consideration of secured term loans commitment and set up fees as disclosed in Note 7.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

25. INTEREST BEARING LOANS (CONTINUED)

The temporary bridging loans are secured by:

- (a) corporate guarantee by the Company; and
- (b) pledge of fixed deposits amounting to about \$2,905,000 (2023: \$1,815,000) (Note 20).

The Group's secured term loans consist of term loan A, term loan B and term loan C:

- (a) Term loan A relates to United States dollar ("USD") denominated bank loan amounting to USD42,000,000 (approximately \$77,896,000) that is secured by mortgage over the vessel (including capital projects in progress) of the Group (see Note 11). During the year, the Company drawn down USD12,000,000 (approximately \$22,256,000 equivalent). It carries a fixed interest rate of 3.62% (2023: Nil%) per annum. The effective interest rate of the bank loan at the reporting date is 15.60% (2023: Nil%) per annum, taking into consideration of secured term loans commitment and set up fees as disclosed in Note 7.
- (b) Term loan B consists of an Indonesia Rupiah dollar facility of IDR73,000,000,000 (approximately \$6,077,000 equivalent) that is secured over the vessels of the Group (see Note 11). It carries a fixed interest rate of 8.50% (2023: Nil%) per annum. The effective interest rate of the loan is at 8.50% (2023: Nil%) per annum.
- (c) Term loan C consists of an Indonesian Rupiah loan of IDR41,911,315,000 (approximately \$3,556,000 equivalent) that is secured by mortgage over the leasehold land of the Group (see Note 11) and corporate guarantee by a subsidiary, PT Marco Polo Indonesia. It carries a fixed interest rate of 8.50% (2023: Nil%) per annum. The effective interest rate of the loan is at 9.00% (2023: Nil%) per annum, taking into consideration of secured term loans commitment and set up fees as disclosed in Note 7.

The carrying amounts of the Group's interest bearing loans approximate their fair values.

26. DEFERRED TAX LIABILITIES

The movements in deferred tax position for the financial year are as follows:

	2024	2023
	\$'000	\$'000
At beginning of financial year	426	504
Charge to profit or loss (Note 9)	(77)	(78)
At end of financial year	349	426

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

27. SHARE CAPITAL

	GROUP AND COMPANY			
	2024	2023	2024	2023
	NUMBER OF SHARES		\$'000	\$'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 with a total of 215,372,252 shares at exercise price of \$0.035 per share upon exercise of warrants during the period from 1 October 2022 to 30 September 2023. All ordinary shares were fully paid.

The holders of ordinary shares of the Company are entitled to receive dividends as and when declared by the Company. All ordinary shares excluding treasury shares of the Company carry one vote per share without restriction. The ordinary shares have no par value.

28. TREASURY SHARES

	GROUP AND COMPANY			
	2024	2023	2024	2023
	NUMBER OF SHARES		\$'000	\$'000
At beginning/end of the financial year	4,201,400	4,201,400	1,203	1,203

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

29. RESERVES

(a) Capital reserve

Capital reserve arose from the changes of equity interest of the Group and non-controlling interests in a subsidiary in financial year 2013.

(b) Other reserves

Other reserves represent the share of other comprehensive income of a joint venture arising from actuarial gain on defined benefit plan as well as effective portion of the cumulative net change in the fair value of hedging instruments pending subsequent recognition in the income statement.

(c) Employee share option reserve

Employee share option reserve represents the equity-settled share options granted to employees (Note 6). This reserve is made up of the cumulative value of services received from employees recorded on grant of share options. When the share options are exercised, the related balance previously recognised in the share options reserve is transferred to share capital. When the share options expire, the related balance previously recognised in the share options reserve is transferred to retained earnings.

(d) Foreign currency translation reserve

Foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

30. DIVIDEND

During the financial year ended 30 September 2024, the Company declared tax-exempt one-tier final dividend of \$0.001 per ordinary share of the Company totalling approximately \$3,753,000 in respect of the financial year ended 30 September 2023.

The Board of Directors proposed that a one-tier tax-exempt final dividend of \$0.001 per ordinary share of the Company totalling approximately \$3,753,000 to be paid for the financial year ended 30 September 2024. These dividends have not been recognised as a liability as the end of the reporting period as it is subject to the approval of the shareholders at the Annual General Meeting.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

31. SIGNIFICANT RELATED PARTY TRANSACTIONS

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and Company if that person:
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.
- (b) An entity is related to the Group and the Company if any of the following conditions applies:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or is itself such a plan, the sponsoring employers are also related to the Company.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity on consolidation and are not disclosed in this note.

Details of transactions between the Group and other related companies are disclosed below:

Sales and purchases of goods and services

	GROUP	
	2024	2023
	\$'000	\$'000
Income		
Interest income from loan to a joint venture (Note 5)	532	590

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

31. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

Compensation of directors and key executives

	GROUP	
	2024	2023
	\$'000	\$'000
Short-term employee benefits	3,072	2,354
Contribution to defined contribution plans	104	110
	3,176	2,464
Comprised amounts paid to:		
- Directors of the Company	1,678	1,103
- Directors of the subsidiaries	39	39
- Other key executives	1,459	1,322
	3,176	2,464

The remuneration of directors and key management is determined by the remuneration committee having regard to the performance of individuals and market trends.

In previous financial year upon completion of the Debt Restructuring Exercise in FY2017, the investors have agreed that the Company shall put in place a cash incentive plan (the "Incentive Plan") for the Key Management Personnel on a profit-sharing basis. The Key Management Personnel consist of the Directors of the Company. The cash incentive was derived based on the Operating EBITDA achieved by the Group and approved by the Remuneration Committee in prior financial year on 11 January 2023. The cash incentive was fully paid to the Directors in prior financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

32. CONTINGENCIES AND COMMITMENTS

Corporate guarantee

As at 30 September 2024, the Company has given corporate guarantee amounting to \$1,232,000 (2023: \$2,256,000) to certain banks in respect of banking facility granted to the subsidiary.

The Company has evaluated the fair value of the corporate guarantee. Consequently, the Company is of the view that the fair value of the guarantee to the financial institution with regard to the subsidiary is not significant. The Company has not recognised any liability in respect of the guarantee given to the financial institution for credit facilities granted to the subsidiary as the Company's directors have assessed that the likelihood of the subsidiary defaulting on repayment is remote.

Such guarantee is in the form of a financial guarantee as they require the Company to reimburse the financial institution if the subsidiary to which the guarantee was extended fail to make principal or interest repayments when due in accordance with the terms of the borrowings. There has been no default or non-repayment since the utilisation of the banking facility.

As at the end of the financial year, the Company has also given undertakings to certain subsidiaries to provide continued financial support to these subsidiaries to enable them to meet their obligations as and when they fall due so that they will continue to operate as going concerns in the foreseeable future.

Capital commitments

	GROUP	
	2024	2023
	\$'000	\$'000
Capital expenditure authorised but not contracted for		
- Commitments for the acquisition of property, plant and equipment	55,932	51,934

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

33. SEGMENT 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) Shipbuilding and repair services – Relates to sales of goods, shipbuilding and ship repair activities

Business segments

	SHIP CHARTERING SERVICES	SHIPBUILDING AND REPAIR SERVICES	TOTAL OPERATIONS
	\$'000	\$'000	\$'000
2024			
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 income, 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
Other material non-cash items:			
Depreciation of property, plant and equipment	7,330	3,110	10,440
Depreciation of right-of-use assets	1,511	445	1,956
Gain on disposal of property, plant and equipment, net	1,635	89	1,724

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

33. SEGMENT INFORMATION

Business segments (Continued)

	SHIP CHARTERING SERVICES	SHIPBUILDING AND REPAIR SERVICES	TOTAL OPERATIONS
	\$'000	\$'000	\$'000
2023			
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 income, 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
Other material non-cash items:			
Depreciation of property, plant and equipment	7,675	2,635	10,310
Depreciation of right-of-use assets	1,428	322	1,750
Gain on disposal of property, plant and equipment, net	1,027	-	1,027

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

33. SEGMENT INFORMATION (CONTINUED)

Geographical information

The Group operates mainly in Singapore, Indonesia, Malaysia, Thailand and Taiwan being its major markets for ship chartering activities. Indonesia (principally the shipyard at Batam) is its major market for shipbuilding and repair activities.

Revenue from third party major customers amounted \$27,698,000 (2023: \$37,310,000) which were generated by the shipbuilding and repair services segment.

Revenues from the external customers of the Group were derived based on the country of origin of the customers and not the destination for the delivery of the Group's chartering services or built vessels.

Non-current assets (other than financial instruments) of the Group were spread across Singapore (being the Company's country of domicile), Indonesia and Taiwan, as at the financial year, which were derived based on the flag of the vessels and the location for the other assets.

GROUP	SINGAPORE	INDONESIA	MALAYSIA	THAILAND	TAIWAN	NAURU	BANGLADESH	OTHERS*	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2024									
Revenue	8,814	45,856	5,482	25,794	34,371	-	2,115	1,098	123,530
Non - current assets	80,129	37,445	-	-	45,234	-	-	-	162,808
2023									
Revenue	24,899	40,947	7,613	16,110	32,597	1,151	-	3,809	127,126
Non - current assets	50,865	51,656	-	-	7,013	-	-	-	109,534

* Others comprise of Africa, Oceania, and Europe (2023: Africa, Asian, Middle East and Europe).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

34. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

Financial instruments

Offsetting financial assets and financial liabilities

The Company has a legally enforceable right to set off intercompany balances and intends to settle on a net basis. The following table presents the recognised financial instruments that are offset as at 30 September 2024 and 30 September 2023.

COMPANY	GROSS AMOUNT - FINANCIAL ASSET	GROSS AMOUNT - FINANCIAL LIABILITIES	NET AMOUNTS - PRESENTED IN STATEMENT OF FINANCIAL POSITION
	\$'000	\$'000	\$'000
2024			
Amounts due from subsidiaries	132,788	(856)	131,932
2023			
Amounts due from subsidiaries	139,096	(2,150)	136,946

Financial risks

The Group has documented financial risk management policies. These policies set out the Group's overall business strategies and its risk management philosophy. The Group's overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the Group. The board of directors provides written principles for overall financial risk management and written policies covering specific areas, such as market risk (including foreign currency risk and interest rate risk), liquidity risk and credit risk. Such written policies are reviewed annually by the board of directors and periodic reviews are undertaken to ensure that the Group's policy guidelines are complied with. Risk management is carried out by the board of directors.

There have been no changes to the Group's exposure to these financial risks or the manner in which it manages and measures the risk.

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group also sells its products/services in several countries and for such overseas sales, it transacts mainly in United States dollars ("USD"), New Taiwan dollars ("NTD"), Indonesian Rupiah ("IDR") and Euro ("EUR"). As a result, movements in USD, NTD, IDR and EUR exchange rates are the main foreign currency risk which the Group is exposed to. Transaction risk is calculated in each foreign currency and includes foreign currency denominated assets and liabilities and probable purchases and sales commitments. The Group has not entered into any derivative instruments for trading purposes.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

34. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Financial risks (Continued)

Market risk (Continued)

Foreign currency risk (Continued)

The carrying amounts of the Group's and Company's foreign currency denominated monetary assets and monetary liabilities as at the end of the financial year are as follows:

GROUP	SGD \$'000	USD \$'000	NTD \$'000	IDR \$'000	EUR \$'000	OTHERS* \$'000	TOTAL \$'000
2024							
Financial assets							
Amount due from a joint venture (non-current)	-	7,810	-	-	-	-	7,810
Trade receivables	3,972	8,896	2,630	5,029	-	-	20,527
Other receivables, deposits paid and recoverable costs	364	710	453	29	1,306	-	2,862
Cash and cash equivalents	3,856	56,938	623	5,806	1,428	119	68,770
	8,192	74,354	3,706	10,864	2,734	119	99,969
Financial liabilities							
Trade payables	4,985	1,912	-	7,715	485	256	15,353
Other payables, accruals and deposits received	10,055	572	1	275	-	4	10,907
Lease liabilities	2,100	4,489	748	-	-	-	7,337
Interest bearing loans	1,232	22,256	-	9,493	-	-	32,981
	18,372	29,229	749	17,483	485	260	66,578
Net financial (liabilities)/assets	(10,180)	45,125	2,957	(6,619)	2,249	(141)	33,391
Less: Net financial assets/ (liabilities) denominated in their respective functional currencies	8,102	(7,058)	(1,911)	6,425	-	-	5,558
Net foreign currency exposure	(2,078)	38,067	1,046	(194)	2,249	(141)	38,949

* Others comprise of Australian dollars, Malaysian ringgit and Thai Baht.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

34. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Financial risks (Continued)

Market risk (Continued)

Foreign currency risk (Continued)

GROUP	SGD \$'000	USD \$'000	NTD \$'000	IDR \$'000	EUR \$'000	OTHERS* \$'000	TOTAL \$'000
2023							
Financial assets							
Amount due from a joint venture (non-current)	-	10,485	-	-	-	-	10,485
Amount due from a joint venture (current)	-	9	-	-	-	-	9
Trade receivables	9,295	9,218	1,304	2,467	556	-	22,840
Other receivables, deposits paid and recoverable costs	478	578	1	12	-	-	1,069
Cash and cash equivalents	22,017	38,106	856	891	624	606	63,100
	31,790	58,396	2,161	3,370	1,180	606	97,503
Financial liabilities							
Trade payables	3,953	3,274	-	7,656	23	124	15,030
Other payables, accruals and deposits received	9,425	1,978	547	289	-	4	12,243
Lease liabilities	187	6,020	36	42	-	-	6,285
Interest bearing loans	2,256	-	-	-	-	-	2,256
	15,821	11,272	583	7,987	23	128	35,814
Net financial assets/(liabilities)	15,969	47,124	1,578	(4,617)	1,157	478	61,689
Less: Net financial assets/(liabilities) denominated in their respective functional currencies	(15,621)	(13,496)	(1,076)	4,041	-	-	(26,152)
Net foreign currency exposure	348	33,628	502	(576)	1,157	478	35,537

* Others comprise of Australian dollars, Malaysian ringgit, Thai Baht and Hong Kong dollars.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

34. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Financial risks (Continued)

Market risk (Continued)

Foreign currency risk (Continued)

The carrying amounts of the Group's and Company's foreign currency denominated monetary assets and monetary liabilities as at the end of the financial year are as follows: (Continued)

COMPANY	SGD \$'000	USD \$'000	TOTAL \$'000
2024			
<u>Financial assets</u>			
Amount due from a joint venture (non-current)	–	7,810	7,810
Other receivables (excluding prepayments and GST receivables)	–	83	83
Amounts due from subsidiaries (non-trade)	89,185	42,747	131,932
Cash and cash equivalents	640	25,345	25,985
	89,825	75,985	165,810
<u>Financial liabilities</u>			
Other payables and accruals	344	–	344
Net financial assets	89,481	75,985	165,466
Less: Net financial assets denominated in the Company's functional currency	(89,481)	–	(89,481)
Net foreign currency exposure	–	75,985	75,985

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

34. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Financial risks (Continued)

Market risk (Continued)

Foreign currency risk (Continued)

COMPANY	SGD \$'000	USD \$'000	TOTAL \$'000
2023			
Financial assets			
Amount due from a joint venture (non-current)	-	10,485	10,485
Other receivables (excluding prepayments)	38	-	38
Amounts due from subsidiaries (non-trade)	102,665	34,281	136,946
Cash and cash equivalents	3,536	21,641	25,177
	<u>106,239</u>	<u>66,407</u>	<u>172,646</u>
Financial liabilities			
Other payables and accruals	405	-	405
Net financial assets	105,834	66,407	172,241
Less: Net financial assets denominated in the Company's functional currency	(105,834)	-	(105,834)
Net foreign currency exposure	<u>-</u>	<u>66,407</u>	<u>66,407</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

34. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Financial risks (Continued)

Market risk (Continued)

Foreign currency risk (Continued)

Foreign currency sensitivity analysis

The following table details the sensitivity to a 10% increase and decrease in the Singapore dollars against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjustment of their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where they give rise to an impact on the Group's profit or loss.

A 10% strengthening of Singapore dollars against the relevant foreign currencies at the end of the financial year would increase/(decrease) profit or loss by the amounts shown below:

	SGD \$'000	USD \$'000	NTD \$'000	IDR \$'000	EUR \$'000	OTHERS* \$'000
2024						
Group						
Profit for the financial year	172	(3,160)	(87)	16	(187)	13
Company						
Profit for the financial year	-	(6,307)	-	-	-	-
2023						
Group						
Profit for the financial year	(29)	(2,791)	(42)	48	(96)	(40)
Company						
Profit for the financial year	-	(9,638)	-	-	-	-

* Others comprise of Australian dollars, Malaysian ringgit and Thai Baht.

The statement of changes in equity will also be impacted by the same amount as disclosed above.

A 10% weakening of Singapore dollars against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

34. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Financial risks (Continued)

Market risk (Continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's interest rate risk relates to amount due from a joint venture.

The Group's policy is to obtain the most favourable interest rates available without increasing its foreign currency exposure. The Group constantly monitors its interest rate risk and does not utilise forward contracts or other arrangements for trading or speculative purposes. As at the financial year end, there were no such arrangements, interest rate swap contracts or other derivative instruments outstanding.

The following table sets out the carrying amount, by maturity, of the Group's financial instruments, that are exposed to interest rate risk:

GROUP	EFFECTIVE INTEREST RATE RANGE	2024	2023
		\$'000	\$'000
More than one year – floating rates			
Amount due from a joint venture	3% + 1-month SOFR (2023: 3% + 1-month USD LIBOR)	7,810	10,485

Interest risk sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for active instruments at the statement of financial position date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting periods in the case of instruments that have floating rates. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

If the interest rates had been 1% higher or lower and all other variables were held constant, the Group's profit or loss for the current financial year would increase or decrease by \$65,000 (2023: \$87,000). This is mainly attributable to the Group's exposure to interest rates on its variable rates loans to its joint venture.

Liquidity risk

Liquidity risk refers to the risk in which the Group encounters difficulties in meeting its short-term obligations. Liquidity risk is managed by matching the payment and receipt cycle.

The Group monitors its liquidity risk and maintains a level of cash and bank balances deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

34. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Financial risks (Continued)

Liquidity risk (Continued)

The following tables detail the remaining contractual maturity for non-derivative financial instruments. The tables have been drawn up based on the contractual undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group and the Company is expected to receive or (pay). The table includes both interest and principal cash flows.

GROUP	ON DEMAND OR WITHIN 1 YEAR	WITHIN 2 TO 5 YEARS	TOTAL
	\$'000	\$'000	\$'000
Undiscounted financial assets			
2024			
Amount due from a joint venture (non-current)	-	7,810	7,810
Trade receivables	20,527	-	20,527
Other receivables, deposits paid and recoverable costs	2,862	-	2,862
Cash and cash equivalents	68,770	-	68,770
	92,159	7,810	99,969
2023			
Amount due from a joint venture (non-current)	-	10,485	10,485
Amount due from a joint venture (current)	9	-	9
Trade receivables	22,840	-	22,840
Other receivables, deposits paid and recoverable costs	1,069	-	1,069
Cash and cash equivalents	63,100	-	63,100
	87,018	10,485	97,503

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

34. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Financial risks (Continued)

Liquidity risk (Continued)

The following tables detail the remaining contractual maturity for non-derivative financial instruments. The tables have been drawn up based on the contractual undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group and the Company is expected to receive or (pay). The table includes both interest and principal cash flows.

GROUP	ON DEMAND OR WITHIN 1	WITHIN	MORE THAN	TOTAL
	YEAR	2 TO 5 YEARS	5 YEARS	
	\$'000	\$'000	\$'000	\$'000
Undiscounted financial liabilities				
2024				
Trade payables	15,353	-	-	15,353
Other payables and accruals (excluding deferred income and deposits received from customers)	10,907	-	-	10,907
Lease liabilities	1,809	5,528	-	7,337
Interest bearing loans	25,057	7,556	368	32,981
	53,126	13,084	368	66,578
2023				
Trade payables	15,030	-	-	15,030
Other payables and accruals (excluding deferred income and deposits received from customers)	12,243	-	-	12,243
Lease liabilities	1,553	4,732	-	6,285
Interest bearing loans	966	1,290	-	2,256
	29,792	6,022	-	35,814
Total undiscounted net financial assets/ (liabilities)				
- at 30 September 2024	39,033	(5,274)	(368)	33,391
- at 30 September 2023	57,226	4,463	-	61,689

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

34. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Financial risks (Continued)

Liquidity risk (Continued)

COMPANY	ON DEMAND OR WITHIN 1 YEAR	WITHIN 2 TO 5 YEARS	TOTAL
	\$'000	\$'000	\$'000
Undiscounted financial assets			
2024			
Amount due from a joint venture (non-current)	-	7,810	7,810
Cash and cash equivalents	25,985	-	25,985
Other receivables (excluding prepayments and GST receivable)	83	-	83
Amounts due from subsidiaries	131,932	-	131,932
	158,000	7,810	165,810
2023			
Amount due from a joint venture (non-current)	-	10,485	10,485
Cash and cash equivalents	25,177	-	25,177
Other receivables (excluding prepayments and GST receivable)	38	-	38
Amounts due from subsidiaries	136,946	-	136,946
	162,161	10,485	172,646
Undiscounted financial liabilities			
2024			
Other payables and accruals	344	-	344
Maximum amount of financial guarantee	1,054	178	1,232
	1,398	178	1,576
2023			
Other payables and accruals	405	-	405
Maximum amount of financial guarantee	2,256	-	2,256
	2,661	-	2,661
Total undiscounted net financial assets			
- at 30 September 2024	156,602	7,632	164,234
- at 30 September 2023	159,500	10,485	169,985

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

34. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Financial risks (Continued)

Credit risk (Continued)

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. The concentration of credit risk with respect to the shipbuilding-related trade receivables is limited as the Group adopts the policy of obtaining advances generally amounting to at least 10% of contract value, and by withholding ownership and possession of the vessels under construction until full payment. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties. The counterparty's payment profile and credit exposure are continuously monitored at the entity level and the Group. Due to these factors, management believes that no additional credit risk beyond the amount of allowance for impairment made is inherent in the Group's trade receivables.

To assess and manage its credit risk, the Group categorises the aforementioned financial assets according to their risk of default. The Group defines default to have taken place when internal or/and external information indicates that the financial asset is unlikely to be received, which could include a breach of debt covenant, default of interest due for more than 30 days, but not later than when the financial asset is more than 90 days past due as per SFRS(I) 9's presumption.

The Group has not rebutted the presumption included in SFRS(I) 9 that there has been a significant increase in credit risk since initial recognition when financial assets are more than 30 days past due.

In their assessment, the management considers, amongst other factors, the latest relevant credit ratings from reputable external rating agencies where available and deemed appropriate, historical credit experiences, latest available financial information and latest applicable credit reputation of the debtor.

The Group's internal credit risk grading categories are as follows:

CATEGORY	DESCRIPTION	BASIS OF RECOGNISING ECL
1	Low credit risk ^{Note 1}	12-months ECL
2	Non-significant increase in credit risk since initial recognition and financial asset is ≤ 30 days past due	12-months ECL
3	Significant increase in credit risk since initial recognition Note 2 or financial asset is > 30 days past due	Lifetime ECL
4	Evidence indicates that financial asset is credit-impaired Note 3	Difference between financial asset's gross carrying amount and present value of estimated future cash flows discounted at the financial asset's original effective interest rate
5	Evidence indicates that the management has no reasonable expectations of recovering the write off amount Note 4	Written off

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

34. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Financial risks (Continued)

Credit risk (Continued)

Note 1. Low credit risk

The financial asset is determined to have low credit risk if the financial asset has a low risk of default, the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the counterparty to fulfil its contractual cash flow obligations. Generally, this is the case when the Group assesses and determines that the debtor has been, is in and is highly likely to be, in the foreseeable future and during the (contractual) term of the financial asset, in a financial position that will allow the debtor to settle the financial asset as and when it falls due.

Note 2. Significant increase in credit risk

In assessing whether the credit risk of the financial asset has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial asset as of reporting date with the risk of default occurring on the financial asset as of date of initial recognition, and considered reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. In assessing the significance of the change in the risk of default, the Group considers both past due (i.e. whether it is more than 30 days past due) and forward looking quantitative and qualitative information.

Forward looking information includes the assessment of the latest performance and financial position of the debtor, adjusted for the Group's future outlook of the industry in which the debtor operates based on independently obtained information (e.g. expert reports, analyst's reports etc.) and the most recent news or market talks about the debtor, as applicable. In its assessment, the Group will generally, for example, assess whether the deterioration of the financial performance and/or financial position, adverse change in the economic environment (country and industry in which the debtor operates), deterioration of credit risk of the debtor, etc. is in line with its expectation as of the date of initial recognition of the financial asset. Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contract payments are > 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Note 3. Credit impaired

In determining whether financial asset is credit-impaired, the Group assesses whether one or more events that have a detrimental impact on the estimated future cashflows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- Breach of contract, such as a default or being more than 90 days past due;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for the financial asset because of financial difficulties.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

34. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Financial risks (Continued)

Credit risk (Continued)

Note 4. Write off

Generally, the Group writes off, partially or fully, the financial asset when it assesses that there is no realistic prospect of recovery of the amount as evidenced by, for example, the debtor's lack of assets or income sources that could generate sufficient cashflows to repay the amounts subjected to the write-off.

The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require collateral.

During the financial year ended 30 September 2024, the Group write off \$ Nil (2023: \$ Nil) of trade receivables. The amounts were trade receivables from third parties which had been long outstanding, were not secured and had been fully impaired in previous years. In consideration of the aforementioned factors and the financial ability of the debtors, the Group assessed there was no reasonable expectation of recovery.

The Group and Company do not have any significant credit exposure to any single counterparty or any groups of counterparties having similar characteristics.

As at the end of the financial year, trade receivables from 1 (2023: 1) customers accounted for approximately 16% (2023: 14%) of total trade receivables of the Group. The remaining balance is spread over many diversified customers. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial positions.

With reference to Note 32, the Company provides financial guarantee to financial institution in respect of credit facilities granted to a subsidiary. The date when the Company becomes a committed party to the guarantee is considered to be the date of initial recognition for the purpose of assessing the financial asset for impairment. In determining whether there has been a significant risk of a default occurring on the drawn-down facilities, the Company considered the change in the risk that the specified debtor (i.e. the applicable subsidiaries) will default on the contract. The Company assessed that the credit risk relating to the financial guarantees is insignificant to the Company.

As at the end of the financial year, other than as disclosed above, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

Trade receivables (Note 16) and contract assets (Note 18)

The Group uses the practical expedient under SFRS(I) 9 in the form of allowance matrix to measure the ECL for trade receivables and contract assets, where the loss allowance is equal to lifetime ECL.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

34. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Financial risks (Continued)

Credit risk (Continued)

Trade receivables (Note 16) and contract assets (Note 18) (Continued)

The ECL for trade receivables and contract assets are estimated using an allowance matrix by reference to the historical credit loss experience of the customers for the last 3 years prior to the respective reporting dates for various customer groups that are assessed through an age analysis, adjusted for forward looking factors specific to the debtors and the economic environment, which could affect the ability of the debtors to settle the financial assets. In considering the impact of the economic environment on the ECL rates, the Company assesses, for example, the gross domestic production growth rates of the countries (e.g., Singapore, Indonesia, Taiwan, Malaysia, Thailand and Nauru) to and the growth rates of the major industries which its customers operate in.

Trade receivables and contract assets are written off when there is evidence to indicate that the customer is in severe financial difficulty such as being under liquidation or bankruptcy and there are no reasonable expectations for recovering the outstanding balances.

The loss allowance for trade receivables and contract assets are determined as follows:

	TRADE RECEIVABLES				
	CONTRACT ASSETS	CURRENT	PAST DUE 0 TO 3 MONTHS	PAST DUE MORE THAN 3 MONTHS	TOTAL
30 September 2024					
Expected credit loss rates	0%	0%	0%	45%	
Total gross carrying amount (\$'000)	2,418	12,681	7,209	1,009	23,317
Loss allowance (\$'000)	-	-	-	372	372
30 September 2023					
Expected credit loss rates	0%	0%	0%	11%	
Total gross carrying amount (\$'000)	3,495	10,793	8,864	3,571	26,723
Loss allowance (\$'000)	-	-	-	388	388

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

34. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Financial risks (Continued)

Credit risk (Continued)

Other receivables, deposits paid and recoverable costs (Note 17)

As of 30 September 2024, the Group and the Company recorded other receivables, deposits paid and recoverable costs as disclosed in Note 17. The Group and the Company assessed the impairment loss allowance of these amounts, where applicable, on a 12-month ECL basis consequent to their assessment and conclusion that these receivables are of low credit risk. The Group and the Company assessed that the other receivables and deposits paid are made to parties with good credit reputation and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial asset. Accordingly, the Group and the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

Amount due from a joint venture (non-trade) (Note 13)

The Group's and the Company's non-trade amount due from a joint venture comprise the gross carrying amounts of \$5,662,000 (2023: \$6,263,000), net of accumulated impairment loss of \$5,662,000 (2023: \$6,263,000). These non-trade balances are unsecured, interest-free and are not expected to be repaid within the next 12 months and are in substance, a part of the Group's and Company's net investments in the joint ventures. The Group and the Company assessed the impairment loss allowance consequent to their assessment and conclusion that the receivable was credit impaired since the previous financial year. In its assessment of the credit risk of the joint ventures, the Group and Company considered amongst other factors, the financial position of the joint ventures as of 30 September 2024, the past financial performance and cash flow trends, adjusted for the outlook of the industry and economy in which the joint venture operate in. Using 12-month ECL, the Group and the Company determined that the ECL is \$5,662,000 (2023: \$6,263,000).

Amount due from a joint venture (non-trade) (Note 14 and Note 19)

As of 30 September 2024, the Group and the Company recorded amount due from a joint venture of \$7,810,000 and \$7,810,000 (2023: \$10,494,000 and \$10,494,000) respectively consequent to an extension of loans to the joint venture. The Company assessed the impairment loss allowance consequent to their assessment and conclusion that there is no significant increase in credit risk for the receivable. In its assessment of the credit risk of the joint ventures, the Group and Company considered amongst other factors, the financial position of the joint ventures as of 30 September 2024, the past financial performance and cash flow trends, adjusted for the outlook of the industry and economy in which the joint venture operate in. Using 12-month ECL, the Group and the Company determined that the ECL is insignificant.

Amounts due from subsidiaries (Note 19)

As of 30 September 2024, the Company recorded amounts due from subsidiaries of \$131,932,000 (2023: \$136,946,000) consequent to an extension of loans to the subsidiaries. The Company assessed the impairment loss allowance of these amounts on a 12-month ECL basis consequent to their assessment and concluded that these receivables are of low credit risk. In its assessment of the credit risk of the subsidiaries, the Company considered amongst other factors, the financial position of the subsidiaries as of 30 September 2024, the past financial performance and cash flow trends, adjusted for the outlook of the industry and economy in which the subsidiaries operate in. Using 12-month ECL, the Company determined that the ECL is insignificant.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

34. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Financial risks (Continued)

Credit risk (Continued)

The movement in the loss allowance during the financial year and the Group's exposure to credit risk in respect of the trade receivables, other receivables, deposits and recoverable costs and amount due from a joint venture are as follows:

GROUP	TRADE RECEIVABLES		TOTAL \$'000	CONTRACT ASSETS NOTE (i) \$'000	CATEGORY 1 \$'000	CATEGORY 1 CATEGORY 4 \$'000	CATEGORY 1 CATEGORY 4 \$'000	TOTAL \$'000	AMOUNT DUE FROM A JOINT VENTURE CATEGORY 1 CATEGORY 4 \$'000	TOTAL \$'000
	NOTE (i) \$'000	CATEGORY 4 \$'000								
Loss allowance										
At 1 October 2022	-	784	784	-	-	-	-	-	6,269	6,269
Written off	-	(83)	(83)	-	-	-	-	-	-	-
Reversal	-	(272)	(272)	-	-	-	-	-	-	-
Currency realignment	-	(41)	(41)	-	-	-	-	-	(6)	(6)
At 30 September 2023	-	388	388	-	-	-	-	-	6,263	6,263
Reversal	-	(17)	(17)	-	-	-	-	-	(381)	(381)
Currency realignment	-	1	1	-	-	-	-	-	(220)	(220)
At 30 September 2024	-	372	372	-	-	-	-	-	5,662	5,662
Gross carrying amount										
At 30 September 2023	22,840	388	23,228	3,495	1,069	10,494	6,263	16,757		
At 30 September 2024	20,527	372	20,899	2,418	2,862	7,810	5,662	13,472		
Net carrying amount										
At 30 September 2023	22,840	-	22,840	3,495	1,069	10,494	-	10,494		
At 30 September 2024	20,527	-	20,527	2,418	2,862	7,810	-	7,810		

Note (i): For trade receivables, the Group uses the practical expedient under SFRS(I) 9 in the form of an allowance matrix to measure the ECL, where the loss allowance is equal to lifetime ECL. No loss allowance was recognised with respect to these trade receivables.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

34. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Financial risks (Continued)

Credit risk (Continued)

The movement in the loss allowance during the financial year and the Company's exposure to credit risk in respect of the other receivables and recoverable costs, amounts due from subsidiaries and amount due from a joint venture are as follows:

COMPANY INTERNAL CREDIT RISK GRADING	OTHER RECEIVABLES AND RECOVERABLE COSTS	AMOUNTS DUE FROM SUBSIDIARIES	AMOUNT DUE FROM A JOINT VENTURE		TOTAL
	CATEGORY 1	CATEGORY 1	CATEGORY 1	CATEGORY 4	
	\$'000	\$'000	\$'000	\$'000	
Loss allowance					
At 1 October 2022	-	-	-	6,269	6,269
Currency realignment	-	-	-	(6)	(6)
At 30 September 2023	-	-	-	6,263	6,263
Reversal	-	-	-	(381)	(381)
Currency realignment	-	-	-	(220)	(220)
At 30 September 2024	-	-	-	5,662	5,662
Gross carrying amount					
At 30 September 2023	85	145,359	10,494	6,263	16,757
At 30 September 2024	84	131,932	7,810	5,662	13,472
Net carrying amount					
At 30 September 2023	85	145,359	10,485	-	10,485
At 30 September 2024	84	131,932	7,810	-	7,810

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

35. FAIR VALUES OF ASSETS AND LIABILITIES

Fair value of assets and liabilities by classes that are carried at fair value

Fair value hierarchy

The fair values of applicable assets and liabilities, are determined and categorised using a fair value hierarchy as follows:

- (a) Level 1 - the fair values of assets and liabilities with standard terms and conditions and which trade in active markets that the Group can access at the measurement date are determined with reference to quoted market prices (unadjusted).
- (b) Level 2 - in the absence of quoted market prices, the fair values of the assets and liabilities are determined using the other observable, either directly or indirectly, inputs such as quoted prices for similar assets/liabilities in active markets or included within Level 1, quoted prices for identical or similar assets/liabilities in non-active markets.
- (c) Level 3 - in the absence of quoted market prices included within Level 1 and observable inputs included within Level 2, the fair values of the remaining assets and liabilities are determined in accordance with generally accepted pricing models.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value.

The carrying amounts of cash and cash equivalents, trade and other receivables and payables including, due from and to related parties, current and non-current borrowings at fixed rate are reasonable approximation of fair values either due to their short-term nature or near the financial year end.

Valuation policies and procedures

The Executive Director ("ED") oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures and reports to the Group's Audit Committee.

It is the Group's policy that where assessed necessary by the local management, the Group would engage experts to perform significant financial reporting valuations. The ED is responsible for selecting and engaging such external experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and SFRS(I) 13 Fair Value Measurement guidance.

The ED also reviews regularly the appropriateness of the valuation methodologies and assumptions adopted and evaluates the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

During the financial year, there is no change in the applicable valuation techniques.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2024

36. CAPITAL MANAGEMENT POLICIES AND OBJECTIVES

The Group manages its capital to ensure that entities within the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance except where decisions are made to exit businesses or close companies.

The capital structure of the Group consists of debt, which includes lease liabilities and interest bearing loans, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued share capital and retained earnings/accumulated losses.

The board of directors reviews the capital structure on an annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debts.

Other than those disclosed in the financial statements, the Company is not exposed to any externally imposed capital requirements for the financial year ended 30 September 2024 and financial year ended 30 September 2023.

The Group's overall strategy remains unchanged from 2023.

37. PRIOR YEAR RECLASSIFICATIONS

Certain reclassifications have been made to the prior year's consolidated statement of cash flows to align them with the current year's presentation.

The items reclassified are summarised as follows:

	BALANCE AS PREVIOUSLY REPORTED	RECLASSIFICATION	BALANCE AS RESTATE
	\$'000	\$'000	\$'000
Year ended 30 September 2023			
Consolidated statement of cash flows			
Operating activities			
Adjustment for:			
Provision for contractual liabilities	-	461	461
Changes in working capital:			
Trade and other payables	450	(461)	(11)
Investing activities			
Interest received	-	1,486	1,486
Net cash used in investing activities	(22,821)	1,486	(21,355)
Financing activities			
Interest paid	-	(306)	(306)
Interest received	1,486	(1,486)	-
Repayment of term loans	(1,075)	81	(994)
Repayment of lease liabilities	(1,902)	225	(1,677)
Net cash generated from financing activities	6,047	(1,486)	4,561

The above reclassification did not have impact the net cash flow position of the Group.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Tan Hai Peng Micheal, Mr Teo Junxiang, Darren and Mr Koh Chun Yuan are the Directors seeking re-election at the annual general meeting of the Company to be held on a date to be determined ("AGM").

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information as set out in Appendix 7.4.1 relating to the above Directors to be put forward for re-election at the forthcoming AGM is disclosed below:-

NAME OF DIRECTOR	MR TAN HAI PENG MICHEAL	MR TEO JUNXIANG, DARREN	MR KOH CHUN YUAN
Date of first appointment	1 March 2018	1 March 2018	21 June 2024
Date of last re-appointment (if applicable)	28 January 2019	28 January 2019	Not applicable
Age	54	41	53
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board has considered, among others, the recommendation of the NC and has reviewed and considered the performance, contributions, qualifications, expertise, work experience and suitability of Mr Tan Hai Peng Micheal for re-election as an Independent Director. The Board has accepted the NC's recommendation and concluded that Mr Tan possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board has considered, among others, the recommendation of the NC and has reviewed and considered the performance, contributions, qualifications, expertise, work experience and suitability of Mr Teo Junxiang, Darren for re-election as a Non-Executive Director. The Board has accepted the NC's recommendation and concluded that Mr Teo possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board has considered, among others, the recommendation of the NC and has reviewed and considered the performance, contributions, qualifications, expertise, work experience and suitability of Mr Koh Chun Yuan for re-election as an Independent Director. The Board has accepted the NC's recommendation and concluded that Mr Koh possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC member etc.)	Independent Director, Board Chairman, AC Member, RC Member	Non-Executive Director, RC Member	Independent Director, AC Member, NC Member

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

NAME OF DIRECTOR	MR TAN HAI PENG MICHEAL	MR TEO JUNXIANG, DARREN	MR KOH CHUN YUAN
Professional qualifications	Mr Tan Hai Peng Micheal graduated with a Master of Business Administration (Senior-Executive) degree from the National University of Singapore in December 2004 and a Bachelor of Science in Computer Engineering with Highest Honour from the Florida Institute of Technology, USA in August 1990.	Mr Teo Junxiang, Darren graduated with Bachelor of Social Sciences in Economics from National University of Singapore.	Mr Koh graduated with a Bachelor of Accountancy (2nd Class Honors) degree from the Nanyang Technological University. He is also a member of the Institute of Singapore Chartered Accountants.
Working experience and occupation(s) during the past 10 years	Mr Tan Hai Peng Micheal is an Executive Director of Ho Lee group of companies and the Managing Director of TPSC Asia Pte Ltd.	<ul style="list-style-type: none"> i) Managing Partner of Apricot Capital Pte Ltd (August 2017 to Present) ii) Executive Director of Super Group Ltd (2016 to 2017) iii) Group Assistant General Manager for Strategy and Business Development for Super Group Ltd (2014 – 2016) iv) Corporate Strategy and Business Development Manager for Super Group Ltd (2009 – 2014) 	<ul style="list-style-type: none"> i) Director, KS Partners Engineering Enterprise (October 2022 to present) ii) Group Financial Controller, AEM Holdings Ltd (July 2021 to September 2022) iii) Finance Director, Southeast Asia, JDE RTL SCC Pte Ltd (formerly known as Super Group Ltd) (April 2017 to December 2020) iv) Chief Financial Controller, Super Group Ltd (July 2004 to March 2017)
Shareholding interest in the listed issuer and its subsidiaries	Yes.	Yes	No
Shareholding details	Mr Tan Hai Peng Micheal directly holds 17,280,000 shares in the Company. He is also deemed interested in: i) 40,535,715 Shares held through Ho Lee Group Pte Ltd.	Teo Junxiang, Darren directly holds 6,500,000 Shares in the Company. He also owns 20% equity interest in ACCL and is therefore deemed to be interested in the shares held by ACPL through ACCL, in MPML. There are 607,142,857 shares held by DBS Nominees Pte Ltd on behalf of ACPL as bare trustee.	Nil

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

NAME OF DIRECTOR	MR TAN HAI PENG MICHEAL	MR TEO JUNXIANG, DARREN	MR KOH CHUN YUAN
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None.	None.	None.
Conflict of interest (including any competing business)	None.	None.	None.
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes.	Yes.	Yes.
Other Principal Commitments* Including Directorships# * "Principal Commitments" has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8)	Mr Tan Hai Peng is a Non-Executive Director of Elite Commercial REIT Management Pte Ltd	Mr Teo Junxiang, Darren is currently the Managing Partner of Apricot Capital Pte Ltd	Mr Koh is currently a Director of KS Partners Engineering Pte Ltd and an Independent Director of Fuji Offset Plates Manufacturing Ltd
Past (for the last 5 years)	<ul style="list-style-type: none"> i) The alternative Pte. Ltd. ii) AMB Incheon Logistics Facility Ltd iii) Huge Development Pte. Ltd. iv) Lithan Genovate (Thailand) Co Ltd v) TPSC Asia Group Holding Limited vi) Serangoon EC Pte. Ltd. vii) Viva Investment Management Pte. Ltd. viii) Warehouse@Tuas Pte. Ltd. ix) Fortune Knight International Limited 	<ul style="list-style-type: none"> i) GYLG Pte Ltd ii) W167 Capital Pte. Ltd. iii) Apricot Capital (Mining) Pte. Ltd. iv) United 18 Investments Pte. Ltd. v) Apricot Capital (Maldives) Pte Ltd vi) ACFV(I) Pte Ltd vii) ALPS Group Pte Ltd viii) Wevolve Pte Ltd ix) 35 NBR Pte Ltd 	<ul style="list-style-type: none"> i) Jacobs Douwe Egberts HLD INV SG Pte Ltd ii) Jacobs Douwe Egberts RTL OWL SG Pte Ltd iii) Beecomb Foods Industries Pte Ltd iv) Jacobs Douwe Egberts HLD SCM SG Pte Ltd v) Jacobs Douwe Egberts HLD SCP SG Pte Ltd vi) Jacobs Douwe Egberts HLD SGI SG Pte Ltd vii) Super Investment Holdings Pte Ltd viii) Jacobs Douwe Egberts RTL SCC SG Pte Ltd ix) Jacobs Douwe Egberts PRO OBS SG Pte Ltd

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

NAME OF DIRECTOR	MR TAN HAI PENG MICHEAL	MR TEO JUNXIANG, DARREN	MR KOH CHUN YUAN
Present	<ul style="list-style-type: none"> i) Anchorvale Pte Ltd ii) Clear Vision Ventures Limited iii) Elite Commercial REIT Management Pte Ltd iv) Elite Partners Capital Pte Ltd v) Elite Partners Holdings Pte Ltd vi) First Harvest Enterprises Limited vii) Gangga Oh Resort Pte Ltd viii) HLG Investment Holdings Pte. Ltd. ix) HLMG Holdings Pte. Ltd. x) Ho Lee Construction Pte Ltd xi) Ho Lee Development Pte Ltd xii) Ho Lee Group Pte Ltd xiii) Ho Lee Industrial Pte Ltd xiv) Ho Lee Machinery Pte Ltd xv) Ho Lee Plumbing Pte. Ltd. xvi) Ho Lee Properties (UK) Pte Ltd xvii) Ho Lee Properties Pte Ltd xviii) Ho Seng Lee Construction Pte. Ltd. xix) Ho Seng Lee Realty Pte Ltd xx) Khai Wah Development Pte Ltd xxi) Logistics Engineering Pte Ltd xxii) Orion Gold Investments Limited xxiii) Tag Sensors AG xxiv) Teck Lee Holdings Pte Ltd xxv) TPSC Asia Pte. Ltd. 	<ul style="list-style-type: none"> i) TLH Capital Pte. Ltd. ii) The Golden Duck Pte. Ltd. iii) Apricot Capital Pte. Ltd. iv) Apricot Capital Asset Management Pte. Ltd. v) Andorian Pte. Ltd vi) Rio Casa Venture Pte. Ltd. vii) Oxley Serangoon Pte. Ltd. viii) Apricot Capital (Niesko) Pte. Ltd ix) Children's Cove Preschool Pte. Ltd. x) Shelford Capital Sdn Bhd xi) Apricot Capital (Cayman) Ltd xii) Marco Polo Marine Ltd. xiii) Lian Beng – Apricot (Sembawang) Pte. Ltd. xiv) Geniebook Pte. Ltd. xv) Fundamental Foods Pte Ltd xvi) JLBE Private Limited xvii) Berellian Pte Ltd xviii) Cardassian Pte Ltd xix) OTRM Private Limited xx) Kyoto Hotel Investment Pte Ltd xxi) Apricot Capital (Tai Seng) Pte LTD xxii) Listen Up Pte Ltd xxiii) PHS18 Pte Ltd xxiv) WDNS Pte Ltd xxv) Apricot Capital Consumer Ventures Pte Ltd 	<ul style="list-style-type: none"> i) Fuji Offset Plates Manufacturing Ltd ii) KS Partners Engineering Enterprise iii) KS Partners Engineering Pte Ltd iv) Marco Polo Marine Ltd.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

NAME OF DIRECTOR	MR TAN HAI PENG MICHEAL	MR TEO JUNXIANG, DARREN	MR KOH CHUN YUAN
	xxvi) TPSC Holdings Pte. Ltd. xxvii) Unique Invesco Pte. Ltd. xxviii) Wee Poh Construction Co. (Pte.) Ltd. xxix) Tag Sensors (Singapore) Pte. Ltd. xxx) Tag Sensors Holdings Pte. Ltd. xxxi) Da Investments Holdings Pte. Ltd. xxxii) TK 189 Development Pte Ltd xxxiii) KSH Ultra Unity Pte Ltd xxxiv) Elite Logistic REIT Management Pte Ltd xxxv) HLGTVCC xxxvi) Ultra Infinity Pte Ltd xxxvii) Marco Polo Marine Ltd.	xxvi) TLKR Pte LTd xxvii) Simplymade Pte Ltd xxviii) 8 CR Pte Ltd xxix) Deltanian Pte Ltd xxx) Wealthbliss Development Pte Ltd xxxi) TLKR 96 Pte Ltd xxxii) Apricot Capital (TLKR) Pte Ltd xxxiii) Otto Projects Pte Ltd xxxiv) Ten SC Pte Ltd xxxv) Apricot Capital (SC) Pte Ltd xxxvi) SBR65 Pte Ltd xxxvii) Apricot23 Pte Ltd xxxviii) Mayo Skyhopper Pte Ltd xxxix) Nine Mayo Pte Ltd xl) Eight Circular Pte Ltd xli) 4352 MSR Pte Ltd xlii) 81Wel Pte Ltd xliii) 83 Wel Pte Ltd xliv) Listen Up Sdn Bhd xlv) Juara Jaga Sdn Bhd	

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Leong Kah Wah, Mr Jeffrey Hing Yih Peir and Ms Liely Lee have individually confirmed that on each of the questions as set out in paragraphs (a) to (k) of Appendix 7.4.1 of the Listing Manual of the SGX-ST, the answer is "no".

Disclosure applicable to the appointment of Director only.			
<p>Any prior experience as a director of an issuer listed on the Exchange?</p> <p>If yes, please provide details of prior experience.</p> <p>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.</p>	NA	NA	NA
<p>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable)</p>	NA	NA	NA

STATISTICS OF SHAREHOLDINGS

As at 5 December 2024

NO. OF ISSUE SHARES (EXCLUDING TREASURY SHARES) :	3,753,649,080
CLASS OF SHARES :	ORDINARY SHARES
VOTING RIGHTS (EXCLUDING TREASURY SHARES) :	ONE VOTE PER ORDINARY SHARE

ANALYSIS OF SHAREHOLDING BY RANGE

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	15	0.44	551	0.00
100 - 1,000	199	5.84	182,362	0.00
1,001 - 10,000	797	23.37	5,235,807	0.14
10,001 - 1,000,000	2,250	65.98	359,000,582	9.57
1,000,001 AND ABOVE	149	4.37	3,389,229,778	90.29
TOTAL :	3,410	100.00	3,753,649,080	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	DBS NOMINEES PTE LTD	748,237,957	19.93
2	NAUTICAL INTERNATIONAL HOLDINGS LTD	482,539,867	12.86
3	UOB KAY HIAN PTE LTD	405,633,171	10.81
4	PENGUIN INTERNATIONAL LIMITED	303,571,428	8.09
5	CITIBANK NOMINEES SINGAPORE PTE LTD	154,371,750	4.11
6	ABN AMRO CLEARING BANK N.V.	115,074,400	3.07
7	OCBC SECURITIES PRIVATE LTD	95,331,200	2.54
8	PHILLIP SECURITIES PTE LTD	93,912,614	2.50
9	MAYBANK SECURITIES PTE. LTD.	90,933,000	2.42
10	CGS INTERNATIONAL SECURITIES SINGAPORE PTE LTD	72,055,557	1.92
11	RAFFLES NOMINEES (PTE) LIMITED	51,617,869	1.37
12	UNITED OVERSEAS BANK NOMINEES PTE LTD	46,770,500	1.25
13	HSBC (SINGAPORE) NOMINEES PTE LTD	41,214,100	1.10
14	HO LEE GROUP PTE LTD	40,535,715	1.08
15	SEAH BOON LOCK	30,000,000	0.80
16	LEE WAN TANG	26,395,160	0.70
17	CHOW KAR WAH	24,850,000	0.66
18	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	22,700,890	0.60
19	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	22,000,000	0.59
20	OCBC NOMINEES SINGAPORE PTE LTD	21,807,300	0.58
		2,889,552,478	76.98

STATISTICS OF SHAREHOLDINGS

As at 5 December 2024

SUBSTANTIAL SHAREHOLDERS' INFORMATION

SUBSTANTIAL SHAREHOLDER	NUMBER OF SHARES DIRECT INTEREST	%	DEEMED INTEREST	%
Apricot Capital Pte Ltd ("ACPL")	607,142,857 ⁽¹⁾	16.17%	-	-
Lee Wan Tang	26,395,160	0.70%	492,139,867 ⁽²⁾	13.11%
Nautical International Holdings Ltd	482,539,867	12.86%	-	-
Penguin International Limited	303,571,428	8.09%	-	-
Teo Kee Bock	4,414,900	0.12%	607,142,857 ⁽³⁾	16.17%
Total shares outstanding	3,753,649,080			

Note:

- (1) The 607,142,857 shares are held by DBS Nominees Pte Ltd on behalf of ACPL as bare trustee.
- (2) Lee Wan Tang is deemed interested in: (a) the 482,539,867 Shares in which Nautical International Holdings Ltd has a deemed interest in as Lee Wan Tang holds 660,003 ordinary shares in Nautical International Holdings Ltd and (b) 9,600,000 shares held in nominee accounts.
- (3) Teo Kee Bock holds 20% equity interest in Apricot Capital (Cayman) Ltd ("ACCL") and is therefore deemed to be interested in the Shares of the Company held by ACCL through ACPL.

COMPLIANCE WITH RULE 723 OF THE SGX-ST LISTING MANUAL

Based on information available and to the best of the Company, as at 5 December 2024, approximately 51.16% of the ordinary shares excluding treasury shares of the Company are held by the public. The Company is therefore in compliance with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

TREASURY SHARES AS AT 5 DECEMBER 2024

As at 5 December 2024, 4,201,400 ordinary shares are held as treasury shares, representing 0.11% of the total number of issued shares excluding treasury shares.

APPENDIX

APPENDIX DATED 2 JANUARY 2025

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

This Appendix is circulated to the shareholders (the “**Shareholders**”) of Marco Polo Marine Ltd. (the “**Company**”) together with the Annual Report 2024 (as defined herein). The purpose of this Appendix is to explain to the Shareholders the rationale and to provide information pertaining to the proposed renewal of the Share Buyback Mandate (as defined herein), and to seek Shareholders’ approval of the same at the forthcoming annual general meeting (“**AGM**”) of the Company to be held on **17 January 2025 at 10.30 a.m. at 1 Tai Seng Avenue, Blk F #02-26/28, Tai Seng Exchange, Singapore 535464.**

The notice of AGM of the Company (the “**Notice of AGM**”) and the relevant proxy form are enclosed with the Annual Report 2024.

If you have sold or transferred all your shares in the capital of the Company held through the Central Depository (Pte) Limited (“**CDP**”), you need not forward the Annual Report 2024 (including the Notice of AGM and the relevant proxy form) and this Appendix to the purchaser or transferee as arrangements will be made by CDP for the Annual Report 2024 (including the Notice of AGM and the relevant proxy form) and this Appendix to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should immediately forward the Annual Report 2024 (including the Notice of AGM and the relevant proxy form) and this Appendix to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy or correctness of any of the statements made, opinions expressed or reports contained in this Appendix.



MARCO POLO MARINE LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 200610073Z)

**APPENDIX TO THE ANNUAL REPORT 2024 IN RELATION TO
THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE**

APPENDIX

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APPENDIX

DEFINITIONS

The following definitions apply throughout in this Appendix except where the context otherwise requires:

"2024 EGM"	:	The extraordinary general meeting of the Company held on 30 January 2024.
"AGM"	:	An annual general meeting of the Company. Unless the context otherwise requires, "AGM" shall refer to the forthcoming annual general meeting of the Company to be held on 17 January 2025 at 10.30 a.m. at 1 Tai Seng Avenue, Blk F #02-26/28, Tai Seng Exchange, Singapore 535464.
"Annual Report 2024"	:	The Company's annual report for the financial year ended 30 September 2024.
"Appendix"	:	This appendix to the Annual Report 2024.
"Associated Company"	:	A company in which at least 20% but not more than 50% of its shares are held by the Company or its Subsidiaries.
"Average Closing Price"	:	The average of the closing market prices of the Shares traded on the SGX-ST over the last five (5) Market Days, on which transactions in the Shares were recorded, immediately preceding the day of the Market Acquisition by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Acquisition, and deemed to be adjusted for any corporate action that occurs during the relevant five (5)-Market Day period and the day on which the Market Acquisition is made or, as the case may be, the day of the making of the offer pursuant to the Off-Market Acquisition.
"Board"	:	The board of Directors of the Company for the time being.
"CDP"	:	The Central Depository (Pte) Limited.
"Companies Act"	:	The Companies Act 1967 of Singapore, as may be amended, modified or supplemented from time to time.
"Company" or "MPM"	:	Marco Polo Marine Ltd.
"Constitution"	:	The constitution of the Company, as may be amended, modified or supplemented from time to time.
"CPF"	:	The Central Provident Fund.
"day of the making of the offer"	:	The day on which the Company announces its intention to make an offer for the purchase of Shares from the Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Acquisition.

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“Director(s)”	:	The director(s) of the Company for the time being.
“EPS”	:	Earnings per Share.
“FY”	:	The financial year ended or ending 30 September, as the case may be.
“Group”	:	The Company and its Subsidiaries.
“Latest Practicable Date”	:	30 December 2024, being the latest practicable date prior to the date of this Appendix.
“Listing Manual”	:	The Listing Manual of the SGX-ST, as may be amended, modified or supplemented from time to time.
“Market Acquisitions”	:	On-market purchases transacted through the SGX-ST’s trading system or on another stock exchange on which the issuer’s equity securities are listed.
“Market Day”	:	A day on which the SGX-ST is open for trading in securities.
“Market Price”	:	The price equal to the average of the last dealt prices for a Share, as determined by reference to the daily official list or other publication published by the SGX-ST for the five (5) consecutive Market Days immediately preceding the relevant Date of Grant, provided always that in the case of a Market Day on which the Shares are not traded on the SGX-ST, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded up to the nearest whole cent in the event of fractional prices.
“Maximum Percentage”	:	The total number of Shares that may be purchased or acquired which shall not exceed 10% of the total number of issued Shares excluding treasury shares and subsidiary holdings as at the date of the AGM at which the Share Buyback Mandate is approved, unless: (i) the Company has, at any time during the relevant period, reduced its share capital by a special resolution under Section 78C of the Companies Act; or (ii) the court has, at any time during the relevant period, made an order under Section 78I of the Companies Act confirming the reduction of share capital of the Company, in which event, the total number of issued Shares excluding treasury shares and subsidiary holdings shall be taken to be the total number of issued Shares excluding treasury shares and subsidiary holdings as altered by the special resolution of the Company or the order of the Court, as the case may be.
“Maximum Price”	:	In the case of a Market Acquisition, 105% of the Average Closing Price, and in the case of an Off-Market Acquisition pursuant to an equal access scheme, 120% of the Average Closing Price, in either case, excluding related expenses of the purchase or acquisition.
“Notice of AGM”	:	The notice of AGM dated 2 January 2025.

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“NTA”	:	Net tangible assets.
“Off-Market Acquisitions”	:	Off-market acquisitions in accordance with an equal access scheme as defined in Section 76C of the Companies Act.
“Proposal”	:	Has the meaning ascribed to it in Section 1.1 of this Appendix.
“Proxy Form”	:	The proxy form in respect of the AGM.
“Record Date”	:	The date as at the close of business (or such other time as may have been prescribed by the Company) on which Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions.
“Registrar”	:	The Registrar of Companies.
“Securities Account”	:	The securities account maintained by a Depositor with CDP but not including a securities sub-account maintained with a Depository Agent.
“SFA”	:	The Securities and Futures Act of Singapore 2001, as may be amended, modified or supplemented from time to time.
“SGX-ST”	:	Singapore Exchange Securities Trading Limited.
“Shareholders”	:	Registered holders of Shares except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with the Shares.
“Share(s)”	:	Ordinary share(s) in the capital of the Company.
“Share Buyback Mandate”	:	A general mandate given by the Shareholders to authorise the Directors to purchase, on behalf of the Company, Shares in accordance with the terms set out in this Appendix as well as the rules and regulations set forth in the Companies Act and the Listing Manual.
“Share Buyback”	:	Buyback of Shares by the Company pursuant to the Share Buyback Mandate.
“Subsidiaries”	:	Companies which are for the time being subsidiaries of the Company as defined under Section 5 of the Companies Act and “ Subsidiary ” shall be construed accordingly.
“subsidiary holdings”	:	Shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act.
“Substantial Shareholder”	:	A Shareholder who has an interest in not less than 5% of the issued Shares.

APPENDIX

- "Take-Over Code"** : The Singapore Code on Take-Overs and Mergers, as amended or modified from time to time.
- "treasury shares"** : Shares of the Company which were (or are treated as having been) purchased by the Company in circumstances where Section 76H of the Companies Act applies and which have since purchase been continuously held by the Company.
- "S\$" or "\$" and "Cents"** : Singapore dollar and cents respectively.
- "%" or "per cent."** : Per centum or percentage.

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular number shall, where applicable, include the plural number and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Listing Manual, the SFA or any statutory modification thereof and used in this Appendix shall, where applicable, have the same meaning assigned to it under the Companies Act, the Listing Manual or the SFA as the case may be unless otherwise provided.

Any reference to a time of day shall be a reference to Singapore time unless otherwise provided.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures that precede them.

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

Morgan Lewis Stamford LLC is the legal adviser to the Company in respect of this Appendix.

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MARCO POLO MARINE LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 200610073Z)

DIRECTORS

Tan Hai Peng Micheal (Non-Executive Chairman and Independent Director)
Sean Lee Yun Feng (Executive Director and Chief Executive Officer)
Lie Ly (Non-Executive Director)
Lee Kiam Hwee Kelvin (Independent Director)
Leong Kah Wah (Independent Director)
Koh Chun Yuan (Independent Director)
Teo Junxiang, Darren (Non-Executive Director)
Jeffrey Hing Yih Peir (Non-Executive Director)

REGISTERED OFFICE:

1 Tai Seng Avenue
#06-13
Singapore 536464

2 January 2025

To: The Shareholders of the Company

Dear Sir/Madam

THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

1. INTRODUCTION

1.1 AGM

The Board is proposing to table the renewal of the Share Buyback Mandate (the “**Proposal**”) at the forthcoming AGM to be held on 17 January 2025 at 10.30 a.m. at 1 Tai Seng Avenue, Blk F #02-26/28, Tai Seng Exchange, Singapore 535464.

1.2 Purpose of this Appendix

The purpose of this Appendix is to provide the Shareholders with information relating to, and to seek their approval for, the Proposal to be tabled as an ordinary resolution at the forthcoming AGM.

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2. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

The Share Buyback Mandate was first obtained at the Company's extraordinary general meeting held on 30 January 2024 (the "2024 EGM"). The existing Share Buyback Mandate approved by Shareholders at the 2024 EGM will expire at the forthcoming AGM to be held on 17 January 2025.

Accordingly, the Directors propose that the Share Buyback Mandate be renewed at the forthcoming AGM to be held on 17 January 2025, to take effect from the passing of the relevant resolution until the earliest of: (a) the date on which the next AGM is held or is required by law or the Constitution to be held, whichever is earlier; (b) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or (c) the date on which the authority contained in the Share Buyback Mandate is varied or revoked by Shareholders in a general meeting, to enable the Directors to continue to exercise all powers of the Company to purchase or otherwise acquire Shares on the terms of the Share Buyback Mandate.

The terms of the mandate for the Share Buyback by the Company in respect of which the Share Buyback Mandate is sought to be renewed are set out in this Appendix for the easy reference of the Shareholders.

2.1 Rationale

The rationale for the Share Buyback Mandate is to allow the Company to undertake a purchase or acquisition of its Shares as follows:

- (a) the Share Buyback Mandate provides the Company with greater flexibility in managing its capital, share capital structure and maximising returns to the Shareholders. Undertaking the Share Buyback at the appropriate price level is one of the ways through which the return on equity (and, depending on market conditions, the EPS and the NTA per Share) of the Company may be enhanced;
- (b) the Share Buyback is an expedient, effective and cost efficient way to facilitate the return of surplus funds which are in excess of the Company's financial needs, to the Shareholders;
- (c) the Share Buyback Mandate provides the Directors with the flexibility to undertake the Share Buyback at any time, subject to market conditions, during the period when the Share Buyback Mandate is in force; and
- (d) Shares purchased or acquired under the Share Buyback Mandate may be held as treasury shares and used for prescribed purposes, such as selling the treasury shares for cash. The transfer of treasury shares in lieu of issuing new Shares pursuant to any share scheme or as consideration for acquisitions would also mitigate the dilution impact for existing Shareholders.

The Share Buyback will only be undertaken if it can benefit the Company and the Shareholders. Although the Share Buyback Mandate would authorise the Company to purchase or acquire up to the Maximum Percentage (namely, 10% of the total number of issued Shares excluding treasury shares and subsidiary holdings as at the date of the AGM at which the Share Buyback Mandate is approved but subject to the exceptions listed and more particularly described in Section 11.3.1 of this Appendix), the Company may not necessarily purchase or acquire, or be able to purchase or acquire, the Maximum Percentage. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the listing status of the Shares on the SGX-ST, the liquidity, capital adequacy, orderly trading and financial condition of the Company or the Group as a whole.

It should be noted that there is no assurance that the proposed renewal of the Share Buyback Mandate or the purchase or acquisition of Shares under the Share Buyback Mandate will achieve the desired effect, nor is there assurance that such effect (if achieved) can be sustained over the long term.

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2.2 Mandate

Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by, the Companies Act, the Listing Manual and such other laws and regulations as may for the time being, be applicable. Paragraph 53(2) of the Constitution expressly permits the Company to purchase or otherwise acquire Shares issued by it on such terms as the Company may think fit and in the manner prescribed by applicable laws and the Listing Manual. It is also a requirement under the Companies Act and Rule 881 of the Listing Manual that a company which wishes to purchase or otherwise acquire its own shares should obtain the prior specific approval at a general meeting of its shareholders.

The Company is accordingly proposing to seek the approval of Shareholders to authorise the Directors to buy back issued and fully paid Shares in the capital of the Company in accordance with the terms set out in this Appendix as well as the rules and regulations set forth in the Companies Act and the Listing Manual. If approved, the Share Buyback Mandate will take effect from the passing of the relevant resolution until the earliest of: (a) the date on which the next AGM is held or is required by law or the Constitution to be held, whichever is earlier; (b) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or (c) the date on which the authority contained in the Share Buyback Mandate is varied or revoked by Shareholders in a general meeting.

2.3 Terms of the Mandate

The authority and limitations placed on the purchases or acquisitions of Shares by the Company under the Share Buyback Mandate, for which the approval is sought, are summarised below.

2.3.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

Pursuant to Rule 882 of the Listing Manual and Section 76B of the Companies Act, the total number of Shares that may be purchased or acquired shall not exceed 10% of the total number of issued Shares excluding treasury shares and subsidiary holdings as at the date of the AGM at which the Share Buyback Mandate is approved, unless: (a) the Company has, at any time during the relevant period, reduced its share capital by a special resolution under Section 78C of the Companies Act; or (b) the court has, at any time during the relevant period, made an order under Section 78I of the Companies Act confirming the reduction of share capital of the Company, in which event, the total number of issued Shares excluding treasury shares and subsidiary holdings shall be taken to be the total number of issued Shares excluding treasury shares and subsidiary holdings as altered by the special resolution of the Company or the order of the Court, as the case may be (the "**Maximum Percentage**"). Any Shares which are held as treasury shares or subsidiary holdings will be disregarded for the purposes of computing the 10% limit.

For illustrative purposes only, based on the existing issued and paid-up share capital (excluding treasury shares and subsidiary holdings) of the Company of 3,753,649,080 Shares as at the Latest Practicable Date, and assuming that prior to the AGM:

- (a) no further Shares are issued; and
- (b) the Company does not reduce its share capital,

not more than 375,364,908 Shares (representing the Maximum Percentage as at that date) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate.

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As at the Latest Practicable Date, the Company holds 4,201,400 Shares as treasury shares. None of its subsidiaries hold any Shares.

2.3.2 Duration of Authority

Purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may be made, at any time and from time to time, on and from the date of the AGM at which the Share Buyback Mandate is renewed up to the earliest of:

- (a) the date on which the next AGM of the Company is held or required by law or the Constitution to be held, whichever is earlier;
- (b) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or
- (c) the date on which the authority contained in the Share Buyback Mandate is varied or revoked by the Shareholders in a general meeting.

The Share Buyback Mandate may be renewed at each AGM or other general meeting of the Company. When seeking the approval of Shareholders for the renewal of the Share Buyback Mandate, the Company is required to disclose details pertaining to purchase or acquisitions of Shares pursuant to the proposed Share Buyback Mandate made during the previous 12 months, including the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for such purchases or acquisitions of Shares, where relevant, and the total consideration paid for such purchases or acquisitions.

2.3.3 Manner of Purchases or Acquisition of Shares

Pursuant to Rule 882 of the Listing Manual, purchases or acquisitions of Shares by the Company may only be made by way of:

- (a) on-market purchases transacted through the SGX-ST's trading system or on another stock exchange on which the issuer's equity securities are listed ("**Market Acquisitions**"); and/or
- (b) off-market acquisitions in accordance with an equal access scheme as defined in Section 76C of the Companies Act ("**Off-Market Acquisitions**").

The Directors may impose such terms and conditions, which are consistent with the Share Buyback Mandate, the Constitution, the Listing Manual and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme(s). Under Section 76C(6) of the Companies Act, an equal access scheme must satisfy all the following conditions:

- (1) offers for the purchase or acquisition of issued Shares under the scheme shall be made to every person who holds issued Shares to purchase or acquire the same percentage of their issued Shares;
- (2) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and

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- (3) the terms of all the offers are the same, except that there shall be disregarded:
- a. differences in consideration attributable to the fact that offers relate to Shares with different accrued dividend entitlements;
 - b. (if applicable) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and
 - c. differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, Rule 885 of the Listing Manual provides that, in making Off-Market Acquisitions, the Company must issue an offer document to all Shareholders which must contain at least the following information:

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptances;
- (iii) the reasons for the proposed Share Buyback;
- (iv) the consequences, if any, of the Share Buyback by the Company that will arise under the Take-Over Code or other applicable take-over rules;
- (v) whether the Share Buyback, if made, could affect the listing of the Shares on the SGX-ST;
- (vi) details of any Share Buyback made by the Company in the previous 12 months (whether Market Acquisitions or Off-Market Acquisitions in accordance with an equal access scheme), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (vii) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

2.3.4 Maximum Purchase Price

The purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) to be paid for the Shares will be determined by the Directors. However, the purchase price to be paid for a Share as determined by the Directors must not exceed:

- (a) in the case of a Market Acquisition, 105% of the Average Closing Price; and
- (b) in the case of an Off-Market Acquisition pursuant to an equal access scheme, 120% of the Average Closing Price,

(the "**Maximum Price**") in either case, excluding related expenses of the purchase or acquisition.

The Listing Manual restricts a listed company from purchasing Shares by way of Market Acquisitions at a price per Share which is more than 5% above the Average Closing Price.

The Company has set a cap of 20% above the Average Closing Price as the maximum price for a Share to be purchased or acquired by way of Off-Market Acquisitions.

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2.4 Status of Purchased Shares under the Share Buyback Mandate

A Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share in accordance with Section 76H of the Companies Act. At the time of each purchase or acquisition of Shares by the Company, the Directors will decide whether the Shares purchased or acquired will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, depending on the needs of the Company at that time. The total number of issued Shares will be diminished by the number of Shares purchased or acquired out of the capital of the Company which are not held as treasury shares and the amount of the share capital of the Company shall be reduced accordingly.

All Shares purchased or acquired by the Company (unless held as treasury shares by the Company to the extent permitted under the Companies Act) will be automatically delisted by the SGX-ST, and certificates (if any) in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following the settlement of any such purchase or acquisition.

2.5 Treasury Shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below.

2.5.1 Maximum Holdings

As the Company only has shares of one class, the number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares. To the extent that the Company has treasury shares that are in excess of 10% of the total number of issued Shares, the Company is required to dispose of or cancel such excess treasury shares within six months or such longer time period as may be permitted under the Companies Act.

2.5.2 Voting and Other Rights

The Company cannot exercise any right in respect of treasury shares and any purported exercise of such a right is void. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a greater or smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

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2.5.3 Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time:

- (a) sell the treasury shares (or any of them) for cash;
- (b) transfer the treasury shares (or any of them) for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;
- (c) transfer the treasury shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares (or any of them); or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

Pursuant to Rule 704(28) of the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as the date of the sale, transfer, cancellation and/or use of such treasury shares, the purpose of such sale, transfer, cancellation and/or use of such treasury shares, the number of treasury shares which have been sold, transferred, cancelled and/or used, the number of treasury shares before and after such sale, transfer, cancellation and/or use, the percentage of the number of treasury shares against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after such sale, transfer, cancellation and/or use, and the value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.6 **Source of Funds for Share Buyback**

The Company may purchase or acquire its own Shares out of capital as well as from its profits, in accordance with the Constitution and applicable laws. It may use internal resources or external borrowings, or a combination of both, to finance its purchase or acquisition of Shares pursuant to the Share Buyback Mandate. The Company does not intend to purchase or acquire any Shares for a consideration other than cash.

The Directors do not propose to exercise the Share Buyback Mandate in a manner and to such extent that the liquidity and capital adequacy position of the Company would be materially adversely affected. The purchase of the Shares will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Company, and the prevailing market conditions.

2.7 **Financial Effects of the Share Buyback Mandate**

It is not possible for the Company to realistically calculate or quantify the financial effects of purchases of Shares that may be made pursuant to the Share Buyback Mandate as the resultant effect would depend on, inter alia, the aggregate number of Shares purchased, whether the purchase is made out of capital or profits, the purchase prices paid for such Shares, the amount (if any) borrowed by the Company to fund the purchases or acquisitions and whether the Shares purchased or acquired are cancelled or held as treasury shares.

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

The Company would like to note that there had not been any purchase or acquisition of Shares by the Company in the 12 months immediately prior to the date of this Appendix.

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Purely for illustrative purposes only, and based on the assumptions set out below:

- (a) based on 3,753,649,080 Shares in issue as at the Latest Practicable Date (excluding the 4,201,400 Shares held by the Company as treasury shares and subsidiary holdings) and assuming no further Shares are issued on or prior to the AGM, not more than 375,364,908 Shares (representing the Maximum Percentage as at that date) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate;
- (b) in the case of Market Acquisitions by the Company and assuming that the Company purchases or acquires 375,364,908 Shares at the Maximum Price of S\$0.0557 for one Share (being the price equivalent to 105% of the Average Closing Price, the maximum amount of funds required for the purchase or acquisition of 375,364,908 Shares (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) is approximately S\$20,889,057;
- (c) in the case of Off-Market Acquisitions by the Company and assuming that the Company purchases or acquires 375,364,908 Shares at the Maximum Price of S\$0.0636 for one Share (being the price equivalent to 120% of the Average Closing Price, the maximum amount of funds required for the purchase or acquisition of 375,364,908 Shares (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) is approximately S\$23,873,208;
- (d) the consideration for the purchase or acquisition of Shares is financed entirely by internal resources of the Company;
- (e) the purchase or acquisition of Shares took place at the beginning of FY2024 on 1 October 2023; and
- (f) the transaction costs incurred for the purchase or acquisition of Shares pursuant to the Share Buyback Mandate were insignificant and have been ignored for the purpose of computing the financial effects,

the financial effects of the:

- (i) Market Acquisition of 375,364,908 Shares by the Company pursuant to the Share Buyback Mandate which is made entirely out of capital and held as treasury shares;
- (ii) Market Acquisition of 375,364,908 Shares by the Company pursuant to the Share Buyback Mandate which is made entirely out of capital and cancelled;
- (iii) Off-Market Acquisition of 375,364,908 Shares by the Company pursuant to the Share Buyback Mandate which is made entirely out of capital and held as treasury shares; and
- (iv) Off-Market Acquisition of 375,364,908 Shares by the Company pursuant to the Share Buyback Mandate which is made entirely out of capital and cancelled,

on the audited financial statements of the Group and the Company for FY2024 are set out in the following pages.

The financial effects of the acquisition of Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made out of profits are similar to that of purchases made out of capital. Therefore, only the financial effects of the acquisition of Shares pursuant to the Share Buyback Mandate by way of purchases made out of capital are set out in this Appendix.

APPENDIX

2.7.1 Market Acquisitions made entirely out of capital and held as treasury shares

	GROUP		COMPANY	
	BEFORE THE SHARE BUYBACK	AFTER THE SHARE BUYBACK	BEFORE THE SHARE BUYBACK	AFTER THE SHARE BUYBACK
As at 30 September 2024				
Share capital (S\$'000)	163,838	163,838	163,838	163,838
Shares held in treasury (S\$'000)	(1,203)	(22,092)	(1,203)	(22,092)
Shareholders' equity (S\$'000)	201,074	180,185	169,985	146,096
NTA (S\$'000)	201,074	180,185	169,985	146,096
Current assets (S\$'000)	111,593	90,704	158,199	137,310
Current liabilities (S\$'000)	(56,895)	(56,895)	(344)	(344)
Working capital (S\$'000)	54,698	33,809	157,855	136,966
Total borrowings (S\$'000)	32,981	32,981	-	-
Cash and bank balances	68,770	47,881	25,985	5,096
Net profit / (loss) attributable to Shareholders	21,700	21,700	(3,144)	(3,144)
Number of Shares ⁽¹⁾ (excluding treasury shares) ('000)	3,753,649	3,378,284	3,753,649	3,378,284
Number of treasury shares ('000)	4,201	379,566	4,201	379,566
Weighted average number of shares ('000)	3,753,649	3,378,284	3,753,649	3,378,284
Financial Ratios				
NTA per share (cents) ⁽²⁾	5.36	5.33	4.53	4.41
Basic EPS ⁽³⁾ (cents)	0.58	0.64	(0.08)	(0.09)
Gearing ⁽⁴⁾ (%)	16.40	18.30	-	-
Current ratio ⁽⁵⁾ (times)	1.96	1.59	459.88	399.16

Notes:

- (1) Number of Shares excludes Shares that have been assumed to be held as treasury shares.
- (2) NTA per Share has been computed based on NTA divided by the number of Shares in issue as at 30 September 2024.
- (3) EPS has been computed based on FY2024 net profit attributable to Shareholders divided by the weighted average number of Shares in issue.
- (4) Gearing has been computed based on total borrowings divided by Shareholders' equity.
- (5) Current ratio represents the ratio of current assets to current liabilities.

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2.7.2 Market Acquisitions made entirely out of capital and cancelled

	GROUP		COMPANY	
	BEFORE THE SHARE BUYBACK	AFTER THE SHARE BUYBACK	BEFORE THE SHARE BUYBACK	AFTER THE SHARE BUYBACK
As at 30 September 2024				
Share capital (S\$'000)	163,838	163,838	163,838	163,838
Shares held in treasury (S\$'000)	(1,203)	(1,203)	(1,203)	(1,203)
Shareholders' equity (S\$'000)	201,074	180,185	169,985	146,096
NTA (S\$'000)	201,074	180,185	169,985	146,096
Current assets (S\$'000)	111,593	90,704	158,199	137,310
Current liabilities (S\$'000)	(56,895)	(56,895)	(344)	(344)
Working capital (S\$'000)	54,698	33,809	157,855	136,966
Total borrowings (S\$'000)	32,981	32,981	-	-
Cash and bank balances	68,770	47,881	25,985	5,096
Net profit / (loss) attributable to Shareholders	21,700	21,700	(3,144)	(3,144)
Number of Shares ⁽¹⁾ (excluding treasury shares) ('000)	3,753,649	3,378,284	3,753,649	3,378,284
Number of treasury shares ('000)	4,201	4,201	4,201	4,201
Weighted average number of shares ('000)	3,753,649	3,378,284	3,753,649	3,378,284
Financial Ratios				
NTA per share (cents) ⁽¹⁾	5.36	5.33	4.53	4.41
Basic EPS ⁽²⁾ (cents)	0.58	0.64	(0.08)	(0.09)
Gearing ⁽³⁾ (%)	16.40	18.30	-	-
Current ratio ⁽⁴⁾ (times)	1.96	1.59	459.88	399.16

Notes:

- (1) NTA per Share has been computed based on NTA divided by the number of Shares in issue as at 30 September 2024.
- (2) EPS has been computed based on FY2024 net profit attributable to Shareholders divided by the weighted average number of Shares in issue.
- (3) Gearing has been computed based on total borrowings divided by Shareholders' equity.
- (4) Current ratio represents the ratio of current assets to current liabilities.

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2.7.3 Off-Market Acquisitions made entirely out of capital and held as treasury shares

	GROUP		COMPANY	
	BEFORE THE SHARE BUYBACK	AFTER THE SHARE BUYBACK	BEFORE THE SHARE BUYBACK	AFTER THE SHARE BUYBACK
As at 30 September 2024				
Share capital (S\$'000)	163,838	163,838	163,838	163,838
Shares held in treasury (S\$'000)	(1,203)	(25,076)	(1,203)	(25,076)
Shareholders' equity (S\$'000)	201,074	177,201	169,985	146,112
NTA (S\$'000)	201,074	177,201	169,985	146,112
Current assets (S\$'000)	111,593	87,720	158,199	134,326
Current liabilities (S\$'000)	(56,895)	(56,895)	(344)	(344)
Working capital (S\$'000)	54,698	30,825	157,855	133,982
Total borrowings (S\$'000)	32,981	32,981	-	-
Cash and bank balances	68,770	44,897	25,985	2,112
Net profit / (loss) attributable to Shareholders	21,700	21,700	(3,144)	(3,144)
Number of Shares ⁽¹⁾ (excluding treasury shares) ('000)	3,753,649	3,378,284	3,753,649	3,378,284
Number of treasury shares ('000)	4,201	379,566	4,201	379,566
Weighted average number of shares ('000)	3,753,649	3,378,284	3,753,649	3,378,284
Financial Ratios				
NTA per share (cents) ⁽²⁾	5.36	5.25	4.53	4.33
Basic EPS ⁽³⁾ (cents)	0.58	0.64	(0.08)	(0.09)
Gearing ⁽⁴⁾ (%)	16.40	18.61	-	-
Current ratio ⁽⁵⁾ (times)	1.96	1.54	459.88	390.48

Notes:

- (1) Number of Shares excludes Shares that have been assumed to be held as treasury shares.
- (2) NTA per Share has been computed based on NTA divided by the number of Shares in issue as at 30 September 2024.
- (3) EPS has been computed based on FY2024 net profit attributable to Shareholders divided by the weighted average number of Shares in issue.
- (4) Gearing has been computed based on total borrowings divided by Shareholders' equity.
- (5) Current ratio represents the ratio of current assets to current liabilities.

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2.7.4 Off-Market Acquisitions made entirely out of capital and cancelled

	GROUP		COMPANY	
	BEFORE THE SHARE BUYBACK	AFTER THE SHARE BUYBACK	BEFORE THE SHARE BUYBACK	AFTER THE SHARE BUYBACK
As at 30 September 2024				
Share capital (S\$'000)	163,838	163,838	163,838	163,838
Shares held in treasury (S\$'000)	(1,203)	(1,203)	(1,203)	(1,203)
Shareholders' equity (S\$'000)	201,074	177,201	169,985	146,112
NTA (S\$'000)	201,074	177,201	169,985	146,112
Current assets (S\$'000)	111,593	87,720	158,199	134,326
Current liabilities (S\$'000)	(56,895)	(56,895)	(344)	(344)
Working capital (S\$'000)	54,698	30,825	157,855	133,982
Total borrowings (S\$'000)	32,981	32,981	-	-
Cash and bank balances	68,770	44,897	25,985	2,112
Net profit / (loss) attributable to Shareholders	21,700	21,700	(3,144)	(3,144)
Number of Shares ⁽¹⁾ (excluding treasury shares) ('000)	3,753,649	3,378,284	3,753,649	3,378,284
Number of treasury shares ('000)	4,201	4,201	4,201	4,201
Weighted average number of shares ('000)	3,753,649	3,378,284	3,753,649	3,378,284
Financial Ratios				
NTA per share (cents) ⁽¹⁾	5.36	5.25	4.53	4.33
Basic EPS ⁽²⁾ (cents)	0.58	0.64	(0.08)	(0.09)
Gearing ⁽³⁾ (%)	16.40	18.61	-	-
Current ratio ⁽⁴⁾ (times)	1.96	1.54	459.88	390.48

Notes:

- (1) NTA per Share has been computed based on NTA divided by the number of Shares in issue as at 30 September 2024.
- (2) EPS has been computed based on FY2024 net profit attributable to Shareholders divided by the weighted average number of Shares in issue.
- (3) Gearing has been computed based on total borrowings divided by Shareholders' equity.
- (4) Current ratio represents the ratio of current assets to current liabilities.

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The financial effects set out above are for illustrative purposes only. Although the Share Buyback Mandate would authorise the Company to purchase up to the Maximum Percentage, the Company may not necessarily purchase or acquire, or be able to purchase or acquire, the Maximum Percentage. In addition, the Company may cancel all or part of the Shares repurchased or holds all or part of the Shares repurchased in treasury.

2.8 Tax Implications

Shareholders who are in doubt as to their respective tax positions or the tax implications of a Share Buyback by the Company or who may be subject to tax, whether in or outside Singapore, should consult their own professional advisers.

2.9 Listing Manual

2.9.1 Free Float

The Listing Manual requires a listed company to ensure that at least 10% of any class of its listed securities must be held by public shareholders. As at the Latest Practicable Date, approximately 51.2% of the total number of issued Shares are held in the hands of public shareholders. Assuming that the Company repurchased the Maximum Percentage as at the Latest Practicable Date from members of the public by way of a Market Acquisition, the percentage of the resultant total number of issued Shares held by the public would be approximately 45.7%.

The Directors will ensure that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate will not have any effect on the listing status of the Shares on the SGX-ST, or on the orderly trading of the Shares. Before undertaking any such purchase or acquisition, the Directors shall at all times take due cognisance of:

- (a) the then shareholding spread of the Company in respect of the number of Shares held by Substantial Shareholders and by non-Substantial Shareholders; and
- (b) the volume of trading on the SGX-ST in respect of the Shares immediately before the exercise of any Shares purchase.

2.9.2 Reporting Requirements

Within 30 days of the passing of a Shareholders' resolution to approve the purchase or acquisition of Shares by the Company, the Directors shall lodge a copy of such resolution with the Registrar. The Directors shall notify the Registrar within 30 days of a purchase or acquisition of Shares on the SGX-ST or otherwise. Such notification shall include details of the purchase or acquisition including the date of the purchase or acquisition, the number of Shares purchased or acquired by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued share capital before and after the purchase or acquisition, the amount of consideration paid by the Company for the purchase or acquisition, whether the Shares were purchased or acquired out of the profits or the capital of the Company, and such other information as required by the Companies Act.

Additionally, the Listing Manual also specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST:

- (a) in the case of a Market Acquisition, by 9.00 am on the Market Day following the day on which it purchased shares; and
- (b) in the case of an Off-Market Acquisition under an equal access scheme, by 9.00 am on the second Market Day after the close of acceptances of the offer.

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The notification of such purchases or acquisitions of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion the necessary information which will enable the Company to make the notifications to the SGX-ST.

The Company, upon undertaking any sale, transfer, cancellation and/or use of treasury shares, will comply with Rule 704(28) of the Listing Manual, which provides that an issuer must make an immediate announcement thereof, stating the following:

- (i) date of the sale, transfer, cancellation and/or use;
- (ii) purpose of such sale, transfer, cancellation and/or use;
- (iii) number of treasury shares sold, transferred, cancelled and/or used;
- (iv) number of treasury shares before and after such sale, transfer, cancellation and/or use;
- (v) percentage of the number of treasury shares against the total number of Shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
- (vi) value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.9.3 Dealing in Shares

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buyback Mandate at any time after any matter or development of a price-sensitive or trade-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive or trade-sensitive information has been publicly announced. Further, in conformity with the best practices on dealing with securities and under Rule 1207(19)(c) of the Listing Manual, the Company will not purchase or acquire any Shares during the period commencing one month before the announcement of the Company's half year and full year financial statements.

2.10 **Take-Over Obligations**

Appendix 2 of the Take-Over Code contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

2.10.1 Obligation to make a Take-Over Offer

When the Company buys back its shares, any resulting increase in the percentage of voting rights held by a Shareholder and persons acting in concert with him will be treated as an acquisition for the purpose of Rule 14 of the Take-Over Code. Consequently, a Shareholder or group or Shareholders acting in concert could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14.

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2.10.2 Persons Acting in Concert

Under the Take-Over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons will, inter alia, be presumed to be acting in concert:

- (a) A company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the aforesaid companies, and any company whose associated companies include any of the aforesaid companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company;
- (b) A company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (c) A company with any of its pension funds and employee share schemes;
- (d) A person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) A financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and persons controlling, controlled by or under the same control as the adviser;
- (f) Directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
- (g) Partners; and
- (h) An individual, his close relatives, his related trusts, and any person who is accustomed to act according to his instructions and companies controlled by any of the above, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

The circumstances under which Shareholders of the Company (including Directors of the Company) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 of the Take-Over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-Over Code.

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2.10.3 Effect of Rule 14 and Appendix 2 of the Take-Over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-Over Code is that, unless exempted, Directors of the Company and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 of the Take-Over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six months.

Under Appendix 2, a Shareholder not acting in concert with the Directors of the Company will not be required to make a take-over offer under Rule 14 of the Take-Over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate unless so required by the Companies Act.

2.11 Application of the Take-Over Code

Based on substantial shareholding notifications received by the Company under Part 7 of the Securities and Futures Act as at the Latest Practicable Date, there are no persons who may incur an obligation to make a take-over offer as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate.

The statements in this Appendix do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-Over Code. Shareholders are advised to consult their professional advisers and/or the Securities Industry Council and/or other relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share purchases or acquisitions by the Company.

2.12 Shares Purchased by the Company

No purchases or acquisitions of Shares have been made by the Company in the 12 months preceding the Latest Practicable Date.

APPENDIX

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of Directors and Substantial Shareholders of the Company as at the Latest Practicable Date, as recorded in the Company's Register of Directors' Shareholdings and the Register of Substantial Shareholders, respectively, were as follows:

	DIRECT INTEREST		DEEMED INTEREST	
	NUMBER OF SHARES ('000)	% ⁽¹⁾	NUMBER OF SHARES ('000)	% ⁽¹⁾
Directors				
Mr. Sean Lee Yun Feng ⁽²⁾	12,596,900	0.34	166,634,286 ⁽²⁾	4.44 ⁽²⁾
Ms. Lie Ly ⁽³⁾	–	–	166,634,285 ⁽³⁾	4.44 ⁽³⁾
Mr. Tan Hai Peng Micheal ⁽⁴⁾	17,640,000	0.47	40,535,715 ⁽⁴⁾	1.08 ⁽⁴⁾
Mr. Teo Junxiang, Darren ⁽⁵⁾	7,300,000	0.19	607,142,857 ⁽⁵⁾	16.17 ⁽⁵⁾
Mr. Jeffrey Hing Yih Peir ⁽⁶⁾	–	–	303,571,428 ⁽⁶⁾	8.09 ⁽⁶⁾
Mr. Kelvin Lee Kiam Hwee ⁽⁷⁾	–	–	50,000 ⁽⁷⁾	0.001 ⁽⁷⁾
Substantial Shareholder (other than Directors)				
Lee Wan Tang ⁽⁸⁾	26,395,160	0.70	492,139,867 ⁽⁸⁾	13.11 ⁽⁸⁾
Nautical International Holdings Ltd ⁽⁹⁾	142,386,712	3.79	340,153,155 ⁽⁹⁾	9.06 ⁽⁹⁾
Apricot Capital Pte Ltd ("ACPL") ⁽¹⁰⁾	607,142,857 ⁽¹⁰⁾	16.17 ⁽¹⁰⁾	–	–
Penguin International Limited	303,571,428	8.09	–	–
Teo Kee Bock ⁽¹¹⁾	4,414,900	0.12	607,142,857 ⁽¹¹⁾	16.17 ⁽¹¹⁾

Notes:

- (1) Percentages are based on the issued capital of the Company of 3,753,649,080 (excluding treasury shares) as at the Latest Practicable Date.
- (2) Sean Lee Yun Feng is deemed interested in: (a) 5,920,000 Shares in relation to employee share options granted to him under the MPM ESOS (2012) and MPM ESOS (2024); and (b) 160,714,286 Shares which are held in a nominee account.
- (3) Lie Ly is deemed interested in: (a) 5,920,000 Shares in relation to employee share options granted to her under the MPM ESOS (2012) and MPM ESOS (2024); and (b) 160,714,285 Shares which are held in a nominee account.
- (4) Tan Hai Peng Micheal is deemed interested in 40,535,715 Shares held through Ho Lee Group Pte Ltd.
- (5) Teo Junxiang, Darren owns 20% equity interest in Apricot Capital (Cayman) Ltd ("ACCL") and is therefore deemed to be interested in the Shares of the Company held by ACCL through ACPL.
- (6) Jeffrey Hing Yih Peir is deemed interested in 303,571,428 Shares in the Company which are held by Penguin International Limited.
- (7) Kelvin Lee Kiam Hwee is deemed interested in 50,000 Shares in relation to employee share options granted to him under the MPM ESOS (2012).
- (8) Lee Wan Tang is deemed interested in: (a) the 482,539,867 Shares in which Nautical International Holdings Ltd has a deemed interest in as Lee Wan Tang holds 660,003 ordinary shares in Nautical International Holdings Ltd; and (b) 9,600,000 Shares of the Company held in nominee accounts.
- (9) Nautical International Holdings Ltd has deemed interest in the Company as a result of 340,153,155 Shares held in nominee accounts.
- (10) The 607,142,857 Shares are held by DBS Nominees Pte Ltd on behalf of ACPL as bare trustee.
- (11) Teo Kee Bock holds 20% equity interest in Apricot Capital (Cayman) Ltd ("ACCL") and is therefore deemed to be interested in the Shares of the Company held by ACCL through ACPL.

Save as disclosed in this Appendix, none of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the share capital of the Company or any of its subsidiaries or the Proposal (other than through their respective shareholdings in the Company, if any).

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4. DIRECTORS' RECOMMENDATION

Having fully considered, inter alia, the scope, rationale and the benefits of the Share Buyback Mandate, the Directors, having carefully considered the terms and rationale of the Share Buyback Mandate, are of the view that the Share Buyback Mandate is in the best interests of the Company, and accordingly recommend that Shareholders vote in favour of the ordinary resolution relating to the proposed renewal of the Share Buyback Mandate at the forthcoming AGM.

5. ANNUAL GENERAL MEETING

The forthcoming AGM, notice of which is set out in the Annual Report 2024, will be held on 17 January 2025 at 10.30 a.m. at 1 Tai Seng Avenue, Blk F #02-26/28, Tai Seng Exchange, Singapore 535464 for the purpose of considering, and if thought fit, passing with or without any modifications the ordinary resolution set out in the Notice of AGM.

6. ACTION TO BE TAKEN BY SHAREHOLDERS

A Shareholder who is unable to attend the AGM and wishes to appoint a proxy to attend and vote on his behalf should complete, sign and return the relevant Proxy Form enclosed with the Annual Report 2024 in accordance with the instructions printed thereon.

The relevant proxy form must be submitted to the Company by depositing a physical copy at the office of the Company's registered office address, at 1 Tai Seng Avenue, #06-13, Singapore 536464, by no later than 10.30 a.m. on 14 January 2025, and failing which, the proxy form will not be treated as valid.

Shareholders (whether individual or corporate) who wish to appoint the chairman of the AGM as proxy must give specific instructions as to his manner of voting, or abstentions from voting on each resolution in the proxy form. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the chairman of the AGM will vote or abstain from voting at his discretion.

The Company shall be entitled to reject an instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In the case of a member whose Shares are entered against his name in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register 72 hours before the time appointed for holding the AGM as certified by CDP to the Company.

For further details, please refer to the Notice of AGM and the relevant Proxy Form, which are enclosed with the Annual Report 2024 and will also be available on SGXNet.

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7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposal, the Company and its Subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading.

Where information in the Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix in its proper form and context.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected by Shareholders at the registered office of the Company at 1 Tai Seng Avenue, #06-13, Singapore 536464 during normal business hours from the date of this Appendix up to and including the date of the AGM:

- (a) the Annual Report 2024;
- (b) the audited consolidated financial statements of the Group for FY2024; and
- (c) the Constitution.

Yours faithfully,

For and on behalf of the Board of Directors of
MARCO POLO MARINE LTD.

Sean Lee Yun Feng
Chief Executive Officer

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Nineteenth Annual General Meeting of the Company will be held at 1 Tai Seng Avenue Blk F #02-26/28 Tai Seng Exchange Singapore 536464 on Friday, 17 January 2025 at 10.30 a.m. to transact the following business: -

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 30 September 2024 together with the Directors' Statement and the Independent Auditor's Report thereon. **(Resolution 1)**
2. To declare a one-tier exempt final dividend of S\$0.001 per ordinary share for the year ended 30 September 2024. **(Resolution 2)**
3. To approve the payment of a Director's Fee of S\$5,574 for the period from 21 June 2024 to 30 September 2024. **(Resolution 3)**
4. To approve the payment of Directors' Fees of S\$262,895 for the financial year ending 30 September 2025. (2024: S\$238,000) **(Resolution 4)**
5. To re-elect Mr Tan Hai Peng Micheal, the Director who is retiring by rotation pursuant to Regulation 103 of the Constitution of the Company. **(Resolution 5)**
6. To re-elect Mr Teo Junxiang, Darren, the Director who is retiring by rotation pursuant to Regulation 103 of the Constitution of the Company. **(Resolution 6)**
7. To re-elect Mr Koh Chun Yuan, the Director who is retiring pursuant to Regulation 107 of the Constitution of the Company. **(Resolution 7)**
8. To note that Mr Lee Kiam Hwee will be retiring as a Director of the Company pursuant to Rule 210(5)(d)(iv) of the Listing Manual of the SGX-ST.

Mr Lee Kiam Hwee, upon his retirement at the conclusion of the Annual General Meeting, shall cease to be an Independent Director, Chairman of the Audit Committee and Remuneration Committee and a Member of the Nominating Committee of the Company.
9. To re-appoint Forvis Mazars LLP as Independent Auditor of the Company and to authorise the Directors to fix their remuneration. **(Resolution 8)**

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider, and if thought fit, to pass the following Ordinary Resolutions (with or without any modifications):

10. Authority to allot and issue shares and/or convertible securities **(Resolution 9)**

"That pursuant to Section 161 of the Singapore Companies Act, and Rule 806(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), authority be and is hereby given to the Directors of the Company to: -

- (a) (i) issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and
- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that: -

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent. (50%) of the Company's total number of issued shares [excluding treasury shares and shares (if any) held by a subsidiary] (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed twenty per cent. (20%) of the Company's total number of issued shares [excluding treasury shares and shares (if any) held by a subsidiary] (as calculated in accordance with sub-paragraph (2) below). Unless prior shareholder approval is required under the Listing Manual of the SGX-ST, an issue of treasury shares will not require further shareholder approval, and will not be included in the aforementioned limits.
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares [excluding treasury shares and shares (if any) held by a subsidiary] is based on the Company's total number of issued shares excluding treasury shares and shares (if any) held by a subsidiary at the time this Resolution is passed, after adjusting for:
 - (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and
 - (ii) any subsequent bonus issue, consolidation or subdivision of shares.

NOTICE OF ANNUAL GENERAL MEETING

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

11. Authority to allot and issue shares under the Marco Polo Marine Ltd. Performance Share Scheme (2024)
(Resolution 10)

That the Directors of the Company (the “**Directors**”) and/or such committee comprising Directors be hereby authorised to offer and grant awards (“**Awards**”) in accordance with the provisions of the Marco Polo Marine Ltd. Performance Share Scheme (2024) (the “**MPM PSS**”) and to allot and issue or deliver from time to time such number of new fully-paid shares as may be required to be issued or delivered pursuant to the vesting of the Awards under the MPM PSS, provided that the aggregate number of shares to be issued pursuant to the MPM PSS, when added to the number of shares issued and/or issuable under other share-based incentive schemes of the Company, shall not exceed fifteen per cent (15%) of the total number of the issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

12. Authority to allot and issue shares under the Marco Polo Marine Ltd. Employee Share Option Scheme (2024)
(Resolution 11)

That the Directors of the Company (the “**Directors**”) and/or such committee comprising Directors be hereby authorised and empowered to offer and grant options in accordance with the rules of the Marco Polo Marine Ltd. Employee Share Option Scheme (2024) (the “**MPM ESOS**”) and to allot and issue or deliver from time to time such number of new shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted by the Company under the MPM ESOS, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the MPM ESOS, when added to the number of shares issued and/or issuable under other share-based incentive schemes of the Company, shall not exceed fifteen per cent (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

NOTICE OF ANNUAL GENERAL MEETING

13. Proposed Renewal of the Share Buyback Mandate

(Resolution 12)

That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company ("**Shares**") not exceeding in aggregate the Maximum Percentage, at such price or prices as may be determined by the Directors in their discretion from time to time up to the Maximum Price, whether by way of:
- (i) on-market purchases transacted through the trading system of the SGX-ST or on another stock exchange (the "**Other Stock Exchange**") on which the Company's equity securities are listed (the "**Market Acquisitions**"); and/or
 - (ii) off-market acquisitions in accordance with an equal access scheme as defined in Section 76C of the Companies Act (the "**Off-Market Acquisitions**"),

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, the Other Exchange, as may for the time being applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buyback Mandate**");

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
- (i) the date on which the next AGM of the Company is held;
 - (ii) the date by which the next AGM of the Company is required by law or the Constitution to be held; and
 - (iii) the date on which purchases and acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated;

- (c) in this Resolution:

"Average Closing Price" the average of the closing market prices of the Shares traded on the SGX-ST over the last five (5) Market Days, on which transactions in the Shares were recorded, immediately preceding the day of the Market Acquisition by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Acquisition, and deemed to be adjusted for any corporate action that occurs during the relevant five (5)-Market Day period and the day on which the Market Acquisition is made or, as the case may be, the day of the making of the offer pursuant to the Off-Market Acquisition;

"day of the making of the offer" means the day on which the Company announces its intention to make an offer for the purchase of Shares from the Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Acquisition;

NOTICE OF ANNUAL GENERAL MEETING

“Maximum Percentage” means the total number of Shares that may be purchased or acquired which shall not exceed 10% of the total number of issued Shares excluding treasury shares and subsidiary holdings as at the date of the passing of this Resolution unless: (i) the Company has, at any time during the relevant period, reduced its share capital by a special resolution under Section 78C of the Companies Act; or (ii) the court has, at any time during the relevant period, made an order under Section 78I of the Companies Act confirming the reduction of share capital of the Company, in which event, the total number of issued Shares excluding treasury shares and subsidiary holdings shall be taken to be the total number of issued Shares excluding treasury shares and subsidiary holdings as altered by the special resolution of the Company or the order of the Court, as the case may be; and

“Maximum Price” in the case of a Market Acquisition, 105% of the Average Closing Price, and in the case of an Off-Market Acquisition pursuant to an equal access scheme, 120% of the Average Closing Price, in either case, excluding related expenses of the purchase or acquisition;

- (d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution; and
- (e) to the extent that any action in connection with the matters referred to in the above paragraphs of this Resolution or the transactions contemplated and/or authorised by this Resolution has been performed or otherwise undertaken (whether partially or otherwise), they be and are hereby approved, ratified and confirmed.

By Order of the Board

Lawrence Kwan
Jasmine Chia
Company Secretaries

Singapore, 2 January 2025

NOTICE OF ANNUAL GENERAL MEETING

Explanatory notes on Ordinary Business to be transacted:

Resolution 2. In relation to Ordinary Resolution 2 above, the Company will, upon the approval by Shareholders of the proposed final dividend for the year ended 30 September 2024, announce the record date and payment date in due course.

Resolution 3. The proposed Director's fee is payable to the newly appointed Independent Director, Mr Koh Chun Yuan for the period from 21 June 2024 (date of appointment as independent director) to 30 September 2024.

Resolution 4. The proposed Directors' fee is payable to the Independent Directors and Non-Executive Directors of the Company.

Resolution 5. Mr Tan Hai Peng Micheal will, upon re-election as a Director of the Company, continue to serve as an Independent Director, Non-Executive Chairman, a Member of the Audit Committee and a Member of the Remuneration Committee. Mr Tan Hai Peng Micheal is considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

Detailed information on Mr Tan Hai Peng Micheal can be found in the "Board of Directors", "Corporate Governance Report" and "Supplemental Information on Directors Seeking Re-election" sections in the Company's Annual Report.

Resolution 6. Mr Teo Junxiang, Darren will, upon re-election as a Director of the Company, continue to serve as a Non-Executive Director and a Member of the Remuneration Committee.

Detailed information on Mr Teo Junxiang, Darren can be found in the "Board of Directors", "Corporate Governance Report" and "Supplemental Information on Directors Seeking Re-election" sections in the Company's Annual Report.

Resolution 7. Mr Koh Chun Yuan will, upon re-election as a Director of the Company, continue to serve as an Independent Director, a Member of the Audit Committee and a Member of the Nominating Committee. Mr Koh Chun Yuan is considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

Detailed information on Mr Koh Chun Yuan can be found in the "Board of Directors", "Corporate Governance Report" and "Supplemental Information on Directors Seeking Re-election" sections in the Company's Annual Report.

Resolution 8. This resolution is to re-appoint Forvis Mazars LLP as Independent Auditor of the Company for the ensuing financial year and to authorise the Directors to fix their remuneration.

NOTICE OF ANNUAL GENERAL MEETING

Explanatory notes on Special Business to be transacted:

Resolution 9. If passed, is to empower the Directors from the date of the above Meeting until the date of the next Annual General Meeting, to allot and issue shares and convertible securities in the Company. The aggregate number of shares (including any shares issued pursuant to the convertible securities) which the Directors may allot and issue under this Resolution will not exceed fifty per cent. (50%) of the Company's total number of issued shares excluding treasury shares and shares (if any) held by a subsidiary of the Company. For issues of shares other than on a pro rata basis to all shareholders, the aggregate number of shares to be issued will not exceed twenty per cent. (20%) of Company's total number of issued shares excluding treasury shares and shares (if any) held by a subsidiary of the Company. This authority will, unless previously revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. However, notwithstanding the cessation of this authority, the Directors are empowered to issue shares pursuant to any Instrument made or granted under this authority.

Resolution 10. If passed, is to authorise the Directors to offer and grant Awards under the MPM PSS and to allot and issue shares pursuant to the vesting of Awards under the MPM PSS, provided that the aggregate number of shares to be issued pursuant to the MPM PSS, when added to the number of shares issued and/or issuable under other share-based incentive schemes of the Company, shall not exceed fifteen per cent (15%) of the issued shares of the Company from time to time.

Based on the issued share capital of the Company as at 30 September 2024, the total number of shares, which may be issued or issuable in respect of such Awards, is 563,047,362 shares.

Resolution 11. If passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the exercise of options granted or to be granted under the MPM ESOS up to a number not exceeding in aggregate, when added to the number of shares issued and/or issuable under other share-based incentive schemes of the Company, fifteen per cent (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time.

NOTICE OF ANNUAL GENERAL MEETING

NOTES TO THE AGM:

1. The Annual General Meeting ("AGM") will be held, in a **wholly physical format** at the AGM venue set out above and there will be **no option to participate virtually**. Members and their duly appointed proxy(ies) will be able to attend the AGM in person. They will first need to register personally at the registration counters outside the AGM venue on the day of the event, and should bring along their NRIC/passport to enable the Share Registrar to verify their identity for entry to, and (where applicable) be provided with a handheld device for electronic voting at, the physical meeting. Members and/or their proxy(ies) are advised to arrive early to facilitate the registration process and exercise social responsibility and not to attend the AGM if they are feeling unwell. The Company reserves the right to refuse admittance to the AGM if the attendee's identity cannot be verified accurately.
2. A Member (other than a Relevant Intermediary*) is entitled to attend and vote at the Annual General Meeting may appoint not more than two (2) proxies to attend and vote in his/her stead. A Member which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a Member.
3. Where a Member (other than a Relevant Intermediary*) appoints two (2) proxies, he or she shall specify the proportion of his or her shareholding to be represented by each proxy in the instrument appointing the proxies.
4. A Relevant Intermediary* may appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).
5. If a proxy is to be appointed, the instrument appointing a proxy(ies) must be submitted to the Company in the following manner:
 - (a) if submitted personally or by post, to be lodged with the Company's share registrar, B.A.C.S. Private Limited, at 77 Robinson Road #06-03 Singapore 068896; or
 - (b) if submitted electronically, be submitted via email to the Company's Share Registrar at main@zicoholdings.com,

and in each case, must be lodged or received (as the case may be) not later than 72 hours before the time appointed for the holding of the Annual General Meeting.
6. The instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.
7. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the Annual General Meeting in order for the Depositor to be entitled to attend and vote at the Annual General Meeting.
8. The Annual Report 2024 has been made available on SGXNET and the Company's website at <https://www.marcopolomarine.com.sg>.

NOTICE OF ANNUAL GENERAL MEETING

* A Relevant Intermediary is:

- a) a banking corporation licensed under the Banking Act (Chapter 19) of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) of Singapore and who holds shares in that capacity; or
- c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36) of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/ or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes (the "Warranty"), and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of Warranty.

Photographic, sound and/or video recordings of the Meeting may be made by the Company for record keeping and to ensure the accuracy of the minutes to be prepared for the Meeting. Accordingly, the personal data of a member of the Company (such as his name, his presence at the Meeting and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

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MARCO POLO MARINE LTD.

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

ANNUAL GENERAL MEETING PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

(1) This Proxy Form is not valid for use by investors who hold shares in the Company through relevant intermediaries (as defined in Section 181 of the Companies Act of Singapore), including CPF and SRS investors, and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF and SRS investors:

(a) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks and SRS Operators, and should contact their respective CPF Agent Banks and SRS Operators if they have any queries regarding their appointment as proxies; or

(b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks and SRS Operators to submit their voting

PERSONAL DATA PRIVACY:

(2) By submitting this Proxy Form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 2 January 2025.

I/We, Name _____

(NRIC/Passport/UEN) _____

of (Address) _____

being a *member/ members of **MARCO POLO MARINE LTD.** (the "Company"), hereby appoint:

NAME	NRIC/PASSPORT NO.	PROPORTION OF SHAREHOLDINGS	
		NO. OF SHARES	%
ADDRESS			

*and/or

NAME	NRIC/PASSPORT NO.	PROPORTION OF SHAREHOLDINGS	
		NO. OF SHARES	%
ADDRESS			

or failing *him/her/them, or if no person is named above, hereby appoint the Chairman of the Meeting as my/our proxy/proxies, to vote for me/us on my/our behalf at the AGM of the Company to be held at 1 Tai Seng Avenue Blk F #02-26/28 Tai Seng Exchange Singapore 536464 on Friday, 17 January 2025 at 10.30 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against or abstain from voting on the resolutions to be proposed at the AGM in the spaces provided hereunder.

Please indicate your vote "For" or "Against" or "Abstain" with a tick or cross within the box provided. A tick or cross would represent you are exercising all your votes "For" or "Against" or "Abstain" from voting on the relevant resolution.

AS ORDINARY RESOLUTIONS		FOR	AGAINST	ABSTAIN
NO.	RESOLUTIONS RELATING TO:			
1	To receive and adopt the Audited Financial Statements for the financial year ended 30 September 2024 together with the Directors' Statement and the Independent Auditor's Report thereon.			
2	To declare a one-tier exempt final dividend of S\$0.001 per ordinary share for the year ended 30 September 2024.			
3	To approve the payment of a Director's Fee of S\$5,574 for the period from 21 June 2024 to 30 September 2024.			
4	To approve the payment of Directors' Fees of S\$262,895 for the financial year ending 30 September 2025. (2024: S\$238,000)			
5	To re-elect Mr Tan Hai Peng Micheal, the Director who is retiring by rotation pursuant to Regulation 103 of the Constitution of the Company.			
6	To re-elect Mr Teo Junxiang, Darren, the Director who is retiring by rotation pursuant to Regulation 103 of the Constitution of the Company.			
7	To re-elect Mr Koh Chun Yuan, a director retiring pursuant to Regulation 107 of the Constitution of the Company.			
8	To re-appoint Forvis Mazars LLP as Independent Auditor and to authorise the Directors to fix their remuneration.			
SPECIAL BUSINESS				
9	To authorize Directors to allot and issue shares and/or convertible securities pursuant to Section 161 of the Singapore Companies Act, and Rule 806(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST")			
10	To authorize Directors to allot and issue shares under the Marco Polo Marine Ltd. Performance Share Scheme (2024)			
11	To authorize Directors to allot and issue shares under the Marco Polo Marine Ltd. Employee Share Option Scheme (2024)			
12	To approve the Proposed Renewal of the Share Buyback Mandate.			

(Voting will be conducted by poll. If you wish to vote all your shares "For" or "Against" the relevant resolution, please indicate with a tick or cross in the relevant box provided. Alternatively, if you wish to exercise your votes both "For" and "Against" the relevant resolution, please indicate the relevant number of shares in the relevant boxes provided above. In the absence of specific directions, the proxy/proxies will vote or abstain as he/she/they may think fit, as he/she/they will on any other matter arising at the AGM.)

Note: Please note that the short descriptions given above of the Ordinary Resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the Ordinary Resolutions. The short descriptions have been inserted for convenience only. Shareholders are encouraged to refer to the Notice of AGM for the full purpose and intent of the Ordinary Resolutions to be passed.

Dated this _____ day of _____ 2025

TOTAL NUMBER OF SHARES HELD IN:	
CDP Register	
Register of Members	

Signature(s) of Member(s) / Common Seal of Corporate Member

Contact Number / Email Address of Member(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM



NOTES: -

1. Except for a member who is a Relevant Intermediary as defined under Section 181(1C) of the Singapore Companies Act (the "**Act**"), a member is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where a member appoints more than one (1) proxy, the proportion of his concerned shareholding to be represented by each proxy shall be specified in the proxy form.
2. Pursuant to Section 181(1C) of the Act, a member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.
3. A proxy need not be a member of the Company.
4. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number of shares is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
5. If a proxy is to be appointed, the instrument appointing a proxy(ies) must be submitted to the Company in the following manner:
 - (a) if submitted personally or by post, to be lodged with the Company's share registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or
 - (b) if submitted electronically, be submitted via email to the Company's Share Registrar at main@zicoholdings.com,and in each case, must be lodged or received (as the case may be) not later than 72 hours before the time appointed for the holding of the Annual General Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. A corporation which is a shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with the Constitution of the Company and Section 179 of the Act.
9. Subject to Note 11 below, the submission of an instrument or form appointing a proxy by a shareholder does not preclude him from attending and voting in person at the AGM if he so wishes.
10. The Company shall be entitled to reject the instrument appointing a proxy or proxies, if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies if a shareholder of the Company, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.
11. CPF Investors and/or SRS Investors who buy shares in the Company may attend and cast their vote at the meeting in person. CPF Investors and/or SRS Investors who are unable to attend the meeting but would like to vote, may inform CPF and/or SRS approved nominees to appoint Chairman of the AGM to act as their proxy, in which case, the CPF Investor and/ or SRS Investors shall be precluded from attending the meeting.
12. **Personal data privacy:** By submitting this instrument of proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM.

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