



Marco Polo Marine Ltd.

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

CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE SIX MONTHS ENDED 31 MARCH 2025



MARCO POLO MARINE LTD
Company Registration No. 200610073Z

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

	Group		
	1HFY2025	1HFY2024	Change %
	S\$'000	S\$'000	
Revenue	52,688	61,571	(14)
Cost of sales	(31,061)	(39,350)	(21)
Gross profit	21,627	22,221	(3)
Other operating income	2,209	2,472	(11)
Administrative expenses	(9,006)	(8,197)	10
Other operating expenses	(4,167)	(3,272)	27
Profit from operations	10,663	13,224	(19)
Finance costs	(793)	(120)	561
Share of profits in joint ventures	86	86	-
Profit before income tax	9,956	13,190	(25)
Income tax expense	(761)	(1,185)	(36)
Profit for the financial year	9,195	12,005	(23)
Profit attributable to:-			
Equity holders of the Company	10,642	11,021	(3)
Non-controlling interest	(1,447)	984	(247)
	9,195	12,005	
Other comprehensive income:			
Exchange difference arising from translation foreign operations	2,918	(377)	NM
Total comprehensive income	12,113	11,628	4
Total comprehensive income attributable to:-			
Equity holders of the Company	12,408	10,641	17
Non-controlling interest	(295)	987	(130)
	12,113	11,628	
Earnings per share			
Basic (in cents)	0.28	0.29	(3)
Diluted (in cents)	0.28	0.29	(3)

Notes

"1HFY2025" denotes the first half financial year ended 30 September 2025 ("FY2025").

"1HFY2024" denotes the first half financial year ended 30 September 2024 ("FY2024").

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

"NM" denotes not meaningful.

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	As at 31 March 2025 S\$'000	As at 30 September 2024 S\$'000	As at 31 March 2025 S\$'000	As at 30 September 2024 S\$'000
Non-current assets				
Property, plant and equipment	185,101	148,077	-	-
Right-of-use assets	5,985	6,921	-	-
Investments in subsidiaries	-	-	4,320	4,320
Investments in joint ventures	-	-	-	-
Amount due from a joint venture (non-trade)	7,106	7,810	7,106	7,810
	198,192	162,808	11,426	12,130
Current assets				
Inventories	2,320	3,670	-	-
Contract assets	667	2,418	-	-
Trade receivables	25,482	20,527	-	-
Other receivables, deposits and prepayment	14,883	16,208	1,723	282
Amount due from subsidiaries (non-trade)	-	-	152,177	131,932
Cash and cash equivalents	45,619	68,770	4,739	25,985
	88,971	111,593	158,639	158,199
Total assets	287,163	274,401	170,065	170,329
Current liabilities				
Trade payables	16,967	15,353	-	-
Other payables and accruals	19,883	11,636	241	344
Deferred income	171	171	-	-
Lease liabilities	1,820	1,809	-	-
Interest bearing loans	17,675	25,057	-	-
Income tax payable	2,933	2,869	-	-
	59,449	56,895	241	344
Non-current liabilities				
Other payables and accruals	87	87	-	-
Deferred income	2,458	2,544	-	-
Lease liabilities	4,538	5,528	-	-
Interest bearing loans	10,583	7,924	-	-
Deferred tax liabilities	310	349	-	-
	17,976	16,432	-	-
Total liabilities	77,425	73,327	241	344
Net assets	209,738	201,074	169,824	169,985
Share capital and reserves				
Share capital	163,838	163,838	163,838	163,838
Treasury shares	(1,203)	(1,203)	(1,203)	(1,203)
Capital reserve	634	634	-	-
Employee share option reserve	923	619	592	288
Other reserve	158	158	-	-
Foreign currency translation reserve	3,224	1,458	-	-
Retained earnings	26,353	19,464	6,597	7,062
	193,927	184,968	169,824	169,985
Non-controlling interest	15,811	16,106	-	-
Total equity	209,738	201,074	169,824	169,985

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C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

<u>Group</u>	Share capital	Treasury shares	Capital reserve	Employee share option reserve	Foreign currency translation reserve	Retained earnings	Other reserves	Total	Non- controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 October 2024	163,838	(1,203)	634	619	1,458	19,464	158	184,968	16,106	201,074
Profit for the financial year	-	-	-	-	-	10,642	-	10,642	(1,447)	9,195
Other comprehensive income, net of tax	-	-	-	-	1,766	-	-	1,766	1,152	2,918
Total comprehensive income/ (loss) for the financial period	-	-	-	-	1,766	10,642	-	12,408	(295)	12,113
Dividends paid	-	-	-	-	-	(3,753)	-	(3,753)	-	(3,753)
Share options expenses	-	-	-	304	-	-	-	304	-	304
Balance as at 31 March 2025	163,838	(1,203)	634	923	3,224	26,353	158	193,927	15,811	209,738
Balance as at 1 October 2023	163,838	(1,203)	634	560	2,562	1,288	158	167,837	16,051	183,888
Profit for the financial year	-	-	-	-	-	21,700	-	21,700	2,207	23,907
Other comprehensive loss, net of tax	-	-	-	-	(1,104)	-	-	(1,104)	(2,152)	(3,256)
Total comprehensive income for the financial year	-	-	-	-	(1,104)	21,700	-	20,596	55	20,651
Dividends paid	-	-	-	-	-	(3,753)	-	(3,753)	-	(3,753)
Share options expired	-	-	-	(229)	-	229	-	-	-	-
Share options expenses	-	-	-	288	-	-	-	288	-	288
Balance as at 30 September 2024	163,838	(1,203)	634	619	1,458	19,464	158	184,968	16,106	201,074

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<u>Company</u>	Share capital S\$'000	Treasury shares S\$'000	Employee share option reserve S\$'000	Retained earnings S\$'000	Total S\$'000
Balance as at 1 October 2024	163,838	(1,203)	288	7,062	169,985
Total comprehensive income for the financial period	-	-	-	3,288	3,288
Dividends paid	-	-	-	(3,753)	(3,753)
Share options expenses	-	-	304	-	304
Balance as at 31 March 2025	163,838	(1,203)	592	6,597	169,824
Balance as at 1 October 2023	163,838	(1,203)	-	13,959	176,594
Total comprehensive loss for the financial year	-	-	-	(3,144)	(3,144)
Dividends paid	-	-	-	(3,753)	(3,753)
Share options expenses	-	-	288	-	288
Balance as at 30 September 2024	163,838	(1,203)	288	7,062	169,985

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOW

	Group	
	1HFY2025	1HFY2024
	S\$'000	S\$'000
Cash flow from operating activities		
Profit before income tax	9,956	13,190
Adjustments for:		
Depreciation of right-of-use assets	927	835
Depreciation of property, plant and equipment	5,612	5,706
Bad debts recovered	(6)	(5)
Interest expense	793	120
Interest income	(834)	(1,203)
Share of profits in joint ventures	(86)	(86)
Share based payment expense	304	-
Gain on disposal of property, plant and equipment	(7)	(730)
Foreign exchange difference	222	(714)
Operating profit before working capital changes	16,881	17,113
Movement in working capital		
Inventories	1,350	(1,166)
Trade and other receivables	(5,228)	(2,661)
Contract assets	1,751	(61)
Trade and other payables	5,124	2,268
Cash generated from operations	19,878	15,493
Income tax	(917)	(176)
Net cash generated from operating activities	18,961	15,317
Cash flows from investing activities		
Purchase of property, plant and equipment	(39,033)	(26,612)
Deposit received from sale of joint venture	4,736	-
Proceeds from disposal of property, plant and equipment	7	1,452
Repayment from a joint venture	704	1,203
Interest received	812	1,159
Net cash used in investing activities	(32,774)	(22,798)
Cash flows from financing activities		
Proceeds from term loans	17,488	-
Repayment of lease liabilities	(1,096)	(922)
Repayment of term loans	(24,407)	(539)
Dividends paid to equity holders of the parent	(3,753)	(3,753)
Net cash used in financing activities	(11,768)	(5,214)
Net decrease in cash and cash equivalents	(25,581)	(12,695)
Cash and cash equivalents at beginning of the period	65,865	61,285
Effect of exchange rate changes on cash and cash equivalents	2,379	(486)
Cash and cash equivalents at end of the financial period (Note 1)	42,663	48,104

Note 1

Cash and cash equivalent consist of:

Cash and bank balances

Fixed deposits

Total cash, bank balances and fixed deposits (as per statement of financial position)

Less: fixed deposits pledged

Cash and cash equivalent at the end of financial period (as per statement of cash flow)

26,767	16,206
18,852	33,713
45,619	49,919
(2,956)	(1,815)
42,663	48,104

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

Marco Polo Marine Ltd. (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). These condensed interim consolidated financial statements as at and for the six months ended 31 March 2025 comprise the Company and its subsidiaries (collectively, the Group).

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

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

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

2. Basis of Preparation

The condensed interim consolidated financial statements for the six months ended 31 March 2025 have been prepared in accordance with Singapore Financial Reporting Standard (International) ("SFRS(I)") 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 30 September 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 2.1.

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

2.1 New and amended standards adopted by the Group

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

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 September 2024.

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

3 Seasonal operations

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

4. Segment and revenue information

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

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

4.1 Business segments

	Ship chartering services S\$'000	Ship building and repair services S\$'000	Total operations S\$'000
1HFY2025			
External revenue	31,958	20,730	52,688
Reportable segment results from operating activities	9,337	3,195	12,532
Share of profits in joint ventures	86	-	86
Finance income	366	27	393
Finance costs	(529)	(264)	(793)
Unallocated corporate expenses, net			(2,262)
Profit before income tax			9,956
Income tax expense			(761)
Profit for the financial year			9,195
Reportable segment assets	223,378	57,271	280,649
Unallocated assets			6,514
Total assets			287,163
Reportable segment liabilities	34,960	37,086	72,046
Unallocated liabilities			5,379
Total liabilities			77,425
Capital expenditure	32,405	6,628	39,033

	Ship chartering services S\$'000	Ship building and repair services S\$'000	Total operations S\$'000
1HFY2024			
External revenue	32,864	28,707	61,571
Reportable segment results from operating activities	10,672	4,154	14,826
Share of profits in joint ventures	86	-	86
Finance income	484	21	505
Finance costs	(627)	(4)	(631)
Unallocated corporate expenses, net			(1,596)
Profit before income tax			13,190
Income tax expense			(1,185)
Profit for the financial year			12,005
Reportable segment assets	157,720	58,901	216,621
Unallocated assets			22,021
Total assets			238,642
Reportable segment liabilities	17,448	27,076	44,524
Unallocated liabilities			2,356
Total liabilities			46,880
Capital expenditure	25,973	639	26,612

4.2 Disaggregation of revenue

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

	Ship chartering services		Ship building and repair services		Sales of goods		Total	
	<u>1H</u>	<u>1H</u>	<u>1H</u>	<u>1H</u>	<u>1H</u>	<u>1H</u>	<u>1H</u>	<u>1H</u>
	<u>FY2025</u>	<u>FY2024</u>	<u>FY2025</u>	<u>FY2024</u>	<u>FY2025</u>	<u>FY2024</u>	<u>FY2025</u>	<u>FY2024</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Geographical markets^(a)								
Singapore	2,944	2,432	3,068	850	-	-	6,012	3,282
Indonesia	6,346	3,695	15,529	20,636	962	1,671	22,837	26,002
Taiwan	7,474	14,943	-	-	-	-	7,474	14,943
Thailand	12,726	8,547	-	4,200	-	-	12,726	12,747
Malaysia	2,468	3,247	425	823	-	-	2,893	4,070
Australia	-	-	617	-	-	-	617	-
Others	-	-	129	527	-	-	129	527
Total	31,958	32,864	19,768	27,036	962	1,671	52,688	61,571
Goods or services transferred at a point in time	-	-	15,724	16,126	962	1,671	16,686	17,797
Goods or services transferred overtime	31,958	32,864	4,044	10,910	-	-	36,002	43,774
Total	31,958	32,864	19,768	27,036	962	1,671	52,688	61,571

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

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 March 2025 and 30 September 2024:

	The Group		The Company	
	31 March 2025	30 September 2024	31 March 2025	30 September 2024
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Financial Assets				
Cash and bank balances, trade and other receivables and amounts due from joint ventures (Amortised cost)	79,804	99,969	168,759	165,810
Financial Liabilities				
Trade and other payables, lease liabilities and borrowings (Amortised cost)	70,689	66,578	241	344

6. Profit before income tax

Significant items

	Group		
	1HFY2025 S\$'000	1HFY2024 S\$'000	Change %
Income			
Interest income	834	1,203	(31)
Gain on disposal of property, plant and equipment	7	730	(99)
Sale of scrap materials	221	403	(45)
Net foreign currency exchange gain	1,019	-	NM
Expenses			
Depreciation of property, plant and equipment	5,612	5,706	(2)
Depreciation of right-of-use assets	927	835	11
Legal and professional fees	480	238	NM
Interest expenses	793	120	NM
Net foreign currency exchange loss	-	851	NM

7. Income tax expense

	Group	
	1HFY2025 S\$'000	1HFY2024 S\$'000
Current income tax		
- current financial year	802	1,173
- (over)/under provision in respect of prior year	(2)	51
	<u>800</u>	<u>1,224</u>
Deferred tax		
- Origination and reversal of temporary differences	(39)	(39)
	<u>(39)</u>	<u>(39)</u>
Income tax expense	<u>761</u>	<u>1,185</u>

8. Dividend

No dividend has been declared or recommended for the financial period ended 31 March 2025 (30 September 2024: S\$0.001 per ordinary share).

9. Net asset value

	Group		Company	
	31 March 2025 S\$'000	30 September 2024 S\$'000	31 March 2025 S\$'000	30 September 2024 S\$'000
Net asset value	<u>209,738</u>	<u>201,074</u>	<u>169,824</u>	<u>169,985</u>
Net asset value per ordinary share based on issued share capital (Singapore cents)	<u>5.6 cents</u>	<u>5.4 cents</u>	<u>4.5 cents</u>	<u>4.5 cents</u>

10. Property, plant and equipment

During the financial period ended 31 March 2025, the Group acquired property, plant and equipment amounting to S\$39,033,000 (30 September 2024: S\$69,839,000) and disposed and wrote off assets amounting to S\$ Nil (30 September 2024: S\$1,374,000).

11. Borrowings

	<u>Group</u>		<u>Company</u>	
	<u>31 March</u>	<u>30 September</u>	<u>31 March</u>	<u>30 September</u>
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<u>Amount repayable within one year, or on demand</u>				
Secured	17,675	25,057	-	-
<u>Amount repayable after one year</u>				
Secured	10,583	7,924	-	-

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

12. Share capital

	<u>Group and Company</u>			
	<u>31 March</u>	<u>30 September</u>	<u>31 March</u>	<u>30 September</u>
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	<u>Number of shares</u>		<u>S\$'000</u>	<u>S\$'000</u>
Issued and fully paid:				
At beginning and end of the financial period/year	3,757,850,480	3,757,850,480	163,838	163,838

The Company's subsidiaries do not hold any shares in the Company as at 31 March 2025 and 30 September 2024.

13. Treasury shares

	<u>Group and Company</u>			
	<u>31 March 2025</u>		<u>30 September 2024</u>	
	<u>Number of</u>		<u>Number of</u>	
	<u>shares</u>	<u>S\$'000</u>	<u>shares</u>	<u>S\$'000</u>
At beginning/end of the financial period/year	4,201,400	1,203	4,201,400	1,203

	<u>Group and Company</u>	
	<u>31 March 2025</u>	<u>30 September 2024</u>
Total number of issued Shares (excluding treasury shares)	3,753,649,080	3,753,649,080

There are 4,201,400 treasury shares and a total of 3,753,649,080 issued shares (excluding treasury shares) as at 31 March 2025 and 30 September 2024.

14. Subsequent events

There are no known subsequent events which led to adjustments to this set of interim financial statements.

F. OTHER INFORMATION REQUIRED BY LISITNG RULE APPENDIX 7.2

1. Review

The condensed consolidated statement of financial position of Marco Polo Marine Ltd. and its subsidiaries as at 31 March 2025 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the financial period ended 31 March 2025 and certain explanatory notes have not been audited or reviewed.

2. Review of financial performance of the Group

Our Group's revenues for 1HFY2025 (vis-à-vis 1HFY2024) were as follow:

	1HFY2025		1HFY2024		Change	
	S\$ m	%	S\$ m	%	S\$ m	%
Ship Chartering Operations	32.0	61	32.9	53	(0.9)	(3)
Ship Building & Repair Operations	20.7	39	28.7	47	(8.0)	(28)
	52.7	100	61.6	100	(8.9)	(14)

The Group recorded a revenue of S\$52.7 million in 1HFY2025, a decrease of 14% from that of S\$61.6 million registered in 1HFY2024. Despite the decline in revenue, net profit attributable to owners of the Company saw only a slight decrease of 4%, from S\$11.0 million in 1HFY2024 to S\$10.6 million in 1HFY2025.

The revenue derived from the Ship Chartering Operations of the Group decreased by 3% to S\$32.0 million in 1HFY2025 from S\$32.9 million in 1HFY2024. The decrease is primarily attributed to a decrease in rechartering of 3rd party vessels from Taiwan. The decrease in revenue from Ship Chartering was partially offset by an improvement in average fleet utilisation rate.

The Ship Building & Repair Operations of the Group recorded a decrease in revenue to S\$20.7 million in 1HFY2025 from S\$28.7 million in 1HFY2024. The decrease was mainly attributed to a reduction in the number of third party ship building projects under construction during the period.

The Group's gross profit decreased to S\$21.6 million in 1HFY2025 from S\$22.2 million in 1HFY2024 with the gross profit margin improved to 41% from 36%. The decrease in gross profit was mainly attributable to lower revenue from both Ship Chartering and Shipyard Operations. The improvement in gross profit margin was mainly due to the decrease in volume of rechartering of 3rd party vessels as these types of charters generally carry a lower profit margin.

The Group's other operating income decreased to S\$2.2 million in 1HFY2025 from S\$2.5 million in 1HFY2024, primarily due to reduction in gain on disposal of property, plant and equipment by S\$0.7 million, interest income by S\$0.4 million, and sale of scrap material by S\$0.2 million which was partially offset by an increase in foreign exchange gain by S\$1.0 million.

The Group's administrative expenses increased to S\$9.0 million in 1HFY2025 from S\$8.2 million in 1HFY2024. The increase was primarily attributed to an increase in staff costs by S\$0.4 million, mainly due to an increase in overall headcount and wages across the Group. In addition, there was a share option expenses of S\$0.3 million recognized in 1HFY2025 from the granting of options to employees of the Group and there were no such expenses in 1HFY2024.

The Group's other operating expenses increased to S\$4.2 million in 1HFY2025 from S\$3.3 million in 1HFY2024. The increase was mainly attributable to an increase in legal expenses by S\$0.3 million, an increase in depreciation expenses by S\$0.3 million and an increase in marketing expenses by S\$0.1 million.

The Group's finance costs have increased to S\$0.8 million in 1HFY2025 from S\$0.1 million in 1HFY2024, primarily due to the drawdown of loans for the construction of the Group's CSOV and for the construction of the fourth drydock at the Group's shipyard in Batam, Indonesia, during the last financial year.

The Group's income tax expense has decreased to S\$0.8 million in 1HFY2025 from S\$1.2 million in 1HFY2024. The decrease was primarily due to a reduction in taxable profits during the period.

The share of profits from the jointly controlled company maintained at S\$86,000 for both periods. This share of profits was mainly attributable to the Group's joint venture, Pelayaran Era Sdn Bhd.

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\$15.4 million in 1HFY2025 from S\$18.8 million in 1HFY2024.

3. Review of financial position of the Group as at 31 March 2025 compared to that as at 30 September 2024

The non-current assets of the Group increased by S\$35.4 million to S\$198.2 million as of 31 March 2025 from S\$162.8 million as of 30 September 2024. The increase was mainly attributed to the addition of property, plant and equipment, partially offset with the depreciation of property, plant and equipment, depreciation of right-of-use assets and the repayment of amount due from a joint venture.

Inventories of the Group decreased by S\$1.4 million to S\$2.3 million as of 31 March 2025 from S\$3.7 million as of 30 September 2024, mainly attributed to a decrease in purchase of raw materials for ship building projects.

Contract assets of the Group decreased by S\$1.7 million to S\$0.7 million as of 31 March 2025 from S\$2.4 million as of 30 September 2024. The decrease was mainly due to a decrease in unbilled invoices to customers in relation to work performed on the Group's shipbuilding projects.

Trade receivables of the Group increased by S\$5.0 million to S\$25.5 million as of 31 March 2025 from S\$20.5 million as of 30 September 2024. The increase was mainly due to better business performance during the last couple of months of 1HFY2025 and slower repayments made by certain customers, which led to higher trade receivables. Notwithstanding this trend, the Group has assessed that the provision for impairment of trade receivables is adequate at this juncture. As disclosed in the Group's financial statements that was published in the FY2024 Annual Report and in accordance with SFRS(I), the Group uses an allowance matrix to measure its expected credit loss for trade receivables and based on this allowance matrix.

The Group's other receivables, deposits and prepayment decreased by S\$1.3 million to S\$14.9 million as at 31 March 2025 from S\$16.2 million as at 30 September 2024. The decrease was primarily due to a reduction in deposit paid for equipment purchases related to ship building projects.

The Group's trade payables increased by S\$1.6 million to S\$17.0 million as at 31 March 2025 from S\$15.4 million as at 30 September 2024. The increase was mainly attributable to a higher volume of purchases from Ship Chartering Operations of the Group, as several charters commenced during the last couple of months of 1HFY2025.

The Group's other payables and accruals increased by S\$8.3 million to S\$19.9 million as at 31 March 2025 from S\$11.6 million as at 30 September 2024. These mainly consist of accrued operating expenses related to ship building and ship repair projects. The increase was mainly attributed to higher accrued costs for ship building projects and a deposit received from joint venture partner, SK Global Ltd, a indirect wholly-owned subsidiary of Nam Cheong Ltd, in connection with the disposal of the Group's shareholdings in a joint venture entity, Marco Polo Offshore (IV) Pte Ltd.

Lease liabilities of the Group decreased by S\$0.9 million to S\$6.4 million as at 31 March 2025 from S\$7.3 million from 30 September 2024. The decrease was mainly due to repayments made during the period.

The Group's interest-bearing loans decreased to S\$28.3 million as at 31 March 2025 from S\$33.0 million as at 30 September 2024. The decrease was mainly due to principal loan repayments made during the period, partially offset by additional loan drawdowns for the construction of fourth drydock at the Group's shipyard in Batam, Indonesia.

The Group reported a net cash generated from operating activities of S\$19.0 million for 1HFY2025, due to improved working capital management by the Group during the period. The net cash used in investing activities of S\$32.8 million for 1HFY2025 was mainly due to the capital expenditure for the purchase of property, plant and equipment partially offset with deposit received from sale of joint venture and interest income received. The net cash used in financing activities of S\$11.8 million was mainly due to the repayment of term loans and dividend paid to equity holders which was partially offset with proceeds from term loans. Overall, the cash and cash equivalent of the Group decreased to S\$45.6 million as at 31 March 2025 as compared to S\$68.8 million in as at 30 September 2024.

Following from the above:

- (i) the working capital of the Group decreased to S\$29.5 million as at 31 March 2025 from S\$54.7 million as at 30 September 2024;
- (ii) the net gearing of the Group (defined as the ratio of the aggregate of interest-bearing loans net of cash and cash equivalents to total equity) remained at Nil as at 31 March 2025 and 30 September 2024; and
- (iii) the net asset value per share of the Group increased to 5.6 cents as at 31 March 2025 from 5.4 cents as at 30 September 2024.

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

Not applicable.

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

The offshore oil and gas industry continues to project a stable outlook, even amidst geopolitical uncertainties and macroeconomic challenges stemming from supply constraints caused by prolonged underinvestment during previous market downturns. Meanwhile, the offshore wind sector is expecting growth, driven by heightened investments in the energy transition and a strategic emphasis on energy security. This trend is anticipated to spur increased demand for specialized vessels involved in the construction, installation, and maintenance of wind farm infrastructure. However, uncertainties surrounding tariffs imposed by the US on critical components and raw materials could impact project costs and supply chain stability, posing potential challenges to both sectors' growth trajectories.

For the ship chartering business, the OSV market remains stable, supported by demand from offshore wind farms and the oil and gas industries. With the commencement of the Group's CSOV and its three new CTVs in Taiwan in 3QFY2025, these vessels are expected to contribute to the Group's revenue, with more pronounced benefits materializing in FY2026. However, the Group notes that the decline in demand for the re-chartering of third-party vessels in Taiwan, which led to a revenue reduction in 1HFY2025, is likely to persist through the remainder of the fiscal year.

For the shipyard division, demand for the Group's drydocks at its Batam shipyard remains healthy, as reflected in their high utilization rates. The expected completion of the fourth drydock in May 2025 is anticipated to support ship repair revenue growth from 2HFY2025, though the full impact will be more visible in FY2026. That said, shipbuilding activities are expected to moderate, with momentum slowing as progressive deliveries are completed in 2HFY2025.

As the global energy landscape evolves amidst both transitional shifts and geopolitical-economic volatility, the Group plans to strategically pursue these emerging opportunities. The organization aims to achieve revenue growth while implementing prudent risk management strategies to address the complexities of these dynamic markets. The Company targets to release further updates on its business and operations on 14 May 2025.

Some of the statements in this release constitute "forward-looking statements" that do not directly or exclusively relate to historical facts. These forward-looking statements reflect our current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside our control. Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks and factors such as general economic and business conditions, including the uncertainties of the pace of recovery of the United States of America economy, continued concerns of the scale of the possible adverse fallouts and their implications on the global scene triggered by the current Euro zone debt crisis, inflationary pressures and currency appreciation which will affect the continued strong growth in Asia, especially East Asia; timing or delay in signing, commencement, implementation and performance of programs, or the delivery of products or services under them; relationships with customers; competition; and ability to attract personnel. Because actual results could differ materially from our intentions, plans, expectations, assumptions and beliefs about the future and any negative impacts arising from these issues will affect the performance of the Group's businesses, undue reliance must not be placed on these statements.

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

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

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

In aggregate, there are no 2015 ESOS Options outstanding as at 31 March 2025 (30 September 2024: 2,150,000) and 43,180,000 2024 ESOS Options as at 31 March 2025 outstanding (30 September 2024: 43,180,000), which are capable of being exercised into Shares.

Save as disclosed, the Company has no outstanding convertibles as at 31 March 2025 and 30 September 2024.

The information on the changes in the Company's share capital and total number of issued ordinary shares can be found on page 11, Note 12 of this announcement.

7. Dividend

((a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Nil.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Nil.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared for the six months ended 31 March 2025 by the Company as the declaration of dividends will be determined at year end.

9. Interested Person Transactions

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

MARCO POLO MARINE LTD

Company Registration No. 200610073Z

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

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sean Lee Yun Feng
Executive Director and Chief Executive Officer

9 May 2025