



ASL MARINE HOLDINGS LTD.

(Incorporated in the Republic of Singapore)

Co. Reg. No. 200008542N

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2024

QUARTERLY FINANCIAL STATEMENTS

Pursuant to Rule 705(2C) of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual, the Company is required by SGX-ST to continue to announce its quarterly financial statements.

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A. Statements of Financial Position

	Note	Group		Company	
		31-Dec-24 \$'000	30-Jun-24 \$'000	31-Dec-24 \$'000	30-Jun-24 \$'000
Non-current assets					
Property, plant and equipment	3	277,375	295,343	-	-
Right-of-use assets		13,813	14,361	-	-
Investment in subsidiaries		-	-	39,849	39,849
Investment in joint ventures and associates		8,195	5,271	-	-
Intangible assets	4	-	-	-	-
Other receivables	7	-	-	5,167	5,167
		299,383	314,975	45,016	45,016
Current assets					
Inventories	5	19,865	34,449	-	-
Contract assets	6	38,179	39,089	-	-
Trade and other receivables	7	64,363	63,043	203,261	209,974
Prepayments		10,366	7,058	57	186
Restricted cash		6,518	9,046	4,287	3,582
Cash and cash equivalents		19,563	17,221	1,068	2,330
		158,854	169,906	208,673	216,072
Assets classified as held for sale	8	60,182	58,577	-	-
		219,036	228,483	208,673	216,072
Current liabilities					
Trade and other payables	9	167,896	169,210	46,536	50,595
Contract liabilities	6	16,565	18,137	-	-
Trust receipts	10	10,085	17,186	-	-
Interest-bearing loans and borrowings	10	111,613	114,758	97,019	93,465
Lease liabilities		326	484	-	-
Income tax payables		15,622	15,378	14	14
		322,107	335,153	143,569	144,074
Net current (liabilities)/ assets		(103,071)	(106,670)	65,104	71,998
Non-current liabilities					
Other liabilities		2,252	2,309	-	-
Interest-bearing loans and borrowings	10	76,899	95,492	52,229	56,636
Lease liabilities		11,285	11,315	-	-
Deferred tax liabilities		6,451	6,339	-	-
		96,887	115,455	52,229	56,636
Net assets		99,425	92,850	57,891	60,378
Equity attributable to owners of the Company					
Share capital	11	130,145	125,574	130,145	125,574
Treasury shares		(923)	(923)	(923)	(923)
Reserves		(29,627)	(30,994)	(71,331)	(64,273)
		99,595	93,657	57,891	60,378
Non-controlling interests		(170)	(807)	-	-
Total equity		99,425	92,850	57,891	60,378

B. Consolidated Income Statement

		Group					
		3 months ended 31 December			6 months ended 31 December		
		2Q FY2025	2Q FY2024	Increase/ (Decrease)	1H FY2025	1H FY2024	Increase/ (Decrease)
Note		\$'000	\$'000	%	\$'000	\$'000	%
	Revenue	88,195	90,622	(2.7)	172,158	178,716	(3.7)
	Cost of sales	(73,451)	(78,130)	(6.0)	(143,938)	(153,439)	(6.2)
	Gross profit	14,744	12,492	18.0	28,220	25,277	11.6
	Other operating income	4,148	1,293	220.8	3,979	1,325	200.3
	Selling and distribution expenses	(606)	(583)	3.9	(1,195)	(752)	58.9
	Administrative expenses	(5,790)	(4,109)	40.9	(9,975)	(7,872)	26.7
	Other operating expenses	(888)	(4,474)	(80.2)	(1,950)	(2,568)	(24.1)
	Finance costs	(8,725)	(7,041)	23.9	(14,772)	(13,876)	6.5
	(Impairment loss)/ Reversal of impairment loss on financial assets	(1,131)	2,185	Nm	(1,870)	2,102	Nm
	Share of results of joint ventures and associates	1,497	785	90.7	2,885	1,627	77.3
	Profit before tax #	3,249	548	492.9	5,322	5,263	1.1
	Income tax expense	(1,627)	(2,201)	(26.1)	(3,246)	(3,607)	(10.0)
	Profit/ (loss) for the period	1,622	(1,653)	Nm	2,076	1,656	25.4
	Attributable to:						
	Owners of the Company	1,324	(1,754)	Nm	1,454	1,491	(2.5)
	Non-controlling interests	298	101	195.0	622	165	277.0
		1,622	(1,653)	Nm	2,076	1,656	25.4
	Earnings per share (cents per share)						
	Basic	0.13	(0.27)	Nm	0.15	0.23	(34.8)
	Diluted	0.13	(0.27)	Nm	0.15	0.23	(34.8)
	Adjusted EBITDA* for the period	21,983	16,248	35.3	39,514	42,007	(5.9)

Notes:

Excluding the finance costs on amortisation of bank loans and bonds which pertained to amortisation of fair value adjustments resulting from re-measurement of long-term bank loans and bonds in prior years of 1H FY2025: \$8.3 million (1H FY2024: \$7.0 million), the Group's profit would have been:

Profit before tax: \$13.6 million in 1H FY2025 (1H FY2024: \$12.3 million); and
Profit after tax : \$10.4 million in 1H FY2025 (1H FY2024: \$8.7 million)

* Adjusted EBITDA is computed based on earnings of the Company and its subsidiaries before interest, tax, depreciation, amortisation, and after adjusting for impairment and write-off of financial and non-financial assets and any other non-cash flow items.

Nm: Not meaningful.

C. Consolidated Statement of Comprehensive Income

	Group			
	3 months ended 31 December		6 months ended 31 December	
	2Q FY2025	2Q FY2024	1H FY2025	1H FY2024
	\$'000	\$'000	\$'000	\$'000
Profit/ (Loss) for the period	1,622	(1,653)	2,076	1,656
Items that may be reclassified subsequently to profit or loss:				
Translation differences relating to financial statements of foreign subsidiaries	(i) 5,421	772	(14)	1,263
Share of other comprehensive income of joint ventures and associates	362	(205)	59	(145)
Other comprehensive income for the period, net of tax	5,783	567	45	1,118
Total comprehensive income for the period	7,405	(1,086)	2,121	2,774
Attributable to:				
Owners of the Company	7,260	(1,225)	1,484	2,505
Non-controlling interests	145	139	637	269
	7,405	(1,086)	2,121	2,774

Notes:

- (i) The movement in foreign currency translation reserves arose from the consolidation of subsidiaries whose functional currencies are United States Dollar, Euro and Indonesian Rupiah.

D. Statements of Changes in Equity

For the period ended 31-Dec-24									
Group	Attributable to owners of the Company						Equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Foreign currency translation reserve \$'000	Warrant reserve \$'000	Accumulated losses \$'000	Total reserves \$'000			
1H FY2025									
As at 1 July 2024	125,574	(923)	2,990	448	(34,432)	(30,994)	93,657	(807)	92,850
Profit for the period	-	-	-	-	1,454	1,454	1,454	622	2,076
<u>Other comprehensive income</u>									
Translation differences relating to financial statements of foreign subsidiaries	-	-	(22)	-	-	(22)	(22)	8	(14)
Share of other comprehensive income of joint ventures and associates	-	-	52	-	-	52	52	7	59
Other comprehensive income for the period, net of tax	-	-	30	-	-	30	30	15	45
Total comprehensive income for the period	-	-	30	-	1,454	1,484	1,484	637	2,121
<u>Contributions by owners</u>									
Conversion of warrants	4,571	-	-	(117)	-	(117)	4,454	-	4,454
Expired warrants not exercised	-	-	-	(331)	331	-	-	-	-
	4,571	-	-	(448)	331	(117)	4,454	-	4,454
As at 31 December 2024	130,145	(923)	3,020	-	(32,647)	(29,627)	99,595	(170)	99,425

D. Statements of Changes in Equity (Cont'd)

For the period ended 31-Dec-23									
Group	Attributable to owners of the Company								
	Share capital \$'000	Treasury shares \$'000	Foreign currency translation reserve \$'000	Warrant reserve \$'000	Accumulated losses \$'000	Total reserves \$'000	Equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
1H FY2024									
As at 1 July 2023	109,606	(923)	2,333	859	(38,330)	(35,138)	73,545	(671)	72,874
Profit for the period	-	-	-	-	1,491	1,491	1,491	165	1,656
<u>Other comprehensive income</u>									
Translation differences relating to financial statements of foreign subsidiaries	-	-	1,142	-	-	1,142	1,142	122	1,264
Share of other comprehensive income of joint ventures and associates	-	-	(128)	-	-	(128)	(128)	(18)	(146)
Other comprehensive income for the period, net of tax	-	-	1,014	-	-	1,014	1,014	104	1,118
Total comprehensive income for the period	-	-	1,014	-	1,491	2,505	2,505	269	2,774
As at 31 December 2023	109,606	(923)	3,347	859	(36,839)	(32,633)	76,050	(402)	75,648

D. Statements of Changes in Equity (Cont'd)

For the periods ended 31-Dec-24 and 31-Dec-23						
<u>Company</u>	Share capital \$'000	Treasury shares \$'000	Warrant reserve \$'000	Accumulated losses \$'000	Total reserves \$'000	Total equity \$'000
<u>1H FY2025</u>						
As at 1 July 2024	125,574	(923)	448	(64,721)	(64,273)	60,378
Loss for the period, representing total comprehensive income for the period	-	-	-	(6,941)	(6,941)	(6,941)
<u>Contributions by owners</u>						
Conversion of warrants	4,571	-	(117)	-	(117)	4,454
Expired warrants not exercised	-	-	(331)	331	-	-
	4,571	-	(448)	331	(117)	4,454
As at 31 December 2024	130,145	(923)	-	(71,331)	(71,331)	57,891
<u>1H FY2024</u>						
As at 1 July 2023	109,606	(923)	859	(76,855)	(75,996)	32,687
Loss for the period, representing total comprehensive income for the period	-	-	-	(6,322)	(6,322)	(6,322)
As at 31 December 2023	109,606	(923)	859	(83,177)	(82,318)	26,365

E. Consolidated Statement of Cash Flows

	Group	
	6 months ended 31 December	
	1H FY2025	1H FY2024
	\$'000	\$'000
Cash flows from operating activities		
Profit before tax	5,322	5,263
Adjustments for:		
Bad debts written off	90	-
Depreciation of property, plant and equipment	18,708	26,059
Depreciation of right-of-use assets	722	555
(Gain)/ Loss on disposal of property, plant and equipment	(414)	347
Gain on disposal of assets classified as held for sale	(2,820)	-
Gain on termination of lease	-	-
(Reversal of impairment loss)/ impairment loss on financial assets, net:		
- Amount due from joint ventures and associates	(299)	(611)
- Contract assets	(13)	52
- Amount due from other receivables	-	29
- Amount due from trade receivables (third parties)	2,182	(1,572)
Impairment loss on non-financial assets, net		
- Assets classified as held for sale	800	-
Inventories written off	-	25
Interest income	(37)	(42)
Interest expense	14,772	13,876
Property, plant and equipment written off	153	-
Provision for/ (Reversal of) warranty, net	(7)	6
Provision for pension liabilities	5	14
Share of results of joint venture and associates	(2,885)	(1,627)
Operating cash flows before changes in working capital	36,279	42,374
Changes in working capital:		
Inventories	8,878	2,377
Contract assets and liabilities	(754)	(9,596)
Trade and other receivables	(3,956)	(3,853)
Prepayments	(3,308)	(2,885)
Trade and other payables	158	91
Finance lease receivables	-	414
Other liabilities	(40)	(44)
Balances with related parties (trade)	608	2,120
Cash flows generated from operations	37,865	30,998
Interest received from finance lease receivables	-	11
Income tax paid	(2,551)	(1,249)
Net cash flows generated from operating activities	35,314	29,760
Cash flows from investing activities		
Interest received	37	30
Expenditure incurred on assets classified as held for sale	(2,405)	-
Purchase of property, plant and equipment	(13,501)	(16,997)
Proceeds from disposal of property, plant and equipment	1,611	28,166
Proceeds from disposal of assets classified as held for sale	20,321	-
Movement in balances with related parties (non-trade)	-	(196)
Net cash flows generated from investing activities	6,063	11,003

E. Consolidated Statement of Cash Flows (Cont'd)

	Group	
	6 months ended 31 December	
	1H FY2025	1H FY2024
	\$'000	\$'000
Cash flows from financing activities		
Interest paid	(6,484)	(6,875)
Repayment of interest-bearing loans and borrowings	(32,145)	(39,721)
Principal repayment of lease liabilities	(286)	(656)
Repayment of trust receipts	(21,909)	(23,169)
Proceeds from trust receipts	14,784	24,233
Proceeds from issuance of ordinary shares upon conversion of warrants	4,453	-
Cash and bank balances (restricted use)*	2,527	1,682
Net cash flows used in financing activities	(39,060)	(44,506)
Net increase/ (decrease) in cash and cash equivalents	2,317	(3,743)
Cash and cash equivalents at beginning of period	17,221	12,893
Effects of exchange rate changes on cash and cash equivalents	25	(223)
Cash and cash equivalents at end of period (Note 1)	19,563	8,927
Note 1:		
Cash and cash equivalents comprise the followings:		
Bank balances and cash	26,081	19,083
Less: Restricted cash *		
- Cash at banks	(6,518)	(10,156)
Cash and cash equivalents at end of period	19,563	8,927

* The Group's restricted cash has been set aside for specific use with respect to certain shipbuilding financing and banking facilities granted to the Group.

F. Selected Notes to the Condensed Consolidated Interim Financial Statements

1. Corporate information

ASL Marine Holdings Ltd. (the “**Company**”), incorporated in the Republic of Singapore on 4 October 2000, is a public limited company listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

These condensed consolidated interim financial statements as at and for the six months period ended 31 December 2024 comprise the Company and its subsidiaries (collectively, the “**Group**”).

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are those relating to shipbuilding, shiprepair and conversion, shipchartering, dredge engineering and other marine related services.

The condensed consolidated interim financial statements have not been audited nor reviewed by the Company’s auditors.

2. Basis of preparation

2.1 Statement of compliance

The condensed consolidated interim financial statements for the six months ended 31 December 2024 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore, and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 30 June 2024. The condensed consolidated interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 30 June 2024.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.5.

2.2 Basis of measurement

The condensed consolidated interim financial statements have been prepared on the historical cost basis except as otherwise disclosed.

The condensed consolidated interim financial statements are presented in Singapore dollars (“**SGD**” or “**\$**”), which is the Company’s functional currency, and all values in the tables are rounded to the nearest thousand (\$’000) except when otherwise indicated.

2.3 Going concern basis of preparation of financial statements

The Group recorded profit after tax of \$2,076,000 (1H FY2024: \$1,656,000) for the financial period ended 31 December 2024 (“**1H FY2025**”). As at 31 December 2024, the Group’s current liabilities exceeded its current assets by \$103,071,000 (30 June 2024: \$106,670,000). As at 31 December 2024, the Group’s and Company’s total borrowings amounted to \$198,597,000 and \$149,248,000 (30 June 2024: \$227,436,000 and \$150,101,000) of which \$121,698,000 and \$97,019,000 (30 June 2024: \$131,944,000 and \$93,465,000) were classified as current liabilities respectively.

2.3 Going concern basis of preparation of financial statements (Cont'd)

The Group's businesses are capital intensive. As at 31 December 2024, the aggregate value of property, plant and equipment and right-of-use assets amounted to \$291,188,000 (30 June 2024: \$309,704,000), which represented 56% (30 June 2024: 57%) of its total assets. The majority of these assets were financed through bank loans, bonds and lease liabilities of \$200,123,000 (30 June 2024: \$222,049,000), which represented 48% (30 June 2024: 49%) of its total liabilities as of 31 December 2024. The Group has been generating positive operating cash flows in fulfilling its debt repayment obligations, with majority of its debts maturing in 2025 and beyond.

The management and directors of the Company, having assessed the available sources of liquidity and funding, believe that the Group and the Company can continue as a going concern for the foreseeable future. In analysing the validity of the going concern applied in the preparation of the condensed consolidated interim financial statements of the Group and the Company, the following factors were considered:

- (i) The Group is able to generate sufficient operating cash flows from operations to meet its working capital needs. This is supported by positive Earnings before Interest, Tax, Depreciation, Amortisation and after adjusting for impairments and any other non-cash flow items of \$39,514,000 for 1H FY2025 (1H FY2024: \$42,007,000). The consolidated net cash flows generated from operating activities have been consistently positive, and the Group has been meeting all its short-term obligations. The availability of the working capital banking facilities secured since August 2019 from its principal lenders provide the Group with short term trade financing when needed;
- (ii) Management has asserted increased efforts in
 - Elevating sales and acquiring new customers;
 - Broadening the sources of supply to enhance competitive procurement;
 - Improving productivity; and
 - Disposing vessels to decrease debt and interest expenses, thereby enhancing the cash flow position;
- (iii) Continuing support from lenders including trade line and project financing which provides a strong base in sustaining the businesses of the Group. The Group had on 28 November 2024 accepted a commitment letter from lenders for a new facility amounting to \$132,750,000. The facility agreement was signed in January 2025, it was intended that this new facility would be drawn down by the Company to fulfil its future financial obligations.
- (iv) The Group has undrawn bank facilities of \$57,899,000 as at 31 December 2024 available for use. In September 2024, the Group is being offered and subject to negotiation of terms and approval from existing Lenders, it has accepted additional bank facilities of \$50,000,000 (equivalent to Indonesian Rupiah 600,000,000,000); and
- (v) The controlling shareholders of the Company remain supportive to the Company and the Group with their injection of funds during the Company's last two fund raising exercises in December 2016 and July 2019. In addition to the fundraising exercises, the controlling shareholders had also provided an unsecured and interest free loan of \$6,620,000 in October 2017 which has been settled through proceeds from conversion of warrants to shares. The controlling shareholders remain committed to funding the Company and Group and have exercised their warrants and the total proceeds arising from the conversion of warrants by the controlling shareholders amounted to \$10,700,000.

2.4 Uses of estimates and judgements

The preparation of the condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities. These are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The critical judgement and key sources of estimation uncertainty made by the management remain unchanged from audited consolidated financial statements for the financial year ended 30 June 2024.

2.5 New and amended standards

During the current financial period, the Group and the Company have adopted new or amended Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) which took effective for annual periods beginning on or after 1 July 2024.

The adoption of the new accounting standards does not have any significant impact on the financial statements of the Group and of the Company for the period ended 31 December 2024. Accordingly, it has no material impact on the earnings per share of the Group and the Company.

3. Property, plant and equipment

	Group	
	31-Dec-24	31-Dec-23
	\$'000	\$'000
Balance as at 1 July	295,343	394,252
Additions	14,123	18,835
Disposals/ Write-off	(1,350)	(28,359)
Depreciation charge	(18,673)	(23,869)
Transfer to assets classified as held for sale	(11,858)	-
Translation differences	(210)	(3,084)
Balance as at 31 December	277,375	357,775

Depreciation charge for the period as shown in profit or loss is arrived at as follows:

	Group			
	3 months ended 31 December		6 months ended 31 December	
	2Q FY2025	2Q FY2024	1H FY2025	1H FY2024
	\$'000	\$'000	\$'000	\$'000
Depreciation charge for the period	9,484	11,828	18,673	23,869
Depreciation included in construction work-in-progress carried forward	(245)	(434)	(2,042)	(1,745)
Depreciation capitalised in prior year construction work-in-progress now charged to consolidated income statement	-	-	2,077	3,935
Depreciation charge as disclosed in Note 16	9,239	11,394	18,708	26,059

4. Intangible assets

Intangible assets comprise customer relationships, brand, goodwill, patented technology and order backlog which were acquired in a business combination. The intangible assets were fully amortised and impaired.

5. Inventories

Inventories comprise the following:

	Group	
	31-Dec-24	30-Jun-24
	\$'000	\$'000
At cost or net realisable value:		
Raw materials and consumables	17,657	27,068
Finished goods	2,208	7,381
	19,865	34,449

6. Contracts assets and contract liabilities

Information on contract assets and contract liabilities from contracts with customers is disclosed as follows:

	Group	
	31-Dec-24	30-Jun-24
	\$'000	\$'000
Contract assets		
Current		
Accrued revenue	18,625	14,805
Construction work-in-progress	19,554	24,284
	38,179	39,089
Contract liabilities		
Current		
Deferred income and deposits received from customers	(8,110)	(9,015)
Progress billings in excess of construction work-in-progress	(8,455)	(9,122)
	(16,565)	(18,137)

Construction work-in-progress and progress billings in excess of construction work-in-progress are disclosed as follows:

	Group	
	31-Dec-24	30-Jun-24
	\$'000	\$'000
At gross:		
Construction work-in-progress and attributable profits (less recognised losses) to date	48,736	53,339
Less: Progress billings	(37,637)	(38,177)
	11,099	15,162
Presented on a contract basis, net:		
Construction work-in-progress	19,554	24,284
Progress billings in excess of construction work-in-progress	(8,455)	(9,122)
	11,099	15,162

7. Trade and other receivables

	Group		Company	
	31-Dec-24 \$'000	30-Jun-24 \$'000	31-Dec-24 \$'000	30-Jun-24 \$'000
Non-current				
Other receivables:				
Amount due from a subsidiary	-	-	5,167	5,167
	-	-	5,167	5,167
Current				
Trade receivables	64,167	60,470	-	-
Less: Allowance for impairment	(18,693)	(16,310)	-	-
	45,474	44,160	-	-
Other receivables and deposits	14,224	13,849	21	20
Amounts due from subsidiaries	-	-	249,092	255,983
Amounts due from joint ventures and associates	57,621	58,228	2,618	2,622
Amounts due from related parties	434	434	-	-
	72,279	72,511	251,731	258,625
Less: Allowance for impairment				
Other receivables	(1,442)	(1,437)	-	-
Amounts due from subsidiaries	-	-	(46,979)	(47,157)
Amounts due from joint ventures and associates	(51,904)	(52,147)	(1,491)	(1,494)
Amounts due from related parties	(44)	(44)	-	-
	(53,390)	(53,628)	(48,470)	(48,651)
	18,889	18,883	203,261	209,974
Total trade and other receivables (current)	64,363	63,043	203,261	209,974
Total trade and other receivables (current and non-current)	64,363	63,043	208,428	215,141

8. Assets classified as held for sale

	Group	
	31-Dec-24 \$'000	31-Dec-23 \$'000
Vessels		
Balance as at 1 July	58,577	-
Additions	2,405	-
Disposals	(17,501)	-
Impairment loss	(800)	-
Translation differences	(63)	-
Transfer from inventories	5,706	-
Transfer from property, plant and equipment	11,858	-
Balance as at 31 December	60,182	-

The Group had entered into agreements with various third parties for the sales of vessels. In addition, the Group was also in discussions with various parties and was in the process of finalising the sales of vessels. Accordingly, these vessels have been classified as held for sale at the end of the reporting periods.

9. Trade and other payables

	Group		Company	
	31-Dec-24	30-Jun-24	31-Dec-24	30-Jun-24
	\$'000	\$'000	\$'000	\$'000
Current				
Trade payables and accruals	152,685	153,009	4,371	4,241
Payables for property, plant and equipment	5,777	6,407	-	-
Other payables	2,586	2,177	-	-
Other liabilities:				
- Deferred income	670	727	-	-
- Deposits received from customers	1,166	1,871	-	-
Amounts due to subsidiaries	-	-	42,165	46,354
Amounts due to joint ventures and associates	263	263	-	-
Amounts due to related parties	4,534	4,534	-	-
Amounts due to non-controlling interests of subsidiaries	208	208	-	-
Provision for warranty	7	14	-	-
Total trade and other payables	167,896	169,210	46,536	50,595

The balances with joint ventures and associates and related parties and non-controlling interests of subsidiaries are unsecured, interest-free and repayable on demand.

Related parties are Koon Holdings Limited (“**KHL**”) and its subsidiaries (collectively known as “**Koon Group**”) and Sintech Metal Industries Pte Ltd (“**Sintech**”). KHL was placed under Creditors’ Voluntary Liquidation on 12 May 2022. Mr. Ang Sin Liu wholly owns Sintech, which is an exempt private company limited by share. Mr. Ang Sin Liu is the father of Mr. Ang Kok Tian, Mr. Ang Ah Nui and Mr. Ang Kok Leong, all of whom are Directors and substantial shareholders of the Company.

10. Loans and borrowings

	Group		Company	
	31-Dec-24	30-Jun-24	31-Dec-24	30-Jun-24
	\$'000	\$'000	\$'000	\$'000
Current				
Trust receipts	10,085	17,186	-	-
Interest-bearing loans and borrowings:				
- Finance lease liabilities (secured)	3,150	2,660	-	-
- Floating rate (secured)	107,535	110,259	97,019	93,465
- Fixed rate (unsecured)	928	1,839	-	-
	111,613	114,758	97,019	93,465
	121,698	131,944	97,019	93,465
Non-current				
Interest-bearing loans and borrowings:				
- Finance lease liabilities (secured)	4,646	4,873	-	-
- Floating rate (secured)	72,253	90,619	52,229	56,636
	76,899	95,492	52,229	56,636
	198,597	227,436	149,248	150,101

Loans and borrowings of the Group and the Company are secured by certain assets of the Group as follows:

- Legal mortgages of certain leasehold properties of subsidiaries;
- Legal mortgages over certain vessels, plant and equipment of subsidiaries;
- Assignment of charter income and insurance of certain vessels of subsidiaries;
- Certain vessels under construction;
- Assignment and subordination of intercompany loans; and
- Corporate guarantees from the Company and certain subsidiaries.

The Group's and the Company's secured borrowings included the Series 006 and Series 007 notes (the "Notes") issued pursuant to the S\$500,000,000 Multicurrency Debt Issuance Programme established by the Company. The Series 006 and Series 007 notes with carrying value of \$87,270,000 (30 June 2024: \$83,735,000) and \$39,402,000 (30 June 2024: \$37,877,000) will mature on 28 March 2025 and 1 October 2026 respectively. The Notes are secured by floating charge of vessels, which are pledged as securities for the \$99,900,000 5-year club term loan facility. The bullet payment of carrying value of \$87.3 million (Face value: \$86.5 million) for Series 6 Notes due on 28 March 2025 was transferred from non-current to current portion of interest-bearing loans and borrowings. The total carrying value of the collateralized assets as of 31 December 2024 was \$240,556,000 (30 June 2024: \$235,204,000).

11. Share capital and treasury shares

	Group and Company					
	Number of shares			Amount		
	Issued share capital	Treasury shares	Issued share capital (Excluding treasury shares)	Issued share capital \$'000	Treasury shares \$'000	Total \$'000
Fully paid ordinary shares, with no par value						
1H FY2025						
Balance as at 1 July 2024	916,220,201	(2,511,600)	913,708,601	125,574	(923)	124,651
Conversion of warrants	74,220,375	-	74,220,375	4,571	-	4,571
Balance as at 31 December 2024	990,440,576	(2,511,600)	987,928,976	130,145	(923)	129,222
FY2024						
Balance as at 1 July 2023	656,942,041	(2,511,600)	654,430,441	109,606	(923)	108,683
Conversion of warrants	259,278,160	-	259,278,160	15,968	-	15,968
Balance as at 30 June 2024	916,220,201	(2,511,600)	913,708,601	125,574	(923)	124,651

	Group and Company		
	As at 31-Dec-24	As at 30-Jun-24	As at 31-Dec-23
Total number of issued shares	990,440,576	916,220,201	656,942,041
Total number of treasury shares	(2,511,600)	(2,511,600)	(2,511,600)
Total number of issued shares (excluding treasury shares)	987,928,976	913,708,601	654,430,441

The holders of ordinary shares (except for treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares (except for treasury shares) carry one vote per share without restriction.

Treasury shares

Treasury shares relate to ordinary shares of the Company that are held by the Company, the Company's subsidiaries did not hold any treasury shares. During the financial periods ended 31 December 2024 and 31 December 2023, the Company did not buy back any shares and there were no sales, transfers, disposal, cancellation and/ or use of treasury shares.

Warrants

	Group and Company		
	Number of Warrants		
	As at 31-Dec-24	As at 30-Jun-24	As at 31-Dec-23
Balance as at 1 July	282,689,053	541,967,213	541,967,213
Warrants exercised	(74,220,375)	(259,278,160)	-
Expired warrants not exercised	(208,468,678)	-	-
Ending balance	-	282,689,053	541,967,213

Other information

The percentage of the aggregate number of treasury shares held against the total number of shares outstanding that is listed as at 31 December 2024 and 31 December 2023 are 0.25% and 0.38% respectively.

Except for the warrants, there were no convertible securities as at 31 December 2023. As at 31 December 2024, 358,662,035 warrants were exercised since the date of issuance of warrants on 25 July 2019. 208,468,678 warrants were not exercised and cancelled on its expiry date on 23 July 2024.

The Company has no subsidiary holdings as at 31 December 2024 and 31 December 2023.

12 Segment and revenue information

12.1 (i) Business segments

The Group's operating segments are its strategic business units that offer different products and serves different markets. Management monitors the operating results of its business segments separately for purpose of making decisions about resource allocation and performance assessment. The Group has the following four main business segments:

Shipbuilding	: Construction of vessels
Shiprepair conversion and engineering services	: Provision of shiprepair, dredging engineering products and marine related services
Shipchartering	: Provision for chartering of vessels and transportation services
Investment holding	: Provision of corporate and treasury services to the Group

The following tables set out the Group's revenue and assets in various business segments:

	Group					
	3 months ended 31 December					
	Shiprepair, conversion and engineering		Investment holding		Eliminations	Consolidated
Revenue and expenses	Shipbuilding \$'000	services \$'000	Shipchartering \$'000	\$'000	\$'000	\$'000
From 1 October to 31 December 2024						
Revenue from external customers	17,261	46,045	24,889	-	-	88,195
Inter-segment revenue	8,669	13,620	3,104	-	(25,393)	-
Total revenue	25,930	59,665	27,993	-	(25,393)	88,195
Segment results	1,691	8,715	296	(225)	-	10,477
Finance costs						(8,725)
Share of results of joint ventures and associates						1,497
Income tax expense						(1,627)
Profit for the period						1,622
From 1 October to 31 December 2023						
Revenue from external customers	16,383	44,122	30,117	-	-	90,622
Inter-segment revenue	8,176	13,350	3,714	-	(25,240)	-
Total revenue	24,559	57,472	33,831	-	(25,240)	90,622
Segment results	(1,639)	12,648	(3,992)	(218)	-	6,799
Interest income from finance lease receivables	-	-	5	-	-	5
Finance costs						(7,041)
Share of results of joint ventures and associates						785
Income tax expense						(2,201)
Loss for the period						(1,653)
Group						
6 months ended 31 December						
	Shiprepair, conversion and engineering		Investment holding		Eliminations	Consolidated
Revenue and expenses	Shipbuilding \$'000	services \$'000	Shipchartering \$'000	\$'000	\$'000	\$'000
From 1 July to 31 December 2024						
Revenue from external customers	36,808	85,034	50,316	-	-	172,158
Inter-segment revenue	19,267	25,494	7,106	-	(51,867)	-
Total revenue	56,075	110,528	57,422	-	(51,867)	172,158
Segment results	2,364	17,537	(2,218)	(474)	-	17,209
Finance costs						(14,772)
Share of results of joint ventures and associates						2,885
Income tax expense						(3,246)
Profit for the period						2,076
From 1 July to 31 December 2023						
Revenue from external customers	33,918	87,839	56,959	-	-	178,716
Inter-segment revenue	11,521	25,184	7,611	-	(44,316)	-
Total revenue	45,439	113,023	64,570	-	(44,316)	178,716
Segment results	(574)	22,239	(3,651)	(514)	-	17,500
Interest income from finance lease receivables	-	-	12	-	-	12
Finance costs						(13,876)
Share of results of joint ventures and associates						1,627
Income tax expense						(3,607)
Profit for the period						1,656

12.1 (i) Business segments (Cont'd)

	Group					Consolidated \$'000	
	Shipbuilding \$'000	Shiprepair, conversion and engineering services \$'000		Shipchartering \$'000	Investment holding \$'000		Eliminations \$'000
Assets and liabilities							
As at 31 December 2024							
Segment assets	60,588	147,917	295,002	6,717	-	510,224	
Unallocated assets						8,195	
Total assets						518,419	
Segment liabilities	50,931	89,899	53,109	4,385	-	198,324	
Unallocated liabilities						220,670	
Total liabilities						418,994	
Assets and liabilities							
As at 31 December 2023							
Segment assets	47,867	143,322	328,382	4,959	-	524,530	
Unallocated assets						5,745	
Total assets						530,275	
Segment liabilities	42,380	94,236	64,081	4,118	-	204,815	
Unallocated liabilities						249,812	
Total liabilities						454,627	

	Group					Consolidated \$'000
	3 months ended 31 December					
	Shipbuilding \$'000	Shiprepair, conversion and engineering services \$'000		Shipchartering \$'000	Investment holding \$'000	
Other segmental information						
From 1 October to 31 December 2024						
Capital expenditure		320	888	9,675	-	10,883
Depreciation and amortisation		1,246	2,037	6,224	-	9,507
Other non-cash expense		-	13	81	-	94
Impairment loss on financial assets, net		-	634	497	-	1,131
Impairment loss on non-financial assets, net		-	-	800	-	800
Finance costs		706	2,474	2,191	3,354	8,725
Interest income		(7)	(10)	(2)	-	(19)
Other segmental information						
From 1 October to 31 December 2023						
Capital expenditure		832	2,109	9,133	-	12,074
Depreciation and amortisation		1,090	2,035	8,501	-	11,626
Other non-cash expense		-	36	-	-	36
Reversal of impairment loss on financial assets, net		-	(1,978)	(207)	-	(2,185)
Finance costs		893	1,725	1,470	2,953	7,041
Interest income		(3)	(12)	(7)	-	(22)

12.1 (i) Business segments (Cont'd)

	Group				
	6 months ended 31 December				
	Shipbuilding \$'000	Shiprepair, conversion and engineering \$'000	Shipchartering \$'000	Investment holding \$'000	Consolidated \$'000
Other segmental information					
From 1 July to 31 December 2024					
Capital expenditure	720	1,835	11,568	-	14,123
Depreciation and amortisation	2,776	4,245	12,409	-	19,430
Other non-cash expense	-	7	234	-	241
Impairment loss on financial assets, net	-	432	1,438	-	1,870
Impairment loss on non-financial assets, net	-	-	800	-	800
Finance costs	1,198	4,046	3,060	6,468	14,772
Interest income	(13)	(18)	(5)	(1)	(37)
Other segmental information					
From 1 July to 31 December 2023					
Capital expenditure	1,852	5,962	11,021	-	18,835
Depreciation and amortisation	2,447	6,686	17,481	-	26,614
Other non-cash expense	-	45	-	-	45
(Reversal of impairment loss)/ impairment loss on financial assets, net	-	(2,583)	481	-	(2,102)
Finance costs	1,765	3,581	2,719	5,811	13,876
Interest income	(4)	(20)	(16)	(2)	(42)

12.1 (ii) Geographical segments

The Group operates in Singapore, Indonesia, Rest of Asia, Europe, Australia and other countries. In presenting information on the basis of geographical segments, segment revenue is based on the countries in which customers are invoiced.

Non-current assets relate to property, plant and equipment, right-of-use assets, investment in joint ventures and associates, intangible assets and finance lease receivables. Non-current assets are based on the geographical location of the respective entities within the Group.

	Group						
	3 months ended 31 December						
	Singapore \$'000	Indonesia \$'000	Rest of Asia \$'000	Europe \$'000	Australia \$'000	Other Countries \$'000	Consolidated \$'000
From 1 October to 31 December 2024							
Revenue from external customers	30,789	31,156	11,672	3,798	9,459	1,321	88,195
Non-current assets	174,364	124,365	4	650	-	-	299,383
From 1 October to 31 December 2023							
Revenue from external customers	26,400	23,093	22,821	6,428	3,598	8,282	90,622
Non-current assets	229,111	122,014	25,730	997	-	-	377,852

12.1 (ii) Geographical segments

	Group						
	6 months ended 31 December						
	Singapore	Indonesia	Rest of Asia	Europe	Australia	Other Countries	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
From 1 July to 31 December 2024							
Revenue from external customers	58,848	63,091	16,586	9,722	13,729	10,182	172,158
Non-current assets	174,364	124,365	4	650	-	-	299,383
From 1 July to 31 December 2023							
Revenue from external customers	67,754	33,345	37,638	7,995	16,119	15,865	178,716
Non-current assets	229,111	122,014	25,730	997	-	-	377,852

Management believes it would not be meaningful to analyse the segment assets by geographical segment because:

- For charter services, certain vessels cannot be practically allocated to the different geographical areas. Charterers of the Group's vessels have the discretion to operate within a wide area and are not constrained by a specific sea route; and
- For shipyard operations, majority of the large scale repair works are performed in the Group's Batam shipyard, and where geographical location of customers is outside Indonesia, the segment revenue is presented based on the geographical location of customers.

12.2 Disaggregation of revenue

Group	3 months ended 31 December						6 months ended 31 December					
	2Q FY2025			2Q FY2024			1H FY2025			1H FY2024		
	At a point in time	Over time	Total	At a point in time	Over time	Total	At a point in time	Over time	Total	At a point in time	Over time	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Shipbuilding												
Construction of tugs	-	-	-	-	6,660	6,660	-	-	-	-	12,164	12,164
Construction of barges and others	17,261	-	17,261	15,191	(5,468)	9,723	36,808	-	36,808	22,053	(299)	21,754
	17,261	-	17,261	15,191	1,192	16,383	36,808	-	36,808	22,053	11,865	33,918
Shiprepair, conversion and engineering services												
Provision of shiprepair and related services	-	42,764	42,764	-	38,563	38,563	-	78,963	78,963	-	77,391	77,391
Provision of engineering service and sales of components	2,788	493	3,281	2,228	3,331	5,559	4,728	1,343	6,071	3,718	6,730	10,448
	2,788	43,257	46,045	2,228	41,894	44,122	4,728	80,306	85,034	3,718	84,121	87,839
Shipchartering												
Leasing income	-	6,040	6,040	-	12,566	12,566	-	14,200	14,200	-	26,280	26,280
Mobilisation and demobilisation income	-	1,496	1,496	-	1,103	1,103	-	2,517	2,517	-	1,858	1,858
Freight income	-	8,382	8,382	-	9,248	9,248	-	18,759	18,759	-	14,007	14,007
Other charter ancillary and marine related service income	702	8,237	8,939	1,970	5,023	6,993	1,722	12,988	14,710	3,523	10,940	14,463
Ship management income	-	12	12	-	12	12	-	24	24	-	24	24
Trade sales	20	-	20	195	-	195	106	-	106	327	-	327
	722	24,167	24,889	2,165	27,952	30,117	1,828	48,488	50,316	3,850	53,109	56,959
	20,771	67,424	88,195	19,584	71,038	90,622	43,364	128,794	172,158	29,621	149,095	178,716

12.2 Disaggregation of revenue (Cont'd)

The following table set out the Group's revenue disaggregated by primary geographical markets and business segments:

Group								
3 months ended 31 December								
	Shipbuilding		Shiprepair, conversion and engineering services		Shipchartering and rental		Total	
	2Q FY2025	2Q FY2024	2Q FY2025	2Q FY2024	2Q FY2025	2Q FY2024	2Q FY2025	2Q FY2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Singapore	1,373	(3,123)	17,004	11,841	12,412	17,682	30,789	26,400
Indonesia	15,888	8,102	8,449	10,523	6,819	4,468	31,156	23,093
Rest of Asia	-	8,210	9,141	12,333	2,531	2,278	11,672	22,821
Europe	-	-	3,193	5,647	605	781	3,798	6,428
Australia	-	3,194	6,523	(1,764)	2,936	2,168	9,459	3,598
Other countries	-	-	1,735	5,543	(414)	2,739	1,321	8,282
	17,261	16,383	46,045	44,123	24,889	30,116	88,195	90,622

Group								
6 months ended 31 December								
	Shipbuilding		Shiprepair, conversion and engineering services		Shipchartering and rental		Total	
	1H FY2025	1H FY2024	1H FY2025	1H FY2024	1H FY2025	1H FY2024	1H FY2025	1H FY2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Singapore	5,712	7,022	34,872	29,430	18,264	31,302	58,848	67,754
Indonesia	31,242	8,102	15,291	17,744	16,558	7,499	63,091	33,345
Rest of Asia	-	14,188	12,108	16,795	4,478	6,655	16,586	37,638
Europe	12	-	8,522	7,146	1,188	849	9,722	7,995
Australia	-	4,606	9,429	7,045	4,300	4,468	13,729	16,119
Other countries	(158)	-	4,812	9,679	5,528	6,186	10,182	15,865
	36,808	33,918	85,034	87,839	50,316	56,959	172,158	178,716

12.3 Seasonality of operations

The Group's shipyard and shipchartering businesses are not affected significantly by seasonable factors quarter-to-quarter in a financial year.

13. Other operating income

	Group			
	3 months ended 31 December		6 months ended 31 December	
	2Q FY2025	2Q FY2024	1H FY2025	1H FY2024
	\$'000	\$'000	\$'000	\$'000
Gain on disposal of property, plant and equipment	231	-	414	-
Gain on disposal of assets classified as held for sale	2,923	-	2,820	-
Gain on foreign exchange, net	605	-	-	-
Gain on termination of lease	1	-	1	-
Interest income from debt instruments at amortised costs:				
- Deposits and bank balances	19	17	37	30
- Finance lease receivables	-	5	-	12
Insurance claims/ (in excess)	-	-	55	(196)
Rental income	71	67	144	136
Miscellaneous income	298	1,204	508	1,343
	4,148	1,293	3,979	1,325

14. Other operating expenses

	Group			
	3 months ended 31 December		6 months ended 31 December	
	2Q FY2025	2Q FY2024	1H FY2025	1H FY2024
	\$'000	\$'000	\$'000	\$'000
Bad debts written off	88	-	90	-
Inventories written off	-	25	-	25
Impairment loss on non-financial assets, net				
- Assets classified as held for sale	800	-	800	-
Loss on disposal of property, plant and equipment	-	621	-	347
Loss on foreign exchange, net	-	3,828	907	2,196
Property, plant and equipment written off	-	-	153	-
	888	4,474	1,950	2,568

15. Finance costs

	Group			
	3 months ended 31 December		6 months ended 31 December	
	2Q FY2025	2Q FY2024	1H FY2025	1H FY2024
	\$'000	\$'000	\$'000	\$'000
Interest expense on:				
Bank loans and bonds	3,353	2,884	5,487	6,023
- Finance lease	176	126	345	190
- Lease liabilities	326	321	653	643
- Trust receipts	128	241	541	473
- Amortisation of bank loans and bonds	4,870	3,710	8,287	7,020
	8,853	7,282	15,313	14,349
Less:				
Interest expense capitalised in contract assets:				
- Trust receipts	34	(7)	(83)	(56)
Interest expense charged to cost of sales:				
- Trust receipts	(162)	(234)	(458)	(417)
	8,725	7,041	14,772	13,876

16. Profit before tax

	Group			
	3 months ended 31 December		6 months ended 31 December	
	2Q FY2025	2Q FY2024	1H FY2025	1H FY2024
	\$'000	\$'000	\$'000	\$'000
Profit/ (Loss) before tax is stated after charging/ (crediting):				
Audit fees paid/ payable:				
- Auditor of the Company	97	88	193	175
- Overseas affiliates of the auditors of the Company	25	23	50	46
- Other auditors	2	3	5	5
- Non-audit fees paid/ payable to auditor of the Company	3	4	7	7
Bad debts written off	88	-	90	-
Depreciation of property, plant and equipment	9,239	11,394	18,708	26,059
Depreciation of right-of-use assets	268	232	722	555
Employee benefits expense	11,213	11,134	22,997	21,970
Impairment loss/ (Reversal of impairment loss) on financial assets, net				
- Amount due from joint ventures and associates	(299)	(611)	(299)	(611)
- Contract assets	(41)	41	(13)	52
- Amount due from other receivables	-	29	-	29
- Amount due from trade receivables (third parties)	1,471	(1,644)	2,182	(1,572)
Impairment loss on non-financial assets, net				
- Assets classified as held for sale	800	-	800	-

17. Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense are:

	Group			
	3 months ended 31 December		6 months ended 31 December	
	2Q FY2025	2Q FY2024	1H FY2025	1H FY2024
	\$'000	\$'000	\$'000	\$'000
Current income tax:				
Current year income tax	2,194	1,361	3,814	2,771
(Over)/ Underprovision in prior years	(566)	652	(684)	648
	1,628	2,013	3,130	3,419
Deferred tax:				
(Over)/ Underprovision in prior years	(1)	188	116	188
Income tax expense	1,627	2,201	3,246	3,607

18. Earnings per share

Basic earnings per share are calculated by dividing profit, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period.

Diluted earnings per share are calculated by dividing profit, net of tax, attributable to owners of the Company 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.

18. Earnings per share (Cont'd)

The following table reflects the profit and share data used in the computation of basic and diluted earnings per share during the financial periods reported on:

	Group			
	3 months ended 31 December		6 months ended 31 December	
	2Q FY2025	2Q FY2024	1H FY2025	1H FY2024
Earnings per ordinary share:				
(i) Weighted average no. of shares in issue	0.13 cents	(0.27) cents	0.15 cents	0.23 cents
(ii) On a fully diluted basis	0.13 cents	(0.27) cents	0.15 cents	0.23 cents
Net profit/ (loss) attributable to shareholders				
	\$1,324,000	(\$1,754,000)	\$1,454,000	\$1,491,000
Number of shares in issue:				
(i) Weighted average no. of shares in issue	987,928,976	654,430,441	987,928,976	654,430,441
(ii) On a fully diluted basis	987,928,976	654,430,441	987,928,976	654,430,441

Treasury shares have not been included in the calculation of both basic and diluted earnings per share because the holders of these treasury shares are not entitled to dividend of the Company.

The Company's warrants expired on 23 July 2024. The outstanding warrants as disclosed in Note 11 have not been included in the calculation of diluted earnings per share in 2Q FY2024 because it was anti-dilutive.

19. Net asset value per share

	Group		Company	
	31-Dec-24	30-Jun-24	31-Dec-24	30-Jun-24
Net Asset Value per ordinary share	10.08 cents	10.25 cents	5.86 cents	6.61 cents
NAV computed based on no. of ordinary shares issued	987,928,976	913,708,601	987,928,976	913,708,601

The calculation of net asset value per share as at 31 December 2024 and 30 June 2024 was computed based on the number of shares as at the end of the reporting periods.

20. Related party transactions

In addition to the related party information disclosed elsewhere in the condensed consolidated interim financial statements, the following significant transactions were entered by the Group and its related parties on terms agreed between the parties during the financial periods:

21. Fair value measurement (Cont'd)

(ii) Measurement of fair values

(a) Fair value hierarchy

The Group and the Company classify fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1: Quoted prices (unadjusted) in active markets of identical assets or liabilities that the Group can access at the measurement date,

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3: Unobservable inputs for the asset or liability.

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

There have been no transfers between Level 1 and Level 2 and no transfers into or out of Level 3 during financial periods ended 31 December 2024 and 30 June 2024.

(b) Assets and liabilities measured at fair value

Level 3 fair value measurements

Property, plant and equipment

The recoverable amounts of certain plant and equipment were based on fair value less cost of disposal which was determined by independent valuers. The valuers considered replacement costs of similar plant and equipment currently owned by the Group adjusted for age, condition and technological obsolescence. In addition, the valuers also considered sales of similar plant and equipment that have been transacted in the open market.

Inventories

The recoverable amounts of certain inventories were based on fair value less cost of disposal which was determined by an independent valuer. The valuer considered sales of similar vessels that have been transacted in the open market.

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

The Group's financial assets and liabilities include cash and bank balances, trade and other receivables, contract assets, trade and other payables, contract liabilities, trust receipts, floating rate loans and current portion of fixed rate loans.

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, because these are short-term in nature or that they are floating rate instruments that are repriced to market interest rates on or near to the end of the reporting period.

21. Fair value measurement (Cont'd)

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

The fair value of financial liabilities by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value are as follows:

	Group			
	Carrying amount		Fair value	
	31-Dec-24 \$'000	30-Jun-24 \$'000	31-Dec-24 \$'000	30-Jun-24 \$'000
Financial liabilities				
Finance lease liabilities (Non-current) (Note 10)	4,646	4,873	4,340	4,479

These financial liabilities are categorised within Level 3 of the fair value hierarchy.

Determination of fair value

The fair values of finance lease liabilities, interest-bearing loans and borrowings and lease liabilities with fixed interest rates are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the end of the reporting period.

(II) Other Information Required under Appendix 7.2 of the Listing Manual of SGX-ST

A. Review of Group Performance

Consolidated Income Statement

Revenue by business segments

Group revenue of \$88.2 million for the 3 months ended 31 December 2024 ("**2Q FY2025**") was \$2.4 million (2.7%) lower as compared to the corresponding quarter in FY2024 ("**2Q FY2024**"), due to lower contribution from shipchartering, partially offset by higher revenue from shipbuilding and shiprepair, conversion and engineering services. For the 6 months ended 31 December 2024 ("**1H FY2025**"), the Group revenue of \$172.2 million was \$6.6 million (3.7%) lower as compared to the corresponding period ended 31 December 2023 ("**1H FY2024**"), due to lower contribution from shipchartering and shiprepair, conversion and engineering services, partially offset by higher revenue from shipbuilding.

The breakdown of revenue generated from each respective segment are as follows:

	Group					
	2Q FY2025	2Q FY2024	Increase/ (Decrease)	6M FY2025	6M FY2024	Increase/ (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Shipbuilding	17,261	16,383	5.4	36,808	33,918	8.5
Shiprepair, conversion and engineering services	46,045	44,122	4.4	85,034	87,839	(3.2)
Shipchartering	24,889	30,117	(17.4)	50,316	56,959	(11.7)
	88,195	90,622	(2.7)	172,158	178,716	(3.7)

Shipbuilding

Revenue and related costs of shipbuilding contracts with non-enforceability of right to payment for performance completed to-date are recognised only when the constructed vessels are delivered to customers ("**Completion method**"), instead of using the percentage

of completion method (“**POC method**”) in accordance with SFRS(I) 15 *Revenue from Contracts with Customers*. As a result, shipbuilding revenue and results can fluctuate depending on whether the revenue from shipbuilding contracts is recognised based on Completion or POC methods.

The breakdown of the revenue from shipbuilding with the respective number of vessels are as follows:

	Group									
	2Q		2Q		Increase/ (Decrease) %	6M		6M		Increase/ (Decrease) %
	FY2025		FY2024			FY2025		FY2024		
Units	\$'000	Units	\$'000		Units	\$'000	Units	\$'000		
Tugs	-	-	1	6,660	(100.0)	-	-	1	12,164	(100.0)
Barges and others	7	17,261	6	9,723	77.5	18	36,808	9	21,754	69.2
	7	17,261	7	16,383	5.4	18	36,808	10	33,918	8.5

Shipbuilding revenue increased by \$0.9 million (5.4%) to \$17.3 million in 2Q FY2025 due to more units of barges being completed and recognised based on completion method as compared to corresponding year where most projects were recognised under POC method. Revenue increased by \$2.9 million (8.5%) to \$36.8 million in 1H FY2025 due to more units of barges being completed.

The Group’s outstanding shipbuilding order book from external customers as at 31 December 2024, was approximately \$62 million for 27 vessels with progressive deliveries up to fourth quarter of 2025 (2Q FY2026). Subsequent to 31 December 2024, the Group secured additional shipbuilding contracts for 20 vessels worth approximately \$57 million where recognition of income is expected after FY2025.

Shiprepair, conversion and engineering services

Shiprepair, conversion and engineering services are generally performed based on customer’s specifications and control is transferred progressively when the services are rendered. Recognition of shiprepair and conversion revenue is calculated based on project value multiplied by percentage of completion.

Revenue increased by \$1.9 million (4.4%) to \$46.0 million in 2Q FY2025 as compared to the corresponding quarter mainly due to higher volume of bigger projects undertaken, partially offset by lower production volume from precast projects and sale of lesser dredge components during the quarter under review. Revenue decreased by \$2.8 million (3.2%) to \$85.0 million in 1H FY2025, attributed to completion of precast projects and lower sale of dredge components, partially offset by higher revenue generated from shiprepair projects.

Shipchartering

The breakdown of revenue generated from the shipchartering segment are as follows:

	Group					
	2Q	2Q	Increase/ (Decrease) %	6M	6M	Increase/ (Decrease) %
	FY2025	FY2024		FY2025	FY2024	
	\$'000	\$'000		\$'000	\$'000	
Offshore Support Vessels (“OSV”)	6,436	5,309	21.2	11,193	11,676	(4.1)
Tug Boats	6,421	9,712	(33.9)	13,373	16,809	(20.4)
Barges	9,505	11,304	(15.9)	19,799	20,900	(5.3)
Total charter	22,362	26,325	(15.1)	44,365	49,385	(10.2)
Trade sales and other services	2,527	3,792	(33.4)	5,951	7,574	(21.4)
	24,889	30,117	(17.4)	50,316	56,959	(11.7)

Charter revenue decreased by \$4.0 million (15.1%) to \$22.4 million in 2Q FY2025 and \$5.0 million (10.2%) to \$44.4 million in 1H FY2025, due to lower contribution from overseas towage jobs, OSV deployed in overseas infrastructure projects, off-hire of certain vessels

classified as held of sale in preparation for disposal partially offset by higher contribution from one Platform Supply Vessel which commenced charter in December 2023.

Trade sales and other services comprised bunker sales, agency and management fees and ad-hoc marine-related services.

Gross profit and gross margin

The breakdown of gross profit and gross margin for each respective segment are as follows:

	Group							
	2Q		2Q		6M		6M	
	FY2025		FY2024		FY2025		FY2024	
	\$'000	GPM	\$'000	GPM	\$'000	GPM	\$'000	GPM
Shipbuilding	2,389	13.8%	(661)	Nm	4,196	11.4%	715	2.1%
Shiprepair, conversion and engineering services	12,074	26.2%	12,304	27.9%	23,478	27.6%	23,120	26.3%
Shipchartering	281	1.1%	849	2.8%	546	1.1%	1,442	2.5%
	14,744	16.7%	12,492	13.8%	28,220	16.4%	25,277	14.1%

Shipbuilding

The higher gross earnings in 2Q FY2025 and 1H FY2025 were mainly due to absence of costs overrun from the construction of a tanker recorded in last corresponding periods.

Shiprepair, conversion and engineering services

Gross profit was marginally lower by \$0.2 million (1.9%) in 2Q FY2025 with gross profit margin of 26.2%. In 1H FY2025, the higher gross profit with gross profit margin of 27.6% was due to reversal of accrued costs for prior year projects in 1Q FY2025.

Shipchartering

The breakdown of gross profit and gross margin from shipchartering segment are as follows:

	Group							
	2Q		2Q		6M		6M	
	FY2025		FY2024		FY2025		FY2024	
	\$'000	GPM	\$'000	GPM	\$'000	GPM	\$'000	GPM
OSV	3,046	47.3%	(240)	Nm	4,944	44.2%	176	1.5%
Tug boats and Barges	(3,108)	Nm	(265)	Nm	(5,907)	Nm	(1,403)	Nm
Total charter	(62)	Nm	(505)	Nm	(963)	Nm	(1,227)	Nm
Trade sales and other services	343	13.6%	1,354	35.7%	1,509	25.4%	2,669	35.2%
	281	1.1%	849	2.8%	546	1.1%	1,442	2.5%

In line with lower revenue, shipchartering recorded a lower gross profit in 2Q FY2025 and 1H FY2025. The lower gross profit margin was due to higher operating expenses including agency fees, ship supplies and upkeep expenses for Tugboats and Barges deployed in certain major marine infrastructure projects that have reached their completion stage, partially offset by higher contribution from OSV including the Platform Supply Vessels.

Other operating income

Refer to breakdown of other operating income in section (I) F, Note 13 of this report. Other operating income increased by \$2.9 million (220.8%) to \$4.1 million in 2Q FY2025 and \$2.7 million (200.3%) to \$4.0 million in 1H FY2025 mainly due to gain on disposal of assets classified as held for sale, partially offset by lower miscellaneous income.

Administrative expenses

Administrative expenses increased by \$1.7 million (40.9%) to \$5.8 million in 2Q FY2025 and \$2.1 million (26.7%) to \$10.0 million in 1H FY2025 mainly due to higher upkeep expenses for assets classified as held for sale and staff salaries.

Other operating expenses

Refer to breakdown of other operating expenses in section (I) F, Note 14 of this report. Other operating expenses decreased by \$3.6 million (80.2%) to \$0.9 million in 2Q FY2025 and by \$0.6 million (24.1%) to \$2.0 million in 1H FY2025 mainly due to net foreign exchanges differences. The net foreign exchange gain in the current quarter was mainly due to depreciation of IDR against SGD on IDR denominated liabilities partially offset by foreign exchange loss due to appreciation of USD against SGD on USD denominated liabilities.

	31 Dec 2024	30 Sep 2024	30 Jun 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023
USD against SGD	1.3559	1.2841	1.3576	1.3163	1.3699	1.3534
IDR against SGD	11,919	11,788	12,096	11,712	11,334	11,102

Finance costs

Group						
	2Q FY2025	2Q FY2024	Increase/ (Decrease) %	6M FY2025	6M FY2024	Increase/ (Decrease) %
	\$'000	\$'000		\$'000	\$'000	

Interest expense on:

Bank loans and bonds	3,353	2,884	16.3	5,487	6,023	(8.9)
Finance lease and lease liabilities	502	447	12.3	998	833	19.8
Amortisation of bank loans and bonds	4,870	3,710	31.3	8,287	7,020	18.0
	8,725	7,041	23.9	14,772	13,876	6.5

The higher interest expense in 2Q FY2025 was due to additional interest paid and accrued under Series 006 and Series 007 notes, partially offset by lower interest expense from reducing loan balances pursuant to prepayments of loans arising from disposal of mortgaged vessels. The amortisation of bank loans and bond pertained to amortisation of fair value adjustments resulting from re-measurement of long term bank loans and bonds in prior years.

Impairment loss/ (Reversal of impairment loss) on financial assets

	Group			
	2Q	2Q	6M	6M
	FY2025	FY2024	FY2025	FY2024
	\$'000	\$'000	\$'000	\$'000
Impairment loss/ (Reversal of impairment loss) on financial assets, net				
- Amount due from joint ventures and associates	(299)	(611)	(299)	(611)
- Contract assets	(41)	41	(13)	52
- Amount due from other receivables	-	29	-	29
- Amount due from trade receivables (third parties)	1,471	(1,644)	2,182	(1,572)
	1,131	(2,185)	1,870	(2,102)
Impairment loss on non-financial assets, net (recorded under other operating expenses)				
- Assets classified as held for sale	800	-	800	-
	1,931	(2,185)	2,670	(2,102)

The impairment loss made on receivables from third parties is based on expected credit loss model and specific impairment on certain debts where recovery is uncertain, the reversal of which was made based on recovery of the receivables.

The reversal of impairment loss on amount due from associates resulted from progressive settlement of debts and reversal of prior year's impairment made in view of certainty of recoverability.

Share of results of joint ventures and associates

The Group's share of results of joint ventures and associates comprised of:

Group's effective interest	Group			
	2Q FY2025 \$'000	2Q FY2024 \$'000	6M FY2025 \$'000	6M FY2024 \$'000
Joint ventures				
Sindo-Econ group	50%	-	-	-
Associates				
PT. Hafar Capitol Nusantara ("PT Hafar")	36.75%	1,489	776	2,869
PT Capitol Nusantara Indonesia ("PT CNI")	27%	8	9	16
		1,497	785	2,885
			1,627	

The Group has restricted its share of losses from Sindo-Econ group to its cost of investment since 1Q FY2018. Sindo-Econ Pte Ltd has commenced creditors' voluntary winding up on 21 July 2020, which is still on going in the current financial period.

The share of profits from PT Hafar of \$1.5 million in 2Q FY2025 was mainly attributable to profit derived from operating its charter fleet.

The share of profits from PT CNI was attributable to progressive recognition of the Group's proportionate interest in unrealised profits previously eliminated on sale of vessels to PT CNI. The Group has restricted its share of losses to its cost of investment since 4Q FY2017.

Profit before tax

The Group recorded a higher profit before tax of \$3.2 million in 2Q FY2025 (2Q FY2024: \$0.5 million) and \$5.3 million in 1H FY2025 (1H FY2024: \$5.3 million), mainly due to:

- higher gross earnings;
- gain on disposal of assets classified as held for sale;
- higher share of results of joint ventures and associates, partially offset by;
- higher administrative expenses, finance cost and impairment loss on trade receivables.

Excluding the finance costs on amortisation of bank loans and bonds which pertained to amortisation of fair value adjustments resulting from re-measurement of long-term bank loans and bonds in prior years, the Group's profit before tax would have been \$8.1 million in 2Q FY2025 (2Q FY2024: \$4.3 million) and \$13.6 million in 1H FY2025 (1H FY2024: \$12.3 million).

	Group			
	2Q FY2025 \$'000	2Q FY2024 \$'000	6M FY2025 \$'000	6M FY2024 \$'000
Profit before tax	3,249	548	5,322	5,263
Add: Amortisation of bank loans and bonds	4,870	3,710	8,287	7,020
Profit before tax	8,119	4,258	13,609	12,283
Profit/ (loss) for the period	1,622	(1,653)	2,076	1,656
Add: Amortisation of bank loans and bonds	4,870	3,710	8,287	7,020
Profit for the period	6,492	2,057	10,363	8,676

Non-controlling interests

Non-controlling interests' share of profit or loss was mainly pertained to the results of non-wholly owned subsidiaries in Indonesia.

Consolidated Statement of Cash Flows

The Group recorded a higher net cash inflow from operating activities of \$35.3 million in 1H FY2025 (1H FY2024: \$29.8 million) mainly due to net cash inflow from operating activities and net working capital.

The lower net cash inflow from investing activities of \$6.1 million in 1H FY2025 (1H FY2024: \$11.0 million) was mainly due to lower net proceeds received from disposal and addition of property, plant and equipment and assets classified as held for sale.

The lower net cash outflow from financing activities of \$39.1 million in 1H FY2025 (1H FY2024: \$44.5 million) was mainly due to lower net repayment of interest-bearing loans and borrowings, proceeds received from conversion of warrants partially offset by higher net repayment of trust receipts.

Consolidated Statement of Financial Position

Non-current assets

Property, plant and equipment

Refer movement in property, plant and equipment during the period in section I (F), Note 3 of this report. Property, plant and equipment decreased by \$18.0 million (6.1%) from \$295.3 million as at 30 June 2024 to \$277.4 million as at 31 December 2024 due to transfer to assets classified as held for sale, disposals and depreciation charge, partially offset by additions made.

The additions made during the period comprised:

	<u>\$'000</u>
Vessels and modification works	2,609
Plant and machinery, office equipment and motor vehicles	1,409
Assets under construction	5,998
Drydocking expenditure on vessels capitalised	4,107
	<u>14,123</u>

The drydocking expenditure pertained to costs capitalized relating to regulatory dry dock activity including intermediate as well as special surveys (seaworthiness checks) on vessels so as to maintain the vessels in the standardized working condition.

Right-of-use assets ("ROU assets")

The ROU assets comprised leases of plant and machinery, leasehold property and buildings as well as land use rights over plots of land in Indonesia and Singapore where the shipyards of the Group operate. ROU assets decreased by \$0.5 million (3.8%) to \$13.8 million as at 31 December 2024 due to depreciation charge.

Current assets

Current assets decreased by \$9.4 million (4.1%) to \$219.0 million as at 31 December 2024 mainly due to decrease in inventories, partially offset by increase in prepayments and transfer of vessels from property, plant and equipment to assets classified as held for sale.

Inventories

Refer to breakdown of inventories in section (I) F, Note 5 of this report. The decrease of \$14.6 million (42.3%) was mainly due to lower raw materials and consumables in stock charged out to construction work-in-progress and transfer of one of the vessels held as inventories (Finished goods) to assets classified as held for sale. Majority of the raw materials are inventories meant for ongoing shipbuilding and shiprepair projects. Finished goods consist of vessels held for sale and dredge component parts.

Contracts assets and liabilities

Referring to the breakdown of contracts assets and liabilities in section (I) F, Note 6 of this report. The accrued revenue of \$18.6 million as at 31 December 2024 (30 June 2024: \$14.8 million) relates to shiprepair and shipchartering services completed but invoices not yet raised at the end of financial period under review. Subsequent to the end of financial period, \$6.0 million of the accrued revenue have been invoiced.

The Group recorded a net construction work-in-progress in excess of progress billings of \$11.1 million as at 31 December 2024 (30 June 2024: \$15.2 million) mainly due to lower work-in-progress incurred under shiprepair segment. Deferred income and deposits received from customers primarily relate to advance payments received from customers for which charter services have not been rendered and obligation to transfer goods have not been delivered.

Trade and other receivables

	Group			
	31-Dec-24	30-Jun-24	Increase/ (Decrease)	
	\$'000	\$'000	\$'000	%
Trade and other receivables (current)				
Trade receivables	45,474	44,160	1,314	3.0
Other receivables and deposits	12,782	12,412	370	3.0
Amounts due from related parties	390	390	-	-
Amounts due from joint ventures and associates	5,717	6,081	(364)	(6.0)
	64,363	63,043	1,320	2.1

Subsequent to the end of financial period, trade receivables of \$19.2 million were received. Other receivables and deposits comprised mainly receivables from sale of vessels, advances to suppliers and subcontractors and recoverable from customers.

Prepayments

The increase of \$3.3 million (46.9%) was mainly due to prepayment of insurance and advance payments made for goods not yet received at the end of reporting period.

Assets classified as held for sale

Assets classified as held for sale comprised of vessels, measured at the lower of their carrying amount and fair value less costs to sell. Subsequent to the end of the financial period, the Group disposed several vessels, totaling \$15.8 million.

Current liabilities

Current liabilities decreased by \$13.0 million (3.9%) to \$322.1 million as at 31 December 2024. The decrease was mainly due to lower trust receipts, loans and borrowings.

Trade and other payables

Refer to breakdown of trade and other payables in section (I) F, Note 9 of this report. The decrease in other payables of \$1.3 million (0.8%) to \$167.9 million was mainly due to decrease in deposits received from customer and payables for property, plant and equipment.

Loans and borrowings

The breakdown of the Group's loans and borrowings are as follows:

	Group (Carrying Value)				Group (Face Value)			
	31-Dec-24 \$'000	30-Jun-24 \$'000	Increase/ (Decrease) \$'000	%	31-Dec-24 \$'000	30-Jun-24 \$'000	Increase/ (Decrease) \$'000	%
Current								
Bonds	87,770	84,235	3,535	4.2	87,000	87,500	(500)	(0.6)
Trust receipts:								
- General	10,085	17,186	(7,101)	(41.3)	10,085	17,186	(7,101)	(41.3)
Term loans:								
- Vessels loan	6,752	8,595	(1,843)	(21.4)	7,454	10,250	(2,796)	(27.3)
- Assets financing	16	4,115	(4,099)	(99.6)	246	4,265	(4,019)	(94.2)
- Working capital	13,925	15,153	(1,228)	(8.1)	14,019	15,281	(1,262)	(8.3)
	20,693	27,863	(7,170)	(25.7)	21,719	29,796	(8,077)	(27.1)
Finance lease liabilities	3,150	2,660	490	18.4	3,150	2,660	490	18.4
	121,698	131,944	(10,246)	(7.8)	121,954	137,142	(15,188)	(11.1)
Non-current								
Bonds	38,902	37,377	1,525	4.1	42,750	43,000	(250)	(0.6)
Term loans:								
- Vessels loan	20,024	31,740	(11,716)	(36.9)	20,550	33,606	(13,056)	(38.9)
- Assets financing	-	2,243	(2,243)	(100.0)	-	2,815	(2,815)	(100.0)
- Working capital	13,327	19,259	(5,932)	(30.8)	13,526	19,476	(5,950)	(30.6)
	33,351	53,242	(19,891)	(37.4)	34,076	55,897	(21,821)	(39.0)
Finance lease liabilities	4,646	4,873	(227)	(4.7)	4,646	4,873	(227)	(4.7)
	76,899	95,492	(18,593)	(19.5)	81,472	103,770	(22,298)	(21.5)
	198,597	227,436	(28,839)	(12.7)	203,426	240,912	(37,486)	(15.6)
Total shareholders' funds	99,595	93,657						
Gearing ratio (times)	1.99	2.43						
Net gearing ratio (times)	1.73	2.15						

The Group's total borrowings (carrying value) decreased by \$28.8 million (12.7%) to \$198.6 million as at 31 December 2024 mainly due to:

- monthly repayment of interest-bearing loans and borrowings;
- redemption of mortgaged vessels disposed during the period, partially offset by
- the accretion of interests on bank loans and bonds measured at fair value.

The Group re-measured its bonds and long-term loans arising from the debts refinancing exercise at fair value (carrying value) pursuant to the adoption of SFRS(I)9. The face value (nominal value) of the bonds and long-term loans have been separately disclosed for information.

Net current liabilities

The Group recorded a net current liabilities of \$103.1 million as at 31 December 2024 (30 June 2024: \$106.7 million). The financial statements are prepared on a going concern basis, the validity of which was disclosed in section (I) F, Note 2.3 of this report.

Non-current liabilities

Non-current liabilities decreased by \$18.6 million (16.1%) to \$96.9 million as at 31 December 2024 mainly due to transfer of current portion of interest-bearing loans and borrowings and prepayment of loan pursuant to disposal of mortgaged vessels.

B. Variance from Prospect Statement

Not applicable as no forecast or prospect statement has been made.

C. Outlook and Prospect

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

1. Market and industry outlook

The outlook for the shipbuilding, ship repair, offshore, and marine services industries is dependent on several factors, including the global economic conditions, demand for shipping, changes in regulations and environmental standards as well as technologies. The main macroeconomic variables affecting our performance include but are not limited to the global logistics trade, supply and demand of energy and natural resources and infrastructure expenditure in Asia.

The macro trends remain mixed and uncertain:

- a. International Monetary Fund (“IMF”) projected global growth at 3.3% in 2025 and 2026 below the historical (2000–2019) average of 3.7 percent¹.
- b. Global inflation is expected to decline to 4.2 percent in 2025 and to 3.5 percent in 2026. Where inflation is proving more sticky, central banks are moving more cautiously in the easing cycle while keeping a close eye on activity and labor market indicators as well as exchange rate movements. A few central banks are raising rates, marking a point of divergence in monetary policy¹.

The risk of renewed inflationary pressures could prompt central banks to raise policy rates and intensify monetary policy divergence. Higher-for-even-longer interest rates could worsen fiscal, financial, and external risks. A stronger US dollar, arising from interest rate differentials and tariffs, among other factors, could alter capital flow patterns and global imbalances and complicate macroeconomic trade-offs. In addition to risks from economic policy shifts, geopolitical tensions could intensify, leading to renewed spikes in commodity prices. The conflicts in the Middle East and Ukraine could worsen, directly affecting trade routes as well as food and energy prices. Commodity-importing countries may be particularly affected, with the stagflationary impact of higher commodity prices compounded by an appreciating dollar. On the upside, global economic activity may enjoy a bounce if incoming governments can renegotiate existing trade agreements and forge new deals. This could relieve uncertainty faster and be much less disruptive to growth and inflation. By boosting confidence, such cooperative outcomes could even support investment and medium-term growth prospects¹.

There are encouraging signs of an uptick in the maritime industry, barring any adverse impact that may be caused by a) geopolitical rivalries; and b) increase in the prices of energy, raw materials as well as labour costs. Whilst it is difficult to predict the impact of

¹ IMF World Economic Outlook, Global Growth: Divergent and Uncertain, January 2025

global events on the maritime industry, the overall long-term maritime industry outlook remains sustainable.

The management, with the support of various stakeholders, will continue to adapt, navigate and mitigate foreseeable risks and long-run disruptions that the current political, social, and economic environment present.

The management is closely monitoring the market demands on our core business, optimizing our current business processes and strengthening our foothold in the local, regional and global maritime industry. The Group is continuing to explore leveraging on its core competencies and key resources to identify new growth areas anchored in environmental sustainability. Potential initiatives include recycling and low-emission marine related services.

2. Business segments

Shipbuilding, Shiprepair, Conversion and Engineering Services

For the shipbuilding segment, we continue to focus on securing orders for vessels of standard and generic designs like tugs, barges and workboats. To better manage financial risks, the management is working on contracts which have shorter delivery cycles and are less capital intensive.

For the shiprepair segment, the Group expanded its dry-docking capacity with a second floating dock in its Singapore yard to capture a larger share of the local shiprepair market for bunkering vessels and harbour crafts. The Group is actively expanding its marketing network and engaging international customers. Seaborne transport is essential for international trade and up swing in shipping activities will continue to spur the demand for maintenance and repairs of vessels.

Shipchartering

The diversified vessel types in our fleet are expected to lend support to our chartering business. We expect continued inflow of business from customers in the marine infrastructure industry (e.g. land reclamation and dredging, port and bridge construction etc), oil and gas exploration and production, offshore renewable energy sectors and bulk cargo transshipment industry in Asia Pacific and South Asia region.

The Group is focusing on improving its operational efficiency and fleet utilisation, tighten cost control and exploring other business opportunities in regional markets. The management plans to dispose certain vessels to improve liquidity, scrap ageing vessels to reduce maintenance cost and renew its fleet to better meet its customer requirement.

Order book

As at 31 December 2024, the Group had an outstanding shipbuilding order book from external customers of approximately \$62 million for 27 vessels with progressive deliveries up to fourth quarter of 2025 (2Q FY2026). Subsequent to 31 December 2024, the Group secured additional shipbuilding contracts for 20 vessels worth approximately \$57 million where recognition of income is expected after FY2025.

The Group's shipchartering revenue consists of mainly short-term and ad-hoc contracts. Approximately 31% of shipchartering revenue in 1H FY2025 was attributed to long-term chartering contracts (meaning contracts with a duration of more than one year). As at 31 December 2024, the Group had an outstanding shipchartering order book of approximately \$21 million with respect to long-term contracts. With the increase in demand for vessels from the traditional oil and gas industry, national infrastructure projects in the region and the emerging renewable energy market, we anticipate that we will be able to secure more employment for our fleet of vessels.

D. Dividend

No dividend has been declared or recommended for the six months ended 31 December 2024 and in the previous corresponding period.

E. Interested Person Transactions

If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for interested person transactions. During 1H FY2025, the following interested person transactions were entered into by the Group:

	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual) \$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual (excluding transactions less than \$100,000) \$'000
<u>Expenses paid on behalf of</u>			
PT. Sindomas Precas	Joint venture of the Company and Koon Holdings Limited	203	-

F. Negative Confirmation Pursuant to Rule 705(5)

We, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial statements of the Group and the Company for the second quarter ended 31 December 2024 to be false or misleading in any material aspect.

G. Confirmation Pursuant to Rule 720(1)

The Company confirms that it has procured the undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 under Rule 720(1) of the SGX-ST Listing manual.

H. Use of Proceeds

Refer to breakdown of convertible securities in section (I) F, Note 11 of this report. As at the expiry date of the warrants on 23 July 2024, an aggregate of 358,662,035 warrants were exercised since the date of issuance of warrants on 25 July 2019.

The Group utilised the proceeds received from the conversion of warrants as follows.

	S\$m
Gross proceeds from exercise of warrants	19.5
Utilisation during FY2024:	
Repayment of shareholder loan	(4.6)
Working capital for purchase of steel materials (Including purchase of steel materials and payment to suppliers and subcontractors)	(9.4)
Bi-annually bonds repayment in September 2023/ October 2023 (Partial)	(1.5)
Utilisation during FY2025:	
Bi-annually bonds repayment in September 2024/ October 2024	(2.7)
Additional bonds interest payment in December 2024	(1.0)
	<u>(19.2)</u>
Net unutilised as at 31 December 2024	<u>0.3</u>

BY ORDER OF THE BOARD

Ang Kok Tian
Chairman, Managing Director and CEO
14 February 2025